Amanz’ abantu: Water (and Sanitation) for the People

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Sector • Water & Sanitation
Enterprise Class • Local SME
Summary
This case traces the efforts of Amanz’ abantu (“water for the people” in Xhosa, Ndebele and Zulu) to rapidly expand water and sanitation delivery to the rural poor. Amanz’ abantu Services (Pty) Ltd. was established as a private South African company in 1997 with the aim of providing water supply and sanitation services for peri-urban and rural populations in the Eastern Cape, where one-quarter of the population lacked potable water. The company’s water scheme involves piping water from a river or other water source, and purifying the water (where required) through treatment and filtration, a process which meets international quality standards. Using smartcard technology, an individual inserts a plastic card or token into a slot in a standpipe, and a hose delivers clean drinking water into a bucket. Before the arrival of Amanz’ abantu, villagers, mainly rural women, would walk from thirty minutes up to several hours to obtain water from the nearest river or other source, often putting themselves and their families at risk for water-borne diseases.

The introduction of a safe water supply within 200 meters of their home has transformed the lives of rural residents, equipping some villagers with skills in building and construction and rendering them employable in a country with an average unemployment rate of 25 percent. In spite of Amanz’ abantu’s contribution to meeting national development objectives, any private sector involvement within the highly politicized and bureaucratic water services and sanitation sector remained contentious. Oliver Ive, Managing Director of Amanz’ abantu, entered the divided terrain with the dual objective of solving a social problem and operating a profitable company. This case explores the barriers faced and innovative solutions employed by Amanz’ abantu in pursuit of the company’s mission.

Positive Outcomes for the Poor
- Access to a supply of purified, clean water (for the first time)
- Improved health, hygiene and sanitation: meets MDG Goal 7 - Target 10. Goal 7 is to ensure environmental sustainability. Target 10 is to halve by 2015, the proportion of people without sustainable access to safe drinking water
- Skills acquisition by rural residents (50 percent of whom are women) employed in building the water scheme, including construction, plumbing, and conducting baseline surveys
- Time saved for rural women who no longer have to walk for hours to the nearest water source

Key Barriers
- Sustainability of the business (award of additional government contracts to Amanz’ abantu is not automatic)
- Assumption of great financial risk by the company
- Government as a client is bureaucratic and slow, while the skills’ base of local government — Amanz’ abantu’s lead partner — is thin
Some government and NGO officials were openly hostile to the provision of a public good by Amanz’ abantu, a private company.

Difficulties in communicating across differing organizational values and approaches, i.e., NGO, government, and business.

**Key Innovations**

- Partnership approach, working directly with communities, NGOs, Government and other companies, allows for mobilization of specialized expertise across sectors.
- Community-based structures in rural villages, called project steering committees, enable villagers to oversee the water project’s design and implementation, leading to greater ownership, while increasing the prospects for sustainability.
- ISO 9001/2000 certification affords Amanz’ abantu a competitive edge in bidding for tenders.
- Raising bridging capital and sharing financial risk of the project allows for direct payment to partners without waiting for government payment.
- Flexible business model and range of services enables Amanz’ abantu to meet the range of communities’ needs for water services and sanitation.
- Use of technical options, which are well suited to the rural environment and maximize the use of local labour and locally-sourced materials.

**Opportunities and Challenges for Scaling Up**

- Government-funded infrastructure projects are increasing.
- Rising demand for sanitation.
- Companies, including Amanz’ abantu, could replicate the model in other provinces.
- Financial sustainability of the new free basic water policy is not assured.
- Working in the sector requires taking on bureaucratic arrangements with Government.