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No 52

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)

DEPARTMENT OF WATER AFFAIRS AND FORESTRY  
THE REPUBLIC OF SOUTH AFRICA

THE STUDY  
ON  
THE EXPANSION OF CAPACITY OF  
MAGALIES WATER  
IN  
THE REPUBLIC OF SOUTH AFRICA  
(PHASE 1)

FINAL REPORT

SUPPORTING REPORT (A)  
GENERAL AFFAIRS

DECEMBER 1996

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## SUPPORTING REPORT A : GENERAL AFFAIRS

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## CHAPTER 1 INTRODUCTION

### 1.1 Background

In August 1995, the Governments of South Africa and Japan agreed the scope of work for a technical cooperation programme focused on the expansion of the capacity of Magalies Water (MW). The Japan International Cooperation Agency (JICA) is currently undertaking the study in close cooperation with the Department of Water Affairs and Forestry (DWAF) in South Africa. The initiative to expand the capacity of Magalies Water is a direct outcome of South Africa's new Water and Sanitation policy, which is based on the Reconstruction and Development Programme (RDP). In terms of the policy, institutions like Magalies Water will extend bulk supply networks in the longer term, and will assist in stimulating and supporting local level water supply and management institutions in the short to medium term.

The overall framework of the JICA Study is as follows:

#### Phase 1 - Formulation of a Master Plan

##### Stage 1 - Situational Analysis

##### Stage 2 - Formulation of a Master Plan up to the year 2015 and priority projects to the year 2002

##### Stage 3 - Recommendations on study methods and terms of reference for Phases 2 and 3

#### Phase 2 - Feasibility Study on priority projects

#### Phase 3 - Implementation of selected water supply and sanitation pilot initiatives

Against the background of the overall framework described above, the present JICA Study is concerned only with the Phase 1, formulation of an overall and strategic framework / master plan for the appropriately phased, long term, sustainable development of water supply infrastructure and sanitation, including appropriate Second and Third Tier support, in the Study Area. The formulation of a priority project to the year 2002, and an extended programme up to the year 2015 is included in the present JICA Study.

The first Stage of this Phase was a Situational Analysis. The purpose of this was to understand the socio-economic conditions, hydrological and hydrogeological resources, demand for water, supply of water, existence and condition of infrastructure, present standard and coverage of services, environmental conditions, policy implications, capacity and roles of the First, Second and Third Tiers, water supply attitudes and practices at the community level, financial situation, and water tariffs and cost recovery systems.

The second Stage of the Phase was to formulate a Master Plan and included the Gap Analysis and the Preliminary Study of Water Supply Systems (Technical Solutions). The objective of the Gap Analysis was to establish a complete understanding of the Gap between the current state (institutional, technical and financial), of water infrastructures in the Study Area and the desired future state, as presented in the Water Supply and Sanitation White Paper. The current state was determined in the Situational Analysis. The future state is identified through key policy documents such as the White Paper on Water Supply and Sanitation, as well as the needs and expectations of the communities and other consumers in the Study Area.

The objective of the Technical Solution was to quantify the technical requirements to achieve the standards and levels of service identified in the desired future state and bridge the Gap mapped out in the Gap Analysis.

## **1.2 Composition of this Report**

The Final Report is composed of an Executive Summary, Main Report, Supporting Reports and a Data Book. Each Supporting Report covers an individual part of the Study and has been prepared to provide detailed information to the more interested or specialist reader. The Supporting Reports are as follows:

- A General Affairs
- B Situational Analysis
- C Gap Analysis
- D Policy and Strategy Options
- E Preliminary Study of Water Supply System
- F Institutional Development Plan
- G Economic/Financial Analysis

The Data Book contains primary data and information, and only a limited number of hard copies will be produced which will be held by key stakeholders (such as DWAF and Magalies Water). The contents of the Data Book will be made available in electronic format whenever applicable.

## **1.3 Supporting Report A**

This Supporting Report A is contained copies of the Agreement of the JICA Study, Project Management members and Minutes of Meeting recorded during the course of Phase 1 study in the RSA.



## **CHAPTER 2 AGREEMENT**

**Copies of the Agreement (Scope of Works for the Study) which has been concluded between the Government of Japan and Republic of South Africa for the Study is attached in this chapter.**



# AGREEMENT

STUDY ON THE  
EXPANSION OF CAPACITY  
OF MAGALIES WATER IN  
THE REPUBLIC OF SOUTH AFRICA

AGREED BETWEEN

DEPARTMENT OF WATER AFFAIRS  
AND FORESTRY

AND

JAPAN INTERNATIONAL  
COOPERATION AGENCY

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4 August 1995  
Pretoria

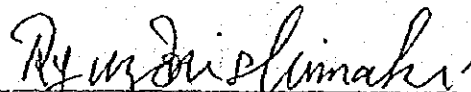
SCOPE OF WORK  
FOR  
THE STUDY ON  
EXPANSION OF THE CAPACITY OF MAGALIES WATER  
IN THE REPUBLIC OF SOUTH AFRICA

AGREED UPON BETWEEN  
DEPARTMENT OF WATER AFFAIRS AND FORESTRY  
AND  
JAPAN INTERNATIONAL COOPERATION AGENCY

Pretoria, 4th. August 1995



Mr. M. Muller  
Deputy Director General,  
Department of Water  
Affairs and Forestry



Mr. Ryuzo Nishimaki  
Leader, Preparatory Study Team  
Japan International  
Cooperation Agency

## I. INTRODUCTION

In response to the request of the Government of the Republic of South Africa (hereinafter referred to as "the Government of South Africa"), the Government of Japan has decided to conduct the Study on Expansion of the capacity of Magalies Water in the Republic of South Africa (hereinafter referred to as "the Study") in accordance with the relevant laws and regulations in force in Japan.

Accordingly, Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programs of the Government of Japan, will undertake the Study, in close cooperation with the authorities concerned of the Government of South Africa.

This document sets forth the Scope of Work with regard to the Study which will become effective on the date of the exchange of diplomatic notes concerning the Study between the Government of Japan and the Government of the Republic of South Africa.

## II. OBJECTIVES OF THE STUDY

The objectives of the Study are:

1. to formulate an overall and strategic framework/master plan for the appropriately phased, long-term, sustainable development of the water supply infrastructure and development of sanitation, including appropriate 2nd. and 3rd. tier support, in the extended supply area of Magalies Water (MW). A priority program up to the year 2002, and an extended program up to 2015 should be included.
2. to conduct a feasibility study for priority project(s) to be selected from the strategic framework/master plan to promote water supply services in the study area and to consider sanitation options; and
3. to share technology on planning methods and skills with the counterpart personnel of Magalies Water and the Department of Water Affairs and Forestry (DWAF), and other participating organizations.

## III. STUDY AREA

The study area will be as defined in Appendix 1. This area is described as the "extended supply area" (ESA) throughout this document. The ESA is the provisional core area for the study, but it is also acknowledged that the boundary might be adjusted to incorporate or exclude some peripheral areas.

## IV. SCOPE OF THE STUDY

In order to achieve the above objectives, the Japanese study team (hereinafter referred to as "the Team") will conduct the Study which shall cover the following:

### Background

In terms of South Africa's new water supply and sanitation policy, a specific challenge is to transform and empower institutions in the sector so that all communities in the country have access to water and sanitation services, and the support they need to sustain them. The basic elements of the water supply

and sanitation policy are presented in the White Paper on Water Supply and Sanitation, which in turn refers to the Reconstruction and Development Programme (RDP).

In terms of policy, Water Boards will play an important bulk supply role in the long term. During the transitional period, however, the Boards are expected to stimulate and support 3rd. tier water supply institutions and to ensure service delivery. They also have the potential to extend water supply networks to areas previously denied formal water provision.

#### Definitions Used in the Document

DWAF-Department of Water Affairs and Forestry

MW-Magalies Water

ESA- The extended supply area of the water board

NWWA-North-West Water Authority

JICA- Japan International Cooperation Agency

RDP- Reconstruction and Development Programme

ODA - Overseas Development Agency

DANIDA- Danish International Development Agency

NPV - Net Present Value

DCF- Discounted Cash Flow

PSC - Project Steering Committee

CAPEX- Capital Expenditure

#### Four Major Outputs

The study will produce four major outputs which will be recommendations on:

- 1 Confirmation of the extended supply area and the configuration of internal business unit ,
- 2 The organizational adaptation and extension of the 2nd. tier in the ESA , in relation to water supply and sanitation,
- 3 The establishment and / or reinforcement of effective 3rd.tier structures in the ESA, in relation to water supply and sanitation, and
- 4 The formulation of a capital investment plan

#### Phases of the Study

The first phase of the study will lead to the formulation of a strategic framework/master plan. Subsequent phases will focus on the selection and implementation of water supply and sanitation pilot projects.

The framework of the study is as follows :

Phase 1 - Formulation of a Master Plan

This phase can be sub-divided into four stages as follows :

Stage 1 - Situational analysis

Stage 2 - Formulation of policy and strategy

Stage 3 - Water supply technical alternatives - pre-feasibility studies

Stage 4 - Recommendations for a quality assurance and control programme , and terms of reference for Phases 2 and 3.

Phase 2 - Feasibility study on priority projects

Phase 3 - Implementation of selected water supply and sanitation pilot initiatives

### Project Management

The study will be managed by a Project Steering Committee (PSC). Representation must include MW (CEO); NWWA; DWAF; Provincial Governments; JICA and selected representatives of the technical assistance team. The PSC will meet at approximately three-month intervals, and timing will be based on major milestones, particularly the submission of major reports. The PSC will not have executive powers with respect to MW and NWWA. The PSC will make recommendations to DWAF. These will also be referred to the management of MW and NWWA.

Three Project Working Groups (PWGs) will oversee activities in the 2nd. tier, 3rd. tier and capital investment plan contexts. Representation should reflect key stakeholders in each context, but must include MW, NWWA, DWAF and the Team. The purpose of the PWGs is ensure the effective implementation of the study in the most practical way.

### Study framework

#### 1 Phase 1: strategic framework/master plan

##### 1.1 Stage 1 - Situational Analysis

The situational analysis will form a foundation for all four outputs. The essential components are as follows :

##### 1.1.1 Investigation of peripheral areas

The peripheral areas to be included in the situational analysis will be identified and will be an input into the process design for the analysis.

##### 1.1.2 Review of policy regarding 2nd.-tier roles and responsibilities

Review of policy relating to 2nd. tier organizations. Material consulted should include :

RDP documents

Water supply and sanitation white paper

Documentation on review of water laws

Draft report on scope and function of Water Boards

Legislation on local government functions

Consultation with relevant DWAF, RDP and provincial officials

##### 1.1.3 Issue scoping with stakeholders

This task will involve interaction with stakeholders such as :

a) MW (management and staff)

- b) NWWA
- c) Selected customers
- d) DWAF, Provincial Government
- e) 3rd. tier structures

The purpose of the exercise is to obtain a broad spectrum of views regarding the problems and prospects of the study.

#### 1.1.4 Profile of the 2nd. tier

Assemble a picture of how MW and NWWA (in the ESA) are configured with regard to the following :

- a) present operational structures
- b) functions, roles and responsibilities
- c) operational systems, policies and procedures
- d) costs of bulk water purchases
- e) cost recovery structures
- f) Income vs. expenditure
- g) short and long term financial obligations

This task will not require detailed research. However, the information will inform an analysis of the implications of serving an extended supply area in Stage 2.

#### 1.1.5 Background study

Understanding of the present conditions in the study area through the collection and interpretation of existing data and documents, interviews and field observations on:

- a) climate, topography, geology, hydrology, hydrogeology, etc.
- b) social and economic conditions and trends
- c) health and hygienic conditions of population
- d) environmental conditions, legislation and policies
- e) regional and urban development plans and policies
- f) established land use plans

#### 1.1.6 3rd. tier audit

a) Conduct an extensive evaluation of the capacity, roles and potential of the 3rd Tier. This study should aim at revealing the contribution that elements of this sector might make towards achieving an effective water supply and sanitation system in terms of the vision outlined in the White Paper.

b) Conduct an in depth analysis of the strengths and weaknesses of 3rd tier organizations with respect to water supply and sanitation issue. The organizations investigated will be selected from the full spectrum of 3rd. tier actors, with a view to determining the appropriate support action to be undertaken by the 2nd. tier.

The following issues should form part of the investigation of 3rd.



Other structures:

- a) Political and organizational dynamics
- b) Legal and institutional aspects
- c) Management
- d) Technical competence/ capacity
- e) Training competence/ capacity
- f) Community acceptability
- g) Transitional issues

The list of such organizations should include:

- a) Institutions replacing the present Regional Services Council system
- b) Local authorities established under the provisions of the Interim constitution
- c) Tribal authorities
- d) Development committees and other local structures
- e) Non-government organizations
- f) Training and capacity-building organizations
- g) Local water committees
- h) Others

#### 1.1.7 Community case studies

Case studies of selected communities to determine :

- a) Current water supply and sanitation status
- b) Views on service levels and tariffs
- c) Willingness and ability to pay
- d) Organizational and political dynamics
- e) Local human resource capacity
- f) Local water initiatives

#### 1.1.8 Water study

The water-related component of the background study should look at :

- a) Existing water supply and sanitation services with regard to :
  - i) policy frameworks
  - ii) physical components, such as water sources (surface and groundwater)
  - iii) physical status, operation and maintenance of facilities
  - iv) legal and institutional issues
  - v) social issues
  - vi) cost recovery and economic issues (including collection agencies)
  - vii) environmental issues.
- b) Water demand forecasts up to the year 2015 through projections on:
  - i) population growth and urbanization
  - ii) economic growth and changes in living conditions

- c) Studies and on-going projects related to the water supply and sanitation sector including RDP, DANIDA, ODA projects.

#### 1.1.9 Task allocation

Tasks 2.1 - 2.5 will be managed by the 2nd. Tier PWG. The 3rd. Tier PWG will manage 2.6 - 2.8, and the Capital Investment PWG 2.9.

### 1.2 Stage 2 - Policy Formulation and Strategy Definition by Means of Workshops

#### 1.2.1 Gap analysis

Conduct a comprehensive gap analysis to determine which issues require attention if the 2nd. and 3rd. tiers in the ESA are to operate effectively. Inputs will be all the reports from Stage 1.

- a) Review and process Stage 1 information.
- b) Conduct workshops with key stakeholders including :
  - i) MW
  - ii) NWWA
  - iii) DWAF
  - iv) Provinces
  - v) Regional bodies
  - vi) Local authorities
  - vii) Tribal authorities
  - viii) Community organizations
  - ix) Other relevant stakeholders

These workshops will generate a spectrum of views regarding the challenge to the 2nd. and 3rd. tiers in the ESA, and regarding what has to be done to meet these. The results are an input into 3.2.

#### 1.2.2 Policy and strategy recommendations/plans

Based on the gap analysis, task groups will formulate policy and strategy recommendations and draft implementation plans regarding :

- a) Human resources issues. These might include :
  - i) human resources required for new roles
  - ii) Job descriptions for new roles
  - iii) placement of staff
  - iv) training requirements.
- b) Managerial and operational issues. These might include :
  - i) managerial capacity
  - ii) Institutional and organizational structure
  - iii) staffing and manpower development
  - iv) financial management and effective revenue collection

- v) the nature and brief of extension services
- c) Financial Issues. These might include:
- i) preliminary cost estimates (capital projects and operation and maintenance)
  - ii) cost recovery targets
  - iii) policy on mobilizing financial resources for investment
  - iv) tariff policy and billing system
  - v) financial assurance
  - vi) capital financing plan
  - vii) non-payment policy
  - viii) connection fee and subsidy policy
- d) Pros and cons of business unit proposals.
- e) Revised supply area boundary.
- f) 3rd. Tier support issues.
- i) Formulate a strategic plan that would ensure that relevant and affordable support is provided to 3rd Tier urban, peri-urban and rural organizations, and that the necessary working relationships are formalized and developed.
  - ii) Determine what the new role and functions of the 2nd. Tier is with regard to supporting the 3rd Tier.
  - iii) Formulate and implement a transition plan that is responsive to i) and ii) above.

The following issues should be included in these discussions:

- i) training program
  - ii) communication program
  - iii) institutional program (including the legal establishment of Local Water Committees)
  - iv) training program for trainers
  - v) monitoring
  - vi) nature and duration of support from 2nd. Tier, eg. technical assistance, financial assistance
  - vii) auditing the needs/performance of local water committees, including organizational, legal, financial and technical issues.
- g) Communication Issues
- i) Formulate a communication strategy for stakeholders
    - analysis of communication problems
    - assessment of available tools for communication
    - organizational context of communication
  - ii) Monitoring the quality of communication between 2nd. Tier and first and 3rd. Tier stakeholders
    - examination of communication tools

feedback from the audience groups  
analysis of effectiveness  
making improved alternatives

### 1.2.3 Task allocation

Tasks (a - e) will be the responsibility of the 2nd. Tier PWG; f) and g) will be managed by the 3rd. Tier PWG.

