

# TO DO OR NOT TO DO: EXPERIENCES FROM THE APPLICATION OF SOCIAL FRANCHISING PRINCIPLES FOR WATER SERVICES O&M IN THE EASTERN CAPE

**Kevin Wall, Jay Bhagwan, Oliver Ive, Frank Kirwan**

Kevin Wall (CSIR Built Environment, P.O. Box 395, Pretoria 0001. [kwall@csir.co.za](mailto:kwall@csir.co.za)), Jay Bhagwan (Water Research Commission), Oliver Ive (Amanz'abantu Services), Frank Kirwan (Irish Aid)

## **Abstract**

*Studies have found that the concept of social franchising partnerships for the routine maintenance of infrastructure could alleviate and address many challenges in the management of water services. At the same time, these partnerships would provide an ideal stimulus to support the development of local enterprises, SMME and BEE, all within the public sector service delivery environment. This was reported upon at the 2008 and 2010 WISA conferences <sup>1</sup>.*

*A pilot project has since 2009 been under way in the Eastern Cape. This provides selected infrastructure maintenance services to approximately 400 schools in the Butterworth district. Irish Aid is providing funding for concept development, but the franchisees are paid from the normal Department of Education (DoE) schools operation and maintenance budgets.*

*Despite difficulties arising directly from DoE inefficiencies, the pilot project is proving the value of social franchising partnerships for this kind of work. Municipalities in the region are interested, and are taking the first steps to adopt the concept where appropriate.*

## **Introduction**

Year after year, the operation and maintenance (O&M) of water services infrastructure in South Africa has in far too many cases been found to not comply with the required standards (Duncker et al 2008; DWA 2009; SAICE 2011; DWA 2011).

The CSIR, the WRC and the private sector water services provider Amanz' abantu<sup>2</sup> Services (Pty) Ltd, acting in concert, have for a number of years funded and undertaken studies of selected institutional options that could assist in the improvement of operation and maintenance. This research postulated that franchising partnership models, developed in the private sector for providing a wide range of services, could be adapted, and the resultant social franchising partnership model could be a valuable

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<sup>1</sup> Bhagwan, Wall, Ive. "Unlocking the potential of franchising partnerships to improve water services compliance." WISA conference, May 2008, Sun City. Wall, Bhagwan, Ive, White. "Bucking the water services trend -- franchising O&M in the Eastern Cape." WISA conference, May 2010, Durban.

<sup>2</sup> A Xhosa phrase which means "Water for People".

and viable addition to the current range of institutional models for the operation and maintenance of public sector sanitation and water services infrastructure.

Since the 1950s, franchising has utilised the drive of entrepreneurship while reducing many of the risks to small business (Parker and Illetschko, 2007:9). Recent research by the WRC, CSIR and interest from Irish Aid and others (Wall, 2005; Wall and Ive, 2010) prompted Amanz' abantu to establish a subsidiary, Impilo Yabantu<sup>3</sup> Services, to play the role of franchisor where needed. The concept of utilising this innovative business approach was supported by key officials of the Eastern Cape provincial Department of Education (DoE), who saw its potential to assist them with one of their most intractable problems, namely the poor levels of maintenance of water and sanitation infrastructure at schools. Particularly, they saw its potential for rural schools, where harvested rainwater is generally the only water supply to the school, and the toilets are VIPs or similar. Agreement was reached that the model would be piloted on the O&M of the water and sanitation facilities at selected schools.

In 2009 five parties signed a memorandum of understanding ("MoU") to implement a three-year pilot for routine servicing of water and sanitation facilities at the approximately 400 schools in the Butterworth education district of the Eastern Cape. The parties were Irish Aid (the generous funder), the CSIR and the WRC, the Eastern Cape Provincial Department of Education (DoE), and Amanz' abantu. This was reported upon at the 2008 and 2010 WISA conferences. (Bhagwan 2008; Wall 2010)

Impilo Yabantu and its trainee franchisees have in less than three years greatly improved the condition of the school toilets in this education district. This paper reflects some of the key benefits and certain lessons learnt, and sets out thoughts as to how this franchise approach might be replicated.

## **The partnerships**

In the words of the Franchise Association of Southern Africa (FASA) a franchise is '*a grant by the franchisor to the franchisee, entitling the latter to the use of a complete business package containing all the elements necessary to establish a previously untrained person in the franchised business and enable them to operate it on an on-going basis, according to guidelines supplied, efficiently and profitably.*' (Parker and Illetschko, 2007:15).

