

IMPROVING WATER SERVICES PROVISION THROUGH THE NATIONAL MUNICIPAL BENCHMARKING INITIATIVE

Benchmarking our way to better services, more effectively, more efficiently

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ABSTRACT

SALGA and WRC have re-launched the National Benchmarking Initiative for Water Services. This significant national municipal initiative re-establishes water services benchmarking in South Africa, building on lessons learned.

For municipalities, the key benefits of benchmarking are access to a support network of peers and dedicated professionals where they can share common experiences, achievements and challenges in a manner that enables improved performance. A novel feature is the introduction of a modular and tier based approach encouraging and enabling participation by all, at a level aligned with their current capabilities and future aspirations. Participation within chosen modules is at a basic, intermediate or advanced level as determined by the ability of the municipality to accurately measure and manage. Web-based reporting systems, and automatically generated performance reports, offer time saving, reliability and the potential for enhanced management oversight.

The new National Benchmarking Initiative offers a bottom-up focus on the performance measurement capabilities of municipalities, with the provision of appropriate support to strengthen performance reporting systems and affirm their importance for effective service delivery. The objective is improved service delivery, achieved through improved management decision-making and oversight, which rests in turn on more reliable, comprehensive and up-to-date performance data. The focus is on spurring internal performance improvement, with an emphasis on affirming the distinctiveness of each municipality's challenges and strengths. Effective benchmarking will lead to substantial improvements in service delivery efficiencies and associated economic benefits. The supporting project team includes IMESA and eThekweni Metropolitan Municipality.

1. INTRODUCTION

Local Government Water Services Authorities (WSAs) in South African have contributed significantly towards increased access to a wide range of basic and improved water services, including substantial progress in addressing water services backlogs. However, this progress is set against a backdrop of an ongoing need to continue accelerating service delivery in order to meet *inter alia* the 2014 service delivery targets, and within an environment of growing development-driven water demand, as housing development and service upgrading accelerates. As per most developing countries, significant challenges are faced by municipalities in the sustainable provision of adequate, effective, efficient and safe water services. Indeed, in many instances key elements of the South African local government system have been showing signs of strain in meeting these mandates over the last few years, be it at a metro or rural municipality level (CoGTA, 2010).

Against this backdrop, good performance management by WSAs is crucial to both maintaining, improving and extending municipal water services delivery in South Africa, and in some instances directing turn around. Without viable water services institutions, better service delivery and more efficient operational management, South Africa will not be able to provide sustainable services or meet equity imperatives. Better performance measurement and management is crucial, and municipal water services benchmarking can take the sector forward towards achieving this. Effective benchmarking is a key tool to improve service quality, expand service networks and optimise operations.

2. RE-LAUNCHING OF MUNICIPAL WATER SERVICES BENCHMARKING

The first National Benchmarking Initiative (NBI) was launched in 2005 through a partnership between the then Department of Water Affairs and Forestry (DWA), Water Research Commission (WRC) and the South African Local Government Association (SALGA). The NBI was initiated with the main aim of promoting the system of benchmarking amongst water services institutions such as to improve performance and assist with the sustainability of water services delivery in South Africa.

Numerous milestones were reached over the three year NBI project life span (2005 – 2008), with participation increasing from 25 to 47 to 67 respondents from year one to year three. In particular, the initiative generated the baseline context data for the 11 Regulatory Key Performance Indicators (KPIs) set out in the Strategic Framework for Water Services (DWA, 2003), which was an obvious and nationally beneficial starting point. Furthermore, valuable learning experiences arose as to how best municipal water services benchmarking could be sustainably deployed in South Africa.

In 2008 the Department of Water Affairs (DWA) launched the Regulatory Performance Measurement System (RPMS) as an ongoing means to measure WSAs against the 11 regulatory KPIs (DWA, 2010). With the maturing of the water sectors regulatory tools (Blue Drop System, Green Drop System, RPMS, etc) it is now appropriate and possible to separate out regulatory performance monitoring from more introspective municipal performance benchmarking; i.e. *for and by municipalities themselves*, separate from regulation.

Accordingly, in 2011 SALGA and WRC sought to re-establish municipal water services benchmarking in South Africa via launching of a new initiative. The new NBI, commencing municipal interactions in August 2011, builds on the learning's from the previous benchmarking initiative, and in particular aims to use water services benchmarking to strive for continual and significant performance improvement by municipalities, while harnessing the experience of their peers to make the most efficient use of available resources to improve service delivery and customer services. Or *benchmarking municipal water services provision to better services, more effectively, more efficiently*.

