



Local Management Models for Water Supply and Sanitation for the Urban Poor

Draft Workshop Report

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December 2004

DRAFT

We encourage your comments and feedback on this draft report

Building Partnerships for Development
www.bpdws.org

Building Partnerships for Development in Water and Sanitation

The Challenge

The numbers are well known – too many poor people still lack access to basic water and sanitation services throughout the world. Factors that influence access are numerous. *Financial and economic* factors relate to connection charges and tariffs; *technological* issues include standards that are often challenging to introduce in poor communities; *political* barriers include the lack of priority that is placed on services in poor communities; and *institutional* factors relate to the question of who makes decisions, who co-ordinates action, and who implements projects.

Multi-Sector Partnerships

Partnership approaches for implementation and stakeholder engagement over wider sector reform present progressively important pieces in an increasingly complex puzzle. Existing technical and financial approaches have proven time and again to be insufficient to meeting the challenge of providing sustainable water and sanitation services in poor communities. Multi-sector partnerships between relevant stakeholders – be they from public, private, civil society and donor spheres – provide one tool to overcome these failures. Such partnerships promote innovation and greater accountability whilst improving the understanding and capacity that make projects more appropriate and effective. Understanding more concretely the impact of sector reforms (be they on institutional arrangements, tariff setting, community responsibility or on other issues) contributes to this analysis and to the development of new implementation models.

BPD

As a non-profit membership organisation, Building Partnerships for Development in Water and Sanitation (BPD) seeks to respond to this challenge. BPD works with strategic partnerships involving government, business, civil society and donors to improve access to safe water and effective sanitation for the poor. Taking the lessons learned from these strategic partnerships, BPD seeks to influence policy and debates at all levels to ensure that basic services are designed with the poor in mind. Furthermore, BPD promotes dialogue around institutional approaches for serving the poor, a more realistic understanding of multi-sector relationships, and the development of broad-based support for appropriate environments that enable partnerships to thrive. Through the development of a set of analytical and facilitation tools, BPD aims to influence the way organisations work together in partnership.

BPD Components

The components of BPD derive directly from the recognition that each sector has a legitimate contribution to make toward the provision of basic services in poor communities. Hence, BPD:

- Provides a forum for international debate that balances the participation of public, private, civil society and donor sectors;
- Builds capacity of specific target groups to engage in (and/or support) local-level partnership projects;
- Supports nascent/existing partnership projects for implementation of water and sanitation services in poor communities; and
- Conducts research and analysis on issues relating to water and sanitation, partnerships and poverty.

At the project/programme level, BPD works with appropriate partners from across the different sectors to address individual and partnership goals. BPD is not prescriptive nor does it impose a 'one-size fits all' model. It emphasises capacity building, innovation and accountability through partnership.

Local Management Models for Water Supply and Sanitation for the Urban Poor

SECTION 1 - Introduction to the Project

In the last 50 years, the world's urban population has increased fourfold, and now close to 50% of the world's population lives in urban centres. But while urban populations grew rapidly, expansion of water supply and sanitation services did not. Spending on water supply and sanitation has not kept pace with growth, and there are dramatic differences in infrastructure expenditure between cities in low and high income countries. As a result, it is estimated that between 30% and 60% of the urban population in most nations is not being adequately served.¹

The poor bear a disproportionate share of the impact of these under-resourced services. Poor people are less likely to be connected to a network, and when they are, they often share their connections with many others. The poor are more likely to use inadequate or contaminated sources such as unprotected wells or surface water; to rely on time-consuming methods of water collection, such as standposts or handpumps; and to be forced to pay high prices for informally-vended water. Local authorities are unlikely or unable to help poor urban dwellers – they may be constrained by lack of resources, technical limitations, or the fact that many urban settlements in which the poor reside are informal or even illegal.

