



## *From implementor to facilitator – Transition management of the Department of Rural Water Supply in Lesotho*

### *Fact box Lesotho*

<i>Capital</i>	Maseru
<i>Size</i>	30'000 km <sup>2</sup>
<i>Population</i>	2.1 million
<i>Rural population</i>	1.6 million
<i>Annual population growth rate</i>	2.66% (1990-2000)
<i>GNP per capita</i>	550 US\$
<i>Coverage rural water supply</i>	60 - 65%
<i>Coverage rural sanitation</i>	40 - 45%

### *The focus project*

<i>Time frame</i>	1978 - 2002 with emphasis on the phase between 1998 and 2002
<i>Budget</i>	2 Mio USD for 1998 to 2002
<i>Donor</i>	Swiss Agency for Development and Co-operation (SDC)
<i>Project management</i>	Helvetas, Swiss Association for International Co-operation (NGO)
<i>Focus</i>	Management of the transition phase of the Department of Rural Water Supply, away from an implementing towards a facilitating role. Organisational development, capacity building and launching of a sector wide approach (SWAp)

◀ helvetas ▶



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## Background

In the last decade there has been a global trend to support developing countries in their efforts of handing over responsibilities from national to local administrations. This shift to a more decentralised approach has been regarded as necessary to enable governments to better supply water and sanitation to the general public, especially in remote areas.

In Lesotho, the Department of Rural Water Supply (DRWS) took a proactive stand and decided to combine this transition with a change in their roles and responsibilities (from provider to a more facilitating role). Initiated by Helvetas, a Swiss NGO, the process was

planned over several years starting with the development of a strategic paper. The implementation and application of this strategy is still ongoing.

The case study on hand describes how the transition process was planned and implemented. It focuses on the phase of transition since 1993, even though many of the stakeholders have been involved for many decades. It describes the objectives and goals of the strategy, and takes a look at future developments. If this case study raises your interest, please do not hesitate to contact the institutions involved - their contact details are provided at the back of this brochure.

## The country

Lesotho is a land-locked, mountainous country completely surrounded by the Republic of South Africa (RSA). Its mountain tops reach up to 3300m above sea level, while the lowland lies at an altitude of around 1400 m. Until 1966, the country was a British protectorate called Basutoland.

The people of Lesotho live predominantly in rural areas. A typical village in the mountains consists of about 100 people, while the average village size in the lowlands is around 400 inhabitants. There are around 8000 villages country-wide. The main occupation of the people is farming, with the exception of those working in mines in RSA.

During the 20th century, the population living in urban areas has increased drastically. Rapid urbanisation is still ongoing as larger cities attract many people hoping to find work and better infrastructure and services. This process further increases the pressure on infrastructure and services within the cities, but also poses problems to the rural areas as they are quickly losing workers, knowledge and experience. This challenge has to be faced in all sectors. The following sections describe how the challenge is addressed in the area of rural water supply.



*Construction of a reservoir*

## The Department of Rural Water Supply (DRWS)

When Lesotho became independent (1966), the rural water section was located centrally in Maseru. Over the years the section evolved into a more decentralised body with offices and staff in all 10 districts of Lesotho, and in 1994 it was named 'Department of Rural Water Supply'. Today DRWS is part of the Ministry of Natural Resources responsible for construction and maintenance of water supply systems in the rural areas of the country.

DRWS has built up a vast technological know-how and experience. The emphasis of work in the past was mainly on the engineering side, and the provision of hardware was core to the programme. This enabled DRWS, with the financial support of donors (USAID, SDC, KfW, ODA, IA, Care, and others), to supply a large number of people with safe water. At its maximum performance in the late 1980s, DRWS provided

up to 100'000 people a year with new water supplies. However, the growth rate of people being provided with water dropped during the 1990s. This was mainly due to three reasons:

- The villages of the lowlands, being larger and easier to access, had been supplied in the previous years
- Funding was more difficult to obtain
- The motivation of staff was decreasing

In 1995, a nation-wide survey of water systems indicated that more than 30% of the water systems in rural areas were not functioning. This was associated with the fact that the programmes in the previous decades had been focussing very much on output and on the construction of systems. Social and institutional components had often been given a lower priority. In this situation, it was felt that a new strategy and a new policy was needed.

