

Briefing Paper

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FROM PLAN TO ACTION: WATER SUPPLY AND SANITATION FOR THE POOR IN AFRICA

Research in four countries in sub-Saharan Africa* has investigated key stages along the 'journey' from Water Supply and Sanitation ('WSS' or 'WatSan') 'allocations' in Poverty Reduction Strategy Papers (PRSPs) to budget allocations and actual expenditure on sector outputs, and has observed the kind of events or factors which may disrupt and delay the flow of funds and their translation into poverty reduction outcomes. The country studies show that WSS-related objectives and costings in PRSPs are in many instances being lost, or disregarded, in the process of national budget preparation and execution. 'Activation' of the pluri-annual promises in PRSPs depends upon satisfactory operation of the annual budgeting cycle.

To address existing service gaps, there needs to be improved coordination within the sector and the final destination of sectoral resources needs to be carefully identified. Various tools designed to enhance sectoral decision-making processes and implementation have been piloted during this research. Such tools need to be combined with more coherent institutional and financing arrangements to strengthen existing systems of sectoral planning, monitoring and evaluation ('M&E').

Uganda, with its Joint Sector Review process supported by donors, and its relative advances in development of systems for sector performance assessment, and performance benchmarking of local governments, points to the way forward.

PRSP Preparation and Implementation

A preliminary review in 2002 of PRSPs in Zambia, Malawi, Uganda, Madagascar and Kenya – both PRSP content and the process of their preparation – revealed that WSS aspects had been weakly and inconsistently incorporated, with the exception of Uganda where the level of priority accorded to WSS in the PRSP was significantly higher.

The second phase of research (February 2003 to March 2004) has looked at PRSP implementation in three countries – Zambia, Malawi, and Uganda. WaterAid also carried out an additional parallel study in Tanzania, and other linked studies have been commissioned by the Water and Sanitation Program (WSP-Africa) in the region.

The experience of Uganda is particularly instructive because of progress it has already made, in terms of both budgetary and sector reforms.

National Budgeting

The research in the four countries shows that administration of national budgeting processes (see Figure 1) is currently weak. The studies of WSS resource flows illustrate the

mechanics of the 'leakages'. In Tanzania actual expenditure on WSS in the past three years has been lower than projected. In Zambia, national allocations in recent annual budgets have been greater than the resource envelope referred to in the PRSP, but actual allocations do not match the budget, and funds released by the Ministry of Finance to line agencies are often substantially delayed (even when they have been approved). Further, local authorities have little say in decision-making on resource allocation which remains largely centralised. This means that local government personnel and machinery lie idle for much of the year.

In Malawi also, attempts at budgetary reform have had limited success. The allocation to WSS in the national budget is significantly less than the amount for WSS referred to in the PRSP, and the budgeting and allocation process for the WSS sector is poorly defined. The position of local government in the process of allocation and release of WSS funds seems to be especially weak. Whilst in administrative terms decentralisation may have to some extent taken place, in fiscal (and political) terms it is undeveloped; instead line Ministries competing for funds at the centre are channelling them to their own district agencies.

Further, allocations are predominantly for physical infrastructure (e.g. boreholes, as in the Malawi case). This raises the question of how and where provision will be made for 'soft' expenditure on, for example, M&E capacity, sectoral consultative forums, community management.

Box 1: Water Supply and Sanitation in Uganda

There exists high level commitment within government to prioritise the WSS sector: the volume of available funds has been enhanced and sector reforms are well-advanced. In a major 'benchmarking' review of progress towards incorporation of WSS in PRSPs in twelve African countries, carried out by WSP-Africa, Uganda showed the best performance in 'poverty diagnostics, sector reform, monitoring and evaluation and sector financing'.