Water services franchising partnerships can broadly be described as business-to-business partnerships, whereby small locally based enterprises enter a business partnership with a larger established enterprise for the purpose of utilising a "tried and tested" approach for undertaking the activities required to ensure the sanitation and water facilities and systems are operating in a reliable manner and in accordance with suitable hygienic standards.

The concept of "social franchising" is defined as "the application of commercial franchising concepts to achieve socially beneficial ends" (Montagu, 2002) and has been identified in the health sector as a model which can, among other things, assist in the provision of health services and distribution of pharmaceuticals. It can also be appropriate for other sectors, particularly where the costs of the service needs to be driven down through using competitive pricing, efficient marketing and proven delivery mechanisms.

These partnerships are suitable for communities with a large poor population needing infrastructure services, but who are also looking for employment and an opportunity to develop their entrepreneurial and technical skills. The water services franchising partnership model provides opportunity for linking "local economic development" and job creation with the provision of basic municipal services.

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<sup>3</sup> "Hygiene for People".

In the Eastern Cape pilot, trainee franchisees, all local people (as described below), with few exceptions first-time entrepreneurs, have been helped to set up microbusinesses which mostly employ women from the rural villages. Under the guidance of the franchisor, these teams are undertaking the initial cleaning and thereafter routine maintenance of the water and sanitation facilities at the schools.

This partnership model provides appropriate training, a quality management system and procedures, and the backup of off-site skills as held by the franchisor. The franchisor identifies people with the skills appropriate to franchisee microenterprises, who are resident in the target area and who, once they have been exposed to training, are willing to enter into a franchise agreement. Key to the success of this model is the willingness of the public sector authority owning the infrastructure to outsource its responsibility for routine servicing, and the ability of this authority to procure, appoint and direct small businesses to undertake the work under the guidance of the franchisor.

The primary objective of the Butterworth schools sanitation and water servicing pilot project, initiated during 2009, is the development of an outsourcing model which can be used for rolling out similar services to the rest of the more than 4000 rural schools across 23 educational districts in the province.

Research findings from the Eastern Cape pilot indicate that many opportunities lie in applying the principles of franchising to a range of suitable operation and/or maintenance activities within the water and sanitation services delivery chain -- that is, of readily systematised repetitive operation and maintenance activities.

## **Eastern Cape context**

The Eastern Cape for the most part presents a tragic example of public sector services failure at the municipal, district and provincial spheres. Particularly:

- Whilst there is a good strategic framework in place with high level goals and a strong political will, the planning at the local level is insufficient and often unrealistic.
- Whilst the public authorities may apparently have full staff complements, many of the incumbents lack the necessary level of skills required for their positions.
- Grant funding for infrastructure capital works is available, however the stringent processes required for planning and procurement provides a barrier to implementation.
- Whilst the "Equitable Share" grants for operation and maintenance of services falling under the government's "Free Basic Services" policies is transferred to municipalities as an unconditional grant, an unjustifiably high proportion of this is spent in funding internal staff salaries and other institutional costs. The result is insufficient funding being available to cover the direct operational costs for these free basic services.
- The rural district and local municipalities are not able to raise sufficient revenue from their established rates and tariffs in order to have sufficient to be able to cross subsidise the "free basic services" to their poor and indigent communities.
- Where the public authority has entered into supply contracts with small businesses, the inability of the authority to effect proper contract administration and regular and timeous payment frequently causes these businesses to fail -- or to abandon the contract because they are unable to operate in this difficult environment.
- There is not sufficient incentive for the officials to proactively drive the processes forward, and many appear to prefer to accept the bureaucratic log-jams rather than working pro-actively to find ways to solve these administrative delays and problems. This negative situation is reinforced by the fear of the officials that they may be held liable for wrongdoing if they make decisions that may be judged as un-procedural.
- The Provincial Departments of Education and Public Works have been struggling to manage basic repairs and maintenance of the rural schools. The reason officials most often give is shortage of funding, however, on closer analysis, it appears that the systems relating to

budgeting and disbursements, as well as procurement and the management of the delivery processes are failing.

