

## Delivering Water Supply and Sanitation in Fragile States:

The transition from emergency to development

---

## Services d'eau et d'assainissement dans les pays fragiles:

Passage de la situation d'urgence au développement

Conference Report

3rd - 5th May, 2011

Safari Park Hotel, Nairobi, Kenya





# **Delivering Water Supply and Sanitation in Fragile States:**

The transition from emergency to development

---

## **Services d'eau et d'assainissement dans les pays fragiles:**

Passage de la situation d'urgence au développement

Conference Report

3rd - 5th May, 2011

Safari Park Hotel, Nairobi, Kenya



# Contents

Executive Summary	2
Sommaire Exécutif	7
1. Introduction	13
2. The impact of instability and crises on service delivery	14
3. Building country-led service delivery and the capacity conundrum	16
4. Opportunities for accelerating the WSS sector's transition from emergency to country-led sector programs	17
5. Pointers for managing the transition from emergency to development	26
6. Conclusion	29
<b>Annex 1.</b> Country priority actions for transitioning the WSS sector from emergency to development	31
<b>Annexe 1.</b> (French) Actions prioritaires pour les pays en transition du secteur de l'eau et de l'assainissement de la situation d'urgence à celle du développement	32
<b>Annex 2.</b> Participants list	35



# Executive Summary

Many of the problems of WSS sector development are symptoms of the lack of dialogue between the WSS sector and the Ministry of Finance – resolving these requires sustained dialogue between these two sets of actors.

*John Davis, Accountant General for Liberia*

Addressing the challenges of Fragile and Conflict-Affected Situations (FCS) is a priority for the World Bank Group and other development partners. Despite substantial aid flows, current modes of support from the international community have not sufficiently achieved stated goals of reducing poverty, increasing stability and strengthening institutions.

Fragile and post conflict states face multiple barriers to service delivery. In addition to leaving infrastructure damaged, the aftermath of conflicts, economic crises or natural disasters often results in a ‘capacity conundrum’, with government capacity too weak to deliver a peace (or post-crisis) dividend that meets basic service delivery standards or donor accountability requirements. As

a result donors either channel funding to NGOs and humanitarian agencies or set up parallel systems of accountability bolted on to line-ministries.

Whilst these strategies help in delivering reconstruction programs, where these practices become entrenched they can undermine the development of country-led programs delivered through a country’s own core systems for: planning, budgeting, expenditure management, procurement and human resource management.

Moreover, as relief agencies exit and development agencies wait to step in there can be a drop in funding and loss of institutional memory. A key emerging question is therefore:

**“How could the transition from emergency to development be better managed?”**

This note captures the main points and messages from a conference held in Nairobi on 3-5 May 2011 that initiated a community of practice bringing together water supply and sanitation (WSS) sector actors with actors involved in building core country systems.<sup>1</sup> The aim was to develop action plans for resolving the capacity conundrum and transitioning the WSS sector from

The transition from donor-led emergency interventions to country-led sector development requires building and linking service delivery to core country systems.

This enhances the rate and reach of service delivery and links service delivery with the political process – so building legitimacy of the state.

Four opportunities for sector transition in post-crisis situations:

- ▶ **Build on the strengths of fragile states** – fragile states are not necessarily fragile in all areas and there may be significant areas of strength to build on;
- ▶ **Provide sector leadership with examples of the transition trajectories** that previously fragile states have taken;
- ▶ **Initiate an early dialogue between line ministries responsible for WSS and ministries managing core country systems** (finance, planning and local government);
- ▶ **Use aid modalities to promote linkages between the WSS sector and country systems.**

<sup>1</sup>This section is based mainly on the presentations of Dominick De Waal (Water & Sanitation Program – Africa, Nairobi); and Gary Milante (Senior Economist, 2011 World Development Report team), and informed by country case studies and group discussions.

emergency interventions to country-led development programs (Annex 1).

Attended by seven country delegations and international experts, the conference brought together officials from line ministries responsible for water and sanitation, from finance ministries, and from external support agencies working on both WSS and public finance management (PFM) functions.

### The impact of fragility on service delivery

Post-crisis conditions have a dire impact on poverty reduction and economic development generally, and on service delivery specifically. The World Development Report (WDR) for 2011 captures key dimensions of these impacts in fragile environments.

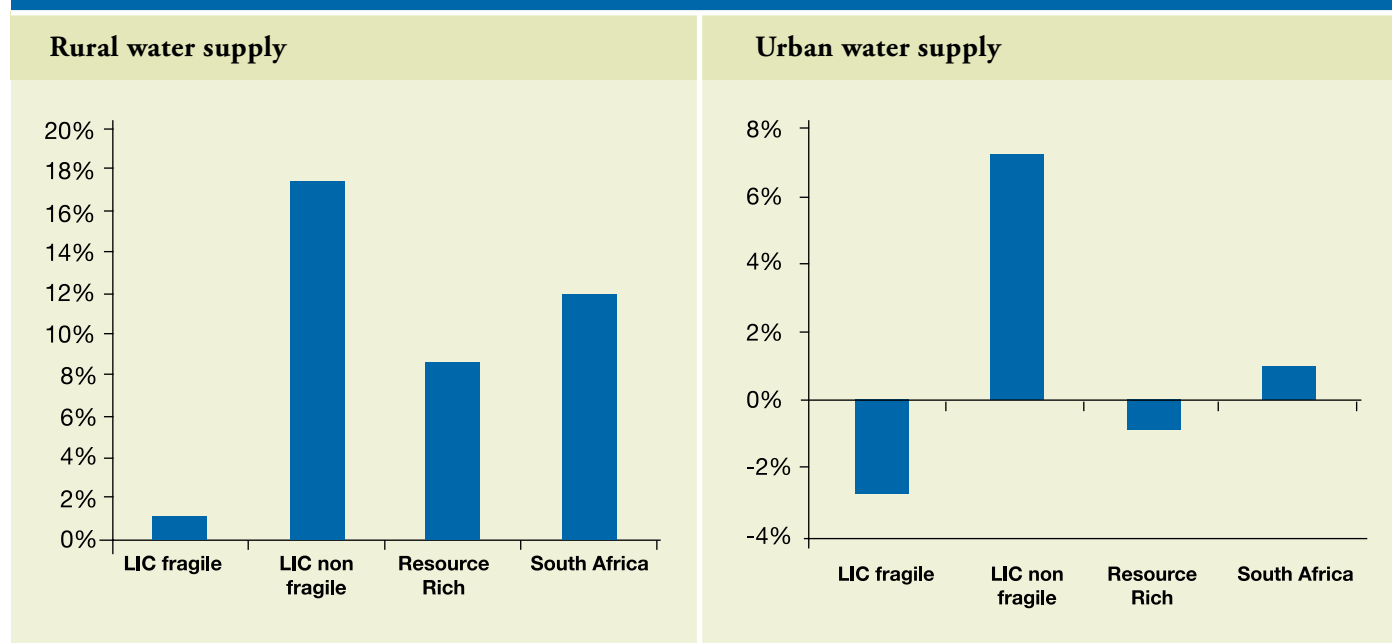
- ▶ A protracted civil conflict costs the average developing country roughly 30 years of GDP growth.
- ▶ There is a substantial risk of post-conflict countries falling back into conflict or violence. Of the 40 countries that were fragile for five or more years between 1978 and 1990, 17 remained fragile in 2009.

- ▶ Across countries that are conflict affected the proportion of people living below \$1.25 a day is over 20 percentage points higher than in countries without conflict.
- ▶ People in conflict affected countries are twice as likely to be undernourished or without safe access to water than those in stable countries.
- ▶ No country that has been classified as 'fragile' has yet achieved any MDG targets.

Whilst global trends are that water supply coverage improves with GDP, this relationship breaks down across sub-Saharan Africa. The AMCOW Country Status Overviews identify political stability as a pivotal determinant of sector progress.

- ▶ The biggest gains in access to WSS services have been in *low-income (LIC) stable countries* (see Figure 2). Between 1990 and 2008, rural water supply coverage in *low-income stable countries* increased by 17 percentage points, and urban water supply by 6 percentage points. Services in stable countries are also more equitable and offer a better quality of

Progress in water supply coverage (%) across different country groupings in Africa



Source: Adapted for the AMCOW CSO2 from JMP (2010) 2010 Update

service than either *low-income fragile* or *resource rich countries*.

- ▶ *Low-income stable countries* have made the greatest strides in reducing open defecation in rural areas: by 14 per cent between 1990 and 2008 while open defecation dropped by only 7 per cent and 4 per cent in *low income fragile and resource rich countries* respectively.

### Opportunities to accelerate sector transition

The conference highlighted four opportunities to accelerate sector transition from donor-led emergency interventions to country-led development programs following post-crisis situations:

#### i. Build on the strengths of fragile states.

A key theme to emerge from the conference is that fragile states are not necessarily fragile in all areas and that there may be significant areas of strength to build on, even if other aspects of service delivery are fragile.

Four specific areas of strength that the emergency to development transition can build on included: political will, public financial management (PFM) systems, decentralized government as well as civil society and private sector participation.

Liberia provides an example of where PFM systems had to be completely rebuilt following the 14 year conflict. As a result the strength of Liberia's PFM systems offers a low-risk opportunity for donors to begin to stream finance through to sector ministries, building capacity by using it'.

In Zimbabwe, decentralization offers opportunities. In spite of the economic collapse in the early 2000s, there is a legacy of local government administrations which host long-established water utilities with extensive, if dilapidated, infrastructure. The switch to using multiple stable currencies has seen a return of revenues to utilities and a resurgence of the latent capacity at local government level.

In Rwanda, the presence of an entrepreneurial local private sector enabled the public sector to outsource

both water scheme construction and management capacity. In DRC where long-term fragmentation and virtual absence of public budgets has depleted public sector capacity, community and private sector capacity for construction and management of large piped water schemes has emerged in places such as South Kivu. This is one of the few available opportunities that provincial level governments in DRC could begin to build on.

Though difficult to measure, the political will to see progress in the sector among post-conflict and post-crisis states is high. This is exemplified in HE Ellen Johnson Sirleaf's role as the WASH Good-will Ambassador for Africa.

#### ii. Provide sector leadership with examples of the transition.

Senior WSS sector officials and those managing core country systems found the case-studies of Ethiopia, Rwanda and Uganda's twenty year transition trajectories instructive for their own country's transition. This longer-term vision enables sector leadership to position the WSS sector within the broader country processes, first of reconstruction and then transition to develop country-led programs.

Building and maintaining the direct relationships initiated at this conference<sup>2</sup> – between officials in previously fragile countries and those currently emerging from conflict or crisis – helps inform critical decisions such as on how to link to the PRSP process; nature of incremental policy revisions; using country PFM and procurement systems; decentralization and the design of intergovernmental transfers; as well as opportunities that civil service reform can provide.

#### iii. Initiate an early dialogue between line ministries responsible for WSS and ministries managing core country systems (finance, planning and local government).

The African Ministers Council of Water (AMCOW) study of WSS performance in 32 countries found that the most progress in the WSS sector has been made where there has been both effective sector reform and

<sup>2</sup>As well as a series of WSP sponsored fragile/stable learning exchange visits



where the WSS sector uses core country systems (national transition/development plans, PFM, procurement, civil service reform and decentralized service delivery).

For fragile and post conflict states, resolving the ‘capacity conundrum’ benefits from early dialogue between the ministries responsible for WSS and the ministries responsible for managing core country systems (finance, planning and local government). Doing so addresses the gaps between the theory and the reality of service delivery by linking together the actors and institutions along the sector ‘service delivery pathway’ from policy maker to user. This early dialogue can influence policy and institutional formation while it is still in flux, while helping navigate the sector its bid for resources in a new context.

Investment in core country systems should be much more than enabling countries to better manage fiduciary risk. Equally important is re-linking financial management with the political and policy processes and service delivery systems.

#### iv. Use aid modalities to promote linkages between the WSS sector and country systems and economy-wide capacity.

The choice and use of aid modalities is critical in fragile environments because international engagement is often extensive during the emergency phase, and the nature of the initial engagement has a major impact on the development of country systems. While it is understandable and often necessary to mobilize and utilize resources urgently to deal with emergencies, it is preferable to integrate with country systems as early as possible.

‘Developing capacity by using it’ calls for taking initial risk and working in partnership with countries to link incremental improvements in country implementation capacity to incremental increases in the amounts of funds being channelled through country systems.

Official development assistance should be used not only to address emergency needs, but also to re-build basic sector capacities (planning, coordination and monitoring).

This includes advocating for increased domestic budget allocations to WSS, but more importantly for ensuring alignment and integration with the national budget process, and with national PFM and procurement systems. It should also help initiate dialogue on sector wide policies and systems, as well as intergovernmental transfer mechanisms, including block transfers that institutionalise the authority of sub-national and sector institutions in priority setting.

### Conclusion

Although emergencies require short-term interventions outside core country systems to deal with humanitarian crises, it is important to work with and develop core systems in cross-sectoral partnerships as early as possible. Doing so enhances the rate and reach of service delivery and links service delivery with the political process – so building legitimacy of the state.

There are no universal solutions for transitioning from emergency to development but lessons from fragile environments and from the 32 country AMCOW study provides proposals and suggestions for managing the development trajectory through the three phases of recovery, reconstruction and country-led development.

In the **recovery phase** a plethora of non-state actors deliver services with no or limited public support or oversight. Sector agencies struggle to gain a foothold. Key steps in **re-establishing sector leadership** during this phase are to:

- ▶ Support governments to initiate coordination and information sharing in and outside government;
- ▶ Add value to NGOs by providing legitimacy, support from local authorities and technical guidance on standards, or possibly outsourcing to use emergency service delivery capability;
- ▶ Develop or revise the sector policy (e.g. to reintroduce demand responsive approaches cost recovery, community management) and medium-term strategy to respond to the new realities (e.g. land tenure and public budget availability);
- ▶ Use official development assistance to re-build basic sector capacities (planning, coordination and monitoring).