The WSP-Africa review additionally explores possible ways to extend improved WSS coverage. The reality to-date, including in case study districts in Uganda, is that systems to ensure delivery of resources for poverty reduction at local level remain inadequate to achieve safe water supply & sanitation targets. Despite reported national increases in coverage, equity in distribution of new water points within districts is not being achieved. Nor indeed – the field investigations reveal – is the record good in terms of sustained functioning of water pumps etc. once they have been installed. So, whilst Uganda is rightly considered as a leader of WSS reforms, concerns remain relating to performance in the sector.

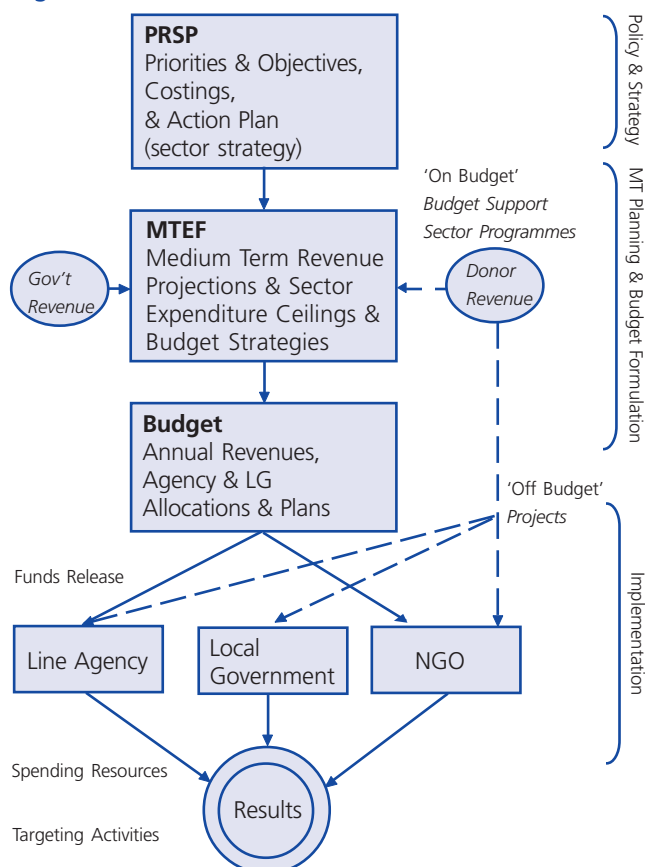
* The 'WatSan & PRSPs' project was coordinated by the Overseas Development Institute (ODI), in partnership with WaterAid, and in collaboration with the Water and Sanitation Program-Africa, as well as with researchers and policy specialists in the region – and was supported by the UK Department for International Development-DFID.



Planning

Responsibility for lack of coordinated planning does not only rest with national government. Analysis of case study districts in Malawi highlights the absence of coordination around district-level plans and reveals that NGO providers and donor projects often fail to share information with national and local authorities on the criteria used to prioritise and target investments. Despite recent efforts to improve coordination among the numerous different agencies operating in the sector, adherence to official government policy, for example on established principles of user financing and management, remains weak.

Figure 1: From PRSP Priorities to Results



Note: arrows indicate intended sequence of decisions and funds flow. The dotted arrows from 'Donor Revenue' point to the funding options open to donors. 'On budget' aid can be either project or budget support, whilst 'off budget' aid takes the form of projects, and is usually channelled directly to spending agencies.

Equity

In the study countries, funds available for spending on water-related PRSP objectives are presently not well-targeted to the poor.

The study in Tanzania shows a marked disparity in terms of improved water supply coverage between regions, for example, Lindi (11%) and Kilimanjaro (74%). In Uganda, safe water coverage data is currently only calculated at the district level. This disguises significant sub-district variations (at sub-county, parish and village level). Using aggregate coverage figures as a proxy for equity is deceptive insofar as it does not guard against inequity in the location of water points within localities. The total number of people being served by new water points is frequently emphasised in government reports, but research shows that while reported percentage coverage may be high, inequity within each geographical area is often pronounced.