The purpose of municipal water services benchmarking is as an internal municipal management tool to assist municipalities in strengthening their performance measurement and monitoring systems, thereby identifying where their key challenges lie and from there formulate response strategies, with external assistance, with reference to peer review and knowledge sharing. Associated comparative benchmarking amongst WSAs flags the strong performers in particular areas as a source of learning and information sharing amongst peers.

The new SALGA/WRC National Benchmarking Initiative aims to:

- Support improved efficiency and effectiveness in water services delivery through comparative performance benchmarking, peer-to-peer knowledge sharing and iterative performance improvements,
- Strengthen performance measurement, monitoring and management in municipal water services provision, whilst recognising and affirming the distinctiveness of each municipality's challenges and strength,
- Build communities of practice within and between municipalities,
- Forge relationships of mutual respect and trust between municipalities and the project support team which strengthen the development of performance tracking, reporting and comparative assessment systems.

The supporting professional support team is well balanced, and includes both the Institute of Municipal Engineering of Southern Africa (IMESA) and eThekweni Water and Sanitation.

3. WHY DO BENCHMARKING?

3.1. The Importance of Performance Improvement in South Africa

Major government commitments to rectify the historical legacy have led to massive investment in new water services infrastructure. There has been far-reaching transformation of municipalities' systems, structures and mandates. Free basic services have been introduced to remove poverty as a barrier to accessing at least a minimum quantum of services. However, nationally, the emphasis on extending service coverage and upgrading service levels has led to the rapid expansion of service infrastructure in many areas ahead of the institutional capacity to operate and manage it sustainably.

Alongside examples of innovation that are literally world-class, there is also widespread evidence of grave problems, with expressions of political dissatisfaction with service failures in some areas becoming more pronounced. This is substantially compounded by the human resource capacity challenges and the lack of institutional memory which is being lost due to high staff turnovers.

South Africa's water sector is currently grappling with ways to effectively manage such challenges, and the need to track performance trends has now assumed a new urgency – less to rank benchmarking participants against their peers as an end itself, than to identify critical vulnerabilities and pursue remedies for them.

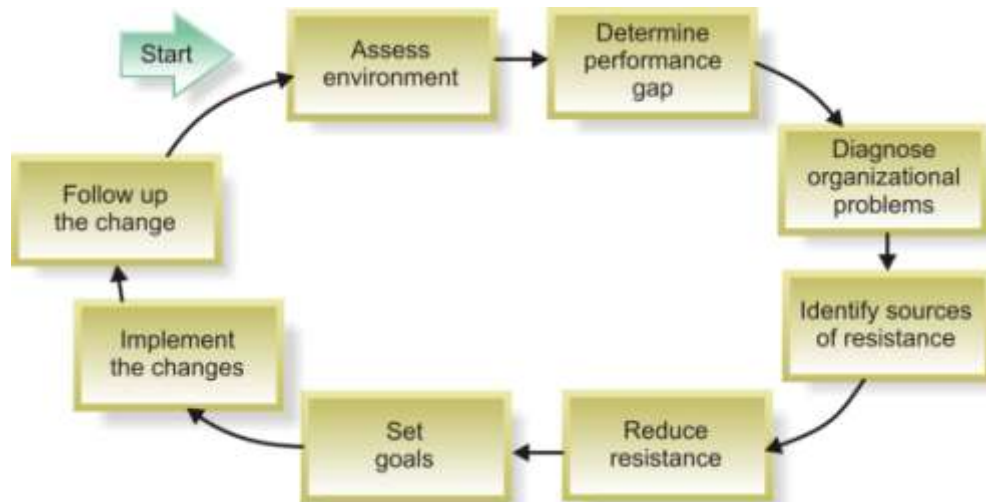


Figure 1: Performance management cycle

In this context, benchmarking reveals who the strong performers are, and raises constructive questions about what it is that they are doing that enables them to outperform their peers. Comparative performance indicators alert participating municipalities to where their key vulnerabilities lie, and strengthen their receptivity to initiatives aiming to provide support and guidance in addressing them. In time, benchmarking can contribute to improved governance and better public accountability, through flagging key performance gaps and raising questions around the reasons for them.