## The project

It took several years to develop and implement a new policy and a comprehensive strategy for the necessary changes. In 1993, a consulting company recommended the launch of a so-called 'Management Development Programme' - a strategic approach to management issues in the water sector. Three years later, the Management Development Programme had evolved from strategic thinking to an applied concept based on the following main features:

- The emphasis of the department was moved away from technology (1968-1995) towards management issues, with a focus on sustainability and output
- Priority was given to institutional and management development within the DRWS
- It was decided that the first phase of the programme should focus on the district level where services are actually being provided to the communities.

To implement the Management Development Programme, external support and know-how was needed. This was going to be provided by two institutions:

- Helvetas, a Swiss NGO working in the country since the 1970s, for the purposes of project management and facilitation. Helvetas is financially financed by SDC.
- A private company from RSA providing management advice to the DRWS

Up to 1997, the strategic plan had evolved into a full-scale programme with 37 projects. Each of these 37 projects had its project team with a team leader, and a clearly defined project scope within the business activities of DRWS. These projects were kept small in size in order to make them easy to manage and to ensure that the project goals could be achieved. The "hard" side of the organisational development process focussed on project management skills and definition of the key processes. The "soft" side was approached with intensive leadership training as the main tool for change management for senior staff at headquarters and district offices.

The main guiding policies for the whole programme were:

- Focus on community ownership and management of the water systems to enhance sustainability of water systems (demand responsiveness),
- Implementation by the private sector to improve productivity and
- A changed role for DRWS from an implementing to facilitating body for the rural water sector in the country.

The project was designed for 5 years (1998-2002) with a rolling planning. It started with the redefinition of the key processes, also called 'reengineering' (see 'special



topic'), followed by an intensive training and coaching programme. In a first step, the process was limited to the planning and construction of new supplies and later

on it was extended to cover operation and maintenance procedures as well. By the end of 1999, all districts were implementing the new strategy.

## *Achievements and challenges*

The implementation of the Management Development Programme started in 1998. So far, many goals have been achieved and some challenges remain. The following commentary provides an overview of the main lessons learnt during the project up to the time of this publication (April 2002).

One big success story was the system implementation itself. All 130 masons formerly employed by the DRWS were formally taken off the books. Instead of holding employment contracts with DRWS, the masons were encouraged to build up their own small enterprises and were provided with guaranteed contracts. A long consultation process took place with various government authorities regarding the labour contractor system for rural water supply construction. The idea that people would be paid based on their performance was generally appreciated. However, it proved difficult to retrieve a written commitment to endorse this process. Finally, the policy was implemented without formal approval, on the basis that no government body opposed the idea. Today, 4 years later, around 100 masons are still successfully working with DRWS as contract masons.

Another positive impact of the programme was that more water supply systems were being constructed once the programme had started. This followed a period of decline in construction rates in the early 1990s. This success was mainly attributed to increased funding for water supply systems, facilitated by the new strategy. Some donors substantially increased their contribution to the sector, encouraged by the new spirit and performance of DRWS.

Maintenance of water supply systems is currently contracted out by the district offices on a two years basis to private firms or individuals. There are two types of contracts in existence, one for handpump systems and another for other pumping systems. Development so far suggests that the two-year period is long enough to give the contractors experience, while at the same time retaining an element of competition in this market.

For a long time, the project implementation did not directly involve the Ministry responsible for the activities of DRWS. Integration into the government's institutional framework was a priority of neither DRWS nor the project because the Ministry was subject to frequent



*Public standpipe*

staff changes and was lacking in clear sector policies. DRWS ran its affairs in an autonomous manner within the Ministry, and the latter never really developed the necessary ownership of the department. In 1999, a series of important changes (new national water policy, draft water bill, decentralisation, public service reform) took place in the DRWS operating environment, and the time was right for the adoption of more integrated institutional arrangements. At the same time, the organisational development consultant's input was decreased in order to transfer responsibilities quicker to DRWS management. This transfer phase led to many frictions between the different stakeholders involved, most of which have been resolved by now. However, it became obvious that the donors had not cooperated enough with the corresponding officers of the home Ministry of DRWS and that the latter was not in a position to communicate this to the donors.