**In the reconstruction phase** support to the sector strategy is often through projects relying mostly on dedicated Project Implementation Units (PIU). As resources increase, the challenge is to **reintegrate the WSS sector into core country systems**. Key steps are:

- ▶ Establish a joint sector coordination and review mechanism that includes mutually binding commitments from government and development partners.
- ▶ Undertake institutional reform and capacity development to: define clear roles and responsibilities for government agencies involved in WSS; update sector policies to include pro-poor targeting; develop national investment plans.
- ▶ Experiment and adapt management models; fostering autonomy and financial viability; and monitoring of operational performance.
- ▶ Advocate for an increase domestic budget allocation; ensure alignment and integration with the national budget process, and to link WSS to national PFM and procurement systems; initiate dialogue on intergovernmental transfer mechanisms.
- ▶ Push for development assistance to be channeled through ministries of finance and where possible link them to the intergovernmental transfer systems.

As the sector progresses along from project-based development to policy-based sector programs, the third phase entails **country-led development** and adaptation through:

- ▶ Country-led and financed development plans providing structure for appraising and directing remaining development assistance.
- ▶ Monitoring the equity, efficiency and effectiveness of both roll-out of new and of existing services. As monitoring results come in, it would be necessary to target capacity building continuously in areas where it is most required.

- ▶ Regulating and reinforcing autonomy, commercial orientation of service delivery including domestic private sector participation in scheme and utility management and accessing financial markets for scheme expansion.
- ▶ Channelling development assistance through the ministry of finance linked to intergovernmental block transfers with dialogue on sector-wide policies and systems development.

Given that the journey along this transition often takes a generation and that there is substantial risk of post-conflict countries falling back into conflict these three phases of the transition are unlikely to be linear. Shocks, internal or external, can easily pull country systems and the WSS sector back down the transition trajectory. Building resilience to minimize the impact of these shocks is as important as making opportunistic progress along the transition trajectory in times of stability.

Doing so can take advantage of the two largely separate financing mechanisms that drive developing and rolling out services and sustaining existing services. The developing of services is largely a public finance driven mechanism while the sustaining of services can be a largely consumer driven mechanism. This suggests two ways to build resilience into the sector:

- ▶ The greater the emphasis on autonomous sustainability of schemes and utilities throughout the transition process the more likely services will be able to weather internal and shocks (e.g. political crisis leading to collapse of budget processes).
- ▶ The greater the extent to which the WSS sector is integrated into core country systems the more likely the country will be able to rebuild services destroyed through external shocks (e.g. natural disasters, transnational conflict).

# Sommaire Exécutif

Bon nombre de problèmes rencontrés dans le développement du secteur de l'approvisionnement en eau et l'assainissement constituent les symptômes du manque de dialogue entre le secteur de l'eau et de l'assainissement et le Ministère des finances – leur résolution nécessite un dialogue soutenu entre ces deux groupes d'intervenants.

*John Davis, Comptable général du Libéria*

Le Groupe de la Banque mondiale et les autres partenaires au développement se sont fixés comme priorité de relever les défis rencontrés dans les États en situations fragiles et touchés par un conflit (FCS). Malgré les flux importants d'aide, les modes actuels d'appui de la communauté internationale n'ont pas suffisamment atteints les objectifs déclarés de la réduction de la pauvreté, la consolidation de la stabilité et le renforcement des institutions.

Les États fragiles et sortant de conflits font face à de multiples obstacles dans la prestation des services. En plus des infrastructures endommagées, les périodes de post-conflit, les crises économiques ou les catastrophes

naturelles se traduisent souvent par de « sérieux problèmes de capacités », en raison de la faiblesse des dispositions gouvernementales à profiter des avantages qu'apportent la paix (ou la période post-crise) et à répondre aux normes de services de base ou aux obligations de rendre compte aux donateurs. Ainsi, les bailleurs de fonds acheminent leurs financements aux ONG ou aux agences humanitaires ou ils mettent en place des systèmes parallèles de responsabilisation liés aux ministères de tutelle.

Malgré le fait que ces stratégies renforcent la mise en œuvre des programmes de reconstruction, elles peuvent cependant, lorsque fermement enracinées, compromettre l'exécution des programmes dirigés par les pays et mis en œuvre par le biais des systèmes centraux d'un pays grâce à la planification, la budgétisation, la gestion des dépenses, la passation des marchés et la gestion des ressources humaines.

Par ailleurs, lorsque les organismes de secours attendent de céder la place aux agences de développement, l'on peut observer une baisse des financements et une perte de mémoire institutionnelle. La question clé qui se pose est donc la suivante :

**« Comment mieux gérer la transition entre la période d'urgence et celle du développement ? »**

Le présent résumé reflète les principaux points et les messages

La transition des interventions d'urgence menées par les donateurs au développement sectoriel dirigé par un pays nécessite la consolidation et la prestation de services reliant les systèmes nationaux de base.

Cela améliore la rapidité et la portée de la prestation de services et lie cette dernière au processus politique, donnant ainsi lieu à la légitimité de l'État.

Quatre possibilités pour améliorer la transition du secteur en situations de post-crise :

- ▶ **Faire fond sur les forces des États fragiles.** Les États fragiles ne sont pas nécessairement fragiles dans tous les domaines et qu'ils peuvent avoir des points forts sur lesquels l'on peut s'appuyer.
- **Fournir le leadership du secteur avec des exemples de la trajectoire de transition** empruntée par les États fragiles précédemment;
- **Initier un dialogue préliminaire entre les ministères responsables de l'approvisionnement en eau et l'assainissement et les ministères en charge de la gestion des systèmes nationaux de base** (finances, planification et gouvernement local).
- **Utiliser les modalités d'aide afin de promouvoir les liens entre le secteur de l'eau et de l'assainissement et les systèmes nationaux**

d'une conférence tenue à Nairobi, du 3 au 5 mai 2011 qui a lancé une communauté de pratique réunissant les intervenants du secteur de l'eau et de l'assainissement et les acteurs impliqués dans la mise sur pied des systèmes nationaux de base<sup>3</sup>. L'objectif était d'élaborer des plans d'action afin de résoudre le problème des capacités et de la transition du secteur de l'eau et de l'assainissement des interventions d'urgence aux programmes de développement dirigés par les pays (annexe 1).

La Conférence a réuni sept délégations nationales, des experts internationaux, des représentants des ministères de tutelle responsables de l'eau et de l'assainissement, des ministères des finances et des agences extérieures d'appui dont les fonctions portent sur la gestion du secteur de l'eau et de l'assainissement et celle des finances publiques (GFP).

### Impact de la fragilité sur la prestation de services

Le contexte de post-crise a des incidences considérables sur la réduction de la pauvreté et le développement économique en général ainsi que sur la prestation de services en particulier. Le Rapport sur le développement mondial (RDM) de 2011 porte sur les principales dimensions de ces incidences sur les environnements fragiles.

- ▶ Un conflit civil prolongé coûte environ 30 ans de croissance du PIB à un pays en développement.
- ▶ Les pays en période de post-conflit courent le risque de retomber dans un conflit ou dans la violence. Sur les 40 pays qui étaient fragiles sur une période de cinq ans ou plus entre 1978 et 1990, 17 l'étaient encore en 2009.
- ▶ Dans les pays touchés par les conflits, la proportion de personnes vivant en dessous du seuil de 1,25 \$EU par jour est de plus de 20 points de pourcentage plus élevée que dans les pays sans conflit.
- ▶ Les populations des pays touchés par les conflits sont statistiquement deux fois enclins d'être sous-alimentées ou sans accès à l'eau potable que dans les pays stables.
- ▶ Aucun pays classé comme « fragile » n'a encore atteint tous les chiffres cibles des OMD.

Alors que les tendances mondiales indiquent que la couverture de l'approvisionnement en eau augmente parallèlement au PIB, cette relation s'effondre en Afrique subsaharienne. Le rapport sur la situation des pays du Conseil des Ministres africains chargés de l'eau (AMCOW) identifie la stabilité politique comme un facteur important dans la détermination du progrès du secteur.

- ▶ Les gains les plus importants acquis dans l'accès aux services d'approvisionnement en eau et d'assainissement ont été enregistrés dans les *pays stables à faible revenu (PFR)* (voir figure 2). Entre 1990 et 2008, la couverture de l'approvisionnement en eau dans les milieux ruraux des pays stables à faible revenu, a augmenté de 17 points de pourcentage alors qu'en milieu urbain elle était de 6 points de pourcentage. Dans les pays stables, les services sont plus équitables et sont de meilleure qualité que ce soit dans les *pays fragiles à faible revenu* ou les *pays riches en ressources*.
- ▶ Les *pays stables à faible revenu* ont franchi des pas importants dans la réduction de la défécation à l'air libre dans les zones rurales. Cette dernière a baissé de 14 pour cent entre 1990 et 2008 alors qu'elle n'a diminué que de 7 pour cent et de 4 pour cent dans les pays fragiles à faible revenu et les pays riches en ressources, respectivement.

### Possibilités pour accélérer la transition du secteur

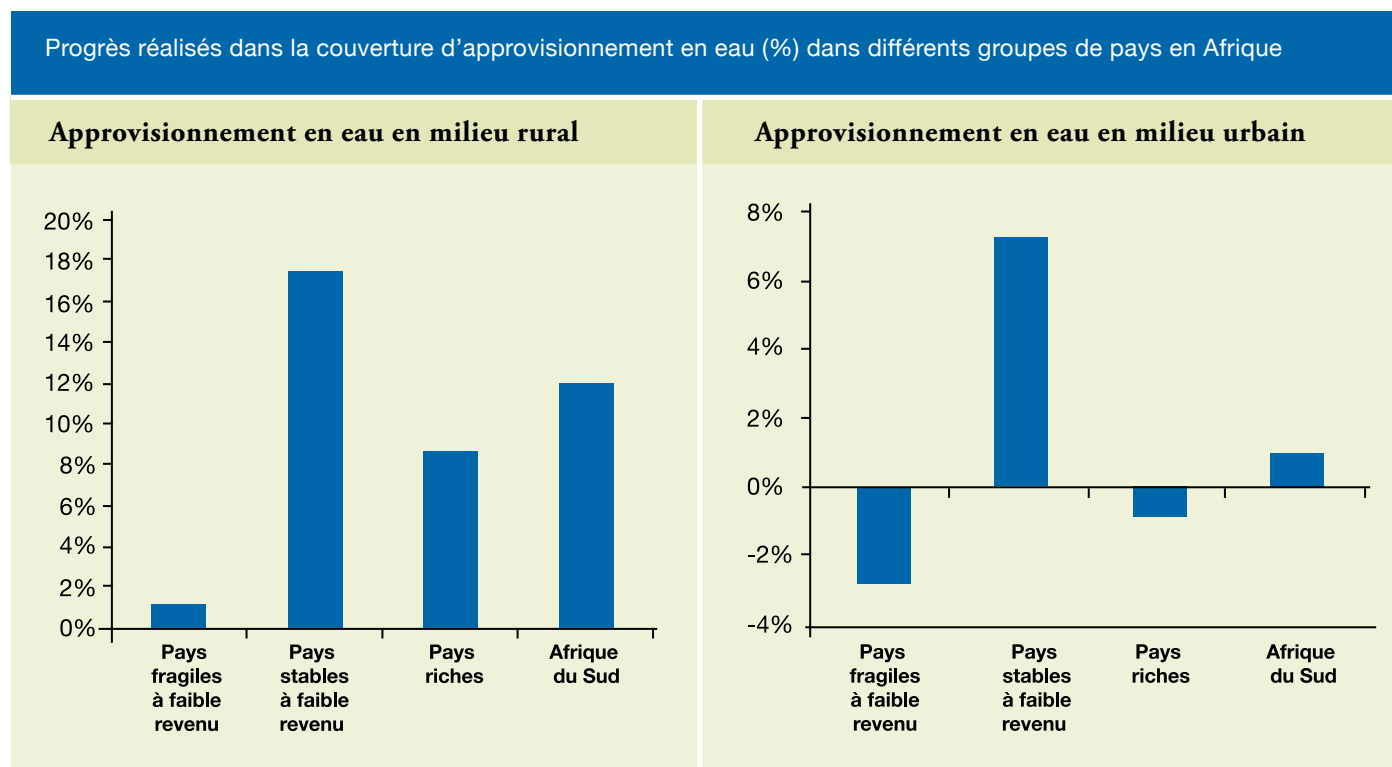
La Conférence a souligné quatre possibilités permettant d'accélérer la transition du secteur des interventions d'urgence dirigées par les donateurs aux programmes de développement pilotés par les pays dans les périodes de post-crise. Il s'agit de :

#### i. Faire fond sur les forces des États fragiles.

Le thème clé évoqué par la Conférence est que les États fragiles ne sont pas nécessairement fragiles dans tous les domaines et qu'il peut y avoir des points forts sur lesquels l'on peut s'appuyer, même si d'autres aspects de la prestation des services soient fragiles.

<sup>3</sup>Pays représentés: RCA, RDC, Haïti, Libéria, Sierra Leone, Soudan, Zimbabwe

Agences représentées: ADA, BAD, ECHO, Innovex, Norad, PNUD, UNICEF, USAID, WaterAid, WSP, Banque mondiale



Source: Adapté de la deuxième série de rapports sur la situation par pays (CSO2) de JMP (2010) Mise à jour

Quatre domaines spécifiques de la force sur lesquels la transition de l'urgence au développement peut s'appuyer sont les suivants: la volonté politique, la pertinence des systèmes de gestion des finances publiques (GFP), la décentralisation du gouvernement ainsi que la participation de la société civile et du secteur privé.

Le Liberia constitue un exemple où les systèmes de GFP ont dû être entièrement reconstitués après les 14 ans de conflit. Ainsi, la solidité des systèmes de GFP du Libéria offre une opportunité à faible risque aux bailleurs de fonds de commencer à canaliser les flux de financements par le biais des ministères sectoriels et à les utiliser à des fins de renforcement des capacités.