The Uganda study also shows that certain areas continue

to benefit from investment in new water points year after year, while neighbouring areas are persistently neglected. The level of inequity in distribution within districts actually appears to be increasing rather than decreasing and some areas have, over a long period of time, cumulatively received water facilities more than others, without this information being picked up by the district, or indeed the centre.

In Malawi, the study shows that there are currently no systematic sector criteria to guide WSS investments. The sector is fragmented, with planning conducted on a project-by-project basis. In these circumstances, it is very difficult to develop a coherent sector plan.

Many of these problems can be overcome by relatively straightforward improvements to planning and M&E, in local government. A simple technique developed by WaterAid can be used for comparing the equity of service provision at those different levels (see Box 2).

In Malawi, application of this tool shows that insufficient attention is being paid to the location of new water points. New boreholes (on which the WSS section of the PRSP places great emphasis) are being drilled alongside existing ones, and villages in the rural 'hinterland', which currently have no improved water access, are not benefiting.

The Zambia study shows that WSS financial resources can easily be redirected away from unserved into better-served areas. Urban centres are receiving the lion's share of allocations, sometimes for projects which were not identified as PRSP priorities.

Sustainability

Sustainability of facilities is also reported to be a major concern in the study countries. Performance on sustainability is often gauged by looking at the number and proportion of functioning and non-functioning facilities. Functionality is, however, only one dimension of sustainability. Keeping a water point operational for a long period requires attention to a range of managerial, social, financial, institutional – and technical issues. For example, the preparedness of water user committees in rural areas to contribute to the establishment, management and maintenance of water points, are elements which are key to sustainability.

Another technique developed by WaterAid is the 'Sustainability Snapshot' for rapid assessment of the likelihood that a water supply system will remain functioning in the future, by looking at the combination of relevant factors ('snapshot' since sustainability is a dynamic process). It can

Box 2: Equity Assessment Tool

Pilot work carried out by WaterAid Malawi, and tested also in Uganda and Zambia, has illustrated the utility of 'water-point density mapping' to show the distribution of resources within districts and sub-districts. This mapping uses an equity of distribution indicator which measures the variation in the distribution of resources for water development in a given area, as a way of measuring the difference in access to water services between poor and non-poor areas (e.g. in a whole district). Steps for use of the equity of distribution indicator are: (i) a water point survey using a global positioning system (GPS) noting location and condition of improved community water points, including information on age and provider; (ii) translation of GPS data into maps; (iii) calculation of 'improved community water point density' (ICWP), based on census statistics of population distribution in area; (iv) GPS/GIS (geographical information system) database created on number & location of water points; (v) calculation of average density in the area, deviation from mean – and equity of distribution.

Box 3: 'Sustainability Snapshot': themes and rating system

Financial

1. No funds available for maintenance when needed.
2. Fund available, but not sufficient for the most expensive maintenance process.
3. Fund available and sufficient for the most expensive maintenance process.

Technical skills

1. Technical skills not available for maintenance when needed.
2. Some technical skills available for maintenance, but not for all.
3. Technical skills for all maintenance processes available.

Equipment and spare parts

1. Not available when needed.
2. Available, but not for all repairs.
3. Available for all repairs.

be used in relation to existing water installations or to assess communities' preparedness before they receive a new water point. Stakeholders at each level are asked to rate their confidence in performance according to three thematic areas (finance, technical skills, equipment and spare parts). They choose from sets of three statements in relation to each area (see Box 3) and a mark of 1-3 is awarded, depending on which statement is selected, to arrive at a 'score' for sustainability.

Detailed analysis of sustainability issues in Malawi reveals inconsistent formation, training, support and development of water point committees. Many committees were found to be ill-equipped for the tasks they were assigned: i.e. operation and maintenance of water points and collection and deployment of maintenance funds.