The combined product of Stage 2 will be a phased implementation or transition plan.

## 1.3 Stage 3 - Development of technical solutions - pre-feasibility studies for new and existing projects and facilities

### 1.3.1 Development of technical solutions

Outputs from the situational analysis will inform on which new areas need a potable supply of water and which existing facilities should be refurbished or upgraded. The activities necessary to develop the solutions during this stage are as follows :

a) Technical solutions will be developed for each identified deficient consumer group by considering :

- i) source of water - existing surface or groundwater sources or potential new undeveloped sources. [Liaison with DWAF will be essential to verify the existing water supply planning framework for the ESA],
- ii) capacity of existing treatment facilities within the existing supply area,
- iii) bulk supply distribution arrangements in the present area of supply and the potential to extend these lines into the new areas of supply,
- iv) the potential to supplement existing surface water resources by means of conjunctive use of groundwater.

b) The overall sustainability of the technical solutions developed will be evaluated using the following criteria :

- i) technical soundness
- ii) cost per capita supplied (CAPEX/number of consumers)
- iii) estimated CAPEX, operational and maintenance costs
- iv) NPV of the scheme using DCF techniques and varying discount rates. [Projected operational and maintenance costs are to be included as is the envisaged consumer demand]
- v) the sensitivity of the success of a technical solution to factors such as willingness to pay, variations in demand and migratory and development patterns.
- vi) environmental impacts (biophysical)
- vii) social impact and acceptance towards the impact

- viii) staffing and manpower development necessary to support and develop 3rd tier structures
- ix) efficiency of the operational arrangement

Broad sanitation options will be considered against the background of the water supply solutions, and if feasible and appropriate might be included as an additional component of the pilot projects in one or more.

- c) Preliminary prioritization of areas (to be supplied) or projects by means of workshops with the stakeholders.

### 1.3.2 Initial Capital Investment plan

Once the technical alternatives are sufficiently developed an Initial Capital Investment Plan can be developed by means of the following tasks:

- a) Assemble preliminary cost estimates of new capital projects and expansions or refurbishment of existing projects.
- b) Extend financial assessment of the studies by the inclusion of:
  - i) Full cost of operation and maintenance
  - ii) Cost of Investment-Capital Cost (debt interest and redemption)
  - iii) Cost of overheads
  - iv) Show preliminary cash flow statement on expected stream of income (based on tariffs) and expenditures (based on capital and O&M expenses).
  - v) Expected subsidies.
- c) Evaluate financial viability of new and existing projects and the value of the asset base of existing infrastructure.
- d) Formulation and differentiation of tariffs for the spectrum of consumers in the project area taking cognizance of:
  - i) existing bulk users (Industries, established municipalities etc.)
  - ii) new communities requiring an amount of financial assistance,
  - iii) communities requiring full subsidization,
  - iv) connection fees,
- e) Evaluate appropriate metering and billing procedures.
- f) Prepare an Initial Capital Investment Plan which would include:
  - i) Listing of assets to secure financing of capital expenditure for alterations/extensions to existing water works.
  - ii) Mobilization of financial resources for short-term financing (for alterations/refurbishment to existing facilities) and long-term financing (for new capital projects).
  - iii) Evaluate use of available financial(debt) instruments



eg. Variable vs. fixed loans and Internal loans vs. foreign aid and foreign denominated currency loans.

### 1.3.3 Pre-feasibility Report

a) A report will be prepared which will document the alternatives considered, the financial analysis and a review of the sustainability of the project based on funding and tariff alternatives .

b) make recommendations regarding actions to be implemented in stage 4 and Phase 2 and 3.

### 1.3.4 2nd. and 3rd. Tier Implementation Plans

The 2nd. and 3rd. tier implementation plans generated in Stage Two should inform the pre-feasibility deliberations of Stage Three. In addition, the recommendations should be submitted to DWAF and the management of MW and NWWA. If the recommendations imply significant organizational changes, various task groups will be required to obtain a mandate from the above organizations to develop terms of reference for the implementation of change management programmes where these are deemed necessary.

During Stage3, preliminary community training programmes and curricula should be prepared, and discussed with potential 3rd. tier training agents.

## 1.4 Stage 4 - Executive Summary and TOR for phase 2 and phase 3

### 1.4.1 Executive Summary

The findings of Phase 1 of the project will be summarized and presented to the PSC by way of an executive summary.

### 1.4.2 TOR for Phase 2 and 3

A detailed TOR will be developed for phase 2 and 3 of the project, including TOR for organizational change processes. The latter must be mandated in terms of 1.3.4 above.

## 2 Phase 2 : Feasibility studies on selected priority projects

### 2.1 Selection of priority projects

An output from Phase 1 stage 3 will be a number of identified projects and associated technical alternatives. Assuming that budget or cash flow constraints will preclude a number of these projects, a list of priority projects will need to be compiled. The compilation of projects that will be studied during Phase 2 will be evaluated using the following criteria.

- i) sustainability of the project
- ii) cost effectiveness of the project
- iii) acceptability of the project by the envisaged consumer base
- iv) acceptance by the PSC
- v) complementarity with development proposals in the area

## 2.2 Supplementary data collection

Supplementary data collection including detailed topographical, geological and hydrogeological surveys may be required during this phase of the project.

## 2.3 Population and Water demand surveys

- a) Population estimates obtained in Phase 1 will be checked by means of field surveys and a statistical evaluation of the resultant data sets.
- b) The water demand model used in phase 1 stage 2 and 3 of the project will be re-evaluated using data collected from field altitude, affordability and acceptance surveys. A demand model for each consumer group will be established.

## 2.4 Preliminary design

- a) Safe yield evaluations based on risk of failures and aquifer recharge will be conducted for the proposed water sources.
- b) Pipeline route surveys will be undertaken and the positioning of infrastructure will be determined.
- c) Secondary reticulation routes will be determined and staked in consultation with local water committees.
- d) Land acquisition for servitudes to pipeline routes will be initiated. Objections will be noted and possible alternative routes considered.
- e) Design of pipelines, facilities and equipment.
- f) A detailed cost estimate of the scheme will be carried out and the DCF analysis initiated in the phase 1 portion of the study will be recalculated with the new information derived from this phase of the project.

## 2.5 Final Capital Investment plan

- a) Detailed cost estimates of new capital projects will be assembled and alterations and extensions to existing facilities will be evaluated
- b) Final tariff settings will be evaluated in the light of the more

detailed capital expenditure, operational and maintenance costs.

c) A Final Capital Investment Plan will be prepared which will include:

- i) List of assets
- ii) Confirmation of financial resources for financing
- iii) Finalize available financial (debt) instruments
- iv) Recommendations regarding financing of the identified projects
- v) A projected cash flow for the implementation of the identified projects.

2.6 Institutional, organizational and personnel requirements for the implementation of the project(s) will be developed

2.7 An Initial Environmental Impact Assessment (Initial EIA) will be carried out for the projects identified

2.8 Project implementation plans will be developed for use in Phase 3

2.9 A Feasibility report will be prepared documenting the work carried out and recommending pilot projects to be undertaken in Phase 3 of the study.

2.10 Implementation of Organizational Change

If mandated in terms of 1.3.4, the organizational change tasks developed in Stage 3 should be implemented here, to be sure that capacity to implement pilot projects is in place.

### 3 Phase 3 - Implementation of selected Pilot Projects

3.1 Ratification of the selected pilot projects

The projects recommended for implementation as pilot projects will be implemented on the recommendation of the PSC in consultation with the DWAF.

3.2 Detailed design of the components of the selected pilot projects

Detailed design activities will include:

- i) finalization of pipe classes and sizes
- ii) treatment facilities and chemical processes required to obtain the required water quality.
- iii) structural design of the associated facilities eg reservoirs, treatment plants etc.
- iv) telemetry control (if required)



- v) flow control and metering
- vi) pump design and required electrical reticulation
- vii) drilling of boreholes and the installation of pumps as required.
- viii) production of detailed construction drawings.

### 3.3 Preparation of Tender Documentation

Tender documents for the projects will be developed which will include contractual arrangements, technical specifications and schedules of quantity.

### 3.4 Adjudication of Tenders and the award of Contracts

Adjudication of the tenders will be completed and recommendations made to the PSC for implementation.

Award of Contracts will be done on the recommendation of the PSC.

### 3.5 Financial Control

a) Control measures will be put in place during the construction phase to monitor the budget established in the Capital Investment Plan.

b) Financial reporting and monitoring during the implementation of the projects.

### 3.6 Contract Supervision

The implementation of the projects will be supervised by the project team.

### 3.7 Training

It is envisaged that during the implementation phase capacity building of local bodies will be undertaken. Once the schemes are commissioned further training will be undertaken and a monitoring phase will be initiated.

### 3.8 Commissioning and Hand over

The projects will be commissioned and handed over to the respective operating bodies.

A detailed set of as built drawings will be completed together with an operating manual and recommended maintenance procedures.

## V. STUDY SCHEDULE

The Study will be carried out in accordance with the tentative schedule attached in Appendix 2.

## VI. REPORTS

JICA will prepare and submit the following reports in English to the Government of South Africa;

### 1. Draft Inception Report

Thirty (30) copies at the beginning of the first work in South Africa.

### 2. Inception Report(1)

Thirty (30) copies within 1 month after the commencement of the first work in South Africa.

### 3. Progress Report

Thirty (30) copies at the end of the first work in South Africa.

### 4. Interim Report

Thirty (30) copies at the end of the 2nd. work in South Africa.

### 5. Inception Report(2)

Thirty (30) copies at the beginning of the 3rd. work in South Africa.

### 6. Draft Final Report

Thirty (30) copies at the beginning of the fourth work in South Africa. The Government of South Africa will submit their comments to JICA within thirty (30) days after receipt of the Draft Final Report.

### 7. Final Report

Fifty (50) copies within sixty (60) days, after JICA's receipt of comments on the Draft Final Report.

## VII. UNDERTAKINGS OF DEPARTMENT OF WATER AFFAIRS AND FORESTRY (DWAF)

1. To facilitate the smooth conduct of the Study, DWAF shall take the following necessary measures:

- (1) to secure permission for entry into private properties or restricted areas for the conduct of the Study,
- (2) to secure permission for the Team to take all data and documents (including photographs and maps) related to the Study out of South Africa to Japan, and
- (3) to provide medical services as needed. Its expenses will be chargeable on members of the Team.

2. DWAF shall bear claims, if any arises, against the members of the Team

resulting from, occurring in the course of, or otherwise connected with, discharge of their duties in the implementation of the Study, except when such claims arise from gross negligence or willful misconduct on the part of the members of the Team.

3. DWAF shall act as the counterpart agency to the Team and also as the coordinating body in relation with other governmental and non-governmental organizations concerned for the smooth implementation of the Study.

4. DWAF shall, at its own expense, provide the Team with the following, in cooperation with other organizations concerned:

(1) available data and information related to the Study,

(2) necessary number of counterpart personnel,

(3) suitable office space with necessary equipment and clerical services in Pretoria,

(4) credentials or identification cards, and

(5) appropriate number of vehicles with drivers.

#### VIII. UNDERTAKINGS OF JICA

For the implementation of Study, JICA shall take the following measures:

1. to dispatch, at its own expense, the Study Team to South Africa.

2. to pursue technology transfer to the South Africa counterpart personnel in the course of the Study.

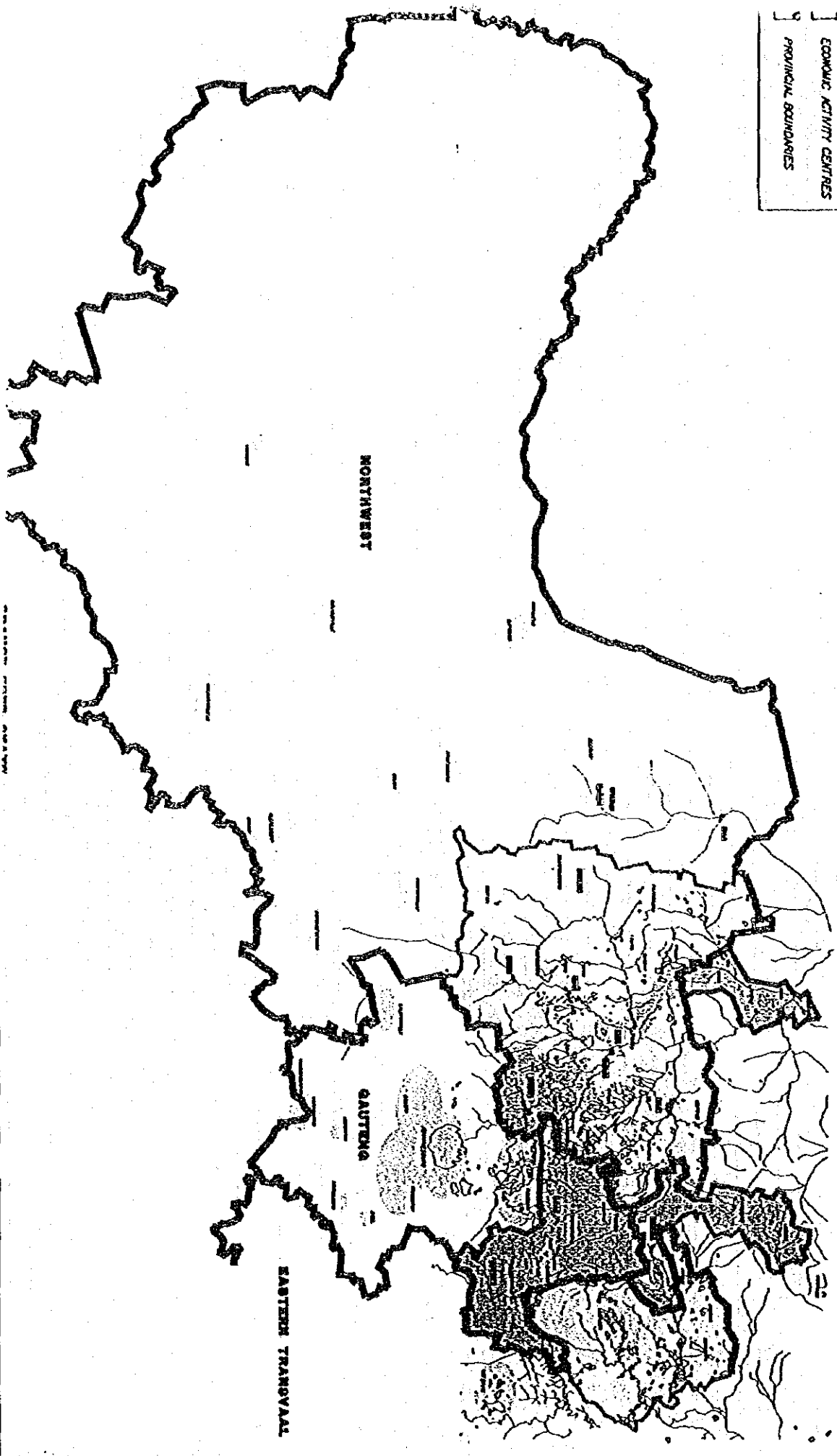
#### IX. RESOLUTION OF PROBLEMS

JICA and DWAF shall consult with each other with respect to any matter that may arise from or in connection with the Study.