Au Zimbabwe, la décentralisation offre des possibilités. En dépit de l'effondrement économique des années 2000, les vestiges des administrations locales hébergent les services publics de longue date ainsi que de vastes infrastructures et parfois délabrées. L'utilisation de plusieurs monnaies stables a permis le retour des revenus aux services publics

ainsi qu'une résurgence de la capacité latente au niveau du gouvernement local.

Au Rwanda, la présence d'un secteur privé local entreprenant a permis au secteur public de faire appel à des compétences extérieures pour la construction des systèmes d'eau et le renforcement des capacités de gestion. En RDC, la fragmentation et l'absence virtuelle à long terme des budgets étatiques ont épuisé les capacités des secteurs public, communautaire et privé en vue de la construction et la gestion de grands systèmes de canalisations d'eau. Toutefois, ces systèmes sont apparus dans des endroits comme le Sud-Kivu. Il s'agit d'une des rares occasions disponibles sur lesquelles les gouvernements provinciaux en RDC pourraient commencer à faire fond.

Bien que difficile à mesurer, l'on constate une croissance de la volonté politique de voir des progrès dans le secteur parmi les États en situation de post-crise. Cela est illustré par le rôle que joue S.E. Mme Ellen Johnson Sirleaf en tant qu'ambassadrice de bonne volonté de l'initiative WASH pour l'Afrique.



## ii. Fournir le leadership du secteur avec des exemples de la trajectoire de la transition.

De hauts responsables du secteur de l'eau et de l'assainissement et des gestionnaires des systèmes de base au niveau national ont trouvé les études de cas de l'Éthiopie, du Rwanda et de l'Ouganda sur les trajectoires de transition de vingt années pleines d'enseignements au profit de la transition de leurs pays respectifs. Cette vision à long terme permet au leadership du secteur d'assurer d'abord la position du domaine de l'eau et de l'assainissement dans les processus élargis nationaux, puis la reconstruction et ensuite la transition en vue de développer des programmes dirigés par les pays.

La mise en place et le maintien des relations directes initiées au cours de cette Conférence<sup>4</sup> - entre les responsables des pays naguère fragiles et ceux sortant actuellement d'un conflit ou d'une crise - aident à éclairer les décisions cruciales telles que comment établir un lien avec le processus du DSRP, la nature des révisions de la politique progressive; l'utilisation de la GFP et des systèmes d'approvisionnement, la décentralisation et la conception des transferts intergouvernementaux ainsi que les possibilités offertes par la réforme de la fonction publique.

## iii. Initier un dialogue préliminaire entre les ministères responsables de l'approvisionnement en eau et l'assainissement et les ministères en charge de la gestion des systèmes nationaux de base (finances, planification et gouvernement local).

L'étude sur la performance du secteur de l'approvisionnement en eau et l'assainissement dirigée par le Conseil des ministres africains de l'Eau (AMCOW) dans 32 pays a révélé que les plus grands progrès de ce secteur ont été accomplis dans les pays où la réforme y relative a été efficace et où le secteur de l'approvisionnement en eau et l'assainissement utilise les systèmes nationaux de base (plans nationaux de transition et de développement, la GFP, la passation des marchés, la réforme de la fonction publique et la décentralisation des services).

Pour les États fragiles et sortant d'un conflit, la résolution des « sérieux problèmes de capacité » bénéficie des avantages offerts par un dialogue établi au plus tôt entre les ministères chargés de l'eau et l'assainissement et les ministères responsables de la gestion des systèmes nationaux de base (finances, planification et gouvernement local). Cela comble les lacunes entre la théorie et la réalité de la prestation de services en liant les intervenants et les institutions ainsi que « la voie de prestation de service » du décideur à l'utilisateur. Ce dialogue établi dès le début peut influencer la politique et la formation institutionnelle alors qu'il est encore en mouvement, tout en aidant le secteur à déployer ses efforts de mobilisation de ressources dans un contexte nouveau.

L'investissement dans les systèmes nationaux de base devrait permettre davantage aux pays de mieux gérer le risque fiduciaire. Tout aussi important, il faut relier la gestion financière aux processus politiques et aux systèmes de prestation de services.

## iv. Utiliser les modalités d'aide afin de promouvoir les liens entre le secteur de l'eau et de l'assainissement et les systèmes nationaux et les capacités d'ordre économique.

Le choix et l'utilisation des modalités de l'aide sont essentiels dans les milieux fragiles, car l'engagement international est souvent d'une dimension considérable pendant la phase d'urgence et la nature de l'engagement initial a un impact majeur sur le développement des systèmes nationaux. Bien qu'il soit compréhensible et souvent nécessaire de mobiliser et d'utiliser rapidement les ressources afin de faire face aux urgences, il est préférable de les intégrer aux systèmes nationaux aussi tôt que possible.

« Développer les capacités en les utilisant » appelle à prendre un risque initial et à agir en partenariat avec les pays afin de lier les améliorations progressives des capacités nationales de mise en œuvre aux augmentations continues des montants de financement qui passent par les systèmes nationaux.

<sup>4</sup>Ainsi qu'une série de visites d'échanges entre États stables et États fragiles parrainées par le Programme, eau et assainissement pour l'Afrique

L'aide publique au développement doit être utilisée non seulement pour répondre aux besoins d'urgence, mais aussi pour renforcer les capacités de base du secteur (planification, coordination et suivi). Il s'agit entre autres, de préconiser une augmentation des allocations budgétaires nationales en faveur du secteur de l'eau et de l'assainissement, et plus important encore de veiller à l'alignement et à l'intégration avec le processus budgétaire national et avec la GFP et les systèmes nationaux d'approvisionnement. Cela devrait également aider à amorcer un dialogue sur les politiques et les systèmes sectoriels ainsi que sur les mécanismes intergouvernementaux de transfert, notamment les transferts en bloc qui institutionnalisent l'autorité des institutions sous-nationales et sectorielles dans l'établissement des priorités.

### Conclusion

Bien que les urgences nécessitent des interventions à court terme en dehors des systèmes nationaux de base pour faire face aux crises humanitaires, il est important de collaborer dans la mise en place de systèmes intersectoriels de base aussitôt que possible. Cela améliore la rapidité et la portée de la prestation de services et lie cette dernière au processus politique, donnant ainsi lieu à la légitimité de l'État.

Il n'existe pas de solutions universelles pour passer de la situation d'urgence à la période de développement. Cependant, les leçons apprises des milieux fragiles et de l'étude de l'AMCOW réalisée dans 32 pays fournissent des propositions et des suggestions sur la gestion de la trajectoire à travers les trois phases du rétablissement, de la reconstruction et du développement pilotées par les pays.

Au cours de la **phase de rétablissement**, une pléthore d'intervenants non étatiques fournissent des services sans ou avec un appui ou un suivi limité des gouvernements. Les organisations sectorielles peinent à s'implanter. Les étapes clés dans le rétablissement du leadership du secteur durant cette phase sont les suivantes :

- ▶ Appuyer les gouvernements afin d'initier la coordination et le partage d'informations au sein et en dehors du gouvernement ;

- ▶ Revaloriser les ONG en leur accordant la légitimité, l'appui des autorités locales et des conseils techniques sur les normes ou éventuellement en faisant appel aux compétences extérieures afin d'utiliser les capacités de prestation des services d'urgence ;
- ▶ Élaborer ou modifier la politique du secteur (par exemple, réintroduire les approches répondant à la demande, le recouvrement des coûts, la gestion communautaire) et la stratégie à moyen terme afin de faire face aux nouvelles réalités (par exemple la tenure des terres et la disponibilité du budget public);
- ▶ Utiliser l'aide publique au développement pour consolider les capacités de base du secteur (planification, coordination et suivi).

Dans la **phase de reconstruction**, l'appui à la stratégie sectorielle est souvent accordé par des projets en se basant principalement sur les unités d'exécution dédiées aux projets (UEP). Le défi est de **réintégrer le secteur de l'eau et de l'assainissement dans les systèmes nationaux de base au fur et à mesure que les ressources augmentent**. Les principales étapes sont les suivantes :

- ▶ Établir un mécanisme commun de coordination et d'évaluation du secteur qui comporte des engagements mutuels contraignants du gouvernement et des partenaires au développement.
- ▶ Entreprendre une réforme institutionnelle et le développement des capacités afin de définir clairement les rôles et les responsabilités des agences gouvernementales intervenant dans le secteur de l'eau et de l'assainissement;
- ▶ Mettre à jour les politiques sectorielles en vue de mieux tenir en compte les pauvres et d'élaborer des plans nationaux d'investissement.
- ▶ Expérimenter et adapter les modèles de gestion, favoriser l'autonomie et la viabilité financière ainsi que le suivi de la performance opérationnelle.
- ▶ Faire campagne en vue de l'augmentation de l'allocation budgétaire nationale; assurer l'alignement et l'intégration avec le processus budgétaire national ; lier le secteur de l'eau et de l'assainissement à la GFP et aux systèmes de passation de marchés et amorcer le dialogue sur les mécanismes intergouvernementaux de transfert.

- ▶ Faire des recommandations afin que l'aide au développement soit acheminée par le biais des ministères des finances et, si possible, la relier aux systèmes intergouvernementaux de transfert.

La troisième phase porte sur la période où le secteur progresse du développement axé sur les projets aux programmes sectoriels basés sur les politiques. Elle implique donc le **développement** et l'adaptation **dirigés par les pays** à travers:

- ▶ Les plans de développement dirigés et financés par les pays fournissant la structure pour évaluer et orienter l'aide au développement restant.
- ▶ Le suivi de l'équité, l'efficacité et la productivité des nouveaux services et des services existants. Au fur et à mesure que l'on obtient les résultats du suivi, il faut cibler le renforcement des capacités en permanence dans les zones où cela s'avère le plus nécessaire.
- ▶ Réglementer et renforcer l'autonomie, l'orientation commerciale de la prestation de services, notamment la participation du secteur privé national dans la gestion des mécanismes et des services publics et l'accès aux marchés financiers en vue de l'expansion des mécanismes.
- ▶ Acheminer l'aide au développement par le ministère des finances liées aux blocs intergouvernementaux de transfert avec le dialogue sur les politiques sectorielles et le développement des systèmes.

Étant donné que cette transition prend souvent la durée d'une génération et que les pays en situation de post-conflit risquent de retomber dans les conflits, il est peu probable que ces trois phases suivent une voie linéaire. Les chocs internes ou externes, peuvent facilement faire retourner en arrière les systèmes nationaux et le secteur de l'eau et de l'assainissement dans la trajectoire de la transition. Il est également important de forger la résilience afin de minimiser l'impact de ces chocs et de réaliser des progrès opportunistes le long de la transition en période de stabilité.

Cela peut profiter de ces deux mécanismes de financement largement séparés qui dirigent le développement et le déploiement des services et maintiennent les services existants. Le développement des services est dans une large mesure un mécanisme dirigé par les finances publiques alors que le maintien des services peut être un mécanisme orienté pour l'essentiel vers le consommateur. Cela suggère deux façons de construire la résilience dans le secteur:

- ▶ Plus l'accent accordé à la durabilité des systèmes et des services publics autonomes tout au long du processus de transition est important, plus les services seront capables de surmonter les chocs internes (par exemple, la crise politique qui a conduit à l'effondrement du processus budgétaire).
- ▶ Plus le secteur de l'eau et de l'assainissement est intégré dans les systèmes nationaux de base plus le pays sera en mesure de reconstruire les services détruits par les chocs externes (catastrophes naturelles, conflits transnationaux).

# 1. Introduction

Addressing the challenges of Fragile and Conflict-Affected Situations (FCS) is a priority for the World Bank Group and other development partners. Despite substantial aid flows, current modes of support from the international community have not sufficiently achieved stated goals of reducing poverty, increasing stability and strengthening institutions.

Fragile and post conflict states face multiple barriers to service delivery. In addition to leaving infrastructure damaged, the aftermath of conflicts, economic crisis or natural disasters often results in a 'capacity conundrum', with government capacity too weak to deliver a peace (or post-crisis) dividend that meets basic service delivery standards or donor accountability requirements. As a result donors either channel funding to NGOs and humanitarian agencies or set up parallel systems of accountability bolted on to line-ministries. Whilst these strategies help in delivering reconstruction programs, where these practices become entrenched they can undermine the development of country-led programs delivered through a country's own core systems for: planning, budgeting, expenditure management, procurement, human resource management and decentralised service delivery.

This note captures the main points and messages from a conference held in Nairobi on 3-5 May 2011 that focused on ways to resolve the capacity conundrum in Water and Sanitation (WSS). Attended by seven country delegations and international experts from a range of international agencies and NGOs, the conference, funded by the World Bank Water and Sanitation Program in Africa (WSP-AF), aimed to initiate a community of practice and platform for knowledge sharing and learning by giving:

- a) Water and sanitation sector actors a better understanding of 'core' government systems/ functions
- b) Core government systems actors a better understanding of the needs of the water sector

- c) Fragile state water sector and core systems actors an opportunity to chart a transition pathway from emergency to development for the sector.

Conference delegates included officials from line ministries responsible for water and sanitation, from finance ministries, and from external support agencies working on both WSS and public finance management (PFM) functions (see Annex 2 for full participants list).

Delegates from the following countries were present: the Democratic Republic of the Congo (DRC), the Central African Republic, Haiti, Liberia, Rwanda, Sierra Leone, Sudan and Zimbabwe. Other African case studies were presented by delegates from countries that have transitioned from emergency to development, including Ethiopia, Rwanda and Uganda. Although not a post-crisis country, a case study from Tanzania illustrated the pitfalls of not using core government systems even in stable countries. The discussions drew on analytical and comparative sources such as the World Development Report 2011 on *Conflict, Security and Development*, the African Ministers Council on Water (AMCOW) Country Status Overviews (CSOs) on WSS in Africa, and the Public Expenditure and Financial Accountability Reviews (PEFAR).

## 2. The impact of instability and crises on service delivery<sup>5</sup>

Post-crisis conditions have a dire impact on poverty reduction and economic development generally, and on service delivery specifically<sup>6</sup>. The World Development Report (WDR) for 2011 captures key dimensions of these impacts by depicting the economic, political and security stresses that can make a country fragile (Figure 1).