The beneficiaries of the services (the householders and, in the case of the rural schools pilot project, the school governing bodies) are not necessarily the direct purchasers of the services, and this affects their relationship with the service provider. As they have not been party to the procurement and establishment of the contract of appointment for the service provider, it has been found necessary to adopt procedures which tie in the beneficiaries to the on-site activities. Where the service provider is an internal municipal department or worker, the beneficiary has even less influence or contractual oversight for the manner in which the services are rendered, and this can lead to frustration on the part of the beneficiary and a hands-off servicing culture on the part of the municipal workers.

Within the South African context the provision of infrastructure in the rural areas has, for ideological and financial reasons, often favoured functionality and quantity over quality and sustainability. The imperative to produce demonstrable short-term results has generally outweighed long term considerations. The focus of education authorities has invariably been on classroom-based activities. Insufficient attention has been paid to the essential supporting infrastructure. Services like sanitation, when available (which was not necessarily always the case), were provided for at the barest minimum level with insufficient consideration of quality, durability and sustainability. Repair and maintenance issues were often sidelined or ignored due to funding constraints. Consequently, much rural school water and sanitation infrastructure is either:

- dysfunctional, requiring radical interventions (extensive refurbishment or total rebuilding), or
- serviceable, but deteriorating, and threatened by further deterioration if not supported by good operation and maintenance.

The Eastern Cape has a long history of education crises. The Department of Education has been particularly fraught -- during 2011 it was (not for the first time during the last decade) placed under the administratorship of the national government Department of Basic Education. This however did not resolve its leadership crisis -- the provincial DoE leadership stayed in place with the support of the provincial government leadership, and at the time of writing the multi-party leadership struggle (the major trade union is a very active player) has yet to be resolved.

Over and above this, at local level the negative impact of poor sanitation and non-availability of clean water in schools contributes to the Eastern Cape achieving lower-than-average (compared to other provinces) examination results. Learners do not have the basic infrastructure support they need to allow them to focus on their studies. The health and social problems arising from the lack of these basic water services spill over into the community -- for example, the learners should be experiencing good water and sanitation practice at school, and should be taking this understanding home, in order to improve the practice at home, but, sadly, this is not happening.

### **The Butterworth Pilot Project**

During 2009, Impilo Yabantu was established, the scope of work was agreed with the DoE, and training and operation plans were developed.

Advertisements then placed in Butterworth called for parties interested in becoming “water services franchisees” to come forward. A condition was that they had to be resident in the Butterworth area for two reasons:

1. to ensure that the work would be done by ‘local’ people drawn from the communities that would be served; and,
2. in order to minimise travelling time and cost to Butterworth and to the schools that would be serviced.

The prospective franchisees were screened, and those shortlisted were interviewed in more depth. Those selected received initial training in East London. Thereafter the trainee franchisees and franchisor met with the DoE Butterworth District staff and school principals in order to plan their programme schedules, and for works orders to be agreed. Distinct operational areas, based on accessibility and scope, were determined within the District, and these were allocated on the basis of one for each trainee franchisee microenterprise. These franchisees were required to operate under the same brand as the franchisor, this being “Impilo Yabantu”.

Impilo Yabantu also established and trained an in-house team. One purpose of this team is to be available as a back-up should a franchisee drop out. The other purpose of the team is to provide the franchisor with benchmark costs and an opportunity to develop and test methodology and procedures.

It was estimated that approximately four franchisees would be sufficient for the task of regular servicing of the schools sanitation facilities in the Butterworth District. However, eight underwent training on the assumption that there would be drop out over the course of time.

Impilo Yabantu set up an office and stores in the town of Butterworth. Apart from the basics (protective clothing with the Impilo Yabantu logo, and cleaning equipment and materials), each franchisee was supplied with a digital camera. The purpose of the camera is to take photographs of ‘before’ and ‘after’ the maintenance service, and it is on the basis of the completion reports, which includes photographs, together with a signing off of the works order by the school principal, that the franchisees are paid. Franchisees have to provide their own LDV (bakkie), acquisition facilitated by the franchisor if need be.

Impilo Yabantu has developed and adopted a Quality Management System (QMS), which is applicable to all work conducted by both Impilo Yabantu as the “franchisor” and the Impilo Yabantu franchisees-in-training. The QMS provides a framework to ensure regular audits are undertaken, as well as providing a controlled management system which enables the franchisor to manage the documented works procedures. Spot checks are conducted by the franchisor on randomly selected schools to ensure standards of work are being maintained.