NO. 1

- PROPOSED SUPPLY AREA
- EXISTING SUPPLY AREA
- ECONOMIC ACTIVITY CENTRES
- PROVINCIAL BOUNDARIES

Study Area



NORTHERN TRANSVAAL

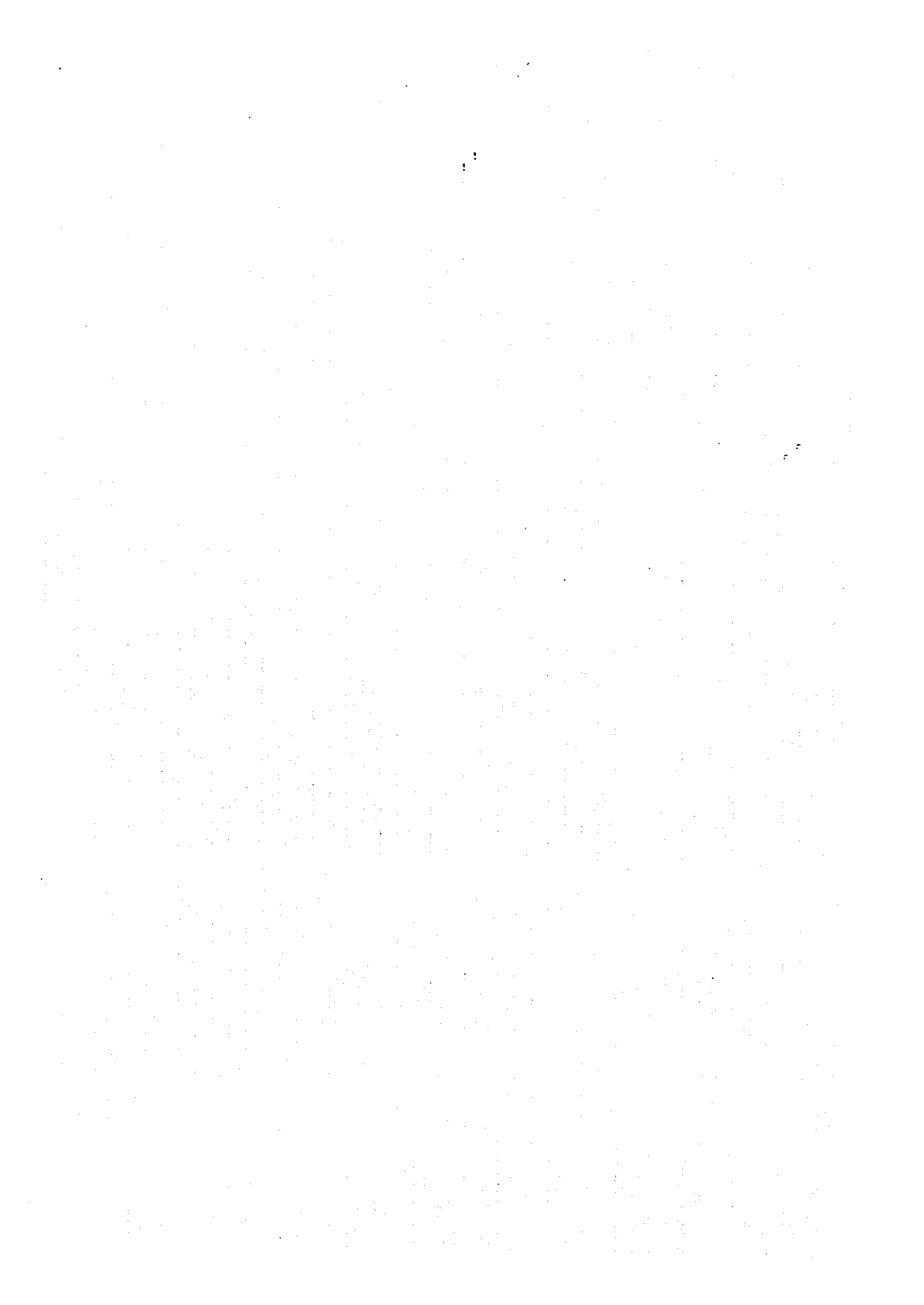
EASTERN TRANSVAAL

The Study on  
Expansion of the capacity of Magalies Water  
In the Republic of South Africa

TENTATIVE SCHEDULE

MONTH DESCRIPTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
WORK IN SOUTH AFRICA	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
WORK IN JAPAN	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□	□
REPORT PRESENTATION	▲	▲			▲					P/R		IT/R		IC/R(2)				DF/R		F/R
PHASE	← PHASE I →										← PHASE II AND III →									

- NOTE
- DIC/R : Draft Inception Report
  - IC/R : Inception Report
  - P/R : Progress Report
  - IT/R : Interim Report
  - DF/R : Draft Final Report
  - F/R : Final Report



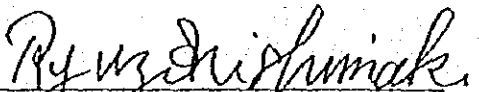
MINUTES OF MEETING  
ON  
SCOPE OF WORK  
FOR  
THE STUDY ON  
EXPANSION OF THE CAPACITY OF MAGALIES WATER  
IN THE REPUBLIC OF SOUTH AFRICA

AGREED UPON BETWEEN  
DEPARTMENT OF WATER AFFAIRS AND FORESTRY  
AND  
JAPAN INTERNATIONAL COOPERATION AGENCY

Pretoria, 4th. August 1995



Mr. M. Muller  
Deputy Director General,  
Department of Water  
Affairs and Forestry



Mr. Gyuzo Nishimaki  
Leader, Preparatory Study Team  
Japan International  
Cooperation Agency

In response to the request of the Government of Republic of South Africa (hereinafter referred to as "the Government of South Africa"), the Japanese reparatory Study Team (hereinafter referred to as "the Team") was sent by Japan International Cooperation Agency (hereinafter referred to as "JICA") to discuss, with Department of Water Affairs and Forestry (DWAF), the Scope of Work (S/W) for the Study on the Expansion of the Capacity of Magalies Water (hereinafter referred to as "the Study").

The Team headed by Mr. Ryuzo Nishimaki stayed in South Africa from 18th July through 9th August 1995. During their stay in South Africa, the Team carried out reparatory field study in the Study Area, received information and held a series of interviews with officials of DWAF and other authorities concerned of the Government of South Africa. The list of participants is given in the Appendix 1.

The Team also had discussions with officials of DWAF and other authorities on the Scope of Work defining the Study to be undertaken by both the Government of South Africa and JICA for the successful execution of the Study.

The Team and the Government of South Africa confirmed among others, the following:

" I. INTRODUCTION "of S/W

Both sides confirmed that the full scale study team which includes Japanese prime consultant (s) and also South African local consultant (s) shall respect and abide by all applicable laws and regulations in South Africa.

" IV. SCOPE OF THE STUDY "of S/W

(1) " the Team " means the Japanese primary consultant, which may include South African consultants as members of Japanese primary consultant group.

(2) "local consultant" means the sub-consultant assigned to specific investigation(s) by Japanese primary consultant.

" VII. UNDERTAKINGS OF DEPARTMENT OF WATER AFFAIRS AND FORESTRY "of S/W

(1) With respect to 2., DWAF will take action within its jurisdiction .

(2) With respect to 4.(2), DWAF will provide counterpart personnel within its limitation of human resources.



(3) With respect to 4.(3), DWAF will provide two equipped offices in Pretoria with limited secretarial services.

(4) With respect to 4.(5), Japanese side recognized that South African side does not have the capacity to provide any vehicles and drivers for "the Team."


#### Counterpart training

With respect to 2. of "VIII. UNDERTAKING OF JICA" of the SAW, DWAF requested that JICA accept counterpart personnel for training in Japan during the Study. The Team will convey the request to the JICA Headquarters.

#### Others

(1) The South African side requested that 50 percent of the contract is awarded to South African local consultants. Appointment of local consultants regarding the local contract will be done by JICA study team in close consultation with DWAF. The Japanese side undertook to convey this request to Japan.

(2) Societies in the study area are dynamically changing in political, social and administrative aspects these days. Given that all concerned personnel in this project should keep in their mind that constructive and flexible attitude is important to cope with such condition.



## LIST OF PARTICIPANTS

### SOUTH AFRICAN PARTICIPANTS

#### Department of Water Affairs and Forestry (DWAF)

Mr M. Muller - Deputy Director General  
Mr Kalinga Pelpola - Director, Community Water Supply and Sanitation  
Mr Peter Pyke - Deputy Chief Engineer

#### Department of Finance

Mr D. van Rensburg - Directorate: International Development Finance (IDCC)  
Dr B. Links - Chairman: IDCC

#### Department of Foreign Affairs

Adv. Pieter Kruger - Senior State Law Advisor (International Law)

#### Magalies Water Board (MWB)

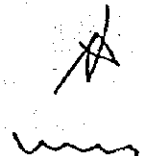
Mr D.H. Marks - Chairman  
Mr N. Fenner - Chief Executive Officer (CEO)  
Mr Roelf Strydom - Chief Engineer

#### North West Water Authority (NWWA)

Mr N. Letimela - Acting Chief Engineer Officer  
Mr Johan Pansegrouw - Area Manager (East)

#### North West Provincial Government

Mr Z. P. Tolo - MEC for Public Works  
Mr Darkie Africa - MEC Local Government, Housing, Planning and  
Development



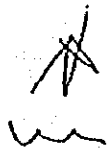
## JAPANESE PARTICIPANTS

### JICA Preparatory Study Team

Mr Ryuzo Nishimaki	-	Leader
Dr Yuji Maruo	-	Water Resource Development
Mr Yoshiki Omura	-	Water Supply Planning
Mr Makoto Saito	-	Water Supply Administration
Mr Kazuchika Sato	-	Management, Finance, Human Resources Development, Social Analysis
Mr Kazuhiko Kikuchi	-	Study Planning

### Embassy of Japan

Mr Koji Tahara	-	Development Attaché
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## CHAPTER 3 PROJECT MANAGEMENT STRUCTURES

### 3.1 Project Management Structures

At the initial stage of the project implementation, Project Management structures were set up to control the work of the JICA study. The committee consists of three levels, namely, Project Steering Committee (PSC), Project Management Committee (PMC) and Project Working Groups (PWGs). The members of the committee are listed as follows:

#### (1) Project Steering Committee

Chairman	:	M. Muller, Deputy Director General, CWSS, DWAF
Member	:	N. Fenner, Chief Executive Officer, Magalies Water
Member	:	K. Pelpola, Director, RDP Implementation, CWSS, DWAF
Member	:	J. Cunniff, Chairman, Rustenburg District Council
Member	:	D.E. Africa, MEC, Department of Local Government, Housing, Planning and Development, North West
Member	:	J. Dombo, MEC, Department of Land, Housing, Planning and Development, Northern
Member	:	J. Masilela, MEC, Department of Local Government, Mpumalanga
Member	:	K. Tahara, Development Attache, Embassy of Japan, Pretoria
Member	:	S. Kadowaki, Team Leader, JICA Study Team

#### (2) Project Management Committee

Chairman	:	K. Pelpola, Director, RDP Implementations, CWSS, DWAF
Member	:	L. Colvin, Director, Organizational Development, CWSS, DWAF
Member	:	F van Zyl, Director, Planning, CWSS, DWAF
Member	:	N. Fenner, CEO, Magalies Water
Member	:	J. Cunniff, Chairman, Rustenburg District Council
Member	:	P. Pyke, Deputy Chief Engineer
Member	:	O.J.S. van den Berg, Deputy Chief Engineer
Member	:	N. Letimela, CEO, North West Water Authority
Member	:	F. Vogel, Regional Director, North West, DWAF
Member	:	J. van Aswegen, Regional Director, Mpumalanga, DWAF
Member	:	R.S. Ledwaba, CEO, Eastern District Council
Member	:	L. Loyd, Highveld District Council
Member	:	K. Tahara, Development Attache, Embassy of Japan
Member	:	P. McMurray, Deputy Chief Engineer, Planning CWSS, DWAF
Member	:	S. Kadowaki, Team Leader, JICA Study Team

### **(3) Project Working Groups**

The PWGs consist of three groups, such as 2<sup>nd</sup> Tier PWG, 3<sup>rd</sup> Tier PWG and Planning, Finance and Infrastructure PWG, and officials concerned are as follows:

- Second Tier PWG : Chair by P. Pyke, and JICA study team members and stakeholders
- Third Tier PWG : Chair by L. Colvin, and JICA study team members and stakeholders
- Planning, Finance and Infrastructure PWG : Chair by F. van Zyl, and JICA study team members and stakeholders

### **3.2 Assignment of JICA Study Team**

The performed assignments for JICS study team during the first phase of the study is illustrated as next page.



## CHAPTER 4 MINUTES OF MEETING

The minutes of meeting concerning the Project Steering Committee meetings, Project Management Committee meetings and conclusions of Workshop meetings held during the course of the Study were compiled in this chapter.

### 4.1 Project Steering Committee Meeting

- (1) 1<sup>st</sup> PSC meeting held on 19<sup>th</sup> January, 1996
- (2) 2<sup>nd</sup> PSC meeting held on 26<sup>th</sup> March, 1996
- (3) 3<sup>rd</sup> PSC / PMC Joint meeting held on 31<sup>st</sup> July, 1996
- (4) 4<sup>th</sup> PSC meeting held on 19<sup>th</sup> September, 1996
- (5) 5<sup>th</sup> PSC meeting held on 18<sup>th</sup> November, 1996

### 4.2 Project Management Committee meeting

- (1) 1<sup>st</sup> PMC meeting held on 15<sup>th</sup> January, 1996
- (2) 2<sup>nd</sup> PMC meeting held on 15<sup>th</sup> February, 1996
- (3) 3<sup>rd</sup> PMC meeting held on 25<sup>th</sup> March, 1996
- (4) 4<sup>th</sup> PMC meeting held on 30<sup>th</sup> May, 1996
- (5) 5<sup>th</sup> PMC / PSC joint meeting held on 31<sup>st</sup> July, 1996
- (6) 6<sup>th</sup> PMC meeting held on 18<sup>th</sup> September, 1996
- (7) 7<sup>th</sup> PMC meeting held on 14<sup>th</sup> November, 1996

### 4.3 Workshop meetings

- (1) 1<sup>st</sup> Gap Analysis Workshop meeting held on 25<sup>th</sup> June, 1996, at Rustenburg District Council
- (2) 2<sup>nd</sup> Gap Analysis Workshop meeting held on 23<sup>rd</sup> July, 1996, at Rustenburg District Council



MINUTES  
OF  
PROJECT STEERING COMMITTEE  
FOR  
THE STUDY ON  
THE EXPANSION CAPACITY OF MAGALIES WATER  
IN THE REPUBLIC OF SOUTH AFRICA

Held in Pretoria, 19th January, 1996

## **1. Welcome**

The chairman, Mr Mike Muller, welcomed Project Steering Committee members to the first meeting of the PSC. He emphasised the importance of the JICA study and the role it will play in developing relationships between the governments of South Africa and Japan.

## **2. Attendance and Apologies**

It was noted that the PSC will have a permanent membership of four: Mr M Muller (Deputy Director General, Community Water Supply and Sanitation, DWAF); Mr N Fenner (Chief Executive Officer, Magalies Water); Mr S Kadowaki (Leader, JICA Study Team) and a senior representative of JICA Japan. On this occasion, Messrs Sato and Omura attended on behalf of JICA, Mr K Pelpola attended in his capacity as Chair of the Project Management Committee, and Mr Tim Hart of the Study Team participated as minute secretary (full list of participants attached). Three provincial Government representatives were invited to attend, but were not able to do so due to the short notice.

## **3. Discussion and Confirmation of JICA Study Execution Structures**

The meeting discussed the Study Execution Structures described in Inception Report (2), and noted the changes in membership and terms of reference suggested by the Project Management Committee at the meeting of 15 January 1996 (minutes attached). No further amendments were proposed, and the PSC confirmed the Study Execution Structures subject to the incorporation of the changes minuted at the 15 January PSC meeting.

## **4. Discussion and Confirmation of the PSC Terms of Reference**

The PSC terms of reference detailed in Inception Report (2) were discussed. No changes were tabled, and the existing terms of reference were confirmed.

## **5. Discussion and Approval of Inception Report (2)**

It was noted that the Project Management Committee had discussed Inception Report (2) in detail and had approved it subject to minor changes. The details are in the minutes of the PMC meeting of 15 January (attached). In summary the proposed changes are:

- a) modifications with respect to the membership and terms of reference of some Study Execution Structures (discussed under Item 3 above);
- b) the inclusion of specific reference to an investigation of the role of Rand Water in the Study Area.

The Chair emphasised the need for co-ordination between the JICA Study and other initiatives in the Magalies context. He asked for particularly close co-operation and liaison between the JICA Team on the one hand and Mr Fred van Zyl and Magalies Water on the other. Mr Fenner noted that the integration of the JICA Study into planning at Magalies Water would greatly assist

this process. Mr Pelpola indicated that Mr Julian Nagy of Ernst and Young is to join the Study Team in the capacity of Organisation/Human Resources Development Expert. Detailed conditions are being negotiated between the Team and Mr Nagy.

The PSC approved Inception Report (2), subject to:

- a) the inclusion of the changes required by the PMC;
- b) the acceptance by Mr Fred van Zyl of the role assigned to him in the Inception Report (ie. Chair: Planning, Finance and Infrastructure Project Working Group).