3.2. The Context of Benchmarking in South Africa

Consider the perspectives of this tired DM Technical Manager, captured for his views on benchmarking (WRC, 2010):

- “Benchmarking? It asks for things we don’t have answers for.
- “I am still trying to establish how many schemes there are here and how many boreholes I am responsible for in this municipality. I simply don’t have most of the information that questionnaires expect, and frankly, I have greater priorities just trying to put the basics in place. The data I do have I mostly don’t trust. There are no consolidated lists of schemes or boreholes or staff or equipment. I can’t possibly give information on water balances, and the population data in the IDP is complete nonsense.
- “Theoretical demand for water in this municipality is about 790 000 Megs. I have a safe yield of 430 000. I have bigger headaches on my plate than putting data together for benchmarking.
- “Metering? This is a mainly rural area. Putting in meters won’t stop my losses or fix my financial problems – I will just be able to account for where the water is being lost. Spending my very limited budget on meter installations is not my priority when the (Name Supplied) Dam spillway could go at any time. That’s where I need to focus my spending.
- “Of course I want to see how I compare with others – for example, operating costs per kilolitre. But I wouldn’t believe their data, because I doubt its integrity is any better than my own.”

The service delivery context in which these comments were made is worlds away from those of the mature Canadian water utilities whose experiences shaped South Africa’s first NBI. If water services benchmarking in South Africa is to play the role the sector needs it to, the starting premises of the renewed RNBI need to be somewhat different. The entire conception of benchmarking needs to be rooted in current municipal realities:

- Enormous challenges putting basic systems in place to address backlogs and improve the reliability and quality of water supplies,

- Rudimentary data systems,
- Limited data on input volumes, and very little on consumption,
- Limited staff assigned to keeping data systems updated,
- Lack of integration between management information for Financial and Technical services,
- Benchmarking is seen as useful, but not something the municipality is able to allocate resources to any time soon.

3.3. The Promise of Benchmarking to South Africa

Benchmarking is about more than comparative assessment – year on year, assessing this year’s performance against last year’s, or this year’s performance against this year’s top performers elsewhere. Benchmarking is about performance improvement. It is not an end in itself; it is a tool, and a means to a far greater end – performance improvement, through systematic search and adaptation of leading practices (Cabrera, 2009). The point is to reflect on the findings to decide how and where to improve.

The European Benchmarking Co-operation distils the relationships between performance assessment and improvement in this way:



Figure 2: The relationship between performance assessment and improvement (Source: EBC, 2010)

It is evident from this diagram that benchmarking is not a once-off event or a static snap-shot.

Figure 3 illustrates the critical linkages between data, performance information, performance management and benchmarking.

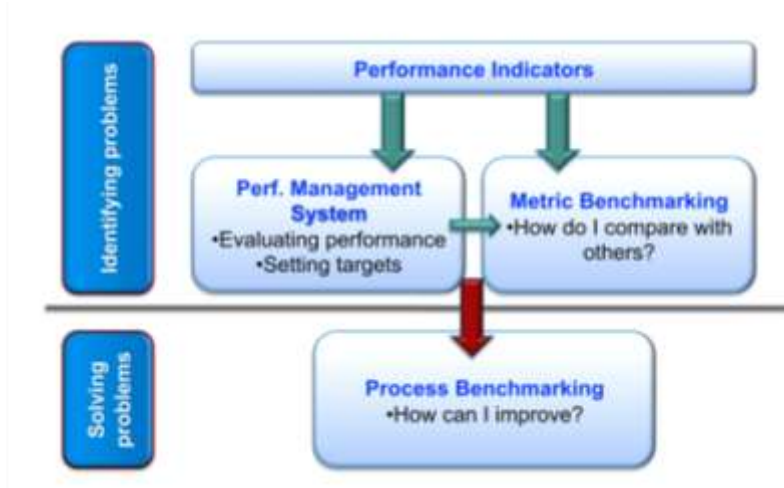


Figure 3: The relationship between data, performance information, performance management and benchmarking

As shown in Figure 3, performance indicators enable comparison with others. At the simplest level, quantitative indicators enable quantitative comparison, known as metric benchmarking. **Metric benchmarking** shows how the current performance of an entity compares with the performance in a previous time period, or how the performance of

one entity compares with the performance of another organisation. It is, however, not diagnostic, and cannot explain why the performance of one entity is different to another.