A key component of the service provided by the franchisees is that of inspection and reporting on the serviceability and suitability of the facilities. The photographs taken have assisted in the process of inspection and assessing schools future repair (in some cases, replacement, the toilets had been found in such a smashed-up condition) and maintenance needs. Reports compiled from these inspections are submitted to the district managers of the DoE at monthly meetings, and repair and maintenance lists are then agreed for implementation over the next month. In this manner, ongoing service relationships are developed between the franchisees, the school principals and the DoE’s district managers.

In terms of the MoU, the franchisees are billing the schools (or the DoE on certain schools’ behalf) each time they do cleaning and maintenance. But all of the development costs; developing the concept, developing the training schemes, doing the training, preparing the operations manuals, and so on, are being funded by Irish Aid and also by the in-kind contributions of Amanz’ abantu and the CSIR.

The franchisees themselves have taken out loans to fund the capital outlay for vehicles, equipment, and so on. Raising capital in these recessionary times is difficult if not impossible for small businesses. However, because the banks much prefer lending to proven business models, it has been found that franchisees have a far better chance of securing bank loans over stand-alone small businesses. Where loans have been taken out, it was estimated that these loans will be paid off over about three years from the revenues received from providing the maintenance service. Due to burden of the start-

up costs, as well as their uncertain workload, franchisees are not expected to make net profits until their third year.

Impilo Yabantu has on behalf of the franchisees been receiving the works orders from the DoE. However the intention after the pilot is that the franchisees will manage their own order books directly with the schools in their areas. In effect, each order is a small contract -- for the first round of maintenance, each order was between R 2000 and R 5000. During the pilot, Impilo Yabantu, as franchisor, has found it necessary to take direct responsibility for defining and securing the work orders, and it has then instructed the franchisees to perform the work. Effectively the potential franchisees are managed as subcontractors during this start up phase, although they are treated as franchisees for all other aspects of the operations. Impilo Yabantu is required to assist the franchisees through the setting-up phase, including the basic business and administrative training, and the development and training of the operational methodology.

Post-pilot (sometime in late 2012), it is trusted that the franchisees will no longer need the comfort and safety net of a subcontract arrangement, and the switch will take place to a full franchising-like arrangement, with the franchisees being appointed directly by DoE. The franchisees should by then be capable of seeking new clients and generating new and repeat business, and will be expected to manage their own interactions with the DoE (and any other clients or potential clients). In particular, this means that they will have to manage their interactions with the DoE district officials and they will need to ensure the school principals and the school governing bodies are satisfied with the result and approve the work done.

It is envisaged that the franchisees will also be able to offer their services to clinics, other public authorities, and to private business and households.

Thankfully, the high start-up and development costs of the pilot have largely been covered by a grant from Irish Aid. As the franchisor, Impilo Yabantu has had a very intensive role, not only managing the administrative part of the process (checking and compiling invoices and ensuring payment from the DoE), but also being responsible for ensuring random checks on franchisees for quality control, and processing the vast array of 'before' and 'after' photos from each school. Another key role of the franchisor is that of "fire fighting" - addressing problems and issues as they arise, which during the development of the process, was a common occurrence with problems such as payment delays, failure of equipment and the logistics of schools "not existing" or "not having any latrines".

The value of the franchise arrangement has been proven over and over again on this pilot. Not only has this been in respect of the planned advantages such as the training and mentoring, but it has been demonstrated in the form of the protection that the franchisor has provided against the inefficiencies of the DoE. For a particular example: when payments by the DoE are late, it is the franchisor that follows up on behalf of all franchisees -- it is not necessary for each individual franchisee to come in from the field, costing time and travel expenses, and losing production. Given the difficulties with the DoE payment regime, it is highly unlikely that stand-alone microbusinesses would have survived.

## **The Benefits**

Franchising incentivises a professional approach to business on the part of microentrepreneurs. Many subsidised programmes have been seen to have limited success that does not last beyond the periods of financial support and are not scalable models (Bramley and Breslin, 2010) "Professionalizing" these services not only creates job opportunities and encourages small business ventures to move into this sector, but it gives individuals a reason to take pride in having a career in sanitation that may have the stigma of being undignified and unrewarded. Instead of entering into a partnership with people who simply leave if alternative employment is offered, the contract between franchisee and franchisor

provides a more stable relationship to ensure that the work commissioned by the customer is completed in a set time frame to an expected level of quality.

This redevelopment of the relationship between the user, customer and service provider encourages an ongoing association and provision of service. It transforms a social service into an established business that is guaranteed through the support of the franchise arrangement. The driving force behind this is the franchisees' ambition to succeed, as they have a clear incentive to make an income and run and grow their own business.