## 6. Programme of Work and Key Milestones

Mr Kadowaki summarised the time schedule detailed on p. 56 of Inception Report (2). No changes were proposed but the following matters were discussed further:

- a) Mr Pelpola pointed out that the Japanese fiscal year ends on March 31. Due to technical requirements related to this cycle, the Study presently has an artificial break in April / May while the Japanese consultants on the Study Team return to Japan. He and the Chair emphasised the need for continuity, especially on the social side of the project, and requested JICA to consider making provision for the local Study Team members (Messrs Hart and Nagy) to continue their work during the break. Mr Sato will pursue this matter with JICA.
- b) It was noted that the RDP investment study managed by Mr Fred van Zyl is to be presented in March. This will prioritise RDP projects all over the country. Mr Muller underlined the importance of linking this process to the situation analysis and pre-feasibility studies undertaken as part of the JICA Study. In this way, support to priority projects can be rationalised and duplication in resource allocation avoided. Close contact between Mr Van Zyl and the JICA Team must be maintained, so that each initiative can take the activities of the other into account.

## 7. General

Mr Pelpola requested that equipment purchased for the JICA Study would revert to DWAF upon completion of the project. Mr Sato noted the request, but said that it is too early to decide. Mr Muller asked that the issue be noted for inclusion a broader discussion with the IDCC. He expressed the view that a uniform clause relating to equipment transfer across various internationally-funded projects would benefit both the donors and DWAF.

Mr Sato informed the Committee that JICA has resources to offer training in Japan to two South African counterparts. One candidate has to be sent to Japan before 31 March 1996, and a second during the 1996/1997 fiscal year. The programme will be tailored to suit the selected candidates. The meeting agreed that it would be difficult to make a nomination in time for the first trip, given the need to consult with key stakeholders and to find consensus. The PMC will be asked to consider a nomination process for the candidate to be sent to Japan after 31 March.

Mr Harada said that the JICA Magalies Study is a milestone for both the Japanese and the South African governments. It is the first economic co-operation project to be implemented, and the Japanese government and embassy are committed to its success. Mr Muller agreed that the project will provide a framework for future interaction.

#### **Annex: Attendance List**

Mr M Muller, Chairman, DDG, CWSS, DWAF.  
Mr N Fenner, CEO, MW.  
Mr K Sato, Member of JICA Advisory Committee.  
Mr Y Omura, Member of JICA Advisory Committee.  
Mr K Pelpola, Director, CWSS, DWAF.  
Mr S Kadowaki, Team Leader, JICA.  
Mr H Harada, 1st Secretary, Embassy of Japan.  
Mr K Tahara, Development Attache, Embassy of Japan.

## AGENDA

### PROJECT STEERING COMMITTEE JICA MAGALIES EXPANSION STUDY

19 January 1996, 14h00  
Room 847, Department of Water Affairs and Forestry  
Pretoria

1. Welcome address by the Chairman *M. Muller*
2. Attendance and apologies
3. Discussion and confirmation of JICA Study management structures
4. Discussion and confirmation of PSC terms of reference
5. Discussion and approval of Inception Report 2
  - 5.1 Summary of issues requiring the attention of the PSC (arising from the Project Management Committee meeting of 15 January and other interaction between JICA, the JICA Study Team, DWAF, and Magalies Water.) *K Pelpola,  
S Kadowaki*
  - 5.2 Discussion of the Report
  - 5.3 Approval of the Report
6. Programme of work, major milestones *S Kadowaki  
JICA Advisory Team*
7. General
8. Dates and locations of future meetings



MINUTES  
OF  
PROJECT STEERING COMMITTEE  
FOR  
THE STUDY ON  
THE EXPANSION OF CAPACITY OF MAGALIES WATER  
IN THE REPUBLIC OF SOUTH AFRICA

Held in Pretoria, 26 March, 1996

**1. Welcome**

The Chairman, Mr Mike Muller, welcomed Project Steering Committee members to the second meeting of the PSC.

**2. Attendance and Apologies**

It was noted that the MECs for Local Government in Gauteng, Northern Province, North West Province and Mpumalanga had been invited to participate in the PSC. All but one had responded to the invitation, and had indicated that they (or suitable representatives) would endeavour to attend PSC meetings. Further, Mr N Letimela (acting CEO of North West Water Supply Authority) had been invited to attend the meeting. He was represented by Mr S Naraghi. The full attendance register is attached as Appendix 1.

The following apologies were recorded: Mr K Pelpola (DWA), Mr N Letimela.

**3. Approval of Minutes**

The minutes were approved without amendment.

**4. Broad Context of JICA Study**

Since all PSC members had been briefed on the context of the study, this item was waived.

**5. Discussion of Progress Report (1)**

**5.1 Discussion of the Report**

Mr Kadowaki summarised the content of the Progress Report as follows:

- a) The Stage 1 Situational Analysis is just about complete. The remaining task is for the local consultants to analyse the collected information and to prepare final reports. These should be concluded in early May.
- b) The Stage 1 work has been undertaken by the Study Team and by two local consultant consortia. The consortia are EVN/Consultburo (inventory survey of the water sector) and Deloitte and Touche (community inventory survey). Two contracts have been negotiated with each consortium; the first to cover data collection (up to the end of March 1996), and the second to incorporate analysis and report compilation.
- c) Work on Stage 2 (the gap analysis and the formulation of strategy and policy) will begin in May.



- d) Progress is detailed in Progress Report (1), but the following broad findings can be highlighted (summary attached as Appendix 3):
- i) Estimated present water consumption in the Extended Supply Area at present is 200 MCM per annum. By 2015 this could have doubled. The implication is that demand and resource issues will require urgent attention.
  - ii) Institutionally, there are three complex processes that will impact the formulation of strategy and policy. These are the Magalies Water - North West Water Supply Authority merger; the overlap of Rand Water and Magalies Water in the South of the ESA; and the debate around water board options in the KwaNdebele sub-region.
  - iii) The status and the readiness of the Third Tier to play a role in local water management is the subject of several related investigations. Details are in the Progress Report.

Mr Muller said that DWAF would respond formally to the Progress Report once all the relevant parties had an opportunity to study the document. However, the following specific points were made with reference to the report:

- a) Ms Colvin reported that the Project Management Committee had been pleased with the progress reported. Communication issues were given particular attention by the PMC.
- b) Mr Muller emphasised that matters of cost and finance have to underpin any discussion around technical solutions. The policy position on Water Boards, for example, is that these must be financially viable in the medium and long term. At project level too, solutions must be appropriate and financially sustainable. Mr Kadowaki indicated that the JICA study is addressing the financial and cost recovery issues in a variety of ways. Mr Fenner informed the Committee that MW had provided detailed financial information to the Study Team.
- c) Mr Naraghi asked that information emerging from the JICA study be shared. He indicated that NWWSA would have a particular interest in the results of the community case study investigation. Tim Hart replied that a workshop would replace the April PMC meeting, and that this would provide the opportunity for consultants and stakeholders to discuss the work completed to date.

## 5.2 Issues Requiring the Attention of the PSC

Mr Kadowaki tabled the revised work schedule for 1996 (Appendix 4). He explained that the schedule had been revised due to delays caused by the December break in South Africa, and the need to devote more time to the important tasks forming Stage 2. In discussing the detail of the document, he made the following points:

- a) The gap analysis and strategy formulation tasks are the essence of Stage 2. These will commence in May and the results will be available for discussion by DWAF at the end of July.
- b) The task requiring the development of technical solutions will start in July and will be completed in mid-September. Progress Report (2) will be submitted in September, and will include the results of the policy and strategy deliberations together with the technical proposals.
- c) Work on the capital investment plan will take place in September, and will be followed by preparations for Phases 2 and 3. The final report on Phase 1 will be submitted in December. The original schedule envisaged a mid-October submission date.

In response, members of the Committee made the following comments and suggestions:

- a) Mr Muller underlined the earlier point that technical solutions must take issues of financial viability into account. All design work must be financially feasible. Mr Kadowaki noted that several tasks in the situational analysis (undertaken by the Study Team and the local consultants) had focused on financial and cost recovery issues. During the gap analysis, these will receive further attention, and the findings will inform the technical solution task.
- b) Mr Muller proposed that future meetings of the PSC might be used as work sessions, enabling members to contribute more actively to the JICA study. In particular he suggested that the PSC and PMC meetings at the end of July might be incorporated into the workshop envisaged at the conclusion of the policy and strategy formulation process. This proposal was supported by the Committee.
- c) Dr Maruo noted that the final report is to be prepared and discussed with key stakeholders in late November and early December. He suggested that the Study Terms of Reference should require the completion and circulation of a fully inclusive draft final report by mid-November. The Committee agreed with this proposal. In response to a question from Mr Muller, Dr Maruo assured the Committee that the Study has remained

within the required framework. Hence he did not anticipate any financial or operational problems.

- d) Mr Fenner asked whether the Study had been monitoring relevant RDP initiatives. Mr Kadowaki and Mr Hart indicated that Mr Fred van Zyl had been consulted in this regard, and that aspects of the work being undertaken by local consultants would focus on particular local RDP projects.
- e) Mr Muller noted that Progress Report (1) addresses water quality issues in some detail. He stressed that positions taken in this context should reflect locally appropriate standards and South African best practice. He made the point that it would be counterproductive were the Study to promote conflict around water quality standards. Mr Kadowaki and Mr Omura indicated that further water quality work is planned, but assured the Committee that this matter will be fully discussed with DWAF and other relevant stakeholders during Stage 2.

## 6. Proposed Communication Strategy

Ms Colvin explained the context of the communication strategy, making the following points:

- 6.1 The matter of a communication strategy had been discussed in some detail at the PMC meeting of 15 February.
- 6.2 The strategy is based on the need to treat communication holistically and not as an incidental add-on.
- 6.3 An aspect of the policy has to do with the question of stakeholder representation on Study management structures. Ms Colvin indicated that it had been difficult to secure the necessary representation. A proposed solution is to hold an inclusive workshop where consultation around representation can be pursued.

Mr Hart indicated that notes on the proposed strategy are included as an appendix of Progress Report (1). He made the following additional comments:

- 6.4 The strategy deals with a number of layers of communication: Study Team - water sector actors; Study Team - local consultants; JICA Study initiative - spectrum of interested and affected parties.
- 6.5 The Study Team recognises that there are many opportunities and vehicles for communication, and has sought to mobilise as many of these as possible. For example, a short document describing the project has been given to all the local consultants, with the request that they in turn distribute it to contacts in the field.

Mr Muller agreed that communication should be an integrated element of project management. He asked whether broader media such as community radio or the press should be explored. He also requested a short (5 page) briefing document to be conveyed by him to the Minister and the CWSS Management Committee.

#### **7. Outstanding Matters from the Minutes**

Mr Kadowaki informed the Committee that the Japanese Study Team members would return to Japan on 27 March, and would be back in South Africa mid-May. The purpose of the return is to negotiate project budgets as Japan enters a new fiscal year.

As requested at the previous PSC meeting, arrangements have been made to ensure the continuity of the Study during this time. Mr Tim Hart and Mr Julian Nagy will take responsibility for JICA Study activities until mid-May.

Dr Maruo explained the JICA training scheme that had been discussed briefly at the last PSC meeting. In essence this is designed to expose selected South Africans to Japanese systems, technology and culture. It is usual to invite one candidate per fiscal year, so two vacancies are currently available. Dr Maruo indicated the selection process would have to be led by DWAF.

Mr Muller agreed that DWAF should take the lead in this regard, and asked Ms Colvin to set the appropriate process in motion. He noted that the DWAF Director General had reported very positively following his visit to Japan, and that such exposure is seen by DWAF to have value. Mr Muller made the point however that the selection criteria should ensure that candidates who will derive maximum value from JICA training will have access to such an opportunity.

Mr Muller noted that the minutes of the January PSC meeting contained the request that Mr Fred van Zyl be asked to confirm his availability to chair the Finance and Planning Project Working Group of the JICA Study. Mr Hart confirmed that this had been done.

#### **8. General**

No discussion under this item.

#### **9. Dates of Future Meetings**

It was agreed that the next PSC meeting would be at 10h00 on 31 July. This meeting would coincide with the workshop to be held at the end of the Stage 2 planning and

strategy process. Venue to be notified later.

#### **Appendix 1: Attendance**

1. JICA Advisory Team.

Dr Y Maruo (Leader)  
Mr Y Omura  
Mr S Matsumoto  
Mr K Tahara (Embassy of Japan)

2. DWAF

Mr M Muller (Chair)  
Ms L Colvin

3. Water Authorities

Mr N Fenner (CEO Magalies Water)  
Mr S Naraghi (NWWSA)

4. JICA Study Team

Mr S Kadowaki (Leader)  
Mr T Hart (minute secretary)  
Mr Y Miyanishi (observer)



MINUTES OF  
PROJECT MANAGEMENT/STEERING  
COMMITTEE MEETING  
REGARDING  
THE STUDY ON  
THE EXPANSION OF CAPACITY OF MAGALIES WATER  
REPUBLIC OF SOUTH AFRICA

Meeting held on Wednesday 31th July 1996  
at 10h00,  
Room 1041, Residensie Building, Schoeman Street, Pretoria

**Attendance:**

Mr M Muller	DWAF
Mr K Pelpola	DWAF
Mr JM van Aswegen	DWAF (Mapumalanga)
Mr PD Pike	DWAF
Mr OJS van den Berg	DWAF
Mr I vd Merwe	Gauteng Prov Government
Mr N Fenner	Magalies Water
Mr K Tahara	Embassy of Japan
Mr S Tigele	Rand Water
Mr S Ramodika	District Council Eastern Region
Mr N Letimela	NWWSA
Mrs N Mateta	NP Department of Local Government
Mr S Kadowaki	JICA Study Team
Mr Y Miyanishi	JICA Study Team
Mr J Nagy	JICA Study Team
Mr T Hart	JICA Study Team
Mr C Mannall	JICA Study Team
Mr T Niwa	JICA Study Team
Mr S Sawara	JICA Study Team
Mr T Morotou	JICA Study Team
Mr I Bettesworth	JICA Study Team

**Apologies :**

Miss L Colvin	DWAF
Mr F Vogel	DWAF
Mr F van Zyl	DWAF
Mr H Muller	DWAF
Mr van Zyl	Rand Water



## **Session 1**

### **1.1 Welcome**

The meeting was chaired by Mike Muller who welcomed the people present.

### **1.2 Purpose of Meeting**

The Chairman confirmed that the purpose of the meeting is to receive feedback from the Study Team on progress and confirm results.

### **1.3 Agenda**

Peter Pyke asked that an item be added to the agenda under General : Ratification of Study Tour. It was agreed that this would be covered under the existing item on the agenda concerning counterpart training.

### **1.4 Approval of Minutes**

#### **1.4.1 Minutes of PMC Meeting on 30th May**

Approved subject to minor corrections on pages 3 and 4.

There were no matters arising.

#### **1.4.2 Minutes of PSC Meeting on 26th March**

Page 3 d) I): It was confirmed that MCM means Million Cubic Metres

Minutes were approved.

There were no matters arising.

## **Session 2**

Mr Kadowaki advised that items 1 and 2 on the agenda have been merged to save time as they largely deal with the same topic.

### **2.1 Gap Analysis**

Mr Miyanishi presented an overview of the Gap Analysis process and the outputs of this process.

(Copies of the slides are attached as Annexure A)

(An overview of the process had also been included in Chapters 3 and 4 of the notes attached to the agenda)

Of particular note were the gaps and their implications. These had not been presented to the PSC/PMC previously. These were presented under the following headings / theme areas:

- Institutional environment
- Third tier reform
- Finance and cost recovery

Mr Pelpola asked whether under "institutional environment" the external environment had been taken into account. This was confirmed and it was also noted that this is supplemented by "external environment" issues raised under the theme of "third tier reform".

The Chairman commented that he was pleased to see that there had been broad participation from regional and local government in the process. He stressed the importance of ensuring that the results of the Study were not simply the views of DWAF and the Study Team.

It was noted that the slide on participants in the process had omitted to include DWAF Mapumalanga who have participated throughout the various stages.

## 2.2 Technical Solutions

Mr Kadowaki presented an overview of progress on the technical solutions stage. (Copies of the slides used are attached as Annexure B).

(An overview of progress had also been included in Chapter 5 of the notes attached to the agenda.)

Of particular interest was the "projection of population and water demand" presented which had not been previously available.

The Chairman asked the following questions:

- What is the explanation for industrial consumption falling over the planning period? *These are preliminary figures and have not been reviewed yet. When the review is done the reasons will be ascertained.*
- Is Ekangala / Bronkhorstspuit included?  
*Yes.*

- Is KwaNdebele included in the figures? (K. Pelpola)  
Yes.
- The Chairman noted that the Department of Development Planning has great difficulty in making growth projections. There are many uncertainties. It is therefore critical that projections reflect the uncertainties and difficulties.  
The best way of doing this is provide "high" and "low" estimates.
- Has the Nylstroom / Warmbaths area been included? (K. Pelpola)  
*Yes, but not the areas outside the study area as discussed at the Project Management Committee meeting on the 30th May (See item 3.2 of the minutes of that meeting)*
- Mrs Mateta raised the concern that the TLCs in the Northern Province feel they are to some extent marginalised in the process of the study. In discussion it was noted that efforts have been made to involve representatives in the whole process. More effort needs to be made if this concern exists. The Study Team will look into this.