Accountability

The above tools should facilitate better decision-making, and enable different levels of local government to make decisions which are in line with the achievement of sector goals. However, these systems will only be useful if they result in better decisions being made by managers and politicians, and if accountability to the end-user is improved.

The well-served communities in the sample districts in Uganda were found to have higher levels of education with influential people in the community – in that they had NGOs operating in their areas – were nearer to administrative centres, had better road networks, and their ability to pay was greater than the least well-served areas. The latter were characterised by a comparatively poor road network, low levels of education, political marginalisation, weak leadership and lack of influential community members.

The equity tool itself does not directly address the political incentives which motivate powerful politicians to ensure their voters are served. This can never be totally overcome, but the incentives for districts to adhere to the national policies and guidelines can be strengthened. To achieve this, structured performance assessment and benchmarking of districts' implementation of national water and sanitation priorities is needed (see below).

Sanitation

Sanitation has for long been the poor cousin of water supply. The findings of the preliminary phase of this project were that in all five African PRSPs reviewed, sanitation was accorded a significantly lower priority than water supply, despite even lower rates of access to sanitation and great need for increasing support to sanitation programmes.

The recent study commissioned by WSP-Africa in Uganda, for example, notes that work is required to establish clear budget mechanisms for sanitation which effectively allocate resources to all levels of government and thereby to end-users. Responsibilities for sanitation activities are divided amongst no less than five different government ministries at national level. Whilst this reflects the wide relevance of sanitation (e.g. to health, education, water, housing, environment) the study points to the need to clarify respective institutional roles. The diminishing central control over the allocation and use of resources has simply conveyed the issue of prioritisation to another level; whilst districts now have more autonomy on how to spend money, sanitation is often not seen as a priority. Further, there are some indications that the move from projects to programme-based aid may have actually caused a reduction in sanitation financing (at least in the short term).

Monitoring and Evaluation

Establishment and strengthening of a system of M&E of resource flows under PRSPs and budgets will be an essential step in arriving at allocation of funds which is more transparent and less subject to political capture.

M&E should involve the establishment of objectives, and systems for the measurement of performance against those objectives. Systems for measuring performance, especially at sub-national levels, were weak in all the study countries. This is consistent with the findings of recent ODI research on results-orientated expenditure management. Even more important is that the institutional mechanisms for using that performance data are evaluated and decisions made to improve the application of resources to those objectives, and for improved accountability and ultimately performance. In the case of PRSPs, these include equity of resource use – as well as its sustainability – and value for money. In implementation of M&E, identification of a limited and manageable number of indicators, understood and recognised as key measures by which sub-national entities will report, will help to arrive at a robust system.

The water sector in Uganda is in the process of developing an overall framework for sector performance measurement. A first sector performance report using the new framework was prepared for the Water Sector Review in October 2003. Ten different issues for performance measurement have been identified, and a small number of associated 'golden' indicators is being developed. The idea proposed is to produce national performance reports covering one or two of these issues every year. Such performance measurement is key to ensure strong linkage between policy, planning and implementation.

Performance Benchmarking

Performance benchmarking systems are increasingly common in developed countries such as the US and the UK, as a means for encouraging local governments to adhere to sector policies and guidelines, and improve service delivery. Under the UK's comprehensive performance assessment process, league tables of council performance are created, and councils are required to publish their own performance, and make it available to the public. If councils perform poorly with respect to national goals and targets, then this is public knowledge.

Such practices are also evolving in Uganda. There is an annual performance assessment of local governments under the Local Government Development Programme, whereby the centre assesses and scores districts' adherence to decentralisation laws, policies and guidelines. Under the system, districts assess sub-county performance and these

assessments are verified by central government. Districts and sub-counties are required to fulfil various minimum conditions in order to access a discretionary local development grant. If a local government performs well, it receives an additional allocation.