Key points highlighting the impact of fragility on poverty reduction, development and service delivery included:

- ▶ A protracted civil conflict of over five years costs the average developing country roughly 30 years of GDP growth.
- ▶ There is a substantial risk of post-conflict countries falling back into conflict or violence, which poses

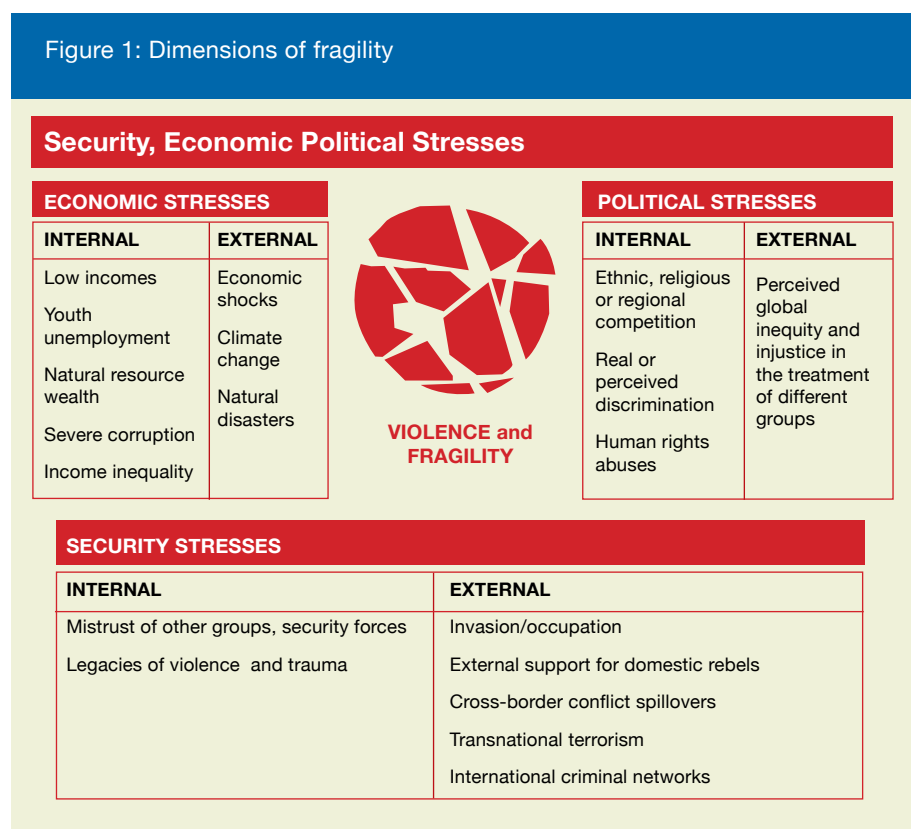
a demanding risk management challenge for governments and their partners. Of the 40 countries that were fragile for five or more years between 1978 and 1990, 17 remained fragile in 2009.

▶ The spill over effects of conflict and fragility are multiple – jeopardising service delivery and development in communities and countries involved in the immediate conflict; and threatening the economic and political stability of neighbours (e.g. cross-border tensions, refugee crises, negative investment climates).

▶ Across countries that are conflict affected the proportion of people living below \$1.25 a day is over 20 percentage points higher than in countries without conflict.

▶ People in conflict affected countries are twice as likely to be undernourished or without safe

Figure 1: Dimensions of fragility



<sup>5</sup> This section is based mainly on the presentations of Dominick De Waal (Water & Sanitation Program – Africa, Nairobi) and Gary Milante (Senior Economist, 2011 World Development Report team), and informed by country case studies and group discussions.

<sup>6</sup> This section on the impact of post-crisis conditions on poverty reduction, development and service delivery is based mainly on conference inputs from Edward Olowo Okere (Africa Region Director for Core Operational Services World Bank, Nairobi), Gary Milante (Senior Economist, 2011 World Development Report team), Wambui Gichuri and Dominick De Waal (Water & Sanitation Program – Africa, Nairobi);.



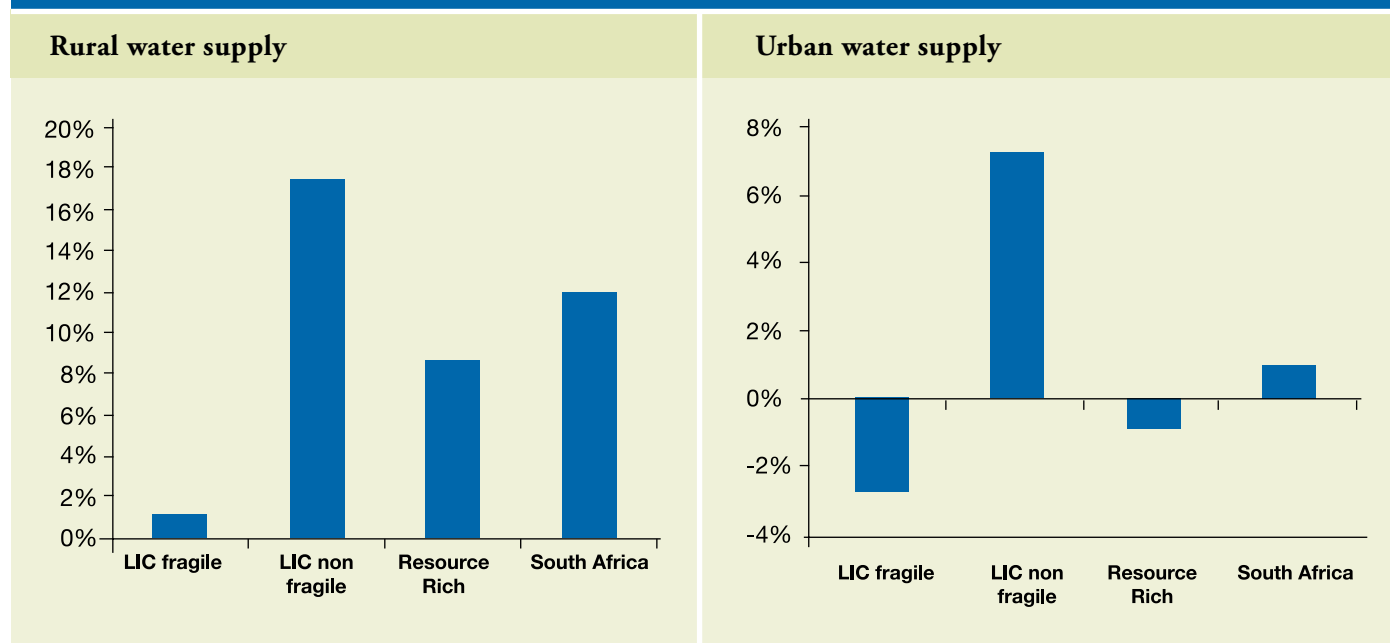
access to water than those in stable countries.

- ▶ No country that has been classified 'fragile' has yet achieved any of the MDG targets. Of the five sub-Saharan Africa countries that are mostly on target to meet the MDG targets, only Rwanda has ever been classified 'fragile'.
- ▶ Whilst global trends are that water supply coverage improves with GDP, this relationship breaks down across sub-Saharan Africa. The AMCOW Country Status Overviews identify political stability as a pivotal determinant of sector progress. The biggest gains in access to WSS services have been in *low-income (LIC) stable countries* (see Figure 2). Between

1990 and 2008, rural water supply coverage in *low-income stable countries* increased by 17 percentage points, and urban water supply by 6 percentage points. Services in stable countries are also more equitable and offer a better quality of service in stable countries than either *low-income fragile* or *resource rich countries*.

- ▶ *Low-income stable countries* have made the greatest strides in reducing open defecation in rural areas: by 14 per cent between 1990 and 2008 while open defecation dropped by only 7 per cent and 4 per cent in *low income fragile* and *resource rich countries* respectively.

Figure 2: Water supply in different types of countries in Africa



Source: Adapted for the AMCOW CSO from UNICEF/ WHO JMP (2010) Progress on Sanitation and Drinking Water: 2010 Update

### 3. Building country-led service delivery and the capacity conundrum

Published literature on WSS provision in fragile and conflict affected situations (FCS) reveals a large volume on addressing emergency situations, generally technical guidance. The literature on how to facilitate and accelerate the transition from emergency to sector development, and on comparative analyses of WSS in FCS is however as yet undeveloped.

Over the past year the World Bank administered Water and Sanitation Program (WSP) lead a scoping study on water supply and sanitation (WSS) in fragile environments and – on behalf of AMCOW – a series of 32 Country Status Overviews (CSOs) on WSS in Africa half of which is fragile states or has recently transitioned away from fragile and conflict affected situations.

The 32 Country Status Overviews (CSOs)<sup>7</sup> provided a rich analytical base on which to better understand the development trajectory that now stable but previously fragile countries have taken over the past decade or more. This analysis shows how greatest progress in improving WSS access has been achieved by countries in which:

- a) The water sector has carried out sector reforms and capacity building within its sector institutions
- b) Aid modalities have supported the development of country-led programs in which a reformed sector has been embedded in core country systems (national transition/development plans, PFM, procurement, civil service reform and decentralized service delivery)

For fragile and post conflict states the challenge to emulating these two critical steps lies in the ‘capacity conundrum’. Governments and their development partners want to deliver a peace (or post-crisis) dividend but government institutions are too weak to meet basic service delivery standards or donor accountability requirements. As a result donors either channel funding to NGOs and humanitarian agencies or prop up ministries with an array of project implementation units (PIUs) creating a ‘shadow civil service’ paid through donor ‘top-ups’. Aside from the duplication outside core systems, such arrangements also often lead to resentment on the part of regular civil servants whose wages remain low.

Whilst these strategies help in delivering the immediate objectives of the reconstruction programs, these practices become entrenched continuing well into the development period – sometimes for decades – so undermining the development of country-led programs embedded in country systems.

Moreover, as relief agencies exit and development agencies wait to step in there can be a drop in funding and loss of institutional memory. A key emerging question is therefore:

**“How could the transition from emergency to development be better managed?”**

<sup>7</sup>A CSO synthesis report is soon to be published by AMCOW.

## 4. Opportunities for accelerating the WSS sector's transition from emergency to country-led sector programs

The conference highlighted four opportunities for sector transition in post-crisis situations:

- a) Build on the strengths of fragile states – fragile states are not necessarily fragile in all areas and there may be significant areas of strength to build on;
- b) Provide sector leadership with examples of the transition – the various trajectories through which previously fragile states have transitioned their water sectors;
- c) Initiate an early dialogue between line ministries responsible for WSS and ministries managing core country systems (finance, planning and local government);
- d) Use of aid modalities to promote linkages between the WSS sector and country systems and economy-wide capacity.

The following sub-sections of the report expand on these four opportunities.

### ***Build on the strengths of fragile states***

*While across the board improvement in public financial management is needed in fragile states, the good news is that it is happening and we have several good examples across Africa. Making generalizations regarding fragile and non fragile states is therefore not so true any longer, since some fragile states have better performing PFM systems than older established ones.*

*Edward Olowo Okere, Director, Core Operations Services, Africa Region, World Bank*

A key theme to emerge from the conference is that fragile states are not necessarily fragile in all areas and that there may be significant areas of strength to build on, even if other aspects of service delivery are fragile.

Four specific areas of strength that the emergency to development transition can build on included: political will, public financial management (PFM) systems, decentralised government as well as civil society and private sector participation.

Liberia<sup>8</sup> provides an example of where PFM systems had to be completely rebuilt following the 14 year conflict. As a result Liberia's PFM system is stronger than those of many stable countries - Box 1. The strength of Liberia's PFM systems thus offers a low-risk opportunity for donors to begin to stream finance through to sector ministries to initiate the process of 'building capacity by using it'.

In Zimbabwe, decentralization may offer opportunities. In spite of the economic collapse in the early 2000s, there is a legacy of local government administrations (especially in the larger urban centres) which host long-established water utilities with extensive, if dilapidated, infrastructure. Though the economic crisis depleted these institutions – culminating in a cholera epidemic in 2008 – the switch to using multiple stable currencies has seen a return of revenues to utilities and a resurgence of the latent capacity at local government level. This offers opportunities for accelerating recovery from the crisis.

In Rwanda, the presence of an entrepreneurial local private sector has provided construction and service delivery capacity that did not exist in the public sector

<sup>8</sup>Presented by John Davies (accountant general of Liberia) and Parminder Brar (Lead Financial Management specialist, World Bank-Africa)

### Box 1: Public Finance Management (PFM) as an opportunity to support WSS reform in Liberia

Following widespread abuse and collapse of controls during the 14 year civil war in Liberia forced a complete rebuild of PFM systems. A UN needs assessment in 2003 found that only \$17m of \$55m reached government coffers. PFM reform therefore became a priority.

The first phase of Public Finance Management Reform focused on fiscal controls to address serious fiduciary concerns. A Governance & Economic Management Plan (GEMAP) gave international advisors co-signatory powers in the Ministry of Finance and main revenue generating agencies. These drastic actions were endorsed by neighbouring countries from the Economic Community Of West African States (ECOWAS) as well as international donors. It was acknowledged that such measures could at most be emergency specific and time bound. Soon therefore the intervention was extended to train officials and ensure that local degrees gained credibility, while access to international accounting qualifications was made possible. The IMF supported budget formulation, while other agencies assisted reform and capacity enhancement for budget control, PFM and cash management, payroll management and IT expertise.

Public Financial Management reform was initiated to improve fiscal policy design and to strengthen the procurement and audit systems of the government. The effectiveness of international support revolved around finding specific entry points, ensuring donor coordination and defining an exit strategy for international support alongside an exit strategy and plan to hand over control to Liberian officials.

The strength of Liberia's PFM systems now offers a low-risk opportunity for donors to channel finance to sector ministries.

begin building the transition from emergency to development of the WSS sector. These strengths may lie in core country systems or in economy-wide capacity. The strengths may be historical in nature (e.g. local government in Zimbabwe); be as a consequence of much broader state (re-)building exercises (e.g. PFM in Liberia); or stem from community and private sector coping strategies built up in the vacuum left behind by a weak state, such as in Rwanda immediately after the crisis.