The franchising partnership model addresses one of the more neglected areas of service provision, viz the ongoing O & M of facilities. A continuity of service can be ensured through the investment and development of the franchisees.

## **The Pitfalls**

This pilot could not have succeeded without the support and funding of the partners: WRC, CSIR, Irish Aid and in-kind contributions from Amanz' abantu. The key to any business is that the service providers are paid for their services otherwise they will have no interest in continuing the work, and rightly so. Due to the nature of government and how the public administration systems operate in South Africa there were issues with receiving payment for work completed in a timely manner. Payments to the franchisees had thus to be initially covered through partner funding and by Amanz' abantu, these costs being recovered much later from the DoE.

It would not be untrue to say that 90% of the worst problems on the pilot have related to DoE payment delays and slow decision-making. In contrast, the franchise partnership's performance of training, safety, efficiency and of course infrastructure O&M service delivery has been successful.

From this it has been learnt that government bureaucracy needs to greatly improve its efficiency, and also to be fairer in its treatment of the private sector, small businesses in particular. Whereas the technical and practical problems (i.e. doing the work) have, in this pilot at least, been resolved fairly easily, the majority of frustrations and pitfalls have come from structural issues of this nature.

Establishing Impilo Yabantu as designated project manager, an independent structure, ensured a focus was kept throughout the project on overcoming issues and challenges. It was accepted from the outset that Impilo Yabantu would not necessarily make money during the pilot as it was intended to pioneer the franchise approach in such a project, and to overcome hurdles, ensuring that the project stayed afloat.

The DoE has stated that it is keen to roll this programme out to other areas in the Eastern Cape. However there is a need for greatly improved willingness on the part of departmental officials to make commitments and stick to them, and in particular to pay suppliers (not by any means only franchisees or even only all water services providers) on time and in full. Most importantly changes will be needed to support the development and partnership with small businesses so that contracts and payment can be facilitated in an effective manner without some of the pitfalls that have been encountered (and overcome) throughout the pilot scheme.

## **Factors affecting viability and costs**

A digression into viability and costs is appropriate. The importance of these interrelated issues was understood before the pilot was commenced. However the pilot has underlined that rolling out of the programme will sink or swim on financial viability -- and costs of undertaking the servicing, while not the main contributor, have a significant bearing on that.

In terms of the MoU, four of the MoU partners have carried all research and development costs (it was never intended that DoE could carry any part of these costs). While DoE, in terms of the agreement, undertook to pay in full and on time, according to pre-agreed standard tariffs, for the operation and maintenance services rendered. However, as described above, is the DoE has in practice been extremely slow to pay, and Amanz'abantu has in essence bridge-financed the work of the franchisees. This is not the way it should be -- franchisees, being small businesses, must be paid within 30 days of tendering invoices. If they are not paid timeously, cash flow problems will drive them under.

The franchisor and franchisees are mutually dependent in many ways, particularly in respect of financial viability. Thus, for example, if the franchisees cannot cover their costs, the franchisor will find it difficult to remain in business, and provide them with a service, for very long.

All of this is crucial to any post-pilot phase. Rolling out the programme to further education districts in the Eastern Cape cannot be contemplated unless the DoE becomes a more reliable payer of its bills. This finding can be readily transposed outside the education sector -- owners of infrastructure must pay on time and in full for services rendered.

Franchisees are not unique in this respect. All outsourcing by public sector bodies is jeopardised if those bodies are unable to pay according to contractual requirements -- everything else being equal, stand-alone microenterprises will go under first, followed by franchisee microenterprises, thereafter by larger businesses. Alternatively, the public sector bodies will find no takers when they try to outsource, or bidders will load their prices in order to cover themselves against the unknown.

The pilot is also serving to highlight the importance of circumstances (such as those listed immediately below) on costs. It is being found that:

- Methods of servicing (and hence costs) are highly dependent on the type of top structure and the type of pit and ease of access to it.
- Methods of servicing (and hence costs) are also highly dependent on the contents of the pit (for example, how much can be pumped out and how much has to be taken out by hand).
- Costs are highly dependent on continuity of work. Short production runs, carrying with them the need for teams to discover the most effective ways of working, and to build teamwork and routine, inevitably cost more than longer production runs. If the work in an area is interrupted for unexpected reasons (such as the infrastructure owner allowing a large payment backlog to accumulate), this also pushes up costs.
- Continuity of work also ensures most efficient usage of capital assets -- the more times each asset is used, the lower the amount that each toilet servicing must bear in order to pay for the capital assets.
- The cost of disposal of pit contents is a significant item. Disposal on-site is invariably by far the cheapest option. Off-site disposal may carry with it one or more of the following: cost of acquisition of site, cost of fencing, cost of site preparation, cost of security, cost of transport to and fro, and cost of standing time while the on-site team waits for the disposal site transport to return.