The appalling conditions in urban slums has prompted many NGOs, both local and international, to attempt to fill the gap left by conventional water and sanitation service providers. In the last decade, a large number of urban water and sanitation projects have been launched, many of which applied innovative approaches to both the technical and institutional challenges of serving the urban poor. In most cases, these projects have required the establishment of some sort of specialised, locally-based management arrangement for water supply and sanitation in the low-income communities served. A consistent problem has been finding management models that work in urban areas. Many NGOs have drawn lessons from work in rural areas (indeed, for many NGOs, working in urban areas was an extension of well-established rural water supply and sanitation programmes).

Experience is showing, however, that the urban poor face challenges that are different from, and often more complex than, those of their rural neighbours. Insecure land tenure, relationships with a variety of urban authorities, organised crime, the opportunity cost of people's time in a wage economy, piped-network technology and the realities of a mobile and migrant population all contribute to stress on local management structures in urban areas. New and interesting methods and institutional structures have emerged, sometimes leading to unusual partnerships, the establishment of new institutions such as local water boards or community-based organisations with legal standing, and the development of new "paperwork" (including contracts, charters, licences and regulations) to give the arrangements formal status.

To this end, Building Partnerships for Development (BPD) initiated a practitioner-focused process to examine the issues surrounding local management among the urban poor. The overarching objective of the initiative is to:

- Foster understanding between governments, utilities (both publicly and privately managed) and NGOs regarding the role and activities of NGOs at community level in urban environments in establishing water supply and sanitation service provision.

This shall be done by:

¹ UN-HABITAT, Water and Sanitation in the World's Cities: Local Action for Global Goals. Earthscan: London, 2003.

- Examining which determinants (for instance land tenure, opportunity cost of time, nature of urban bulk water providers, crime, nature of laws and regulations governing community institutions) are most relevant in developing urban institutional models;
- Documenting and analysing experience of a range of NGOs in establishing local management models in urban areas, including the ways that they have been institutionalised and enshrined in contracts, charters, regulations or other formal instruments;
- Developing a set of recommendations for governments and utilities on changes they can make to registration requirements, licence-granting procedures, land tenure criteria, conditions for granting connections, customer relations (e.g. special units), water pricing, etc. that would make establishing local management systems for water supply for the urban poor easier, or even make special and separate arrangements for the urban poor unnecessary; and
- Examining ways that agencies can “go to scale” in establishing sustainable and robust management for water supply and sanitation for the urban poor, and the obstacles that must be overcome to do so.

The first activity in the process was to hold a workshop with representatives of seven NGOs active in urban water supply and sanitation to discuss the issues, to delve into the question of what changes are needed, and what recommendations could be made to other organisations (utilities, government agencies, regulators and donors). This workshop was held on November 15, 16 and 17 in London, UK. A full list of the participants and the NGOs they represented is in Annex 1.

This workshop will be followed up by a second with utility managers and government representatives (date to be determined).

SECTION 2 – Objectives of the Workshop

The first workshop’s objectives were to:

- Establish a common understanding of what NGOs are doing to establish local management of water and sanitation services in low-income urban areas;
- Develop a taxonomy of these management models and examine the strengths and weaknesses;
- Develop a list of the unique pressures on local management structures in urban settings; and
- Examine the changes that could be made by regulators, policy-makers, governments and utilities in order to ease the establishment of robust service delivery to the urban poor – and prepare a list of these changes for consideration by the participants of the second workshop.

SECTION 3 – Models for Local Management in Poor Urban Areas

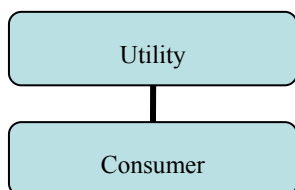
One of the first tasks of the workshop was to present the experiences of each NGO. Several main models for service delivery and management in poor urban areas emerged. Despite variations, many of the models with which the participants had experience fell into two or three of these general categories.