#### Provide sector leadership with examples of transition trajectories

Both the senior officials managing the WSS sector and those managing core country systems found the case-studies of Ethiopia (figure 3), Rwanda and Uganda's transition trajectories helpful in generating a vision for their own country's transition. This longer-term vision enables sector leadership to position the WSS sector within the broader country processes, first of reconstruction and then transition to develop country-led programs.

(see Box 2). This may also be a strength to build on in DRC where long-term fragmentation and virtual absence of public institutions has resulted in community and private initiative that has stepped in to run piped water systems in rural areas.

Though difficult to measure, the political will to see progress in the sector among post-conflict and post-crisis states is high. This is exemplified in HE Ellen Johnson Sirleaf's role as the WASH Good-will Ambassador for Africa.

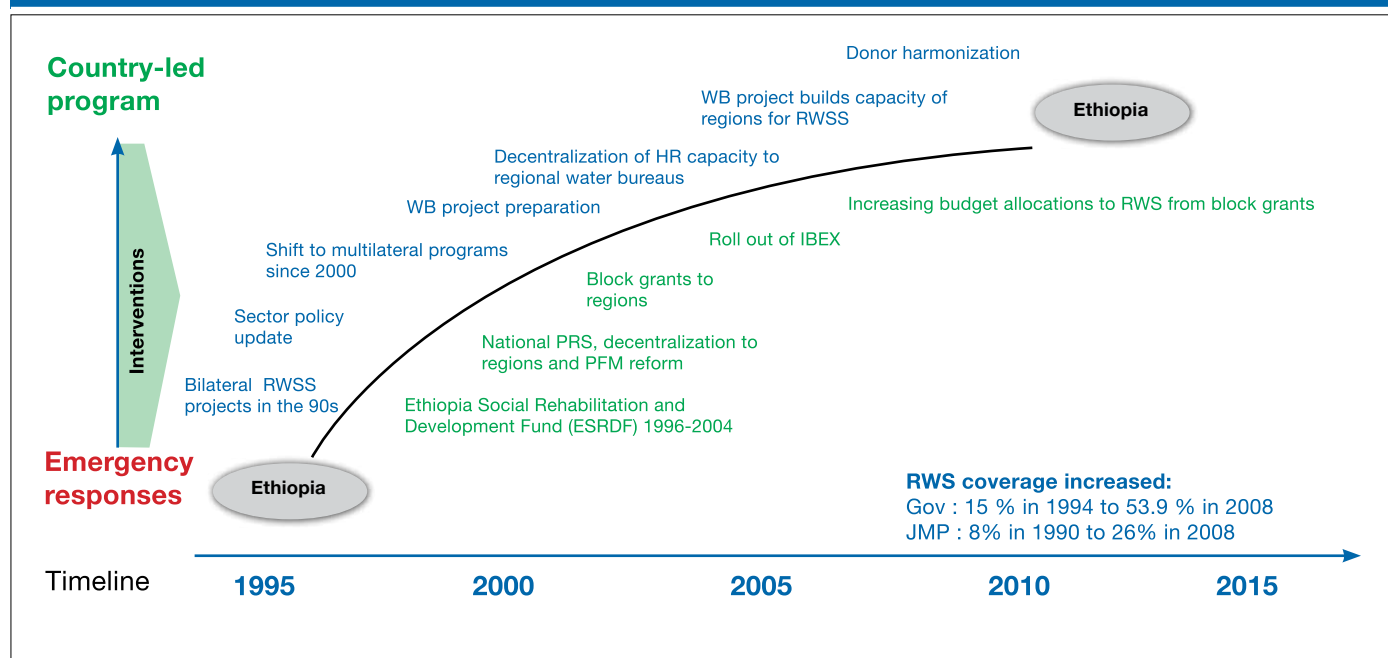
It is important therefore to assess each situation in its own right to identify key opportunities on which to

It was acknowledged that transition trajectories will be highly context specific depending among other things on whether countries are: federal or unitary, the degree and nature of decentralization that has taken place (political, fiscal or administrative), and the latent or historical institutional and human capacity that can be drawn.

The experience of Rwanda<sup>9</sup>, for example, provides an example of how visionary leadership has encouraged the co-evolution of core government systems and systems of WSS service that built up sector service delivery

<sup>9</sup>Rwanda perspectives introduced by Simon Ndotie (Sector Coordinator in the Ministry of Infrastructure, Rwanda; Uganda by Sam Utomo (WSP) and Sierra Leone by Augustine Sheku (PS for Water) and Kebe Korama (Accountant General)

Figure 3: Ethiopia – Transition from Emergency to Development Overview



capacity using the private sector both in construction and management of schemes (Box 2).

Although decentralization may at times complicate stabilization or be hamstrung as a result of lack of capacity, it offers a way to mediate divergent interests and move service delivery functions closer to people, allowing better targeting of new services and more responsive back stopping for existing services. Services can provide peace dividends and tangible means to connect citizens to the state.

Decentralization offers an approach to do this by building the state from below, gaining legitimacy and responsiveness. It is crucial however to view decentralization as a process, not an event. This means

that it has to be managed consultatively and pragmatically, rather than driven as ideology or presented as a panacea to service delivery problems. Done in this way, a decentralized process of state building would require careful design of the links between policy and service delivery institutions at different levels of government. It has to be supported through a set of intergovernmental transfers that includes both unconditional grants to build local responsibility and conditional grants to prime local service delivery functions and reward performance<sup>10</sup>.

The case-study of Uganda WSS sector's evolution (Box 3) shows how Uganda transitioned from emergency, through a period of donor-led projects to a sector-wide approach to planning for decentralized service delivery capacity.

9Rwanda perspectives introduced by Simon Ndutie (Sector Coordinator in the Ministry of Infrastructure, Rwanda; Uganda by Sam Utomo (WSP) and Sierra Leone by Augustine Sheku (PS for Water) and Kebe Korama (Accountant General)

<sup>10</sup>The lead discussion on decentralization followed a talk by Junaid Ahmad, World Bank Sector Manager: Urban Development & Water in Africa. In group discussions, conference participants generally endorsed decentralization as conducive to accountable governance and service delivery, but slow progress towards achieving decentralization was also identified as a problem area.



**Box 2: Visionary leadership and WSS transformation in rebuilding Rwanda**

From 1995 to 2003, Rwanda moved from the ruins of genocide to the implementation of advanced macroeconomic and public financial management reforms, and progressive improvements in basic service delivery. In 1995 the international community engaged in the relief and reconstruction process at scale. Mass displacement of people and the scale of the genocide left public services and infrastructure depleted, and human settlements damaged or destroyed. Capacity building and physical reconstruction were major priorities. In the absence of public institutions, much of the international aid was directed at NGOs. Public sector capacity to coordinate reconstruction and service delivery was weak.

The WSS sector policy issued in 1998 provided a basis to steer the transition from post crisis donor-executed emergency interventions to sector projects guided by a coherent set of policy principles including demand-based planning, community management and local cost recovery. The sector policy was regularly updated, in 2004 to support decentralization and in 2010 to formalize the policy of delegated management through local private sector participation (PPP). The policy provided the basis for a \$20 million World Bank funded rural WSS project, Government-executed from 2000 to 2007, and providing a testing ground to translate the policy principles into practice. The project focused on development and rehabilitation of rural piped systems, developing an operational model driven by community planning, with a centralised design, procurement and contract management process, supported by district-level supervision and oversight.

The World Bank supported project was instrumental in building the capacity of local contractors. Almost non-existent, rural local contractors carried out US\$10.6 million of construction works. Absorption capacity of the sector increased ten-fold with the number of people getting access to improved water services each year jumping from 60,000 to 600,000 people. The service delivery model, and the additional public sector technical and private sector construction capacity developed under the project formed the core of a country-wide sector program attracting additional funding from AfDB, EC, Austria, Belgium and Japan.

Restoring and reforming key components of the public expenditure management systems steadily progressed over the period. Budgeting and expenditure management processes were streamlined and systematically implemented across all sector ministries. The Central Projects and External Financing Bureau were established in the Ministry of Finance in late 1998 to monitor and coordinate donor funded projects. In 1999 a National Tender Board was established. By 2002 the confidence derived from the extensive fiduciary assessment and analytical work paved the way for World Bank budget support to high priority sectors including education, health, water and energy. Sector agencies and partners are now taking steps to improve the sustainability and capacity.

The evolution of Rwanda's rural WSS subsector illustrates well the transition from emergency, to donor-executed projects toward a country-led sector program over the 1995-2010 period. This example shows the importance of setting a clear policy direction at the sector level combined with integrating the sector into core public sector management systems.

Several countries have adopted decentralization approaches in some form or another, with mixed success. Capacity and fiscal constraints are significant (see Sierra Leone example in Box 4), and from a political economy point of view the incentives are not universally attractive to all interest groups. In the DRC, for example, the consolidation of a decentralized framework has been uneven, curtailed by severe regional differences in resource endowment and by continued tension as poorer regions have continued to experience underinvestment. Ever since independence, repeated conflict and instability has caused a decline of the state at all levels, leading to an informalization of society and service delivery. As a result, significant resource distribution and political power plays out outside the formal systems of government. Building and decentralizing the political, fiscal and administrative systems and reforming the WSS sector are made all the more difficult because a coherent national vision is so difficult to achieve in such a fragmented context.

Finally, although Tanzania is not a fragile state, its water sector experience contains an example of the risks when WSS sector is funded outside of core country systems. It shows that while basket funds may improve coordination they do not necessarily resolve accountability problems. Regardless of the structure of funds, sector finance ultimately requires systems and policies, robust controls, strict enforcement and accountability, and compliance

### Box 3 : Uganda's transition out of emergency mode

Though Uganda is no longer considered 'fragile', its transition from emergency to development since the 1980s provides some interesting lessons. In the early 80's, after years of civil turmoil, Uganda initiated an Emergency & Reconstruction programme, with a series of donor supported emergency programs in the WSS sector to support hand pump replacement, spring protection, shallow well construction, borehole drilling and a community-based maintenance system for rural WSS services.

In the nineties WSS service delivery focused on expansion through discrete donor driven project investments that were executed outside country systems with large technical assistance components.

Since the late 1990's efforts to improve water supply and sanitation in Uganda have taken place in the context of broad economic reforms and debt relief. The prominence of water and sanitation was raised with the establishment of the Poverty Eradication Action Plan (PEAP) and Poverty Action Fund (PAF) – Uganda's poverty reduction strategy. Related water sector reforms included a shift in the role of government from service provider to policy-maker, a shift from projects to a sector wide approach to planning (SWAp) and the development of Strategic Investment Plans (SIPs). This shift was supported by a Civil Service Reform Program and a revised Water and Sanitation Policy.

On top of these broad enabling reforms, and guided by a new Local Government Act, Uganda has evolved effective mechanisms for decentralised service delivery, particularly of rural water supplies and sanitation. Most donor funding for rural water supply and sanitation investments is channelled to the GoU consolidated fund and then remitted along with additional domestic finance to over 100 local governments as the District Water and Sanitation Development Conditional Grant. The Grant, clearly identified in government budgets, has succeeded in priming local government capacity – which though initially weak – now has sufficient numbers of qualified staff to manage a large program of service delivery using private sector contractors. Collectively local government output of around 3000 water points per year has been sustained since 2002.

Joint sector reviews have played an important role in monitoring the efficiency, effectiveness and equity of distribution of these water points pointing out unequal implementation performance across districts and rising unit costs. While the Grant was allocated according to the SIP the Ministry of Water and the Environment has, since 2008, set specific criteria to address the inequitable distribution of rural water services between districts which allocate more funds to underserved parts of the country. Criteria are based on coverage, population (current and projected to 2012) and average cost (technology mix). The allocation system was commended by the Local Government Finance Commission as the most equitable of all Uganda's sectors. Ongoing work to map water supplies across the entire country will provide a new, GPS referenced inventory to enable a more accurate assessment of access, water quality, functionality and replacement requirements that will further improve allocation.

with well-structured procurement procedures and policies. To be sustainable these practices and approaches need to become incorporated in country systems.<sup>11</sup>

Building and maintaining the direct relationships initiated at this conference – between officials in previously fragile countries and those currently emerging from conflict or crisis – helps inform critical decisions that have to be made by the latter countries: on how to link to the PRSP process; nature of incremental policy revisions; using country PFM and procurement systems; decentralization and the design of intergovernmental transfers; as well as opportunities that civil service reform can provide.

### **Initiate dialogue between line ministries and core country systems early in the transition<sup>12</sup>**

*Many of the problems of WSS sector development are symptoms of the lack of dialogue between the WSS sector and the Ministry of Finance – resolving these requires sustained dialogue between these two sets of actors.*

*John Davis, Accountant General for Liberia*

<sup>11</sup>Inputs on Tanzania were made by Chris Mageka (Innovex) and Parminder Brar (World Bank).

<sup>12</sup>Panel discussions on developing core systems included Pfungwa Kunaka (Principal Director: Budgets, Zimbabwe); Oswald Chanda of the African Development Bank; Isaac Liabwel, Undersecretary of the Ministry of Water Resources and Irrigation, Southern Sudan and Sylvian Guebenda, Director General Water Supply, Central African Republic; Odenike Sharifat and Maximilien Queyranne of the World Bank, George Karwee (Director; Rural Water Supply, Liberia), Omer Awad Alla (Director: State Affairs, Sudan); Adre Masombo (Director of Planning Ministry: Congo); Jean Doyen, Sam Mutono and Glenn Pearce-Oroz of WSP; and Kwabena Manu, WSP consultant.

#### Box 4: Decentralization in Sierra Leone

In Sierra Leone, the links between decentralization and WSS transition are very direct. After the ten year civil war that ended in 2001, Sierra Leone has been moving slowly out of relief mode. The National Water and Sanitation Policy of 2010 aims to achieve decentralized delivery of safe drinking water and sanitation services in urban and rural areas. The Local Government Act and Regulations of 2004 assign responsibilities for water and sanitation to Local Councils, but these councils require considerable capacity building, they lack basic data on where existing water points are and which people need to be served, and they need greater clarity of how to perform these roles.