An important goal in this context is incentivising districts to adhere to national sectoral priorities and objectives, in addition to governance criteria. Measuring district performance relative to the achievement of national WSS goals, and publishing it nationally, could help build incentives for politicians and administrators to adhere to sector policies and guidelines, including consideration in the planning process of factors such as equity and sustainability.

Strengthening Sectoral Processes

The project's investigations into the WSS sector show that 'systemic' strengthening of sectoral processes is required if there is to be consolidation of poverty-reduction via PRSPs.

There is evidence in Malawi and Zambia that weak sectoral planning is causing donors to bypass sectoral programmes and opt for the 'old' scheme of project-by-project funding. Whilst donor funding of 'off-budget' projects/programmes runs generally contrary to the philosophy of PRSPs, in the current state of preparedness of the water sector (at least in three of the four study countries), budget support seems at present an unattractive proposition – except to the extent it is specifically directed towards remedying the 'system' failures outlined above.

At the same time, in-country, better sector plans and implementation mechanisms are required for the water sector to make its case for public resources more forcibly, whether from government or donors. In Malawi, the water sector is failing to attract and retain national, public funds from the Ministry of Finance and this failure is (in part at least) due to existing water strategies being inadequately planned and costed as compared with those in other sectors – which are better able to make their case for funds.

The problem in Malawi is symptomatic of the failure of stakeholders to mobilise as a sector in response to the PRSP process which was largely separate and de-linked from sector review processes. As a result, sectoral policies have not been sufficiently represented and championed and there is little sense of sectoral ownership over the resulting PRSP. From a WSS perspective, therefore, the process has, currently at least, lost momentum.

Joint Sector Review in Uganda

The prospects in Uganda look better, thanks to the Joint Sector Review process which has made considerable advances over the last three years and has succeeded in generating a momentum for sector reforms which is supported by government, donors and other stakeholders in the water sector.

The original motivator of sector review was the Ministry of Finance. The key to generating and maintaining the dynamic has, it seems, been to focus on relatively few high-level policy objectives (nine, grouped under five themes), instead of trying to manage a long list of disparate action points at a technical level. Also, to choose cross-cutting or 'intra-sectoral' themes instead of the habitual sub-sectors (e.g. rural WSS, urban WSS, water resources management etc.), with the themes being of relevance and interest to all stakeholders, without one sub-sector being able to claim that they 'own' the agenda.

The bi-annual review meetings, in March and September, have now established themselves as key dates in the sectoral calendar, both in-country and for visiting missions (e.g. World Bank and African Development Bank). Alongside the big sector forum comprising some 200 representatives – of all institutions and organisations interested in the sector – which deals with the policy issues, there are sub-groups taking forward the technical agenda in relation to each of the five themes. The decision-making body is a sector working group comprised of 20-25 members (government, donor and others) which acts as formal governance body. The meetings of the large forum have been facilitated by external agencies, with careful management of the agenda (with submission of papers in advance and focused interventions) and the substantial costs of managing the process supported with donor funds.

Coordinated Donor Support

According to one active participant, consistent donor participation has been an essential ingredient in the Uganda Joint Sector Review with a donor working group (i.e. far beyond an initial function of information-exchange). If, as in Uganda, the government takes the lead in expressing the desire to develop coherent sector policies, strategies and plans, this provides impetus to donors to coordinate themselves. In Uganda, once a critical mass of donors interested in a sector-wide approach was established, with a rotating lead donor, other donors were invited to coordinate, and project-based finance became less likely to be 'parachuted' into the country without any link to sector plans.

In Zambia, donors provide 70-80% of allocations to WSS, and could drive much of the process. According to the project research, on-budget donor support is up to 70% of total spending in the sector, and including off-budget finance, it could reach as much as 80%. With this leverage, some of the donors have been pushing for sector reforms.

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*The above reports, as well as a full list of key references and a note of the country research partners, are set out on the ODI and WaterAid websites (www.odi.org.uk/rpeg/wpp/watsan or www.wateraid.org/PRSP)

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