Once the main generic models had been established, the participants examined in great detail what the primary challenges (or fatal flaws) were for each. The ways in which each challenge could be addressed were divided into two categories:

- internal “fixes” to be addressed by the NGOs and their partners themselves; and
- external “fixes” to be addressed by outside parties, such as utilities and government agencies.

The main models revealed by the workshop participants are described in the following sections. There are no doubt more, and the project welcomes examples of other models.²

The Ideal: Direct Utility – Consumer Relationship



Description – The simplest model for water supply service delivery in urban areas with a network is a direct relationship between the utility and the consumer. Each household has a private connection (and by virtue of this, a contract with the utility). The utility supplies water for the sole use of the consumer household, sends a bill to the household that the household pays. The size of the bill is related, depending on the tariff structure, to the consumption patterns of the household. Any subsidy built into the tariff, for instance a free or low-cost minimum consumption volume³, is delivered successfully. Ideally, the

water is a) available 24 hours a day with no service interruptions, meaning that the consumer does not need to store water, and b) of high quality, meaning that the consumer does not need to treat it.

The participants agreed that, given the high level of service it allows (piped water in the house), and its equity and efficiency, this is the ideal model for service delivery, which all utilities should aspire to for all consumers.

Weaknesses – The main weakness of this model is that the poor are often excluded. The foundation of this model is the private connection, and poor people are often unable to get connections because:

- They live in areas that are far from the network;
- They lack land tenure, which is required to be eligible for a connection;
- They cannot afford the connection fees (especially if they must be paid as a large one-time “up-front” payment).

Even when poor people have connections, the network in low-income areas is often less well-maintained than in non-poor areas, service interruptions are more frequent, and response time to service calls is longer. Poor consumers lack “voice” and find it difficult to lobby for service improvements.

Badly-performing utilities also present particular problems for the poor – for instance, if water supply is intermittent, wealthy customers will install storage facilities, but poor families cannot afford this (and indeed, their homes are often unsuited to the installation of roof tanks and other storage methods).

The solutions proposed by the workshop participants are:

²The intention of this workshop was to discuss both water supply and sanitation. However, as is so often the case in this sector, the deliberations focussed almost exclusively on water. This is due in part to the fact that NGOs in urban areas find sanitation a very difficult issue to address, and there are few experiences with local management models for sanitation – in fact in many cases the utility or responsible government agency itself does not address sanitation in low-income areas. However, sanitation was identified as a high priority by the participants in the workshop, and the project will try to investigate and address sanitation where it can. BPD has recently begun some analysis of sanitation partnerships and how they differ from water supply partnerships. Please see www.bpdws.org for further information.

³This is usually done through a “block” or “step” tariff, whereby a certain volume of water is provided at very low cost, or even free, but successive volumes are billed at a higher rate.

For utilities and government:

- Aim for everyone to be connected – have a vision of 100% private connections in urban areas, even if this is many years in the future
- Facilitate getting poor people connected by allocating funds for network extensions in low-income areas, subsidizing connections, or allowing connection fees to be paid over time⁴
- De-link land tenure and access to utility water – remove restrictions to having a connection. If necessary, provide temporary connections to those people living on disputed land
- Improve utility performance and management
- Ensure the un-connected are represented during debates on system improvements and expansion
- Determine clear criteria for prioritising future expansion areas

For NGOs:

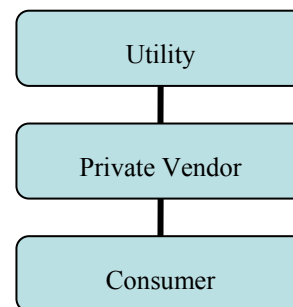
- Advocate for the unserved poor
- Support consumer associations that also address the needs of the un-served
- Carry out research and undertake pilot projects into innovative methods to reach the poor with network services
- Build understanding of the issue and capacity of utilities and governments to move forward