The reasons for the differences in performance between two or more entities fall into two broad categories:

- Those beyond the control of management (water sources, terrain and topography, legacy issues relating to past investment decisions, etc),
- Those within the control of management (level of commitment to excellence, choices made around particular technologies and processes, efficiency of operations, priority given to asset management, etc).

Particularly in the South African context, there are grey areas around where to locate responsibility for institutional arrangements, budget allocations, and so on.

Benchmarking focuses on performance issues that lie *within* the control of management.

Process benchmarking is concerned with *how* a utility approaches a particular task, process or function. It entails detailed analysis of the process flows of a particular aspect of operations (leak detection and repair, customer billing, etc) with the objective of learning from strong performers, and adapting internal systems to refine, streamline and enhance the process flow to achieve optimal performance. This approach is generally iterative, with opportunities for quick gains tapering towards more subtle adjustments and performance improvement outcomes, once the quick wins have been exploited.

The purpose of benchmarking is to improve performance, through comparing performance (metric benchmarking), and through exploring the drivers of performance improvement (process benchmarking). The value and usefulness of benchmarking only becomes apparent when continuous improvement actions are formulated. Thus benchmarking should not be an exercise in data collection and development of statistics and charts as an end in itself, but an ongoing iterative process that aims to achieve continuous improvement through collaboration, communication and regular performance assessment against defined goals.

Ideally, benchmarking will reveal opportunities for quick wins, through learning from the approaches of others. As Figure 4 shows, the most desirable gains are those that deliver substantial benefits for limited effort (Point A). As the organisation becomes more efficient, achieving further performance improvement requires considerably more effort (Point B).

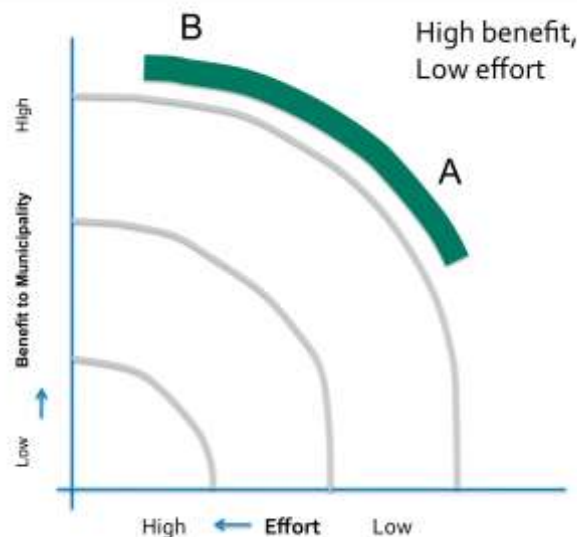


Figure 4: The relationship between effort and benefits in performance improvement

Learning about possible quick wins can be a powerful motivator to organisations to participate in benchmarking – particularly for participants coming from a low baseline performance. Ideally this incentive can build momentum to strengthen the internal performance management systems that will deliver the steady gains to the benefit of all users and the sector. Over time, evidence of tangible benefits accrued through participating in benchmarking will also – hopefully – motivate organisations to refine their performance management systems and move increasingly towards Point B efficiency gains.

4. BENCHMARKING LESSONS LEARNT

WRC and SALGA carried out a critical review of the 1st NBI during early 2010 (WRC, 2010). This made known that the majority of NBI participants were clear on the value of benchmarking, and of knowing how one's own performance compares to that of one's peers. All municipal participants interviewed commented that participation in the NBI had highlighted gaps in their data management systems. They found this useful in that it forced them to consider some indicators of performance that previously were not 'on their radar' and spurred them to update their data, develop and/or strengthen their own data collection and management systems and improve their performance. Finally, it also assisted in collating information and compiling reports.