However, consolidating the role and building the capacity of local councils has been difficult in an environment where NGOs have played a key service delivery role and received substantial donor support during the crises. In particular getting international assistance directed through country systems remains a challenge. The country has developed strong PFM systems, which should open up opportunities for donors to channel their funding for service delivery through country systems. But, the combination of weak sector capacity and the lack of a credible informational base for investment planning are holding back donor appetite to use country systems.

Interventions such as the mapping of improved water points across the country, as is currently underway in Liberia, can greatly strengthen the credibility of investment planning and may help break the deadlock in channelling funding through country systems to 'develop capacity by using it'.

A Service Provider is currently supporting the Ministry of Energy and Water Resources to operationalize the National Water and Sanitation Policy. The emphasis in the start-up of this support is to build the capacity and leadership of the ministry and its related departments, and strengthen the links with the Ministries of Finance and Economic Developments, Health and Sanitation and Local Government. Co-ordination of activities of partners – both donor and implementing NGOs – is also a priority.

navigate the sector through to the new emerging political economy in its bid for resources.

Following through on this conviction, several presentations and discussions explored ways to build and link the WSS sector to core country systems. The case studies in section 3 above also illustrate the importance of getting MOF and MOW talking early in the transition.

The relevance of the budget process and PFM systems<sup>13</sup> becomes evident when one considers some of the typical causes of the gap between policy and actual service delivery in many countries (Figure 4).

Investment in core country systems should thus be much more than enabling countries to better manage fiduciary risk. Equally important is the aim to re-link financial management with the political and policy processes on the one hand and the service delivery process on the other.

International indicators<sup>14</sup> used to benchmark country PFM systems can guide country institutions to 'get the basics right', such as:

- Realistic budgets that get implemented according to plan;

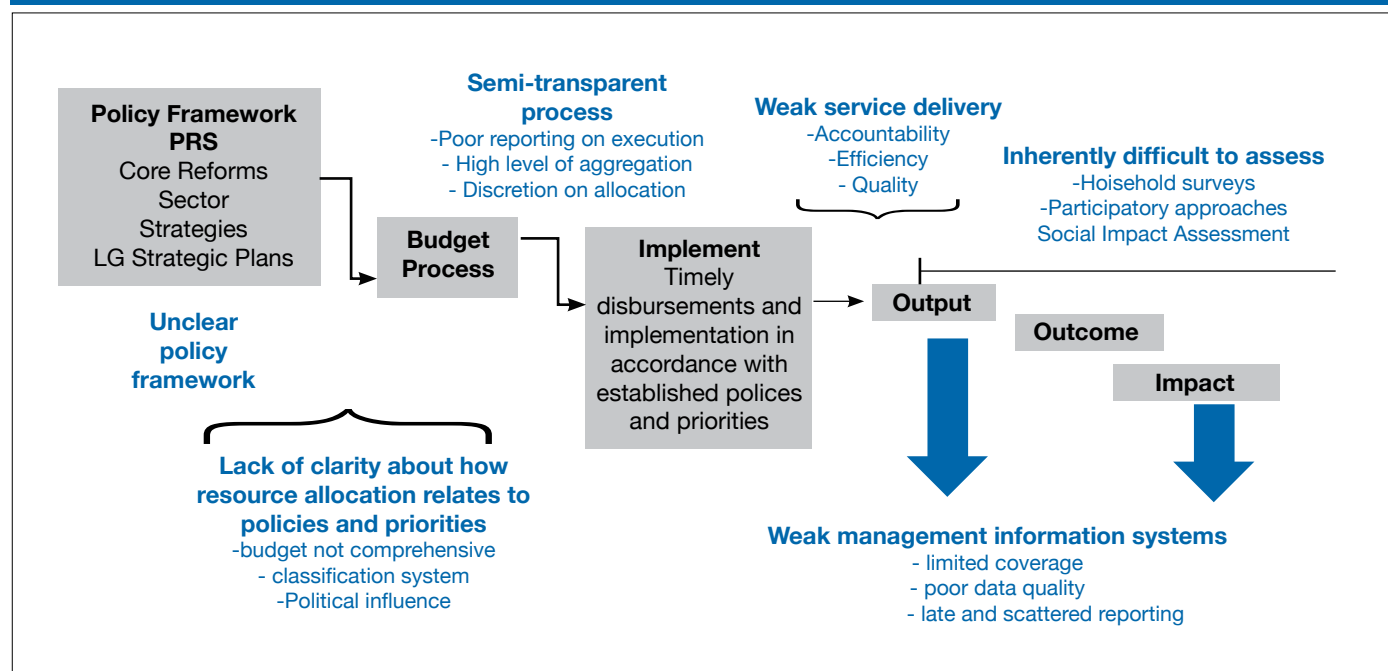
A key idea floated for deliberation at the conference, was that resolving the 'capacity conundrum' benefits from early dialogue between the ministries responsible for WSS and the ministries responsible for managing core country systems (finance, planning and local government).

Doing so addresses the gaps between the theory and the reality of service delivery by linking together the actors and institutions along the sector 'service delivery pathway' from policy maker to user (see figure 4). This early dialogue can help to influence policy and institutional formation while it is still in flux, while also helping

<sup>13</sup>Key contributions on PFM came from Parminder Brar, Lead Financial management Specialist in the World Bank in Africa and Chris Mageka, Innovex, Tanzania, and a panel discussion that included Kebe Koromo (Accountant General, Sierra Leone; David Delienne (UNICEF), Gerald Jean-Baptiste (Director-General Water Supply & Sanitation, Haiti).

<sup>14</sup>The benchmarking systems referred to Country Policy and Institutional Assessments (CPIA), Public Expenditure and Financial Accountability (PEFA) and Use of Country Systems (UCS)

Figure 4: The gaps between the theory and the reality of service delivery



- ▶ Public funds spent for authorized purposes and where reported expenditure corresponds to actual expenditure;
- ▶ Reliable controls and certainty as to fund availability;
- ▶ Inculcating a managerial culture that promotes compliance with formal rules; and
- ▶ Countering corruption in public expenditure.

During the conference, country delegations reflected on key PFM problems holding back progress in the WSS sector. These problems are set out in Annex 1 along with priority actions needed to tackle them.

Most countries reported major problems linked to procurement, disbursement predictability, expenditure inequity across political units of a country, donor spending coordination, sanitation not having a separate budget line, and imbalanced expenditure across sub-sectors. Also, the outright shortfall in sector funding was set against the common concerns of underfunded recurrent budgets and a lack of absorption capacity in sector agencies, unreliable sector data reducing the credibility of sector plans.

With both officials from ministries of finance and those responsible for WSS present the conclusion was that while more dialogue was needed to get to the bottom of these problems there were real opportunities for resolving these and advancing the WSS sector agenda.

It was recognized that improving the WSS sector linkages to PFM systems, while offering considerable opportunities in fragile environments, cannot resolve the operational challenges of the WSS sector as PFM systems do not deliver services. It was pointed out that although South Africa has a world class PFM system, a budget surplus, reduced debt and increased public spending, service delivery challenges remain severe in key sectors, such as education, public health, and housing and infrastructure services. Public Financial Management reform therefore is not an end in itself.

WSS sector reform has to put policies in place, do careful operational planning and stakeholder consultation, reshape its institutions at different levels of government and between policy makers, regulators and service providers, and address the very significant challenges of pricing, cost recovery and loss reduction.

Nevertheless a PFM system provides a tool to connect the WSS sector reforms to the national policy process, a vital source of financing for expansion and rehabilitation and a system of controls and accountability.

Cambodia built and sequenced platforms for PFM reform to evolve effective country systems (Figure 5). Torn apart by conflict and genocide, Cambodia's rebuilding has been comprehensive at political, financial and administrative levels, designed around four platforms: (1) embryonic elements (i.e. credible and reliable budgets); (2) internal controls; (3) linkages between priorities and service targets on the one hand and budgets on the other hand; and (4) integrated finance and performance management in a comprehensive accountability system for different sectors.

#### Use aid modalities to promote linkages between the sector and country systems<sup>15</sup>

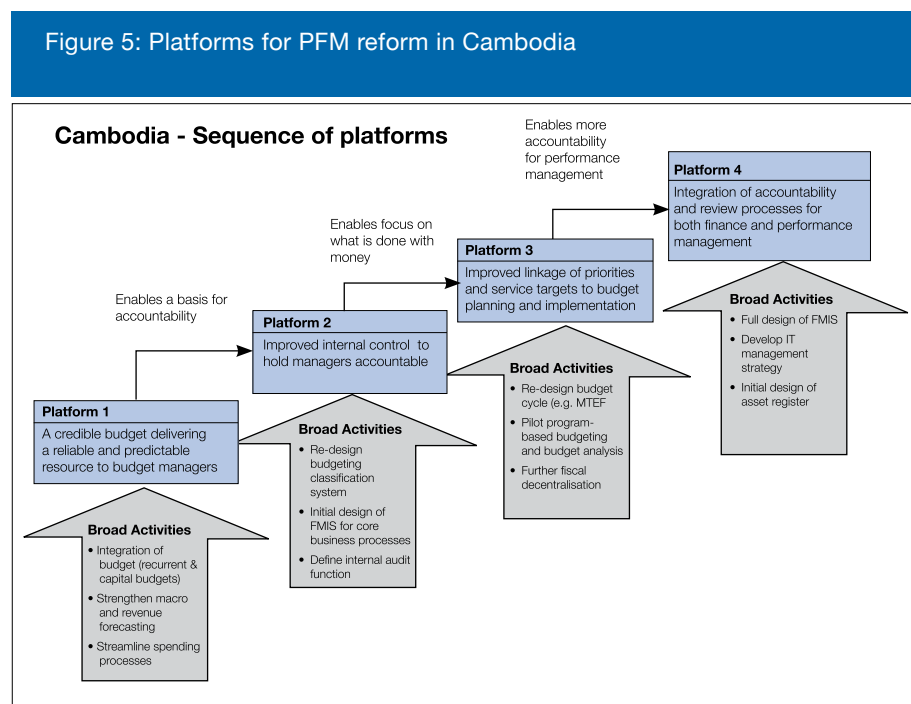
'Develop capacity by using it' calls for working in partnership with countries to link incremental

improvements in country implementation capacity to incremental increases in the amounts of funds being channelled through country systems.

This calls for development partners to be prepared to take greater initial risk in channeling funding through nascent country systems and to provide long-term implementation support.

The choice and use of aid modalities is thus critical in fragile environments because international engagement is often extensive during the emergency phase, and the nature of the engagement from then onwards has a major impact on the development of country systems.

During discussions, international agencies at the conference indicated how they have been attempting to ensure that their assistance supports country systems. Discussions reiterated that while it is understandable and often necessary to mobilize and utilize resources urgently to deal with emergencies, it is preferable to integrate with country systems as early as possible.



Two World Bank financing instruments were discussed as relevant to the types of engagements needed in fragile environments:

**Multi-donor trust funds** are funding mechanisms that can facilitate donor coordination with funding through a single window. These funds can provide an agile and flexible mode of support for resource mobilization, policy dialogue, and risk and information management. This makes them particularly suitable for the context-specific support required in fragile environments. While MDTFs often operate in high-risk, high-cost environments, their flexible

<sup>15</sup>Contributions on the role of international agencies were made by Robin Lloyd of ECHO, Marcelo Jorge Fabre of the World Bank Fragile States team, Pascal Tegwa of the World Bank procurement team, and Chris Mageka of Innovex



designs create challenges around alignment with regular institutional processes. But they are appreciated by host governments as they can promote harmonization and reduce transaction costs in line with the Paris Declaration on Aid Effectiveness and DAC Principles for Engagement in Fragile States. However, MDTF performance has been uneven across country examples in terms of speed, delivery of outputs and the quality of processes, and in terms of stakeholder perceptions of success. In high-risk, high-cost environments the emphasis on flexible design sometime results in MDTFs not being aligned with regular institutional processes. It was suggested that such alignment could be improved by ensuring that a fund administrator's mandate, procedures, capacities and resources are country-specific, not judged on global criteria only. The governance structures of MDTFs should also take into account the range of roles that stakeholders expect them to play, e.g. as pooled channels for funding, donor/aid coordination, stakeholder consultation and information-sharing.

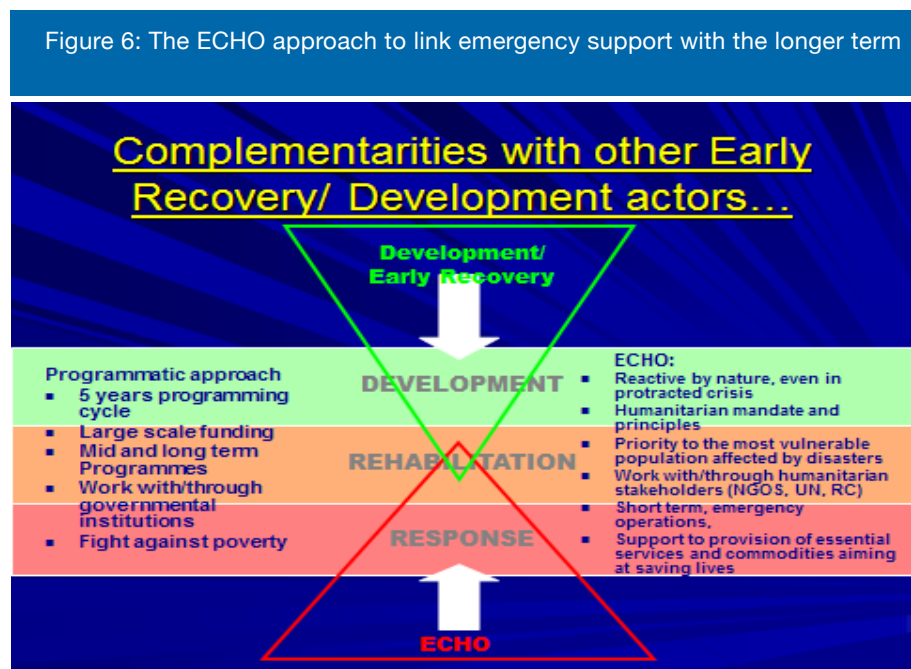
Once overall design had been agreed, an early draft Operations Manual is necessary for discussion, refinement, approval, and publication soon after the

MDTF had been established. Good communications throughout are also vital.