Variation 1: Water On-selling by Private Third Parties

Description – In many cities in developing countries, however, private connections serve only some customers. Many (in some areas, most) consumers are not connected, and rely on “on-sellers” who may purchase utility water and deliver it to them, collecting payment that reflects their costs (the water itself, the overhead costs needed to keep the delivery system working, and often a profit or margin of surplus). The delivery mechanisms may be:

- A standpost or “kiosk” from which consumers must fetch the water;
- Delivery by hand cart (in small volumes);
- Delivery by tankers (usually in large volumes, to storage tanks).⁵

In many cases the on-sellers are private and emerge spontaneously in response to local demand. They are often unregulated, and may take advantage of water shortages to charge high prices. Lack of regulation also results in little or no control over the quality of water they sell. In some cases they are not legal, which adds to problems with price (they must add to their prices to compensate for fines or bribes paid to stay in business) and reliability (official crack-downs will result in their disappearing from the market). Being unable to operate in a legal manner may force vendors to be a part of a “water mafia” and even be controlled by organised crime. Despite these problems, water on-sellers are important sources of water and



⁴ It should be noted that providing connections that are completely free may be problematic, and utilities worry that it may lead to customers who are not able to pay, or have no intention of paying, for consumption getting connected (at some expense to the utility). For this reason, many utilities charge at least a nominal connection charge, or require a deposit of a few months (2 to 3) of consumption charges.

⁵ Private vendors could also provide a piped supply from their own sources, though capital for the investment and adequate storage capacity would be needed.

many poor people rely on them. They may have many advantages for the poor – for instance, a flexible “pay as you go” system is often more manageable than paying monthly bills.

Water on-sellers usually sell utility water obtained legally or illegally from the network, but some sell water from natural water courses (rivers, streams or springs) or from their own wells.

Weaknesses – Although this method is often criticized, it has many advantages for the poor. A common severe shortcoming, though, is the tendency of unregulated private providers to charge very high prices, taking advantage of times of shortage and lack of alternatives to “price-gouge” (dramatically increase prices).

Even when vendors do not do this, they still must add a legitimate overhead cost to the price of water in order to cover the costs of their inputs (labour, fuel, any equipment they buy or infrastructure they construct). All this adds to the price of water for the consumer, meaning that water purchased from vendors is usually many times more expensive than that purchased directly from the utility by users with private connections. This is especially true when vendors are obliged to buy water at retail rates because no bulk water tariff exists for them, or, even worse, there is a “block” tariff in effect and they must pay in the higher blocks. It leads to the ironic situation of poor people using standposts paying much more for water than those obtaining the first subsidized block of water at private connections, many of whom are not poor at all.

Quality of water from private vendors is often low, as the water is subjected to frequent handling and/or originates from a low-quality source. Private vendors may lack an understanding of what must be done to protect water quality.

A major challenge for private vendors is their unofficial status – in fact, they are often illegal. This makes them vulnerable to government crack-downs, and also to petty corruption from utility staff and other officials, who may demand a bribe to “look the other way”. Utility staff may have little experience in dealing with vendors, and treat them with suspicion. The use of illegal connections, or collusion between vendors and utility staff, may also result in water being stolen from the network for on-selling. This practice makes vendors understandably unpopular with the utility.

The solutions proposed by the workshop participants are:

For utilities and government:

- Recognize the role of small private providers of water services, and develop a way for them to have formal recognition, such as licensing
- Train utility staff in the value of vendors and ways to engage with them
- Sell bulk water to vendors at rates that reflect the reduced cost to the utility of distributing water through them (that is, less than retail rates), and consider providing them with subsidized water as they serve the poorest
- Eliminate utility corruption
- Establish fair and consistent price and quality control for vendors

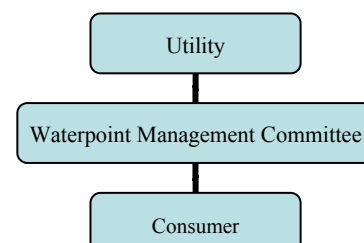
For NGOs:

- Build awareness of the role private vendors can play, and the need for them to be controlled and supported
- Provide training to vendors in management and water quality protection

- Increase competition by establishing additional sources of water (other vendors or community-managed waterpoints) in order to put downward pressure on prices and upward pressure on service quality

Variation 2: Water On-selling by Community-Based Organisations or Regulated Vendors

Description – In order to respond to some of the problems described above, in many places NGOs working with the poor have established alternative arrangements for on-selling water, in the form of community-based organisations such as waterpoint committees, or individual vendors who are organised and controlled.