There were, however, less positive issues raised, including:

- "Just another data gathering exercise, with no benefit for the municipality. We participated because it was expected of us."
- The KPIs mostly duplicated information already requested elsewhere, with the added time-burden of different units of measure
- Onerous questionnaires, with too many questions, which assumed they had the resources to dedicate staff to spending weeks populating the spreadsheets
- No perceived benefit – they had hoped it would lead to offers of support and assistance
- "No follow-up, no feedback, no assistance, no support, and no guidance on how to do things differently to overcome acute budget and staffing problems"
- "The NBI asked lots of questions but didn't engage at all with what was revealed; they simply aggregated all the statistics, without providing any guidance on what to do about the problem areas"

Lessons Learnt, as per feedback from municipalities, can be distilled in to ten key points, each with additional municipal recommendations as captured and summarised below:

4.1 Focus on Strengthening Data Management

- A primary problem to be solved is poor municipal data management. This presents a substantial challenge to performance monitoring and management, and hence on service delivery, accountability mechanisms, planning, sustainability and a range of related problems.
- Benchmarking needs to be approached as part of a broader initiative to assist municipalities to improve their data collection and management systems.

4.2 Secure Political Buy-in

- Political buy-in at both appointed and elected officials with the municipal system is needed to drive and support benchmarking and the improved data management systems that underpin it.
- SALGA should work to build political support for an initiative to strengthen municipal data collection and management, through engaging politicians and municipal managers at high level through its own and / or provincial structures.
- SALGA should run a campaign calling for reporting on water services to be institutionalized as a standing item in Municipal Councils quarterly or, ideally, monthly, so as to make data collection and reporting routine. Politicians are likely to welcome access to regular performance updates, given the pressures they are under to demonstrate that they are working to resolve service delivery problems. Even more importantly, the benchmarking initiative will be structured to facilitate knowledge sharing between municipalities and provide support in addressing some of the challenges that thwart provision of better services.
- Maintain momentum through quarterly sessions targeting politicians (and officials), which flag current sector problems. For example: cholera → wastewater spills → skills / maintenance / spending, etc → how collecting BM data can raise flags early on and avert disaster. Use the initiative to educate the politicians about stress points, vulnerabilities, and opportunities for quick wins.
- Give special attention to inviting the municipal Chairs of the Portfolio Committee responsible for water services to all BM events and workshops, so that they support, and push, the involvement of their municipality.

4.3 Deliver Immediate Practical Benefits to Municipalities

- Unless municipalities perceive clear, practical benefit to participating in BM, many will be reluctant to participate; those who do participate may submit questionable data, which will compromise the integrity of the overall data set and the validity of the averages.
- Integrate benchmarking into core management practices of the WSA, rather than what is widely perceived to be an externally oriented onerous additional annual process that does not align with municipal needs and systems.
- The initiative to improve management information systems should be structured in such a way as to deliver immediate, practical benefit to municipalities. The emphasis should be on developing tools and systems for their own internal use and benefit, rather than for external data assessment.
- Combine annual benchmarking with a monthly performance monitoring and reporting tool that WSAs can use to track the performance of their WSPs. This will greatly assist municipalities in reporting, while strengthening systems to gather data and monitor critical performance indicators.
- Wherever appropriate, promote the use of consistent performance parameters across municipalities for internal management, drawing wherever possible on parameters used in WSA-WSP contracts.

4.4 Move to a Web-based Tool for Data Capture and Analysis

- If municipalities entered/transferred their data monthly and quarterly into a web-based database, the system could generate immediate customized reports for internal management and reporting to Council and external parties; the time and effort saved once the system was running properly would be a powerful incentive to municipalities to participate in both in the data management / performance monitoring initiative and more formal benchmarking.
- Regular monthly and quarterly submission of data via a web site would make the assembly of annual benchmarking data submissions comparatively straightforward. This would enable rapid feedback to participants on their own performance relative to those they see as their peers.
- Regular assessment of incoming results by the BM Team throughout the year would enable the benchmarking service provider to identify problem areas timeously and mobilize support interventions where feasible. This would enable the BM initiative to move beyond statistics and charts, to offer thematic workshops and practical guidance on how to address some of the underlying reasons for disappointing performance.
- Having a web site is not a substitute for regular information sharing events. The web site can be used to distribute information that participants can download, but it is the social networking and interaction between peers that matters most.