### 2.3 Draft Policy and Strategy Options.

Mr Hart presented an overview of the process and put it in the context of transformation taking place.

(Copies of the slides used are attached as Annexure C)

(An overview of the policy and strategy process and option had also been included in Chapter 6 of the notes attached to the agenda.)

Of particular note was the presentation of some examples of the policy and strategy options which are emerging from the process.

Mr Hart stressed that there was not sufficient time in the meeting to go into these results in detail and he therefore urged people attending the meeting to spend some time considering Chapter 6 of the notes attached to the agenda.

Mr Hart strongly emphasised the integration of issues and challenges, and the systematic nature of the problems. We should therefore guard against seeking a single item which will provide a solution.

Mr Pelpola asked for elaboration of the item "the commercial experience of water boards" and the concept of "service cooperatives" and the relationship between these two. Key points arising were:

- Magalies Water and the Rustenburg District Council have been actively involved in discussions about the challenges of service provision. Water is one of a range of services which have to be provided. The process of service provision needs to be managed as a whole process. (Nic Fenner)

- The Chairman noted that there was experience in the Northern Province of communities dealing directly with the service provider. With communities of an appropriate size (1000 people) it is possible for the communities to work successfully directly with the service provider. This reduces the risk of non payment as the link between service and payment is direct and illegal connections are better dealt with at community level. When the service provider deals through a third party (District Council) the link is less direct and the risks are higher.
- Another advantage of contracting directly with the service provider (Water Board) is that the provider has the potential to raise capital for projects which the community and district council may not have.

## **2.4 Water Boards**

### **2.4.1 Mr Pyke reported back in place of Louise Colvin.**

- In the North West the Department is no longer involved in the discussions of boundary and other issues. Magalies Water and North West Water Authority are progressing discussions directly on a bilateral basis.

Mr Fenner advised that the issues concerning small package plants and sewage treatment works are not yet fully resolved.

- In Northern Province discussions are proceeding in conjunction with work of ODA. There are no specific points needing discussions.

### **2.4.2 Mr Pyke reported that in KwaNdebele ODA is again involved.**

MF van Aswegen is the leader of a task team investigating this area and reported that:

- Approval of the ODA budget for next year is awaited.
- The task group has made good progress.
- The Study Team will do a presentation to the Task Team in August in order to share information.
- Presentations have been given by two firms of consultants in relation to information which may yet need to be gathered.

## **2.5 Training and Capacity Building**

No specific points were raised.

In general the Chairman confirmed that the objective of DWAF is to strengthen the capacity of Local Government. There is full commitment to this and Louise Colvin will be implementing some steps in this regard.

The Chairman excused himself to attend another meeting. He indicated that he was very comfortable with the way the study is progressing. Mr Pelpola assumed the Chairmanship of the meeting.

## **Session 3**

### **3.1 JICA Advisory Committee Meeting**

Mr Kadowaki attended this meeting in Tokyo.

At the meeting he presented an overview of the Gap Analysis and Policy / Strategy Process. These were accepted.

He also discussed the Pilot Projects with the Committee, and in particular the difference between JICA and DANIDA pilot projects. The former being more concerned with physical projects and the latter concerned with institutional projects.

The Counterpart Training proposals were accepted by the Committee.

A number of concerns were raised by the Committee as set out in Chapter 7 of the agenda. These will be looked at by the Study Team.

### **3.2 General**

#### **3.2.1 Situational Analysis (Final Report)**

This was summarised in Chapter 8 attached to the agenda.

This was circulated to key people and their comments taken into account. The report is now finalized.

Mr Pelpola stressed the need to take into account the role for water supply created by the new constitution as a situational consideration.

### **3.2.2 Counterpart Training**

The programme put forward in Chapter 9 of the notes attached to the agenda was approved.

The nominations put forward were accepted.

### **3.2.3 Pilot Project Selection.**

Mr Kadowaki indicated that the conceptual framework for selecting pilot projects is outlined in Chapter 10 to notes to the agenda. Using this framework fourteen potential projects were identified. These have been reduced to six projects which will be investigated in depth over the next few weeks.

The Chairman asked whether this process has taken into account provincial planning process and whether this selection is aligned with provincial priorities. Mr Hart reported that in the next stage of selection there will be extensive consultation with a variety of stakeholders.

The Chairman noted that there are no projects on the list from the Northern Province and asked that this be reviewed.

Mr Tigele noted that two of the projects fall within the area of Rand Water. He advised that Rand Water were about to undertake a major project looking into illegal connections. He asked that this be taken into account and the planning be aligned with Rand Waters activities if one of these projects is selected.

The Chairman felt that alignment of selected pilot projects with the work of all other parties in the area is necessary.

For example ODA is involved in a number of pilot projects in the Northern Province and they should therefor be consulted.

### **3.2.4 Ratification of TOR for Local Consultants**

Mr Kadowaki referred to the proposed TOR included in Chapter 11.

The TOR was approved:

The Chairman requested that the process of resolution of outstanding boundary issues between Magalies and NWWA, Rand Water and the future structure in KwaNdebele respectively, should specifically take into account the views of all stakeholders who have an interest in the boundaries. The Study Team should ensure that this requirement is communicated to the parties involved in discussion of boundary issues. The Local Consultants should also note this vis-à-vis recommendations related to the process of finalising boundaries.

### **3.3 Work Programme for August to November**

Mr Kadowaki highlighted the key points in the plan included as Chapter 12.

A key point was that the Steering Committee would have the opportunity to study the draft Final Report on this plan before it is submitted for approval in November.

### **3.4 Action Plan for Implementation**

Mr Kadowaki explained that the Phase 2 and 3 schemes will be started at the end of 1996 Japanese Fiscal Year (Late February or March, 1997).

### **3.5 Next Meetings**

The following dates have been set.

**Project Steering Committee**

19th September 1996

**Project Management Committee**

18th September 1996

The Chairman asked that these be checked with Mr Mike Muller.

**Confirmed**

\_\_\_\_\_  
**K Pelpola**  
**Director : RDP IMPLEMENTATION**  
**Department of Water Affairs and Forestry : Pretoria**

\_\_\_\_\_  
**Date**





MINUTES  
OF  
MEETING OF THE  
PROJECT STEERING COMMITTEE

THE STUDY ON  
THE EXPANSION OF CAPACITY OF MAGALIES WATER  
IN THE  
REPUBLIC OF SOUTH AFRICA

Meeting held on Thursday 19th September 1996  
at 10h00,  
Room 760, Residensie Building, Schoeman Street, Pretoria

**Attendance:**

<b>Name</b>	<b>Organisation</b>
<b>South African Side:</b>	
K. Pelpola	DWAF
J. Cunniff	Rustenburg District Council
L. Mulaudzi	Northern Province

**Japanese Side:**

Y. Maruo	JICA Advisory Committee
Y. Omura	JICA Advisory Committee
K. Sato	JICA Advisory Committee
K. Tahara	Attache, Embassy of Japan
S. Kadowaki	JICA Study Team
Y. Miyanishi	JICA Study Team
T. Hart	JICA Study Team
S. Sawara	JICA Study Team
C. Mannall	JICA Study Team

## 1. Welcome

Mr Pelpola welcomed members of the Committee. He explained that the PSC chair, Mr Muller, had to attend an important meeting in Cape Town with the Minister.

## 2. Apologies

Apologies were received from:

Mike Muller  
Louise Colvin  
Nick Fenner  
Mrs Matete  
MEC Dombo

## 3. Approval of the Agenda

Approved.

## 4. Approval of the Minutes of the Joint PMC/PSC Meeting, 31 July 1996

Approved without amendment.

## 5. Matters Arising

### 5.1 Overview of Issues Arising from the PMC Meeting on 18 September 1996.

Mr Kadowaki summarised the PMC discussion and referred members to the minutes of the PMC meeting.

Boundary issues were discussed, with particular reference to the following:

- Tim Hart explained that the resolution of boundary issues has an impact on the master planning process. In the case of areas presently supplied by Rand Water, the technical and financial findings of the study might suggest a revision of the current boundaries, which were defined with short-term priorities in mind.
- Mr Pelpola and Mr Sawara explained that the extension of the supply area northward is constrained by the topography, by the capacity of existing infrastructure and by water resources. Mr Cunniff noted that it would not make good water management sense for the supply area to be extended into another catchment.

### 5.2 Pilot Projects

The proposed pilot project programme was described by Mr Kadowki. He underlined the need for further consultation with key stakeholders like the Rustenburg District Council. Committee members were asked to forward further pilot study suggestions if relevant.

### 5.3 Internationally Funded Projects

Mr Pelpola summarised current Japanese funding in the water sector, and said that further projects would be considered for subsequent rounds of funding.

## 6. Progress Report (2)

6.1 The progress report was discussed under three headings:

### 6.1.1 Policy and Strategy

Tim Hart outlined the content of the policy and strategy chapter. He underlined the difficulty of planning in an environment of transition, and explained how the planning process had been designed to address this challenge. He then guided committee members through selected policy and strategy recommendations:

- The clarification of specific policy goals and guidelines;
- A framework for integrating communication frameworks presently serving the water sector on one hand and local government on the other;
- A strategy to link local water supply planning to local economic and development planning;
- A vehicle for the sharing of best practice; and
- A strategy to build a constructive perception of Magalies Water in the extended supply area.

### 6.1.2 Technical Solutions

Mr Sawara outlined briefly the key technical findings of the study to date.

Groundwater quality and availability in the Study Area has been found to be poor so in most areas a surface water supply is being planned. Urban runoff and return flows comprise a significant water resource for the Study Area. The Rand Water supplies into the Barnardsvlei and Hartbeeshoek areas represents almost half of the primary water used in the Study Area. Due to the importance of this source, three options have been considered regarding the level of imported water and the level of return flows.

Three technical options for supplying each of the Moretele 2 and Klipvoor areas are being considered but in Mankwe, the only viable water source is Vaalkop Treatment Works.

Once a surface water supply is made available in these northern areas which have until now been served predominantly by local groundwater sources, the

institutional capacity for operation and maintenance and for cost recovery will become imperative.

Mr Pelpola noted that the debate concerning transport policy in the former KwaNdebele has been taken into account by the Team by virtue of the low growth rates assumed in the population projection for that area.

Mr Cunniff remarked that from the Study and other work, it is becoming clear that water will become a key development factor. For reasons of economics, new communities must not be allowed to develop in locations where the cost of providing a water supply is prohibitive and the water resources are not locally available.

### 6.1.3 Overall Work Progress

Mr Kadowaki explained that most tasks in Phase 1 have been completed. These include:

- Situational Analysis;
- Gap Analysis;
- Policy and Strategy Recommendations; and
- Technical Solutions.

Remaining tasks in Phase 1 include:

- Capital Investment Plan and Cost Recovery Study
- Evaluation of Master Plan and Implementation Plans and
- Preparation of Terms of Reference for Phases 2 and 3.

Phases 2 and 3 comprise the Feasibility Study and pilot project implementation respectively. The proposed PMC meeting on 21 October will be devoted to a discussion of the remaining Phase 1 tasks focussing on the Capital Investment Plan and Cost Recovery.

### 6.2 Approval of Progress Report (2)

Mr Pelpola asked committee members to study the report and to forward comments by 27 September. If no comments are received, the report will be deemed to be accepted. Mr Cunniff hopes to agree in principle by that date but may submit further comments after an important meeting on water planning in early October.

### 6.3 Overview of PMC Discussion

Covered under Item 5 above.

### 6.4 Request for Comments

Covered under 6.2 above.

## 7. Other Matters Requiring PSC Attention

Several committee members underlined the need to assist various water sector actors to respond constructively to the policy and strategy recommendations. John Cunniff indicated that the Gauteng legislature had already bound the Second Tier to development planning through the vehicle of the DFA. He also expressed the view that Third Tier support would be most effective at District Council level. Tim Hart said that the JICA Study had shown that such support should be viewed systematically, and suggested that any further institutional work stemming from the Study should be linked to the recommendations, most of which see interaction between many parties.

Dr Mario explained that funding for the present project is for the purposes of detailed study, and not implementation. He suggested that the kind of work envisaged be linked to the pilot studies, or possibly to OECF implementation. However, he emphasised that if the PSC felt that it is important for the Magalies Study to assist with restructuring, this must be considered. Mr Pelpola confirmed that he felt some follow-up on the policy and strategy recommendations to be very important.

## 8. General

Mr Cunniff thanked JICA, the Study Team and the Japanese Government for the contribution made so far. Mr Pelpola also thanked the Japanese Government.

## 9. Dates of Future Meetings

The next PSC meeting was provisionally scheduled for 2.00pm on 18th November 1996.

**MINUTES  
OF  
MEETING OF THE  
PROJECT STEERING COMMITTEE**

**THE STUDY OF  
THE EXPANSION OF CAPACITY OF MAGALIES WATER  
IN THE  
REPUBLIC OF SOUTH AFRICA**

**Meeting held on Monday 18<sup>th</sup> November 1996  
at 10h30  
Room 1015, Residensie Building, Schoeman Street, Pretoria**

**Attendance:**

**Name**

**Organisation**

**South African Side:**

M. Muller	DWAF (Chairman)
N. Fenner	Magalies Water
P. Molelekeng	Rustenburg District Council
M. Lekota	Rustenburg District Council

**Japanese Side:**

Y. Omura	JICA Advisory Committee
K. Sato	JICA Advisory Committee
S. Matsumoto	JICA Headquarters
K. Tahara	Attache, Embassy of Japan
S. Kadowaki	JICA Study Team
Y. Miyanishi	JICA Study Team
T. Hart	JICA Study Team
J. Nagy	JICA Study Team



**1. WELCOME**

The Chairman welcome everyone to the meeting which he noted as being a milestone in the study.

**2. APOLOGIES**

K. Pelpola  
J. Cunnif  
L. Colvin

**3. APPROVAL OF AGENDA**

The Agenda was approved without additions.

**4. MINUTES OF MEETING OF 19<sup>TH</sup> SEPTEMBER 1996**

The Minutes were approved without antendment.

**5. MATTERS ARISING**

There were no matters arising which are not covered by the agenda.

**6. OVERVIEW OF THE STUDY TO DATE**

Mr Kadowaki presented an overview of Phase 1 of the study with reference to the key activities of this phase which are reported on in detail in the final report. These were the:

Situation Analysis  
Gap Analysis  
Policy and Strategy Recommendations  
Infrastructure Development Plan  
Institutional Development Plan  
Capital Investment Plan

**6.1 Key points of notes are that :**

6.1.1 The gap analysis yielded sixteen major gaps between development targets and the existing situation. Policy and Strategy recommendations, and Institutional Development Plans have sought to address these gaps.

6.1.2 Primary water demand to the year 2015 can be met by available water resources if increasing return flows into the study area are taken into account . Also assuming Rand Water will continue to supply the area and meet their planned commitments.

6.1.3 Capital requirements to meet infrastructure as per the master plan are enormous. (R2.5 billion). This helps to put into perspective the extent of the challenge.

6.1.4 Institutional development plans highlight that the capacity of the third tier is the major challenge in the extended area of supply. It is misleading to generalise about third tier capacity as it varies from institution to institution.

## 6.2 Comment on Specific Areas

### 6.2.1 Boundary Issues

Mr Nagy gave the background to the question of boundaries and the steps taken to develop a set of principles for dealing with boundaries in future.

The Chairman asked that the principle of Governance be included in the principles.

### 6.2.2 Economic and Financial Analysis

Mr Miyanishi presented an overview of the financial analysis. It was noted that there are very significant differences in the cost of meeting supply needs. For example the costs are significantly higher in the eastern zone. The reasons for these differences are the extent of existing supply infrastructure and what needs to be supplied in future.

### 6.2.3 Implementation

Mr Hart discussed the question of how the study will support the institutions in the study area during phases two and three involving the process of implementing recommendations. He noted that this had been discussed extensively and that JICA were committed to ensuring adequate support is provided. This support will be built into the terms of reference of phases two and three.

The Chairman noted that :

- a) DWAF management expect the study to provide institutional support during phases 2 and 3.
- b) He also expected the study to engage the stakeholders (particularly district councils) and develop strategies for communicating with them.

### 6.3 Minutes of PMC Meeting

Mr Kadowaki referred to the minutes of the meeting held on the 14<sup>th</sup> November and noted that :

- 6.3.1 A request was made for a summary document to give an overview of the final report. The Chairman felt that this is very important and asked that it be ready in advance of a meeting on the 10<sup>th</sup> December when the Minister will be opening the KwaNdebele pipeline project. He will be able to use this information to illustrate what is happening in the study area and what the Japanese government is doing.
- 6.3.2 A workshop will be held in February to create the opportunity for discussion of the final report. The Chairman indicated that he supported this provided it is understood that Phase 1 is now complete and that the focus of the discussion should be on implementing Phases 2 and 3.