**Program for Results (P4R)** – is a new instrument in the process of being designed by the World Bank. It aims to bring greater focus on results with a program-level orientation to complement the Bank's two existing lending instruments – sector investment lending (SIL) and development policy lending (DPL). Focused on performance measurement and results, P4Rs will seek maximum government ownership and will focus on system strengthening, with the financing of the programs integrated into national budgets.

The European Commission's **Directorate-General for Humanitarian Aid and Civil Protection (ECHO)** focuses on short-term emergency support, but also attempts to ensure that such interventions have longer term relevance and does not jeopardize longer term development. Figure 6 provides an overview of how it sees linking urgent interventions to longer term considerations.

The consensus was that official development assistance should be used not only to address emergency needs, but also to re-build basic sector capacities (planning, coordination and monitoring). This includes advocating for increased domestic budget allocations to WSS, but more importantly for ensuring alignment and integration with the national budget process, and with national PFM and procurement systems. It should also help initiate dialogue on sector wide policies and systems, as well as intergovernmental transfer mechanisms, including block transfers that institutionalise the authority of sub-national and sector institutions in priority setting.



## 5. Pointers for managing the transition from emergency to development

The key messages from sections 2 to 4 revolve around the challenges of transitioning from emergency to sector development by building and linking to country systems. Conflicts and other crises have devastating effect, which donors attempt to address through special measures and special instruments. Funding and capacity often get assigned outside the systems of the country in crisis in order to expedite implementation and address the immediate symptoms of the crisis. As governments in such countries mostly lack capacity to deliver services and account for funding, it is also often deemed necessary to work through NGOs and international agencies to deal with the reconstruction and service delivery challenge in the emergency conditions.

The risk, however, is that these arrangements become entrenched, with the result that country core systems do not get developed and strengthened and that the WSS sector itself remains weak. This risk is best mitigated by fostering both core systems development and starting the dialogue with sectors as soon as the budget process has been revived.

The discussions in sections 3 and 4 above suggested ways to mitigate the risk of developing parallel systems – through integrated policy, planning and visioning, budget integration and systematic capacity building across and within sectors.

There are no universal solutions for transitioning from emergency to development. It is crucial to remain context specific and deeply conscious of the specific conditions in any particular situation. However, it is also important to narrow down the range of actions selected – even if a longer list of aspirations is developed, the lack of resources and capacity after a conflict requires careful prioritization. It is useful therefore to identify a

few generic actions that countries can expect or strive to achieve through three different phases of the transition:

These four opportunities for accelerating the transition from emergency to sector development revolve around building and linking service delivery to core country systems.

Although emergencies require short-term interventions outside core country systems to deal with humanitarian crises, it is important to work with and develop core systems as early as possible. Doing so enhances the rate and reach of service delivery and links service delivery with the political process – so building legitimacy of the state.

While there are many constraints (related both to domestic and development partner institutions) and no universal solutions for transitioning from emergency to development it is useful to identify key steps that countries can strive to achieve over the transition period. These key steps build on those distilled from the 32 country AMCOW study and associated with three phases of the emergency to development trajectory: recovery, reconstruction and country-led development.

In the recovery phase a plethora of non-state actors deliver services with no or limited public support or oversight. Sector agencies struggle to gain a foothold. Key steps in re-establishing sector leadership during this phase are to:

- ▶ Initiate coordination and information sharing among key agencies in and outside government;
- ▶ Add value to NGOs by providing legitimacy, support from local authorities and technical guidance on standards. Where possible outsource or use emergency capability to deliver basic services;

- ▶ Develop or revise the sector policy (e.g. to reintroduce demand responsive approaches cost recovery, community management) and medium-term strategy to respond to the new realities (e.g. land tenure and public budget availability);
- ▶ Use official development assistance to re-build basic sector capacities (planning, coordination and monitoring). It is likely that special accounts will be used outside core country systems but a watching brief on capacity building of core systems can inform structure of project financing and information on financing should be logged with ministries of finance.

In the reconstruction phase support to the sector strategy is often through projects relying mostly on dedicated Project Implementation Units (PIU). As resources increase, the challenge is to reintegrate the WSS sector into core country systems. Key steps are:

- ▶ Establish a joint sector coordination and review mechanism that includes mutually binding commitments from government and development partners.
- ▶ Undertake institutional reform and capacity development to: define clear roles and responsibilities for government agencies involved in WSS; update sector policies to include pro-poor targeting, develop national investment plans.
- ▶ Experiment and adapt management models; fostering autonomy and financial viability; and monitoring of operational performance.
- ▶ Advocate for an increase domestic budget allocation to the sector based on credible sector plans and demonstrated use of country systems. Creating budget lines for sanitation.
- ▶ Sustain dialogue between ministries of finance and WSS sector ministries to ensure alignment and integration with the national budget process, and to link WSS to national PFM and procurement systems.
- ▶ Initiate dialogue on intergovernmental transfer mechanisms; pro-poor targeting through conditional transfers and subsidy reforms; decentralized service delivery, with the associated legal, institutional and human resource steps it requires.

- ▶ Push for development assistance to be channeled through ministries of finance and where possible link them to the intergovernmental transfer systems where PFM systems are functioning. Where pooled funds are created design them so that they support and strengthening core country systems.

As the sector progresses along from project-based development to policy-based sector or sub-sectors programs it moves in the third phase of country-led development and adaptation. Key steps in consolidating the WSS sector in country core systems and reinforcing the autonomy of service delivery are to:

- ▶ Country-led and financed development plans provide structure for appraising and directing remaining development assistance.
- ▶ Monitor the equity, efficiency and effectiveness of both roll-out of new and of existing services. As monitoring results come in, it would be necessary to target capacity building continuously in areas where it is most required.
- ▶ Regulate and reinforce autonomy, commercial orientation of service delivery including domestic private sector participation in scheme and utility management. Allow and enable utilities and schemes to access financial markets for scheme expansion.
- ▶ Channel development assistance through the ministry of finance linked to intergovernmental block transfers with dialogue focused on sector-wide policies and systems development. As far as the intergovernmental flows are concerned, it would ideally involve a combination of (1) formula-based unconditional transfers to incentivize local accountability and (2) programmatic earmarked sector grants channelled through the ministry of finance to optimise and develop the links between the subsector and core-government systems.

Given that the journey along this transition often takes a generation and that there is substantial risk of post-conflict countries falling back into conflict these three phases of the transition are unlikely to be linear. Shocks, internal or external, can easily pull country systems and the WSS sector back down the transition trajectory. Building resilience to minimize the impact of these

shocks is as important as making opportunistic progress along the transition trajectory in times of stability.

Doing so can take advantage of the two largely separate financing mechanisms that drive developing and rolling out services and sustaining existing services. The developing of services is largely a public finance driven mechanism while the sustaining of services can be a largely consumer driven mechanism. This suggests two ways to build resilience into the sector:

- ▶ The greater the emphasis on autonomous sustainability of schemes and utilities throughout the transition process the more likely services will be able to weather internal and shocks (e.g. political crisis leading to collapse of budget processes).
- ▶ The greater the extent to which the WSS sector is integrated into core country systems the more likely the country will be able to rebuild services destroyed through external shocks (e.g. natural disasters, transnational conflict).

## 6. Conclusion

The conference highlighted the importance of approaching sector transition within the framework of core country systems. Although emergencies may require short-term interventions outside core country systems to deal with humanitarian crises, it is important to work with and develop core systems as early as possible to avoid the build up of parallel systems.

The discussions highlighted four opportunities for supporting the WSS sector transition in post-crisis situations:

- a) Build on the strengths of fragile states – fragile states are not necessarily fragile in all areas and there may be significant areas of strength to build on;
- b) Provide sector leadership with examples of the transition – the various trajectories through which previously fragile states have transitioned their water sectors;
- c) Initiate an early dialogue between line ministries responsible for WSS and ministries managing core country systems (finance, planning and local government);
- d) Use aid modalities to promote linkages between the WSS sector and country systems and economy-wide capacity.

In answer to a key question raised during deliberations namely, “What is different about WSS development in fragile states?” the following five reflections are put forward for further discussion:

- i. **Same goals, different ways of getting there** – The ultimate goals of sector development in fragile and conflict affected situations are the same as in stable situations but the path to them may be very different.
- ii. **Locus of authority** – There is often a need to reestablish the locus of public authority in fragile and conflict affected situations before sector development can start.

- iii. **Volatility** – Due to the volatility of post crisis situations actors need to be opportunistic about putting sector building blocks in place – regardless of the possibility that they may later be reversed.
- iv. **Human capacity** – Absolute deficits of trained personnel need to be addressed: engineers, PFM, procurement, contract management, community mobilization. This will require innovative solutions such as the Public Financial Management School established in Liberia.
- v. **Build in resilience** - Shocks, internal or external, can easily pull country systems and the WSS sector back down the transition trajectory. In order to avoid these shocks resilience needs to be built both into the autonomy of water schemes and by integrating the WSS sector into core country systems.

In his closing remarks Jose Luis Irigoyen (Director, Transport, Water and ICT at the World Bank) encouraged development partners to rethink their approaches to service provision in fragile and conflict-affected situations and announced that the World Bank was establishing a global hub for Bank support to fragile states in Africa (Box 6):

*‘By looking at specific service delivery sectors, we get to the nub of the challenges of peace dividends. Water and Sanitation is among the most basic of services, with major social and economic implications. Water and sanitation services provide an entry point around a very practical concern for people affected by conflict, from which we can demonstrate benefits of moving out of conflict, and around which it may be possible to build peace and institutions....*

*The days of thinking of these sector issues as purely technical are over. Fragile environments are highly politicized, which is why institutional development, though complex, is so crucial for progress. Moving beyond the immediate crisis requires building and working with country systems. The institutions, processes and systems that you develop should have the capacity and legitimacy to deal with the service challenges long after the donors*

*have gone. Donors have to take care not to impose external models that may have no relevance to the longer term future.*

*Good public administration and public finance management make sense, and are essential to drive lasting institutions. Many non-fragile states also face challenges to introduce these good practices, and we can learn from them. The blend of inputs at the workshop provided a range of such perspectives and experiences to take forward”.*

#### Box 6. The Global Center on Conflict, Security and Development

As part of its IDA 16 commitments to respond appropriately and with speed to the challenges of working in Fragile and Conflict Affected Situations, the Bank is in the process of establishing a Global Center on Conflict, Security and Development (CCSD in Nairobi). This Centre of excellence will provide the Bank with the opportunity to provide quality, consistent and focused support and advice to clients around the world. The global Centre is also an important step towards ensuring operational follow through from the 2011 World Development Report.



## ANNEX 1. Country priority actions for transitioning the WSS sector from emergency to development

Country	Key problems	Priority Actions	External support requested
<b>CAR</b>	Incoherent donor mechanisms delinked from country systems;  Responsibilities of sector institutions not clear; Underfunded budgets and unpredictable sector funding	CAR is developing a second PRSP and a strategic plan for WSS. In addition reform is required to bring clarity in the roles and responsibilities of key institutions (technical and financial) involved in for WSS service development.	Technical assistance to guide institutional reforms and building capacity for PFM functions in the water sector
<b>DRC</b>	Institutional fragmentation Ineffective decentralization;  Allocation between regions and sub-sectors inequitable; Budgets flows unpredictable	Separation of roles and responsibilities at national level and between national and province levels has to be clarified and revenue sharing agreed.	Building on the water law, carry out study to detail institutional roles and responsibilities including those of decentralized authorities
<b>Haiti</b>	Institutional fragmentation and unregulated non-government sector	The sector needs to regain oversight and coordinate the many NGOs and international agencies working in the sector.	Guidance to establish a joint sector review process to include all stakeholders including the private sector
<b>Liberia</b>	Capacity at ministry level limited; a presence in only 8 of 15 counties and only 10 engineers in the MPW; Domestic budget allocation to WSS development very low (\$800k this year)	An HR plan for national training for WSS functions including: engineering, community facilitation, procurement, contract management, PFM etc.  Develop national investment plan for WSS	Training and institutional systems development, building in-country capacity but also drawing on international skills and standards
<b>Sierra Leone</b>	Knowledge of extent of WSS coverage is limited.  Though the country has highly rated PFM systems limited WSS funding is channeled through domestic systems by Development Partners.	Continued support to the country's PFM system and set up M&E system, supported by a comprehensive baseline mapping exercise and use this to advocate for an increase in domestic funding to the sector.	Encourage development partners to begin to stream funding through government systems. Continued support to operationalize the sector policy – including institutional reform, technical assistance and capacity building.

Country	Key problems	Priority Actions	External support requested
South Sudan	Institutional fragmentation and lack of capacity hamper sector progress while there is no plan for investment in capacity building. Data remains a challenge as it is not known where water points are and whether those that exist function.	WSS development functions at all levels of government particularly state and local government levels need capacity building support.  Lack of definition in sector roles and responsibilities	Establish training plan for cadre of state and local government WSS development functions: engineering, procurement, contract management, PFM etc.  Assist with developing guidelines for assigning WSS roles and responsibilities to decentralized authorities.
Sudan	Urban utilities are not financially viable. Tariffs are very low and there is no demand management.  Villages in conflict affected areas have no water supply discouraging IDPs from returning	Review impact of low tariffs on the financial viability of urban utilities and of raising tariffs on livelihoods.  Follow up with advocacy to raise tariffs to levels covering at least O&M.	Co-financing for rehabilitating water systems in previously conflict affected areas that need to be identified clearly  Technical assistance with tariffs and cost recovery, as well as building awareness of core systems reform issues
Zimbabwe	A legacy of institutional capacity until the late 1990s offers opportunities, but instability has weakened policy resolve, left budgets underfunded and weakened coordination. Donor engagement with country systems is low.	Sector policy developed in the 1980s and 1990 needs to be revised to take account of the changed circumstances in the country (land tenure, fiscal space, settlement patterns). PFM is in place but links with WSS sector require strengthening	Support the National Action Committee on WSS to lead revision and updating of the national water policy to reflect new circumstances and international good practice.  Support for co-ordination, harmonization and strengthening sector.