These systems have the advantage that the on-sellers are regulated and responsive to the community. Due to intermediation by the NGO, the source of water is usually more reliable, resulting in more stable prices.

For example, in Dhaka, Bangladesh, several NGOs supported by WaterAid implement a system developed by DSK (a nationally recognised NGO in Bangladesh) establishing community-managed waterpoints under difficult and hostile conditions in illegal slums (see profile in Annex 2.3).

Weaknesses – This model is often established to avoid some of the problems of unregulated private vendors described above. However, the issue of overheads adding to the consumer price remains. Regulated vendors still have to be paid. Waterpoint committees may have lower overheads than private vendors but they still have some – while management may be provided by volunteers on a committee, the actual job of running the waterpoint on a day-to-day basis must be done by paid staff, as there is a limit to the amount of time people who are wage-labourers in urban areas can donate.

Prices may be kept down by negotiating bulk water rates from the utility, but this is not always successful, even for NGOs. An example of this is found in Addis Ababa, Ethiopia, where community groups must buy water in the third block of the tariff, and more than twice the price of the first block.

In many cases, NGOs recruit and train individuals to be water vendors, and establish a remuneration system that creates incentives to provide good service. For instance, in Zambia, the waterpoint operators receive a commission that is a percentage of the revenue of the waterpoint, incentivizing them to maximize opening hours. A potential problem, however, is nepotism and corruption in the recruitment process.

A particular weakness of waterpoints run by community-based organisations such as committees is the problem of corruption within the committee itself. Any organisation handling money is a target for the unscrupulous, and, despite the best of intentions in the community as a whole, it only takes one or two determined committee members bent on lining their pockets for a carefully established management structure to fail. There are also problems in some places, such as Dhaka, with organised crime rings making the water committees a target, and demanding a “cut” of the revenues (or even taking over the waterpoint themselves).

In many places community-based organisations find it difficult to obtain legal status, which is important if the group is to sign contracts (for instance, a connection agreement), handle funds, open a bank account, make investments, and hire staff. The process for registering may be too onerous (for instance, requiring incorporation, or the creation of a board of directors and the preparation of audited accounts). On the other hand, overly informal registration is also a problem if it does not confer any legal status.

For example, in Dhaka, waterpoint committees are not permitted to take out water connections in their own names. This means the NGO must sign the contract with the water utility, and thus remains “on the hook” from the point of view of the utility. The more committees are formed, the more responsibility the NGO bears. This limits the prospects for the NGO to exit and move on to other communities.

The solutions proposed by the workshop participants are:

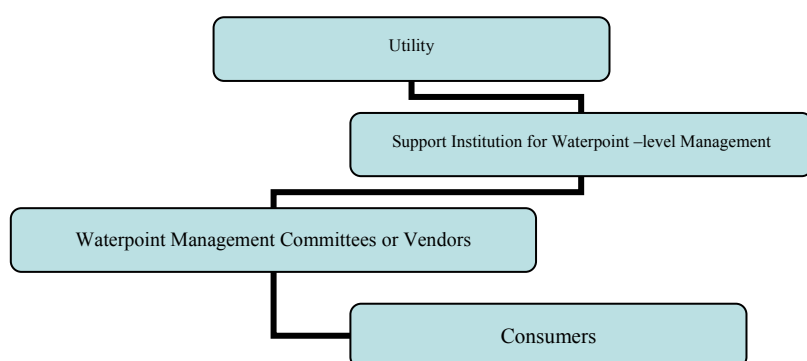
For utilities and government:

- Recognize the role of community groups as local management institutions in providing water services and support locally-based solutions
- Develop a way for community groups to have formal recognition, such as legal registration, and make the registration process simple, inexpensive and appropriate
- Sell bulk water to officially-sanctioned on-sellers at rates that reflect the reduced cost to the utility of distributing water through them (that is, less than retail rates), and consider providing them with subsidized water as they serve the poorest
- Eliminate utility corruption

For NGOs:

- Lobby for official recognition of local management institutions
- Support local institutions to meet the requirements of legal registration and comply with all rules
- Build the capacity of local management institutions to manage
- Intervene to protect local management institutions from interference and petty corruption

Variation 3: Water On-selling with Support Institution



Description – A further variation on this model is to set up another level of institution between the managers of waterpoints (whether they are private or community-based) and the utility to provide support. This support could be in the form of:

- Advice
- Capacity support
- Advocacy
- Intermediation
- Management assistance

This support institution is, in some cases, a federation of waterpoint committees, with indirect involvement in the model taking on an advocacy and advisory function - for instance People’s Voice for Development (PEVODE) supported by WaterAid in Tanzania (see Annex 2.9). In some cases the support institution is part of the management structure, for instance in Angola, where the association of management committees established by Development Workshop collects waterpoint revenue and remits it, according to an agreed formula, to the utility, the local government, the waterpoint operators and the association itself (see Annex 2.1).

Weaknesses – The main problem with this model is that it adds yet another layer of costs, as the support institution must be sustained. The NGO may be able to fund it in the short to medium term, but anything longer than this will result in the model being overly dependent on an external agency.

The support institution may have the same problems with legal recognition and status that community groups have. There may also be problems with confusion over roles and responsibilities – the support organisation must have a clearly defined role that does not duplicate what other institutions should be doing. As with the other models, local-level corruption and weakness in management may also undermine this model.

The solutions proposed by the workshop participants are:

For utilities and government:

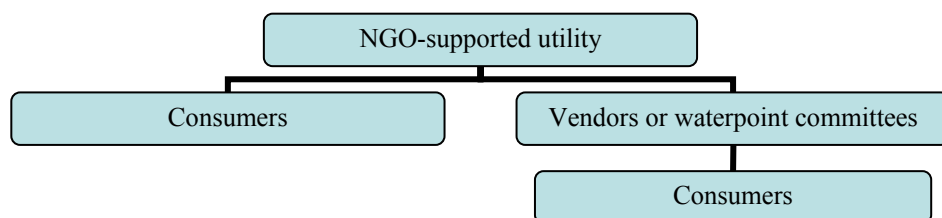
- Recognize the role and status of the support organisation and work with it constructively

For NGOs:

- Ensure the roles and responsibilities of the support organisation are clear at the time it is established
- Establish robust and transparent governance within the support organisation
- Strengthen the ability of the support organisation to provide its services (advocacy, financial management, advice, technical assistance)

Variation 4: NGO – Supported Utilities

Description – NGO involvement in water service delivery has, in some cases, gone further. In the absence of supply, NGOs have created utilities themselves. An example of this is in Zambia, where CARE built several water supply schemes as a result of deplorable conditions in poor peri-urban areas of Lusaka, including outbreaks of cholera. Taking into account the lessons learnt from a pilot project and the recommendations set in the National Peri-Urban Water Supply and Sanitation Strategy, CARE, in consultation with the Council, Government and Lusaka Water and Sewerage Company, established the schemes with a form of community management. The schemes included deep boreholes to supply water, treatment works and water towers. CARE then established a system for individuals to on-sell water, on behalf of the utility, at waterpoints on a commission basis. Some households were also provided with private connections (see Annex 2.10). Though operating separately, the NGO-supported utilities rely on the professional support from the main utility existing in the area, a commercial utility established by the government. The CARE-supported utilities operate under licence to the commercial utility and benefit from water quality monitoring services provided by it.