It was learnt during this turbulent transition period (1998-2001) that the former project approach had to be opened up and replaced with a sector wide approach (SWAp), clearly defining roles and expectations of all parties involved. Experience has shown that once peo-

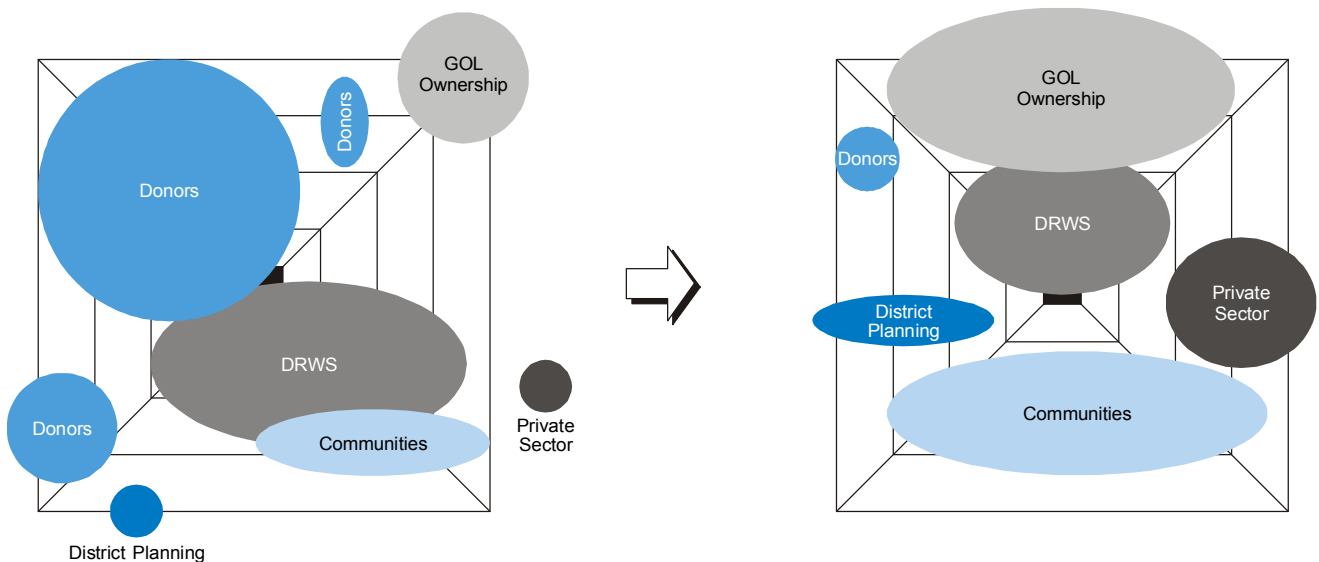
ple are given clear roles and corresponding responsibilities, unexpected energies may emerge and boost everyone's level of motivation.

In 2001, a first five-year rolling planning was developed (2001-2005). This planning tool has enhanced the strategic thinking of DRWS and improved the communication and negotiation culture amongst the stakeholders. It is also expected that this rolling planning will institutionalise the new policy, strategies, attitudes and procedures. Nevertheless, there are many challenges remaining. For example, the private sector in Lesotho currently is concentrated in Maseru because all government contracts are put on tender in the capital. Even though the regulatory framework in Lesotho is supportive of the private sector, centralised tendering limits the involvement of the local contractors from the districts. The challenge for the decentralisation process will be to build up the skill and knowledge of planning and costing tenders. DRWS as well as the new and emerging companies will have to face this challenge. Furthermore, the government (as well as the donor community) will have to be willing to provide funds at the district level.

## Special topic: Improving Business Processes with Reengineering

The case study on hand focuses on management processes and how they may be changed. It was assumed that processes are the basis of any business and that process improvements will lead to sustainable success. For this project, the process to be improved

was the 'production process' (see Project Life Cycle). The term 'production process' refers to a series of steps from district planning to construction. Major changes proposed were the outsourcing of the construction of water schemes, the new role of communities



*Illustration of how the roles of the key stakeholders changed during the reengineering process*

in planning and maintenance, and the increased need for co-ordination, management, and facilitation by DRWS. This meant that many institutions had to undergo changes, and careful planning was needed for this process of change.

The sequence of analysing and redefining processes is called **reengineering**. Reengineering is a clearly defined management procedure. It generally includes the following steps:

- Identify the business projects to be improved ('improvement projects')
- Conduct an initial impact analysis of the project
- Select suitable improvement projects and define the scope (DRWS identified 37)
- Analyse and document the existing work processes (as-is situation)
- Define new process alternatives: simulating new work flows and process models
- Evaluate the potential costs and benefits of improving a business process
- Select the best business process improvement alternative
- Implement the improved business process

In the case of Lesotho, the process of reengineering was applied to a wide range of activities summarised under 'production process'. The production process is summarised in the illustration 'The Project Life Cycle'. It has been broken down into several sub-processes (A to F). Each sub-process is divided in procedures (for example B1 to B5). The procedures are charted and the important ones are described separately in more detail with their objectives, responsibilities, inputs, description of the various tasks, outcome and tools.