## 7. IMPLEMENTATING OF THE FEASIBILITY STUDY AND PILOT PROJECTS

Mr Kadowaki provided an overview of the implementation schedule. Key points of note were :

### 7.1 Feasibility Studies

- 7.1.1 A need to complete feasibility studies by August 1997 when DWAF will need to submit loan applications to OECF as it is the intention to apply for loans for identified priority projects.
- 7.1.2 Mr Kadowaki asked who the coordinating agency will be for the implementation of the feasibility studies i.e. DWAF or MW? The Chairman indicated that he would discuss this and provide an answer shortly.

### 7.2 Pilot Projects

- 7.2.1 The Chairman asked that the value of the projects be appropriately communicated so as to be reflected in provincial allocations.
- 7.2.2 The Chairman asked that the award of contracts for pilot projects follow DWAF standards and norms as closely as possible.
- 7.2.3 Mr Kadowaki asked who the implementing and continuation agents will be? The Chairman indicated that this will emerge if the normal DWAF procedure for projects is followed. It is important that this process is followed.

7.2.4 It was noted that it will be critically important that a member of the study team is allocated to each project to ensure coordination with the overall study.

7.2.5 Mr Sato expressed the importance of involvement and participation. In this regard communication is critically important and needs to be planned for.

7.3 It was felt that it was logical for MW to be actively involved in 7.1 and 7.2. They are currently actively involved in RDP projects and this is a logical next step. It is therefore likely that they will be the implementing agent. (To be confirmed).

## 8. APPROVAL OF FINAL REPORT

After consulting the meeting the Chairman noted that the final report is formally approved subject to taking into account the need to :

8.1 Agree the implementing agents for the feasibility studies and pilot projects.

8.2 Adequately including the institutional development aspects in the TOR for phases 2 and 3.

## 9. CONCLUSION

The Chairman thanked the team of Phase 1 and felt that the study had thus far been successful executed.

He thanked the Government of Japan for its assistance.

MINUTES  
OF  
PROJECT MANAGEMENT COMMITTEE  
FOR  
THE STUDY ON  
THE EXPANSION CAPACITY OF MAGALIES WATER  
IN THE REPUBLIC OF SOUTH AFRICA

Held in Pretoria, 15th January, 1996

## 1. Welcome

Mr Kalinga Pelpola of DWAF welcomed the members of the Project Management Committee. He indicated that discussions between the governments of Japan and South Africa relating to the Study on the Expansion of Capacity of Magalies Water had started early in 1995. The Minister identified the expansion of Magalies Water to be an important task in the context of the restructuring of organisations in the water sector, and good progress has been made with the planning and execution of the study.

## 2. Attendance and Apologies

The attendance list is appended. Apologies were received from Mr Peter Pyke.

## 3. Confirmation of the Minutes of the Inception Report Meeting held on 13 December

The following items were discussed:

- Mr Pelpola explained that DWAF had requested the formation of a Project Management Committee, in addition to the agreed Project Steering Committee.
- Mr Pelpola indicated that he had written to JICA regarding DWAF's authority to issue instructions to the Study Team. In terms of the response from JICA, recommendations regarding project amendments will be made by the PMC. The Study Leader will have the responsibility of discussing these with JICA HQ where necessary. Dr Maruo indicated that the wording of Section 4 of the minutes of meeting on Inception Report (1) is in line with this approach.

The minutes were adopted by the PMC as an acceptable point of departure for the Study execution.

## 4. Discussion of JICA Study Execution Structures

### 4.1 Committees

The various project management structures were discussed in detail. The following conclusions were reached:

- The Project Steering Committee (PSC) will comprise Mr M Muller (Deputy Director General, Community Water Supply and Sanitation), Mr N Fenner (CEO, Magalies Water), Mr S Kadowaki (JICA Study Leader), and a representative from JICA HQ in Tokyo or an official from the Embassy of Japan. In addition the MECs (Members of Executive Council) of Local Government from North West Province, Northern Province and Mpumalanga will be invited to participate.
- Membership of the PMC was discussed in more detail under Item 6. The Project Working Groups will develop a process for the selection of members from Provincial Government, District Councils and Tribal Authorities.

- The three Project Working Groups (PWGs) will be task driven and flexible. It is possible that they will reconfigure and/or merge as the further implementation of the Study requires. The present PWG structure is appropriate for the situational analysis.
- In addition to the membership suggested for the 3rd Tier PWG in Inception Report (2), the Study Team's human resources and organisational development expert must be included. Tribal authority participation is also appropriate in this context, and must be considered with the necessary sensitivity to local politics. Ms Dorcas Ralitsela of CWSS should identify which of the DWAF Organisation Development Officers will participate in this PWG.
- For reasons of continuity and coordination, the 2nd Tier PWG should retain all the Study Team technical experts listed in Inception Report (2). No membership changes were suggested. The responsibility for matters relating to operations and maintenance should be added to the brief of this Working Group. This is especially necessary against the background of the involvement of Magalies Water in rural water supply projects.
- The Finance and Investment PWG will become pivotal in the study activities that follow the situational analysis. In the interim, it will support the activities of the other two PWGs. No membership changes were suggested.

The PMC agreed the structure and membership of the PWGs, with the suggested changes. The PWGs will discuss and refine their own terms of reference which will be tabled at the next PMC for ratification.

#### 4.2 *Human Resources/Organisational Development Expert*

A key member of the JICA Study is the human resources and organisational development expert. The meeting discussed a proposed replacement for Mr Ian Bettesworth, who was initially identified to fill this position. The new candidate is Mr Julian Nagy of Ernst and Young. Mr Nagy has extensive and relevant experience in the water sector, and is well suited to the tasks and responsibilities of the organisation development portfolio.

After discussion of Mr Nagy's availability, the committee accepted the following arrangements:

- Mr Nagy will be assisted by qualified colleagues where necessary, and especially during the period January-March 1996.
- Mr Kadowaki is to negotiate specific terms with Mr Nagy, especially with reference to the professional responsibility taken by Mr Nagy, and the commitment of his time to the Study.

#### 5. Discussion and Confirmation of PMC Terms of Reference

Ms Louise Colvin of DWAF suggested that the terms of reference contained in Inception Report (2) be altered to read "... will have overall responsibility for the implementation of the project".

The words "day to day" are misleading and should be dropped. Mr Pelpola added that the core responsibility of the PMC is to ensure that the Study produces the products required by JICA and DWAF. With these comments noted, the PMC approved the terms of reference.

## **6. Modus Operandi and Membership of the PMC**

*It was agreed that the membership of the PMC should be as suggested in Inception Report (2), with the following specific details:*

- Magalies Water will be represented by the CEO, Mr N Fenner.
- DWAF representation should comprise the chair (Mr Pelpola), the PWG Chairs (the Director Planning; the Director Organisational Development; the Deputy Chief Engineer, CWSS ), and Provincial Directors from North West Province, Northern Province and Mpumalanga.
- The MECs for Local Government from the above provinces should be invited to nominate representative from relevant departments. This process will be undertaken by the PWGs.
- The PWGs will also formulate a process to identify and invite the participation of relevant representatives from District Councils and Tribal Authorities. Mr Fenner of Magalies Water suggested that Mr Cunniff of the Rustenburg District Council might be able to represent all the District Councils. This to be confirmed by the PWG.

## **7. Modus Operandi and Membership of the Project Working Groups**

This item was not discussed in detail, since it was previously agreed that the PWGs would have to discuss their own terms of reference. Ms Colvin emphasised the need for mutual access between the Chairs of the PWGs and the Study Team.

## **8. Discussion and Approval of Inception Report (2)**

Mr Kadowaki summarised key aspects of the Inception Report (2). The committee approved the report subject to the following:

- Changes required in terms of Items 4-6 above.
- Minor changes to be submitted in writing by Magalies Water and North West Water Authority (NWWA). Mr Fenner asked particularly that the role of Rand Water in the Study Area be investigated.

The revised document is to be made available to members of the Project Steering Committee and the PWG Chairs as a matter of priority.

## **9. General**

Dr Maruo suggested that the involvement of Mr Ian Bettesworth be preferable to utilize his experience, if his availability is confirmed. This suggestion was agreed, with the additional



requirement that Mr Bettesworth's assignment is treated flexibly to allow him also to consider supply issues.

#### 10. Dates and Locations of Future Meetings

The following dates for PMC meetings were agreed:

- Thursday 15 February, 1996
- Tuesday 26 March (provisional), 1996

A calendar of suggested dates for 1996 is to be circulated with the minutes.

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Mr. K. Pelpola  
Director, CWSS  
Department of Water Affairs  
and Forestry

Date: 19th January, 1996

**AGENDA**

**PROJECT MANAGEMENT COMMITTEE  
JICA MAGALIES EXPANSION STUDY**

**15 January, 10h00  
Room 847, Department of Water Affairs and Forestry  
Pretoria**

1. Welcome address by the Chairman *K. Pelpola*
2. Attendance and apologies
3. Confirmation of the minutes of the previous meeting
4. Discussion of JICA Study execution structures
5. Discussion and confirmation of PMC terms of reference
6. Modus operandi and membership of the PMC
7. Modus operandi and membership of the Project Working Groups
8. Discussion and approval of Inception Report 2  
(previously circulated)
9. General
10. Dates and locations of future meetings

## LIST OF PARTICIPANTS

## SOUTH AFRICAN PARTICIPANTS

Department of Water Affairs and Forestry (DWAF)

Mr Kalinga PELPOLA	Director, Community Water Supply & Sanitation
Ms Louise COLVIN	Director, Organizational Development
Ms Dorcas RALITSELA	Organizational Development, CWSS

Magalies Water Board (MWB)

Mr Nick FENNER	Chief Executive Officer (CEO)
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North West Water Authority (NWWA)

Mr Van Rhyn OPPEL	Area Manager, Mogwase
Mr Johan PANSEGROUW	Area Manager, Odi Region

## JAPANESE PARTICIPANTS

JICA Advisory Committee

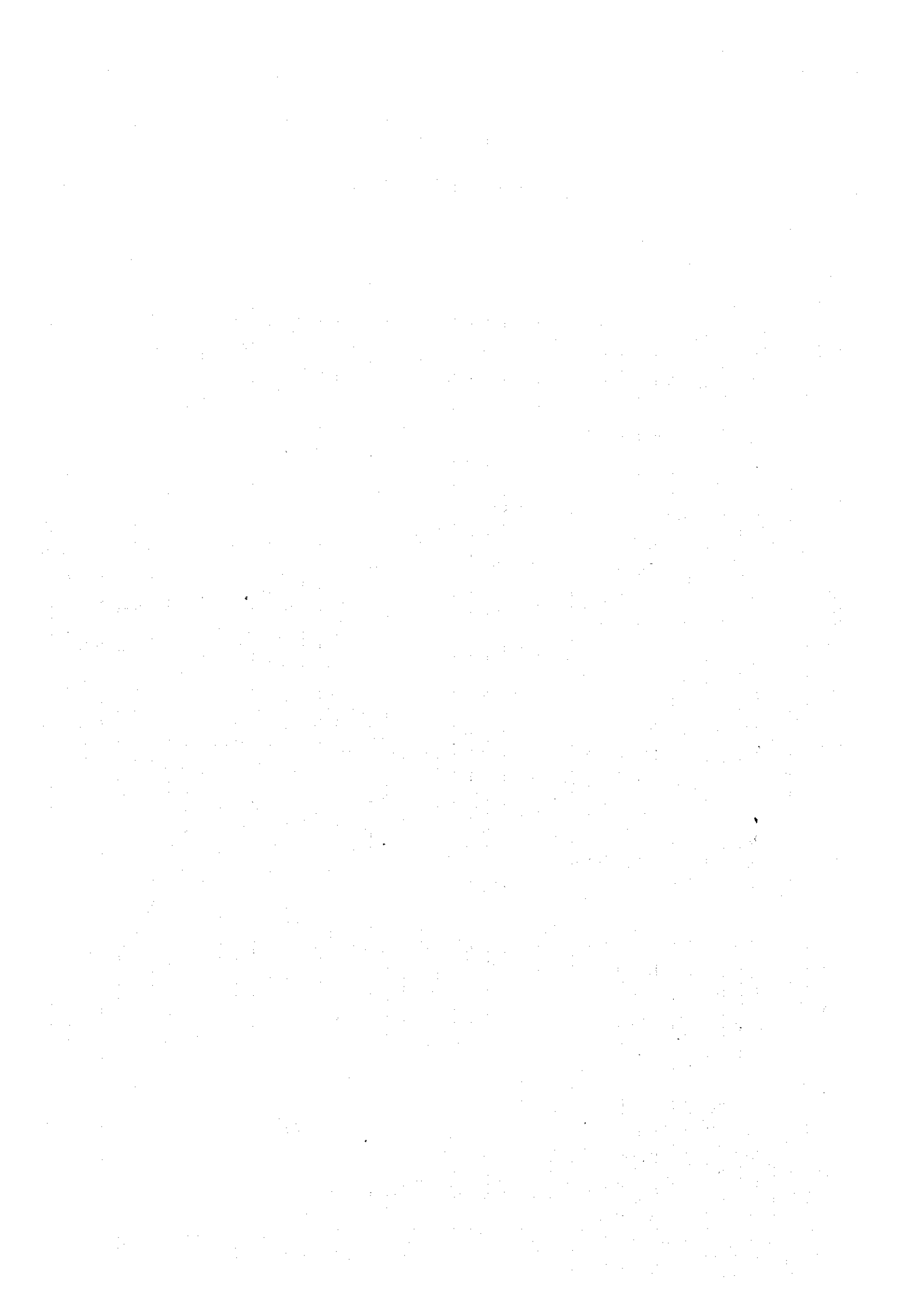
Mr Yuji MARUO  
Mr Kazi SATO  
Mr Yoshiki OMURA  
Mr Shigeyuki MATSUMOTO

JICA Study Team

Mr Satoshi KADOWAKI	Team Leader
Mr Julian NAGY	Organization / Human Resources Development Expert
Mr Yoshitomo MIYANISHI	Financial / Investment Planner
Mr Timothy HART	Social Scientist / Community Development Planner
Mr Sadanobu SAWARA	Water Supply Planner
Mr Chris MANNALL	Water Quality and Treatment Engineer
Mr Tatsuo MOROTO	Sanitation Planner / Environmentalist

Embassy of Japan

Mr Hideaki HARADA	First Secretary, Political Affairs
Mr Koji TAHARA	Attaché, Development Assistance



MINUTES OF MEETING  
OF  
PROJECT MANAGEMENT COMMITTEE  
FOR  
THE STUDY ON  
THE EXPANSION OF CAPACITY OF MAGALIES WATER  
IN THE REPUBLIC OF SOUTH AFRICA

Held in Rustenburg, 15th February, 1996

## **1. Welcome**

It was agreed that the meeting be chaired by Mr Tim Hart in the absence of Mr Kalinga Pelpola whose arrival was delayed by adverse weather conditions. Mr Hart welcomed the committee members and tabled the "Progress Report on the Project Management Meeting on 15 February 1996".

## **2. Attendance and Apologies**

The attendance list is included in Appendix I attached. Apologies for absence were received from Mr Kalinga Pelpola (still en route), and Messrs Peter Pyke, Fred van Zyl and Van Rhyn Opperl.

## **3. Confirmation of Agenda**

It was agreed that the meeting should focus on progress made during the previous month and the forthcoming programme so that attendees might be able to offer advice or suggestions to support the Study Team and local consultants. It was decided that the meeting should proceed in accordance with the circulated agenda except that items 5 and 6, matters arising and progress report should be merged.

## **4. Confirmation of the Minutes of the Previous Meeting.**

It was agreed that these be accepted as a true and accurate record of the Project Management Committee Meeting held on 15th January, 1996.

## **5. Matters Arising / Progress Reports**

The various sections of the Progress Report were reviewed and various discussions arose as follows.

### *Section 1 Summary of Progress*

It was agreed that the Provincial Local Government MEC for Gauteng should also be invited to join the PSC especially to contribute with respect to the role of the Study in considering the relationship between MWB and Rand WB. It was noted that ideally each MEC should represent their Province on the PSC but if that person were unavailable to attend the PMC personally, they should delegate that role.

Identification of suitable representatives of other stakeholders (tribal groups, District Councils etc) was noted as a priority action of the PWG's which has not yet been actioned.

## *Section 2 Progress Report*

It was noted that the PSC will meet in March when the JICA Advisory Committee is due to visit South Africa.