4.5 Provide Extensive Hands-on Support to Municipalities Around Data Capture and Reporting

- Most municipalities require extensive hands-on support in setting up and/or developing their data collection and management systems. They also require at least one designated official who is assigned responsibility for data collection.
- The web-based system should be supported through regional support teams with practical experience of and insight into the water services challenges municipalities face, and able to build relationships of trust and mutual respect with participating municipalities.
- Build on the features which have underpinned the success of the eWQMS:
 - Regular contact between consistent regional support teams and municipal officials
 - Monthly reminders, where needed, to submit data
 - Hands-on support
 - Customized automatic report generation – which saves managers the task of writing narrative analytical reports for internal management reporting
 - Data is stored on a centrally-managed data base outside of the municipality, which helps to overcome data losses and system breakdowns when individuals leave a municipality

4.6 Strengthen Social Networking and Live Knowledge Exchange

- While the web site could certainly be a source of downloadable resources, what matters far more is live real-time contact between participants. Municipalities want, and would make time for, forums where strong and less strong municipalities can come together to discuss common problems and how to overcome them.
- The City Water Managers' Forum (CWMF) brings together the water managers of the biggest cities quarterly to discuss issues of common interest and concern. (It is also a forum which serves to ground-truth reported performance through discussion between peers, and this is critical for validating and giving credibility to comparative benchmarking.) The District Water Managers' Forum is being revived, and may yet serve a similar purpose. There is no forum at present for LMs that meets this need.
- A number of interviewees recommended that regional forums be established (e.g. Buffalo City and adjacent municipalities, or all water services managers in Nkangala DM) or utilized (e.g. a Gauteng Water Services Forum

already exists), where a strong performer is able to share its experiences and knowledge of good practice with others, and where weaker municipalities can network with each other and provide mutual support and assistance.

- Outside of the CWMF, vertical stratification of participants is not recommended, because then the strong would cluster with the strong, leaving those who are struggling without support. Instead of a vertical stratification of performers (strong, intermediate, weak), it makes more sense to cluster participants horizontally – spatially / geographically, by area, as they tend to share similar problems (drought, topography, bulk supply constraints, common role-players, etc).
- Clustering municipalities spatially would be more likely to expose the weaker municipalities to the good practices of the stronger municipalities. However, it should not be assumed that the stronger municipalities have the resources to provide much direct support to those who are struggling; across the sector there is a shortage of key skills, and even the stronger municipalities generally do not have spare capacity.

4.7 Adopt a ‘Less is More’ Approach to BM Data Collection

- Wherever possible BM performance indicators should not duplicate information being reported elsewhere against national sectoral objectives. Rather, BM should focus on core organizational and operational management parameters that are essential for good, sustainable service delivery, while building awareness within municipalities of why they matter.
- It is evident that many municipalities perceive BM as onerous – “too many questions” and “they ask for data that we don’t collect, or they want it in a format that is not aligned with how we do things”. Participants then try to submit data in all data fields, using estimates; these estimates compromise the overall quality of the data, and skew averages. Arguably, it would be more productive to ask municipalities to tackle fewer questions, and to focus on improving the quality of the information they collect and report for comparative benchmarking.
- Structure BM questions into thematic topics or modules that are essential for internal management of sustainable delivery of good services. These are likely to include:
 - Product Quality (drinking water quality, waste water treatment, etc)
 - Operations and Maintenance (O&M)
 - Human Resources Management and Skills Development
 - Water Conservation / Water Demand Management
 - Financial Performance
 - Service Delivery and Backlogs
- Let municipalities choose which, and how many, modules they submit data on. All should be encouraged to submit data for at least one module. Make it prestigious and desirable to be able to submit credible data for four or five modules – for example by referring to them as “Four Star” or “Five Star” municipalities”).



Figure 5: Examples of water services related performance measurement modules that could be developed, and an indication of the consideration of different levels of complexity within modules

- One of the most critical indicators to encourage municipalities to track and manage is Non-Revenue Water: it addresses both revenue optimization and reduction of loss reduction, lays a useful foundation for better asset management, and has been designated a national priority by the President (President Zuma, 2010).

4.8 Benchmarking Should Focus on How to Improve Performance

- The annual benchmarking conference should bring municipalities together to work through the technical findings in more detail, and link this to practical assistance to address the problems identified. There should be less emphasis on charting the statistics than on understanding the drivers of good performance; and more emphasis on what to do differently to improve performance, and how to do this with available resources.
- In time, this would support a widening of the scope of benchmarking beyond quantitative parameters to address process benchmarking; this is where good practice can be scrutinized in detail, and assessed for application back home, ultimately with standardized operating procedures.
- Informants flagged a number of topics for immediate consideration. These include –
 - Unauthorised connections and reducing losses
 - Staff retention and staff development strategies
- BM should look beyond senior managers. The new NBI should develop training programmes and knowledge sharing initiatives for technical and operational personnel, including (but not limited to) data collection and data management. Without the awareness and co-operation of less senior staff, senior managers will not be able to generate credible data or improve their performance.