## ANNEXE 1. (French) Actions prioritaires pour les pays en transition du secteur de l'eau et de l'assainissement de la situation d'urgence à celle du développement

Pays	Principaux problèmes	Actions prioritaires	Appui extérieur sollicité
RCA	Mécanismes des donateurs incohérents dissociés des systèmes nationaux;  Responsabilités des institutions sectorielles ne sont pas claires; budgets sous-financés et financement du secteur imprévisible	La RCA est en train d'élaborer un deuxième DSRP et un plan stratégique pour l'eau et l'assainissement. En outre, la réforme est nécessaire pour préciser les rôles des différents acteurs (techniques et financiers) et les responsabilités des principales institutions chargées du développement des services d'approvisionnement en eau et assainissement.	L'assistance technique pour orienter les réformes institutionnelles et le renforcement des capacités pour les fonctions de gestion des finances publiques dans le secteur de l'eau.
RDC	Institutions fragmentées décentralisation sans effet;  Allocation entre régions et sous-secteurs inéquitable; Flux budgétaires imprévisibles	Séparation des rôles et des responsabilités au niveau national et entre les niveaux national et provincial doit être précisée et le partage des revenus convenu.	Élargir la portée des lois sur l'eau, entreprendre une étude afin de préciser les rôles et les responsabilités, y compris ceux des autorités décentralisées
Haïti	Fragmentation institutionnelle et non réglementation du secteur non gouvernemental	Le secteur a besoin de superviser et de coordonner de nombreuses ONG et agences internationales intervenant dans le secteur.	Orientation pour établir un processus commun d'évaluation du secteur afin d'inclure toutes les parties prenantes, y compris le secteur privé
Sierra Leone	Fragmentation institutionnelle et manque de capacités font obstacle aux progrès du secteur alors il n'existe aucun plan d'investissement en matière de renforcement des capacités. Les données restent un défi, car l'on ne sait pas où sont les points d'eau et si ceux qui existent fonctionnent.	Fonctions de développement du secteur de l'eau et de l'assainissement à tous les niveaux du gouvernement, en particulier l'État et les collectivités locales ont besoin de d'assistance dans le renforcement des capacités.  Absence de définition des rôles et des responsabilités des secteurs	Élaborer un plan de formation pour les cadres de la fonction publique aux niveaux national et local ayant des fonctions de développement du secteur de l'eau et de l'assainissement, notamment ingénierie, approvisionnement, gestion des contrats, GFP ; etc.  Aider à élaborer des directives pour l'attribution des rôles et des responsabilités aux autorités décentralisées en matière d'eau et d'assainissement.

Pays	Principaux problèmes	Actions prioritaires	Appui extérieur sollicité
<b>Sud Soudan</b>	Fragmentation institutionnelle et manque de capacités font obstacle aux progrès du secteur alors il n'existe aucun plan d'investissement en matière de renforcement des capacités. Les données restent un défi, car l'on ne sait pas où sont les points d'eau et si ceux qui existent fonctionnent.	Fonctions de développement du secteur de l'eau et de l'assainissement à tous les niveaux du gouvernement, en particulier l'État et les collectivités locales ont besoin de d'assistance dans le renforcement des capacités.  Absence de définition des rôles et des responsabilités des secteurs	Élaborer un plan de formation pour les cadres de la fonction publique aux niveaux national et local ayant des fonctions de développement du secteur de l'eau et de l'assainissement, notamment ingénierie, approvisionnement, gestion des contrats, GFP ; etc.  Aider à élaborer des directives pour l'attribution des rôles et des responsabilités aux autorités décentralisées en matière d'eau et d'assainissement.
<b>Soudan</b>	Les services publics urbains ne sont pas financièrement viables. Les tarifs sont très bas et il n'existe pas de gestion de la demande.  Les villages se trouvant dans les régions touchées par les conflits n'ont pas de système de distribution d'eau ce qui décourage les personnes déplacées à regagner les villages	L'évaluation de l'impact des bas tarifs sur la viabilité financière des services publics urbains et de la hausse des tarifs sur les moyens de subsistance  Suivi avec plaidoyer afin d'augmenter les tarifs à des niveaux couvrant au moins O & M.	Cofinancement pour la réhabilitation des systèmes d'eau dans les zones antérieurement touchées par les conflits qui doivent être clairement identifiés  Assistance technique sur les tarifs et le recouvrement des coûts ainsi que la sensibilisation sur les principaux enjeux de la réforme des systèmes
<b>Zimbabwe</b>	Les vestiges des capacités institutionnelles offraient des opportunités jusqu'à la fin des années 1990, mais l'instabilité a affaibli les solutions politiques, laissant des budgets sous-financés et une coordination affaiblie. L'engagement des donateurs sur les systèmes nationaux est faible.	La politique sectorielle développée au cours des années 1980 et 1990 doit être révisée afin de tenir compte de l'évolution dans le pays (régime foncier, espace fiscal, types de peuplement). La GFP est en place mais les liens avec le secteur de l'eau et de l'assainissement doivent être renforcés.	Soutenir le Comité national d'action sur le secteur de l'eau et de l'assainissement afin de mener la révision et l'actualisation de la politique nationale en matière d'eau et de refléter les nouvelles circonstances et les bonnes pratiques internationales.  Prise en charge de la coordination, l'harmonisation et le renforcement du secteur.

## ANNEX 2. Participants list

Country	Name	Designation	Ministry/organisation
Austria	Jung Helmut	Consultant	Austrian Development Agency
Central Africa Republic	Germain Wamoustoyo	Directeur General du Budget	Ministère des Finances et du Budget
Central Africa Republic	Laurent Nombissou	Directeur de la Comptabilite Publique et des Reformes Comptables	Ministère des Finances et du Budget Direction Générale du Trésor et de la Comptabilité Publique
Central Africa Republic	Mr. Salé Backo	Directeur General	Agence National de l'Eau et Assainissement - ANEA
Central Africa Republic	Freddie Mantchombe	WASH Specialist	UNICEF
DRC	Mr Paul Tshinkuta	Cordinateur	Ministry of Education (EPSP)
DRC	Mr Homere Ngoma	Conseiller Financier	Ministre des Finances
DRC	Jean-Jean Lutota Bin Nyalundja	Secetaire Executif Provincial/Sud-Kivu	Comite National D'Action de l'Eau et du l'Ass
DRC	Mr Raymond Ndudi Pfuti	Directeur de la Preparation et du Suivi du Budget (DPSB) au Ministere du Budget	Ministry of Finance
DRC	Mamadou Woury Diallo	Snr. Financial Management Specialist	The World Bank
DRC	Deo Mirindi	Consultant	WSP, DRC
Haiti	Gérald Jean-Baptiste	Directeur General	Direction Nationale de l'eau potable et de l'Assainissement
Haiti	Pierre Yves Roachat	Head of Rural Dept.	DINEPA
Kenya	Eng. David Stower	Permanent Secretary	Ministry of Water & Irrigation
Kenya	Peter Mangiti Oganga	Director, Min of Water & Irrigation	Ministry of Water & Irrigation
Kenya	David Delienne	Regional Advisor	UNICEF
Kenya	Dennis Daniel Mwanza	Deputy Chief of Party	SUWASA
Kenya	Dominick De Waal	Senior Finance Specialist	WSP
Kenya	Robin Lloyd	Regional WASH Advisor	European Commission
Kenya	Patrick Tete Umah Piker	Snr. Financial Management Specialist	The World Bank
Kenya	Jemima Sy	Senior Water and Sanitation Specialist	The World Bank


Country	Name	Designation	Ministry/organisation
Kenya	Norah Osoro	Program Assistant	WSP
Kenya	Wambui Gichuri	Principal Regional Team Leader	WSP
Kenya	Jane Wangui Wachuga	Office Assistant	WSP-World Bank
Kenya	John Sibi Okumu	Conference Facilitator	Audio Visual Synergy Ltd
Kenya	Rajesh Advani	Finance Specialist	WSP-Africa/World Bank
Liberia	Mr. Govego Woloba Karwee	Director, Rural Water Supply	Ministry of Public Works
Liberia	Benjamin Soko	Coordinator, Waste Mgmt.	Ministry of Health and Social Welfare
Liberia	John D.S Davies	Accountant General	Ministry of Finance
Liberia	Maxwell Dapaah	Financial Management Specialist	World Bank, USA
Liberia	Abdul Koroma	GIS Specialist	WSP, Liberia
Norway	Oddwin C Skaiaa	Advisor	NORAD
Peru	Glenn Pearce-Oroz	Regional Team Leader	WSP, Latin America
Rwanda	Simon Ndutiye	Cordinator PEAMER	Ministry of Infrastructure
Rwanda	Bruno Mwanafunzi	Country Coordinator	WSP, Rwanda
Rwanda	Martin Butarama	Interpreter	Pylon Limited
Sierra Leone	Augustine S Sheku	Permanent Secretary	Ministry of Energy and Water
Sierra Leone	Thomas Amara	Manager, Environmental Health Division	Ministry of Health and Sanitation
Sierra Leone	Francis Moijue	Snr. Executive Engineer Water Supply Division (WSD)	Ministry of Energy and Water Resources
Sierra Leone	Joyce Olubukola Agunbiade	Financial Management Specialist	World Bank, SL
Sierra Leone	Kwabena Manu	Consultant	WSP, and Ministry of Energy and Water Resources, SL
South Africa	John Sholto Cross	Consultant (Goal Wash)	UNDP
South Africa	Anthony Waterkeyn	Consultant	WSP-South Africa
Sudan	Mohamed Hasab El Rasoul	Manager, Directorate Planning	Public Water Cooperation
Sudan	Hisham Yousif	Planning Manager	Public Water Cooperation
Sudan	Modawi Ibrahim	National Coordinator for Water and Sanitation	Public Water Cooperation
Sudan	Mr. Hussein Omer Awad Alla	Director of State Affairs - MoFNE	Ministry of Finance & National Economy
Sudan	Omer Mohamed Ahmed Elhag	DG Development Administration	Ministry of Finance



Country	Name	Designation	Ministry/organisation
South Sudan	Isaac Liabwel Yol	Undersecretary for Water	Ministry of Water Resources and Irrigation
South Sudan	Mr. Obay Itorong Ofilang	Director General for Budget and Project Coordination	Ministry of Finance and Economic Planning
South Sudan	Albert Eluzai Moni	Director Rural Water Quality Hygiene	Ministry of Water Resources & Irrigation
South Sudan	Charles Chol Nyok	Deputy Director Aid Coordination	Ministry of Finance & Governance
South Sudan	Tesfaye Bekalu	Water & Sanitation Specialist	The World Bank, Sudan
South Sudan	Adenike Sherifat Oyeyiola	Senior Financial Management Specialist	World Bank, South Sudan
South Sudan	Martin Dominic Dramani	Programme Analyst	UNDP
Sudan	Mohamed Yehia	Financial Specialist	World Bank, Sudan
Tanzania	Chris Mageka	Partner	Innovex Auditors
Tanzania	Parminder Brar	Lead FMS	World Bank, Tanzania
Tunis	Oswald M Chanda	Chief Water & Sanitation Eng.	African Development Bank
Uganda	Samuel Mutawo	Sr Water and Sanitation Specialist	WSP, Uganda
UK	Daniel Kim Chai Yeo	Snr. Policy Analyst	Water Aid
UK	Chris Heymans	Consultant	WSP
USA (via VC)	Jose Luis Irigoyen	Director Transport, Water and ICT	World Bank
USA	Junaid Ahmad	Sector Manager – Africa, Urban and Water	World Bank
USA	Marcelo Jorge Fabre	Senior Operations Officer	Global Center on Conflict, Security and Development , World Bank
USA	Gary Milante	Senior Economist	Global Center on Conflict, Security and Development, World Bank
USA	Maximilien Queyranne	Public Financial Management Specialist	World Bank, USA
USA	Carl Eric Mitchell	Africa Water Group Leader	USAID
USA	Henriette Von Kaltenborn-Stachau	Operations Policy and Country Services	World Bank
Zimbabwe	Meisie Makelesto Namasasu	Director	Ministry of Finance
Zimbabwe	Pfungwa Kunaka	Principal Director - Budgets	Ministry of Finance
Zimbabwe	Ringson Chitsiko	Permanent Secretary	Ministry of Water Resources Management and Development
Zimbabwe	Mr Goldberg Mangwadu	Director Environmental Health	Ministry of Health and Child Welfare
Zimbabwe	Mr. Killian Mupingo	PS	Min. of Local Govt. Rural and Urban Dev

Country	Name	Designation	Ministry/organisation
Zimbabwe	Mr Ronald Mashingaidze	National Coordinator (NAC)	National Coordination Unit
Zimbabwe	Daniel Domelevo	Senior Financial Management Specialist	World Bank, Kenya
Zimbabwe	Ngoni Mudege	Consultant	WSP, Zimbabwe





August 2011

**WSP MISSION:**

WSP's mission is to support poor people in obtaining affordable, safe, and sustainable access to water and sanitation services.

**PHOTO CREDITS:**

Front cover: ©UN

Design and Layout by Eric Lugaka

**WSP**

The World Bank  
Hill Park Building  
Upper Hill Road  
PO Box 30577 - 00100  
Nairobi, Kenya

Phone: +254 20 322-6334  
Fax: +254 20 322-6386  
E-mail: [wspaf@worldbank.org](mailto:wspaf@worldbank.org)  
Web site: [www.wsp.org](http://www.wsp.org)