Messrs Nagy (Organizational and Human Resources Development Expert) and Draper, both from Ernst Young, were present and will participate in relevant PWG's.

The PWG Chairs have met three times with the JICA Study Team (and on one occasion, also with the local consultants). Other stakeholders to join the PWG's have not yet been identified but this issue needs to be addressed. The work to date has been focused on getting the Study going and a further meeting with the local consultants was scheduled for the afternoon following the PMC.

The relationship between District Councils and the Water Boards was identified as being a potentially problematic area as the District Councils see the Water Boards as encroaching on their responsibilities for the 3rd Tier. District Councils are currently appointing consultants and proceeding with their own plan of action.

It was agreed that with respect to the MWB / NWW merger, there is a need to coordinate efforts and efficiently utilize the capacity within the Study. The Study Team is required to supply a report on issues related to the merger by the end of February 1996.

It was reiterated that the data collected during the situational analysis should inform the planning process and not simply be a summary of data which is already available. It must add value to such information.

It was agreed that the emphasis within the Study on the 3rd Tier is appropriate.

Mr Pelpola arrived and joined the meeting at this point with Mr Tim Hart continuing as Chair.

The hand-out entitled "Study Team and Consultants Ground Rules" which had been prepared for the later meeting with the local consultants was tabled for information and discussion (Appendix 2). The following points were noted and amendments suggested with respect to the "Project Path Diagram" which shows the concept of the initial phases of the Study.

- The role and purpose of the new Water Boards (including institutional development, support of local government, responsibility for sanitation etc) should be added to the Situational Analysis box.

- The support provided between stakeholders will be a complex network of interaction between the tiers and a more sophisticated understanding of these relationships will be gained when the nature and needs for such support becomes clearer.
- The Project Path Diagram should show policy input to Stage 1, Stage 2 and Phase 2 and policy development emerging from these stages.
- There should be a section under Situational Analysis for assessment of the capacity of existing infrastructure and natural resources and a section in the Master Planning Process to cover the development of infrastructure which is required. This may involve action by parties other than from the 2nd Tier (eg DWAF to increase raw water storage).

Several broader points were made following the discussion of the Project Path Diagram:

- The need to avoid a conflict of interest between the Water Boards and the District Councils was again noted. The DWAF report on the Scope and Functions of Water Boards is a useful guide. Brits and Rustenburg DC's should be involved in the relevant JICA project management structures as matter of priority.
- The need to identify key players and hear their opinions is important and workshops may be necessary to prepare the way. Circumstances differ in each Province and sensitive negotiation is required to bring people to the table to discuss issues and to obtain their opinions. This procedure must be strategised.
- Stage 2 will be the main area where stakeholders will be engaged in debate in earnest and will involve a range of internal and external workshops and strategy planning.
- It was noted that the role of the local consultants during Stage 1 is data collection and not the resolution of issues.

A need for a Communications Brief ("Project Information Memorandum"), to clarify roles and responsibilities and to present the purposes of the Study in a uniform manner, had already been identified and a draft version prepared by the Study Team was circulated for information and comment. This will provide a useful means of communicating details of the Study to stakeholders. It was noted that it is important for the District Councils to also have information about the Study to pass on to other stakeholders.



There is a need to keep local government up to date on progress of the Study. Therefore it was proposed that the Study Team will prepare and circulate a bi-weekly progress report. Mr Pelpola said that there is a need for an overall Communications Strategy dealing with all levels of communication. It was noted that there is a need to avoid duplication of existing channels of communication. It was agreed that this is a role of the Study Team and that the Communications Strategy should be drawn up and implemented before the next PMC meeting. The draft Communications Brief will be circulated to the local consultants and Mr Kieran Draper requested that any comments be forwarded to him.

It was proposed that in order to achieve further stakeholder representation, an initial workshop(s) for possible players be held and that this group could then be asked how they wish to represent themselves.

Mr Ian Bettesworth noted that although the Study Team will produce a 2nd and 3rd Tier implementation plan, the actual facilitation of such recommendations will be the responsibility of others.

#### *Pilot Projects*

The nature of the pilot projects included within the JICA Scope of Works for the overall study and Terms of Reference for the current study were clarified but it was noted that the terms of reference for Phases 2 and 3 have not yet been finalized and are still flexible. The overall study will include a few small scale pilot projects in Phase 3, which will be orientated more towards institutional and organization development aspects of the 3rd Tier rather than infrastructure. A Feasibility Study for Priority Projects identified in the Master Plan (Phase 1) will be prepared in Phase 2 for possible implementation by others (using aid from Japan or elsewhere). The Scope of Work agreed between the governments of Japan and South Africa and Inception Report (2) outline the thrust of Phases 2 and 3.

It was noted that further explanation of the project management bodies is required. The Project Path Diagram will be revised to reflect the discussion.

At the request of Mr Vogel, Mr Hart explained the allocation of roles and responsibilities between the engineering and institutional consultants and links with other parties as shown in Appendix 5 of the Progress Report. The following issues emerged.

- *2nd Tier Roles and Responsibilities* - DWAF have requested an interim output from the Study Team on the MWB / NWW merger by the end of February as the merger is to be formalized on 1 April 1996. The report will relate to issues within the two merging organizations and ongoing interaction with local

government. DWAF wish the Study to influence the merger process rather than to simply report on it. The effects and implications of the merger will be ongoing beyond 1 April. MWB have proposed that a needs analysis be conducted to clarify how the NWW staff may best be utilized.

- **3rd Tier Audit** - It was suggested that all District Councils falling within the Study Area should be included. This will be reviewed with respect to the local consultants terms of reference. The question of whether to adopt a sampling approach or full coverage was discussed and it was resolved that full representation of the District Councils is essential. It was noted however that the organizations in Gauteng have said they are capable of looking after their own needs. It was also suggested that the House of Traditional Leaders should be included.

## **2.4 Study Team Activities**

Section 2.4 of the Progress Report was reviewed.

Mr Fanie Vogel plans to brief the NWW Board but it was noted that a briefing by the JICA Study Team would also be useful. Mr Fenner has briefed the MWB Board and is keeping them up to date; a briefing by the JICA Study Team in May might be appropriate although they haven't requested more details at present. The Study Team are to make a presentation to Rustenburg DC on 22nd February.

The Study Team noted that all of the parties concerned had been very helpful in providing information and assistance during the recent fieldwork.

MWB have already met with some of the 3rd Tier consultants and have briefed their large consumers and told them that they should expect a visit. MWB have also provided the Study Team with water quality data. Mr Hart thanked Mr Fenner for the information that MWB have provided.

## **6. General**

### **6.1 PWG Membership**

With respect to Item 6 of the meeting of the PMC on 15th January 1996, the MEC's participation was discussed. The Study Team will write to the MEC's and request that they nominate representatives to serve on the PMC. The PWG should formulate a strategy with respect to District Council and tribal representation.

It was agreed that an Initiation Workshop be conducted (possibly one in each Province) which would comprise an initial briefing followed by a discussion on how representation should be achieved. It may be preferable to make an initial personal approach and then follow up with the workshop. It would also be necessary to allow representatives to report back to their respective organizations before resolving the issue of representation.

It was noted that the issues of communication and representation should not be confused.

The absence of Rand WB representation on the PMC was questioned.

Mr Kieran Draper noted that identification of the key stakeholders was an important initial step in setting up a communication and representation strategy. It was agreed that Kieran act as a channel for members of the PMC to provide details of potential players; he can be contacted on 012 299 3097. It was agreed that as the programme is very tight, it is very important to resolve the representation issue promptly.

## **6.2 Consultant Interaction**

The "Draft Situational Analysis Macro Project Plan" attached to the Ground Rules (Appendix 2) was briefly reviewed. Feedback on the links shown between the institutional and engineering consultants was requested. The need for prompt response by the PWG to the local consultants was noted due to the tight programme. A key contacts directory will be handed out to the local consultants at the later meeting. It was agreed that this should be circulated to everybody associated with the Study.

## **6.3 Study Area**

There was a brief discussion concerning the issues surrounding the Rand / Magalies overlap and the future water provider in the KwaNdebele area. It was clarified that these areas form part of the core Study Area and must remain part of the Study. The data gathered during the Study will be of use regardless of the way in which these debates are resolved. It was confirmed that sanitation is included in the scope of the Study.

## **7. Programme - February to April 1996**

It was confirmed that the contracts with the local consultants have been signed. The data collection phase will last until 20th March and the analysis and reporting phase will be completed by the end of April. The contract for water quality sampling, analysis and reporting is due for completion within one month. The Study Team will produce a Progress Report by mid March. An interim report on the MWB / NWW merger will be produced by the end of February.

The Japanese members of the Study Team are to return to Japan by 29th March due to the end of the fiscal year in Japan. Local consultants forming a part of the Study Team will work together on a limited engagement basis to provide interim management during this period of absence.

#### **8. Dates and Locations of Future Meetings**

The next PMC meeting will be held in Pretoria at 10am on Monday 25th March and the PSC meeting will follow on 26th March. Mr Helgard Muller will send a deputy as he is unable to attend.

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Mr K Pelpola  
Director, CWSS  
Department of Water Affairs  
and Forestry

*Signed subject to the approval of the members of the Project Management Committee.*

Date: 29th February 1996

## LIST OF PARTICIPANTS

## SOUTH AFRICAN PARTICIPANTS

Department of Water Affairs and Forestry (DWAF)

Mr Kalinga PELPOLA	Director, Community Water Supply & Sanitation
Ms Louise COLVIN	Director, Organizational Development
Mr Helegard MULLER	Director, Mpumalanga
Mr Fanie VOGEL	Director, North West

Magalies Water Board (MWB)

Mr Nick FENNER	Chief Executive Officer (CEO)
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North West Water Authority (NWWA)

Mr Johan PANSEGROUW	Area Manager, Odi Region
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## JAPANESE PARTICIPANTS

JICA Advisory Committee

Mr Yuji MARUO	Senior Development Specialist
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JICA Study Team

Mr Julian NAGY	Organization / Human Resources Development Expert
Mr Timothy HART	Social Scientist / Community Development Planner
Mr Sadanobu SAWARA	Water Supply Planner
Mr Chris MANNALL	Water Quality and Treatment Engineer
Mr Ian BETTESWORTH	Water Resources Development Planner
Mr Kieran DRAPER	Assistant to Mr Nagy
<u>Embassy of Japan</u>	
Mr Koji TAHARA	Attaché, Development Assistance

## STUDY TEAM AND CONSULTANTS GROUND RULES

“Communication & Co-ordination is the Essence of the success of this Project”

1. Standard Communication Brief to be used by all.
2. There will be a PWG Co-ordinator who will liaise with the PWG Chairperson.
3. Meetings with key stakeholders should be sanctioned (and preferably arranged) by their Project Leader of each Local Consultant Group, after consultation with study team PWG co-ordinator and other Local Consultant Project Leader.
4. Task Leaders to coordinate as indicated on Relationship Plan.

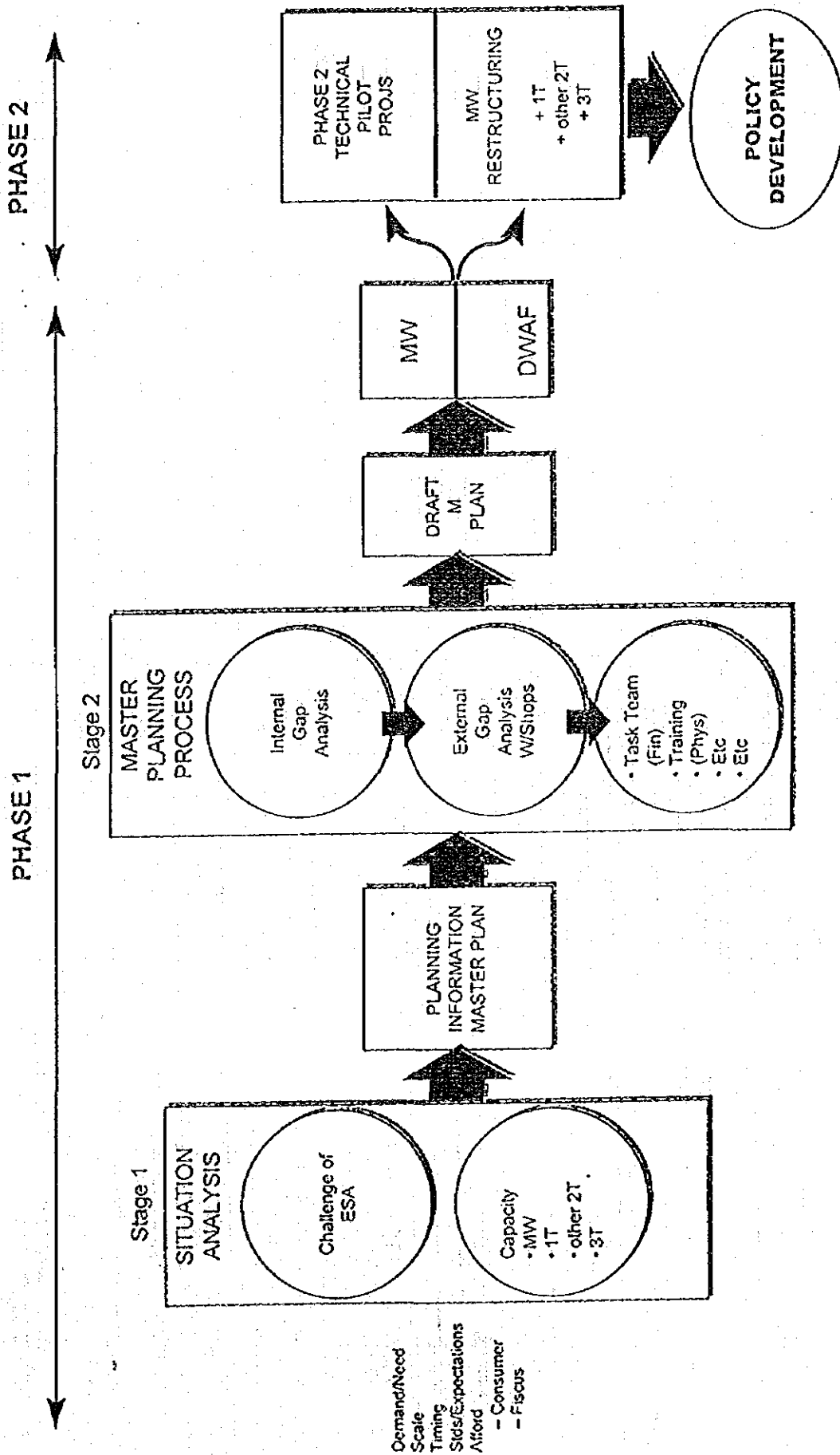
5. Issues to be recorded by Team Members and advised to the PWG Co-ordinator. These will be dealt with as follows:
  - Resourced directly PWG Chair
  - Referred for Resolution to PWG Meeting
  - Notes and advised to the relevant stakeholder client
6. Structured interventions / Interviews, Tools to be reviewed in advance with the PWG Co-ordinator (who will liaise with the appropriate Study Team Members and the Chair of the PWG;
7. All information collected remains Confidential at all times and is only presented in official reports of the project.
8. Variations from the approved plan, tasks etc. must be agreed in advance of changes being made.

## Interaction Between Groups

1. Communication Briefs:
  - Weekly report by project leaders to PWG co-ordinators on progress
  - Bi-weekly study team brief to stakeholders
2. Ad-Hoc Involvement of stakeholders in PWG.
3. PWG Meetings as needed (normally at least once per month).
4. Some PWG meetings to serve as stakeholder forum / meetings at key points.