4.9 Resourcing the Need for Greater Support to Municipalities

- Previously, the NBI under-estimated just how much support most municipalities would need, to participate. This meant support fell short of what was needed, and the remaining financial resources for analysis of the findings were limited.

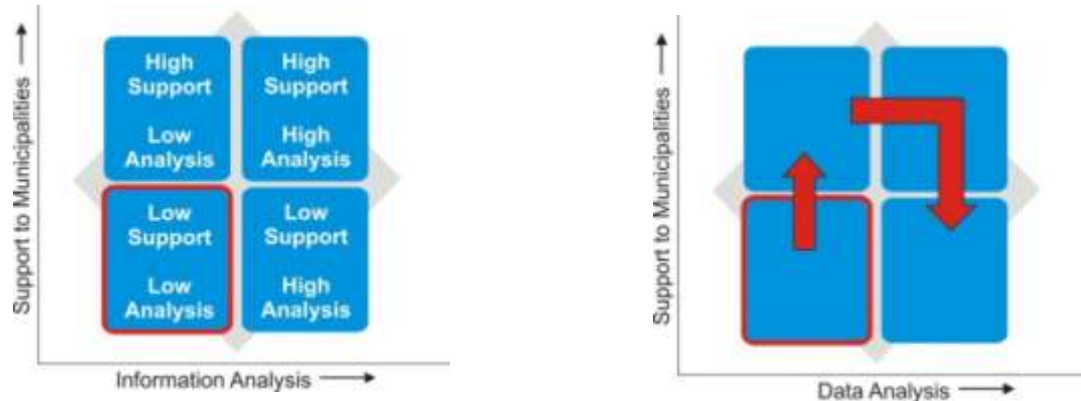


Figure 6: Transitional shift from low support/low data analysis toward eventual low support/high data analysis (after, for example, a 5 year period)

- Going forward, a priority of the new NBI must be to provide far more support to municipalities, ideally through regional teams, to enable them to strengthen their data capturing and performance tracking systems (High Support, Low Analysis quadrant). As their capacity improves, it will be possible to improve the analytical component (High Support, High Analysis quadrant). In time, the objective should be to reduce the amount of support provided and give greater emphasis to more in-depth analysis of the data (Low Support, High Analysis quadrant). This could then bring the comparative and analytical methodologies of the NBI in South Africa more in line with approaches followed in Canada, the US, Europe, Australia and elsewhere.
- This need for practical, hands-on support has important implications for the supporting institutional arrangements NBI needs. The municipalities interviewed specifically requested support from consultants with practical experience of service delivery and operational management of water services at municipal level, rather than from university-based researchers whom, they felt, would have limited insight into municipalities' practical challenges and how to address them. There is, nonetheless, a secondary role for academic research and analysis in the short-term, to add greater depth to the primary analysis conducted each year.
- Over time, as municipal data management and performance tracking systems improve, the need for support will diminish, and it would be possible to undertake more in-depth analysis of the data as an integral part of

benchmarking. At this point, it becomes feasible to explore the institutional model for BM found in Europe and the US, where universities form the institutional hub of benchmarking.

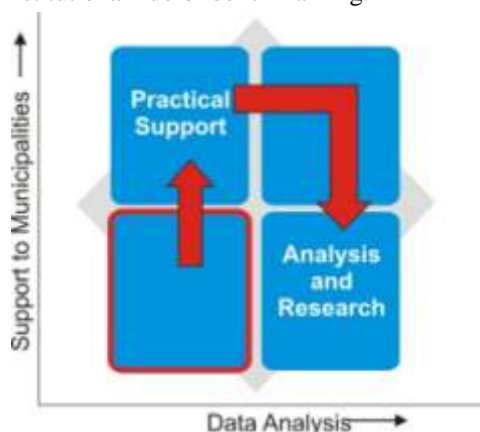


Figure 7: Transitional shift in RNBI model (after for example, a 5 year period)

4.10 Skills Development

- The renewal of the NBI provides an important opportunity to mentor and develop new sectoral capacity. Funds should be secured so that SALGA is able to recruit and appoint interns or trainee Regional Benchmarking Coordinators in each province or provincial cluster. The trainee would be seconded to work with the service provider in providing support, and would report to the designated service provider; the service provider would report to the SALGA manager responsible.