While none of the above list is unique to franchising partnerships, this serves to underline the point that service providers, when pricing the service, have to be keenly aware of all of the above, because the cost of an effective service can vary between wide limits.

## **Next steps**

From our piloting of water services franchising partnership in poor communities, it has become clear that government has a major role to play in facilitating the micro-economic environment which will lead to the stimulation of growth of business at the "bottom of the pyramid". C K Prahalad identified this need to develop what he calls "an ecosystem for wealth creation" (Prahalad, 2006). Whilst government should not be the active participant in this entrepreneurial activity, it can stimulate the activities by



placing certain public service responsibilities into the hands of small businesses. By stimulating economic activity for small business in these poor and rural areas, the environment will become more conducive to value creation even beyond the provision of public services.

The pilot is developing a usable and replicable business plan with tried and tested operating procedures. This will be documented, and the information placed in the public domain. It is hoped that other reputable, competent and ethical service providers will thereafter enter the market and create competition for Impilo Yabantu. The management systems are important to ensure quality control over the operations, sustainability through economically viable pricing systems, and responsible health and safety and environmental management systems. These systems attract additional cost but they ensure responsible governance and enhance efficiencies throughout the franchise operation.

Technical methodology also needs further development. Impilo Yabantu and the pilot study research team have been actively monitoring the technical research and developments relating to the management of biological processes relating to the pit contents as well as the developments relating to mechanical equipment and techniques for pit emptying and sludge handling and disposal.

Impilo Yabantu is currently in the process of expanding its operations to provide a wider range of services. By broadening this range of services, Impilo Yabantu is seeking to increase its ability to generate turnover base, thereby enabling the franchisees to become more cost-effective and therefore more competitive.

This service broadening process entails expanding the school sanitation programme by introducing additional services such as solid waste disposal. Expanding outside of the schools environment, the services to local government, for example, could include servicing of a household level sanitation, solid waste management and water loss management. Buffalo City Municipality, amongst others, has opened discussion about a series of projects that could be outsourced to franchised service providers, and these include undertaking water and sanitation servicing in dense settlement and areas and communities living on the rural fringe, as well as solid waste collection, recycling and disposal. The solid waste service is a natural extension to the on-site sanitation programmes -- without a solid waste service, toilets rapidly fill up with inorganic waste.

The earlier studies by the CSIR/WRC/Amanz'abantu team analysed the water services delivery value chain, and identified 40-something types of opportunities for microbusinesses. The "service broadening" would see the social franchising partnerships concept expanding beyond its existing comfort zone of routine servicing of low-technology water and sanitation infrastructure.

## **Conclusion**

In spite of administrative and political hurdles which have delayed progress, the pilot has been successful in building small business, and other authorities have begun to consider similar programmes to undertake operation and maintenance of both institutional and household sanitation. The replication of such a model outside the Eastern Cape is yet to be explored, but there is clear potential that, the delays, costs and frustrations of the pilot notwithstanding, there are benefits to franchising partnership operation and maintenance of sanitation, and potentially other utility type services as well.

Being a successful franchisor operating at the bottom of the pyramid requires patience and benevolence, whilst at the same time adhering to high standards. Unlike working with contractors, where there are clearcut conditions and contracts, working with franchisees requires nurturing, guidance and most of all (again) patience, to ensure that an environment conducive to stimulating learning and the growth of the franchisees is maintained.

And, finally, to note that social franchising partnerships for water services O&M ticks the boxes of so many of South Africa's national goals, particularly:

- **job creation** -- and it creates them **at the lowest levels of the pyramid**, where joblessness is highest and possession of workplace skills is lowest;
- **transfer of workplace skills**;
- **microenterprise creation and nurturing**;
- **broad-based black economic empowerment**; and
- **infrastructure and service delivery**, through infrastructure maintenance activities that increase the quality and reliability of the service, and the availability and utility of the infrastructure.

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