The reengineering approach has widely contributed to the enhanced analytical and conceptual skills of the DRWS staff, but also to the needed familiarisation in project management. The challenge now is to foster the "soft" aspects of the transition and to balance the requirements of the organisation with the needs, the creativity and the aspirations of its staff. The quality of work based on the reengineered procedures can only be maintained and improved if the culture inside DRWS – its character – will be adjusted accordingly.

**A: District Planning**

- A1: Identification of new Villages
- A2: Initial Data Collection
- A3: Opening of Project file
- A4: Annual Master Plan up-date

**B: Assessment of Community Readiness**

- B1: First meeting with Village Chief
- B2: First Meeting with Village Leadership Structures
- B3: Needs Assessment Workshop
- B4: Information Pitso\*
- B5: Application

\* Pitso is a community meeting

**C: Feasibility Study**

- C1: Demand Assessment
- C2: Source Survey
- C3: Demand Assessment and Source Survey Pitso
- C4: Recommendation Report
- C5: Borehole Drilling Procedure
- C6: WAP Study
- C7: Design concepts
- C8: Design Concept Pitso
- C9: Feasibility Report
- C10: Feasibility Pitso
- C11: O&M Plan
- C12: Agreement



## The Project Life Cycle

**F: After Care**

- F1: Monitoring of functioning WS

**E: Construction**

- E1: Readiness for Construction
- E2: Contractor's Initial Meeting
- E3: Pre-construction Pitso
- E4: Construction Site Supervision/Site Instruction
- E5: Site Meetings
- E6: Variation Orders
- E7: Supervisor's Monthly Reports
- E8: Processing of Contractors Claims
- E9: Commissioning
- E10: Handing Over
- E11: Monitoring of Functioning of WS
- E12: Maintenance work during guarantee period
- E13: Final Inspection

**D: Design & Capacity Building**

- D1: Consultant's Initial Meeting
- D2: Consultant's Introductory Meeting
- D3: Training Needs Assessment
- D4: preparation of Training Plan
- D5: Implementation of Training Plan
- D6: Monitoring and Evaluation of Training
- D7: Design
- D8: Acceptance Meeting
- D9: Design Quality Control
- D10: Processing Consultant's Claim

## Looking ahead

At the time of this publication, DRWS was still covering the maintenance costs. However, it is one of the goals of the project described here that in the future, the communities or community councils will be fully responsible for the operation and maintenance of the water systems. DRWS is working on developing appropriate capacities in the districts. It is a remaining challenge to make contractors and suppliers locally available in order to decentralise services. Ultimately, the private sector will have to cover the full range of services, from water supply design and construction to operation and maintenance. In a parallel operation, DRWS has to provide and increase support and know-how at district and community levels. For a government agency, this is a major challenge and some of the implications of this change are only just beginning to emerge.

One of the critical factors in this ongoing process will be the state's ability to provide a stable level of funding. However, there has been a steady decline in donor funding and decreasing support from the government in the allocation of capital for the construction of water supply systems. These trends threaten the department's long-term goal to achieve full rural water supply coverage by 2020. DRWS and the government are now looking at strategies to secure more funds for the decentralisation process in order to attain their goals.

Many of the rural water supply systems in Lesotho have been financed through a number of external support projects, each with its main donor. In the future, a more concerted action of the different donors is required in order to achieve the stated objective of full coverage by 2020. Thus, donors and the government could allocate their funds to a pool, which in turn directs the money to single projects and programmes in the districts. Such a pooling arrangement is now being examined as a possible financial management solution for the future.

Furthermore, DRWS has to enter a consolidation phase for its management framework to bed in through the implementation of a five-year rolling planning. This will also involve an effective, decentralised, computer-based monitoring system for construction processes and finances.

The high levels of commitment that the self-confident institution exhibits have been recognised. DRWS shows a strong willingness to further improve its service deliveries to the rural communities and to increase its support to the private sector as well as to NGOs. The state has taken full ownership and the donors are now following a more demand-driven approach. These developments are very encouraging; it is going to be interesting to see how the newly formed interdependencies are jointly being developed by the different stakeholders.

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