Weaknesses – While there are some impressive examples of NGOs establishing water supply systems, the major constraint in this model is that of cost. Not all NGOs have the magnitude of funding to establish a water system from the ground up. This model also raises difficult questions about roles – is an NGO-supported utility a parallel institution to the existing utility in the area or should it be integrated into it? This has been a challenging issue in Zambia, for instance, and though successfully resolved, was difficult for both the NGO and the local

utility (particularly as the CARE utility had a completely different management structure than the main utility). Establishing a utility also requires specialised technical and managerial skills that NGOs may not have access to easily. Long term sustainability of an NGO-supported utility must somehow be ensured, but this is difficult if there is no clear place within the national water sector for it.

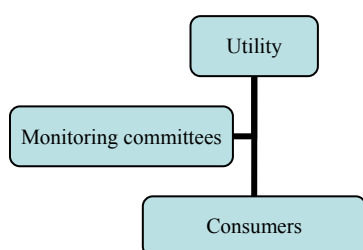
The solutions proposed by the workshop participants are:

For utilities and government:

- Recognize the capacity of NGOs to assist in establishing service delivery and work with them
- Integrate the activities of line agencies and government corporations with those of NGOs
- Make policy clear, build capacity of NGOs to understand it, and co-ordinate activities of donors to be consistent with it
- Analyse the weaknesses of NGOs and strengthen their capacity for service delivery as well as policy guidance
- Institutionalize arrangements for NGOs to provide services, for instance through licences from the main utility

For NGOs:

- Recognise that overall water and sanitation sector policy-setting is a government function and acknowledge government leadership
- Request policy guidance from government to ensure activities are consistent with government plans for the sector
- Analyse and plan all activities in the light of future withdrawal
- Integrate all activities with government programmes
- Develop and stick to an exit strategy.



Variation 5: Customer-Monitored Utilities

Description – A variation on the utility-customer model is one in which community committees are established, but instead of being directly involved in service delivery, they monitor the service provider. An example of this is found in Mali, where PLAN has helped the local community form monitoring committees to be “watchdogs” over the behaviour of staff of the utility (which PLAN also assists by providing capacity building and funds for investment) (see Annex 2.5).

Weaknesses – Consumer monitoring of utilities can solve many of the problems of poor performance and allow local groups to have influence over service quality. However, there are some pitfalls. Petty corruption easily creeps into this model, resulting in collusion between utility staff and the people who are supposed to be monitoring them. There is potential for misuse of influence and a loss of transparency.

The solutions proposed by the workshop participants are:

For utilities and government:

- Develop mechanisms to eliminate utility corruption

For NGOs:

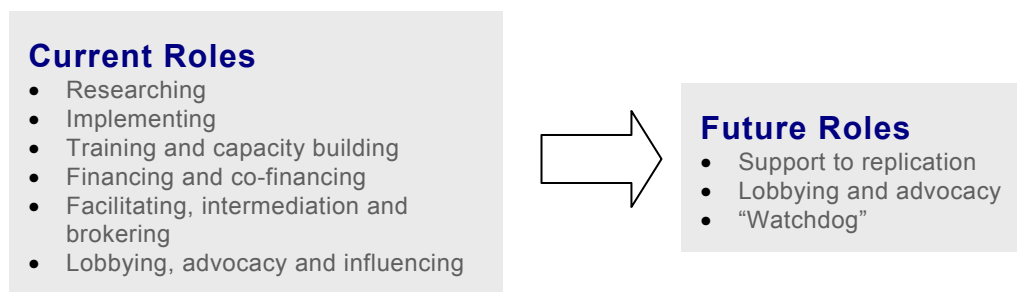
- Ensure transparency in the monitoring organization