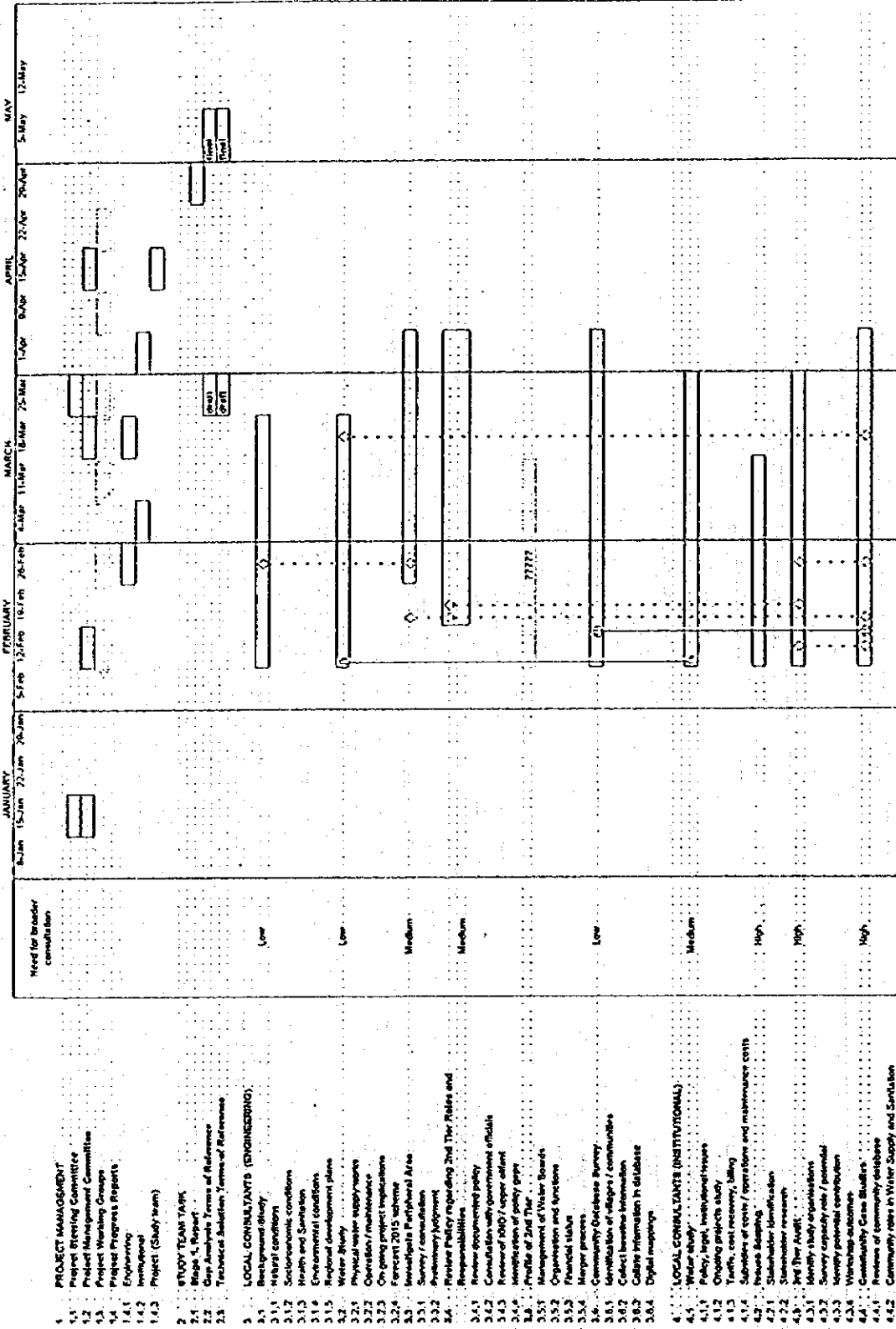


# PROJECT PATH DIAGRAM



Demand/Need  
Scale  
Timing  
Sids/Expectations  
Afford  
- Consumer  
- Fiscus

# DRAFT SITUATION ANALYSIS MACRO PROJECT PLAN PHASE 1.



Essential Contribution  
Local consultants start  
Advisory committee start

MINUTES OF  
PROJECT MANAGEMENT COMMITTEE MEETING  
REGARDING  
THE STUDY ON  
THE EXPANSION OF CAPACITY OF MAGALIES WATER  
REPUBLIC OF SOUTH AFRICA

Meeting held on Monday 25th March 1996  
at 11h00,  
Room 1060 Residensie Building, Schoeman Street, Pretoria

Ms L Colvin	DWAF, Director Organizational Development - Chair Person
Mr P Pyke	DWAF, Chairman 2nd Tier
Mr Pansegrow	DWAF, Area Manager Odi 1 Region
Mr Vogel	DWAF, Regional Director North West Province
Mr S Kadowaki	JICA Team
Mr Y Miyaninshi	JICA Team
Mr S Sawara	JICA Team
Mr J Nagy	JICA Team
Mr T Hart	JICA Team
Mr I Bettsworth	JICA Team
MR K Draper	JICA Team
Mr C Brown	Dept of Housing - Gauteng
Mr N Fenner	Magalies Water Board, CEO Magalies Water
Mr K Tahara	Japanese Embassy, Development Attaché
Dr Yuji Maruo	JICA Advisory Committee
Mr Yoshiki Omura	JICA Advisory Committee
Mr Shigeyuki Matsumoto	JICA Head Quater Staff

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## 1. Welcome by Chair

- 1.1 The meeting was chaired by Ms L Colvin.
- 1.2 The Chair welcomed all participants, especially :
  - The JICA officials from Japan, who had travelled large distances in order to attend the meeting
  - Mr C Brown, representing the Department of Housing and Local Government, Gauteng Province.
- 1.3 A revised agenda was distributed (appended)
- 1.4 The main focus of the meeting was identified to be the presentation of Progress Report No 1, and the identification of a revised study schedule.

## 2. Attendance and Apologies

- 2.1 *Attendance*  
See the list above.
- 2.2 *Apologies*
  - a) Formal letters of invitation were sent by the Study Team to:
    - i) Local Government MEC's in the four affected Provinces, asking for nominated representatives.
    - ii) The Regional Directors, DWAF for the four provinces affected by the Study.

- iii) The Chief Executive Officers and relevant Area Managers at Magalies Water, NWWSA and Rand Water.
  - iv) Project Working Group Chairs, DWAF
  - v) Rustenburg and Brits District Councils
  - vi) JICA Officials
  - vii) Study Team Members
- b) *Apologies were received from:*
- Mr K Pelpola, DWAF
  - Mr DE Africa, Local Government Housing and Development, Mmbatho
  - Mr Bath, Rand Water Board
  - Mr F van Zyl, Director Planning, CWSS, DWAF
  - Mr J Dombo, MEC Northern Province
  - Mr H Muller, Provincial Director, Mpumalanga Province, DWAF
  - Mr J Masilela, MEC, Mpumalanga Province
  - Mr N Letimela, CEO, NWWA
  - Mr S Tigele, NWWA
  - Mr A Matukane, Provincial Director, Northern Province
- c) Although Rand Water were invited to attend, prior commitments prevented Mr Bath from sending a representative. Rand Water's verbal apologies were received during a liaison meeting held on Friday the 15th March 1996. Rand Water can be introduced to the process during an introduction project workshop to be held during April 1996.
- d) Mr C Brown will approach the Department of Development Planning, Environment and Works, Gauteng Province in order to ascertain whether this department will also attend PMC meetings in the future.

### 3. Approval of Minutes

The minutes of the Project Management Committee Meeting of 15 th February 1996 were approved without alteration.

### 4. Broad Context of the JICA Study

- 4.1 The broad context of the JICA Study was presented by Mr T Hart.
- 4.2 The major objectives of the Study were presented. The short, medium and long term objectives were also described.
- 4.3 The Extended Supply Area to be studied was described.

- 4.4 The overall project framework (phases 1 - 3) was discussed.
- 4.5 The project management structures (PSC, PMC and PWG's) were presented.
- 4.6 The project path diagram was described.
- 4.7 The project information document was drawn to the attention of those present. Copies can be made available upon request.
- 4.8 The programme for the immediate future of the Study was discussed.
- 4.9 The need for maximum stakeholder representation was emphasised, in view of the fact that the need for communication is escalating as the Study proceeds.

## 5. Presentation and Discussion of Progress Report (1)

### 5.1 *General*

- a. General matters were presented by the Study Team Leader, Mr S Kadowaki.
- b. All parties were thanked for their assistance and cooperation during the situational analysis stage of the Project.
- c. The ESA was described with reference to the key map that is bound into the front of Progress Report (1).
- d. The selection of Local Consultants for the inventory survey was described:
  - i. Engineering Groups - EVN / Consultburo JV  
This contract is divided into two parts, ie:
    - Contract A - Data Collection (to 20.3.96)
    - Contract B - Analysis and Reporting (to 15.5.96)

The division of this portion of the Study into two contracts was necessitated by due to Japanese Budgetary system.
  - ii. Institutional Groups - De Loitte & Touche / RDC JV  
This group has also entered into two separate contracts, as was the case for the Engineering Group.
  - iii. The final reports of the Local Consultants will be evaluated during the first half of May 1996 by the Study Team.
- e. The situational analysis stage (Stage 1 of Phase 1) is almost complete. Only the Contract B works must still be attended to by the Local Consultants.
- f. The scope of works for Stages 2 - 4 of Phase 1 was described by Mr Kadowaki. (May 1996 to December 1996).

- i) During stage 2 the gap analysis will be undertaken, based on the results of the situational analysis (stage 1).
  - ii) The long term shortage of water in the ESA will have to be addressed (around 200Mm<sup>3</sup>/annum).
  - iii) During Stage 2 the actual consumption of water within the ESA will have to be accurately established. During Stage 1 the Local Consultants are required to estimate present and future consumptions, based on actual populations, existing on infra structural development and on formal quotas granted to existing consumers within the ESA.
  - iv) Existing storage capacity is almost equal to the mean annual runoff of the catchment area. Despite this fact, potential does exist for the development of further impoundments in the lower reaches of the ESA.
  - v) Around 45% of the existing demand is met by exports into the catchment area by Rand Water. This situation is likely to continue and will have a major bearing on future strategies and policies within the ESA.
  - vi) The merger process should be carefully monitored during the coming months.
  - vii) The future responsibilities for water supply and sanitation within KwaNdebele and Moretele 1 must be ascertained; close liaison with the KwaNdebele Water Board Option Task Team will be required.
- g. The physical conditions existing within the ESA were briefly described with reference to Progress Report (1).

## 5.2 *Engineering Field*

- a. This portion of the report was presented by Mr Sawara. A hand-out was distributed to serve as skeleton notes for the presentation (appended).
- b. The following main issues were addressed;
  - i. Surface water resources
  - ii. Ground water resources
  - iii. Water supply
  - iv. Water quality and treatment.
  - v. Sanitation and environmental issues.
- c. The catchment area (37500 km<sup>2</sup>) was compared to the area of the ESA (28000 km<sup>2</sup>). Consumptions outside the ESA, but within the catchment area of the Crocodile and Olifants Rivers (Northern PWV) were shown

to form a major portion of the consumption of imported water.

- d. Mr Fenner raised the following matters relating to the engineering study:
  - i. The potential of the Roodeplaat Dam has already been identified in existing studies.
  - ii. Magalies Water is investigating increased supply from the Hartbeespoort Dam in order to restrict further imports from the Vaal River as far as is possible.
  - iii. Demand Growth in the Rustenburg area has been around 6% p.a. in recent years (as opposed to 3% assumed for the ESA)
  - iv. The merger hand over plan has already been submitted to the Department. Service delivery will continue during the merger process.
  - v. Magalies Water will take over local ground water schemes within the ESA in the short - term. Eventually such schemes should be transferred to the 3rd Tier (District Councils)

### 5.3 *Second - Tier*

- a. This portion of the report was presented by Mr J Nagy.
- b. The Constitution of the 2nd Tier task team was described (Chair, Local Consultants and Study Team).
- c. Main activities during Stage 1 were described.
  - i. Data collection process and format (Appendix D to Progress Report (I) )
  - ii. Visits to the effected water boards
  - iii. Overviews of the merger process
- d. Issues now arising were described as:
  - i. The Third Tier capacity is expected to be generally inadequate. The support role of the second tier is thus likely to be crucial. The final report by the Local Consultants must confirm this provinsional finding (or otherwise).
  - ii. The role of the second tier must be clearly defined and



agreed against a time frame (s) that are associated therewith.

- iii. The Department must accommodate such role (s) clearly in policy formulation.
- e. The following discussion followed:
- i. The differing ability of the district councils to address the challenge of water supply and sanitation development within the ESA was highlighted (eg. Rustenburg DC is more ready to accept this challenge than the Brits DC.)
  - ii. The necessity to bring the district councils into the process at an early stage was emphasised in order to avoid duplication of effort.
  - iii. The capacity of the second and third tier role players will have an effect on the implementation of RDP policy.
  - iv. Subsequent to the merger process taking effect (1/4/96 is the target for proclamation), Magalies Water will be legally responsible for water supply and sanitation provision within the ESA, excluding KwaNdebele and Moretelle II.
  - v. The ownership of sewage plants previously operated by NWWSA did not return to DWAF upon adoption of the interim constitution. These plants remained under the control of the Department of Local Government and Housing North - West Province. NWWSA will continue to operate these plants for the foreseeable future until this matter has been resolved.
  - vi. The profile of the second and third Tiers includes the establishment of payment record relating to both bulk consumers and, where no proper 3 rd tier organization exists, individual end users.

#### 5.4 *Third Tier*

- a. This portion of the report was presented by Mr T Hart using overhead transparencies.
- b. Works undertaken by the local consultants include:
  - i. Water related study
  - ii. Issue scoping with stakeholders

- iii. Third tier audit
  - iv. Community case studies
- c. The following discussions followed:
- i. The role of the first-tier must receive due emphasis. This study will be affected by initiatives such as:
    - DWAF internal restructuring
    - Danida Study
    - White paper on Water Supply and Sanitation
    - White Paper on Intergovernmental Relations
  - ii. A complex relationship between the various tiers is likely to develop, eg. the third tier can support the second tier in certain functions.
  - iii. Mr Vogel requested that the household surveys should be undertaken in close liaison with existing forums and studies established by the DWAF head office and the regional offices. This process has essentially been followed to date.
  - iv. Coordination is also required with planning invitations by first, second and third tier organisations. The Study Team intends using the PWG's and the various ad-hoc study workshops for this purpose.
  - v. Any proposal for primary water resource development must be coordinated with the Chief Engineer Project Planning (Pieter van Niekerk), or his delegatee.

## 5.5 Summary

The presentation on Progress Report No1 was summarised as follows:

- a. No major problem areas have been highlighted and all major issues appear to be receiving attention.
- b. The Study Team are available to record specific issues for further attention, either directly or during subsequent stages of the Study. These issues can be submitted in writing or during ad-hoc meetings that can be scheduled for this purpose.
- c. Mr Vogel requested that the major role players be permitted to

participate in the development of agendas for the workshops on gap analysis or strategy formulation.

## 6. Revised Work Schedule for Stages 2-4 of Phase 1

- 6.1 This schedule was described by Mr Kadowaki with reference to the draft schedule in Progress Report (1).
- 6.2 Stage 2 will commence during early May 1996 subject to arrangement of the signed contract between JICA and the Study Team.
- 6.3 The JICA Study team will negotiate their Stage 2 contract with JICA during April 1996.
- 6.4 During April 1996 Messrs Hart and Nagy will represent the JICA Study Team in South Africa. Other team members will be in Japan during this period.
- 6.5 The draft final report for Phase 1 is expected by mid November 1996.
- 6.6 The final report is due by Mid Dec 1996.
- 6.7 Dr Maruo emphasised that although the scheme for stages 2 - 4 was not likely to alter greatly, it is still provisional and must be confirmed by JICA.

## 7. Communication Strategy

- 7.1 The communication Strategy was presented by Mr J Nagy.
- 7.2 A communication Strategy has been a Study Team objective from the inception of the Study.
- 7.3 An information brochure has been prepared and distributed by the Study Team. Further copies are available on request.
- 7.4 A study presentation (15min) has been prepared by the Team. This has been presented to the Rustenburg District Council, and is available for presentation to other interested organizations.
- 7.5 The Study Team prepared communication guidelines for use by the Study Team, Local Consultants and by other stakeholders.
- 7.6 A communication dependency schedule has also been identified.
- 7.7 Meetings have been held with all key stakeholders.

7.8 A formal communication strategy has been developed for the Study and is included in Progress Report (1).

**8. Matters Arising from Previous Minutes.**

8.1 Mr Vogel will inform the Board of NWWSA regarding the Study at the Board's next meeting. If required he will request subsequent support from the Study Team.

8.2 NWWSA must determine the extent of its future involvement in the Study. This matter will be discussed between MW and NWWSA on the 27th of March 1996 during a merger liaison meeting.

8.3 All inputs on how to improve the communication strategy will be welcomed.

**9. General**

9.1 Progress Report (1) is complete, and has rather erred on the side of completeness than by omission.

9.2 The Chair expressed the Department's appreciation for their hard work to date to the Study Team and wished the returning members a safe journey.

**10. Future Meetings**

10.1 The next PMC meeting will held on the 22nd of April 1996 at Rustenburg. The venue and time must still be identified and advised.

10.2 The following PMC meeting will be held on the 28th May 1996. Time and venue to be confirmed.

10.3 The further PMC meeting is provisory decided to be held on the 4th of July 1996. Time and venue will be confirmed.

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**Ms L Colvin**  
**Director Organizational Development**  
**Department of Water Affairs and Forestry, Pretoria**

**Date 25th March 1996.**