5. NEXT STEPS

The main phases to introducing effective water services benchmarking to municipalities of South Africa can be summarised as including:

- Phase 1: Review and Design of benchmarking process via consultation with core WSAs;
- Phase 2: Initiation amongst all WSAs;
- Phase 3: Institutionalization and Consolidation across WSAs and the water sector; and
- Phase 4: Iterative and Ongoing Strengthening of Municipal Performance Assessment and Improvement.

Currently, the project is busy with Phase 1, ie developing appropriate Key Performance Indicators (KPIs), as summarised in Figure 8 below (adapted from WSP, 2010):



Figure 8: Phase 1 of the new National Municipal Benchmarking Initiative for Water Services

Starting with the review of existing international and national benchmarking KPIs (e.g. International Water Association, IB-Net, European Benchmarking Co-operation, previous NBI KPIs (2005-2008), etc) to determine which KPIs are both applicable to water services delivery in South Africa and consider current circumstance within the South African water sector (including for example other existing data collection processes such as the DWA Regulatory Performance Measurement System (RPMS), DWA Blue Drop System (BDS), DWA Green Drop System (GDS), DWA/SALGA Municipal Strategic Self Assessment (MuSSA)). In particular, key to the reintroduction of benchmarking is the harnessing of already available performance data (i.e. build on and affirm what is already in place, and not “re-inventing the wheel”) or burdening already stretched WSAs with “more questionnaires”.

Current steps therefore include:

- Fast-tracking participation of Metros within the NBI through development of draft Metro KPIs (Advanced/Intermediate), via a facilitate process with Ethekwini Metropolitan Municipality and the City Water Managers Forum (CWMF). As most Metros already have some level of performance monitoring and measurement systems in place (and could be considered as “ideal” WSAs or “the benchmark” within the South African context), it is important that the NBI be aligned with Metro processes from an early stage. The developed KPIs will be workshopped and finalised through interaction with suitable Metro representatives and associated benchmarking experts, with the intention that the developed KPIs become the blueprint for “Advanced Level” benchmarking in South Africa.
- An assessment of the current state of performance reporting in a set of 30 sample municipalities. Municipalities have been asked to provide a copy of their latest water services performance report prepared for Council; this report will provide the following information:
 - Current trends on how up-to-date the information is that water services managers report to Council
 - What they report to Council, what KPI’s they use, and what issues they prioritise
 - What Internal Operational Management reporting takes place
 - What is not being tracked
 - What is available from suitable secondary sources covering regulatory, finances, census, infrastructure, staffing, and municipal surveys outputs

This rapid “dip-stick” survey essentially benchmarks the state of current performance reporting. It will assess main KPIs currently being used, and identify gaps and opportunities for strengthening current approaches. The provision, or not, of this information will guide the identification of the most relevant and useful KPIs for different types of municipalities, in particular group B and C, and will assist with optimising the proposed tiered modular approach to participation. Further, they will inform the development of differentiated strategies to provide targeted support to those municipalities requiring assistance in strengthening their data collection systems.

6. IN CONCLUSION

The new SALGA/WRC National Municipal Benchmarking Initiative for Water Services seeks to introduce performance benchmarking in a bottom-up, municipality specific manner that:

- Makes benchmarking part of “normal, good business practice” that assist officials with their day-to-day operations and demonstrate economic benefits and value to the water services sector.
- Focuses on hands-on support (“how do I do that?”).
- Creates a support network and culture of information exchange between peers (“how did they do that?”).
- Uses a web-based real-time data-capture and reporting system for tracking and measuring performance.
- Uses a modular, tiered approach to benchmarking to encourage and enable all to participate, at a level aligned with their current capabilities and future aspirations.

If successful in the aforementioned, the National Municipal Benchmarking Initiative for Water Services can with time lead to substantial breakthrough improvements in water services delivery in South Africa. In addition to the efforts of the project team and project sponsors, success will be dependent on interest, commitment and involvement from Municipalities (councilors, senior management, and technical staff), and supportive involvement and alignment from key municipal and Water Services Sector groups including *inter alia* DWA, DCoG, SALGA, and WRC.

7. ACKNOWLEDGEMENTS

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