SECTION 4 – Roles of Non-Government Organisations⁶

In the models described, the NGOs play a wide variety of roles. However, all the NGO representatives at the workshop agreed that most of these roles are temporary. Though crucial in establishing water service provision, and in creating the environment to ensure sustainability, no NGO wants to become a permanent part of the institutional framework. All the NGOs want to withdraw once a sustainable system has been established (though this may take many years), allowing them to move on to other communities in need or other issues in the same community. The ultimate vision, therefore, is of evolving to a role that is one of indirect support:

- Encouraging and supporting replication – showcasing the model and encouraging other organisations or the government to “roll it out” to other areas so that the overall impact is greater;
- Being an advocate, for instance, promoting the concept of local-level management and other people-based solutions, lobbying for better utility performance and pro-poor approaches, etc.;
- Being a “watchdog” – becoming a formal or informal part of on-going regulation of the sector by flagging problems or abuses and using NGOs’ independent status to bring them to the attention of the public and authorities.

The NGO representatives participating in the workshop thus saw themselves trying to move from the roles in the first box below, to the roles in the second.



The roles NGOs are playing now depend very much on the type of model. As can be seen from the description of the models, some NGOs are very pro-active and involved – even essentially running utilities in some places. In others, NGOs have provided intermediation and capacity building to local organisations. In all cases there is some element of financial support, though again, this varies. For instance, in Zambia, CARE invested several million dollars in infrastructure, while in Dhaka, WaterAid provides DSK with seed money to create a

⁶ The term 'non-government organisation' (NGO) in this context refers to organisations that engage in development or charitable activities. In most countries, NGO is not a distinct legal category. In water and sanitation partnerships, such non-profit organisations may be local, national or international; are generally mission or values driven; and may fulfil some combination of a variety of functions around research, implementation of projects (service delivery), and advocacy and policy work. Such organisations can be funded from a variety of sources including the general public, donor or corporate grants, and increasingly through contracts for services rendered.

revolving fund for waterpoint construction, which is replenished as communities repay their loans. All the NGOs support training and capacity building and see this as a key input.

In all cases, the independent nature of NGOs is an important aspect. NGOs, particularly international ones, are able to negotiate with government agencies and use their “good offices” to achieve progress on thorny issues that communities and local organisations find difficult to raise. NGOs can also back their proposals for improvements in policy and service provision with offers of funding.

SECTION 5 – Summary of Recommendations to Utilities and Governments

The experiences shared by the participants in the workshop clearly showed three things:

1. Local-level management has great potential to make good water supply and sanitation services accessible to poor urban dwellers;
2. NGOs, both local and international, are playing an important role in establishing and supporting local-level management structures; and
3. There are many challenges in the models, some of which can only be addressed through changes at the level of external agencies, such as utilities, government line agencies, and ministries.

The NGOs at the workshop came away with a picture of what types of things they could be doing, or doing more of, to make local management arrangements work better. These can be summarized as:

- Advocacy on behalf of poor consumers, including support to existing consumer organisations;
- Relationship-building with government and participation in the implementation of policy;
- Research and pilot projects but with a clear understanding and quantification of the costs involved as well as the longer term prospects for upgrading;
- Capacity-building of partners, utilities, governments and their own staff to understand the issues in local management and to recognize its value;
- Capacity-building of the local management institutions, including training, establishment of good governance structures and legal status, and creation of strong accountability;
- Integration of all activities with government programs as well as other existing structures at the community level and other NGO programmes in the area;
- Development of exit strategies that enable gradual withdrawal to ensure long-term sustainability.

The NGOs had many recommendations for action that could be taken at a utility and government level. In particular, there was a call for explicit and articulated policies on serving the urban poor with water supply and sanitation, backed up with implementation strategies and funds. The policy should address the long term vision for addressing the needs of the poor, and the strategies would address such issues as tariff structures and their impact on the poor, levels of service, management models and relationships with intermediaries and donors, such as NGOs.

There was a recognition that, in order to fully participate in policy debates, NGOs need a better understanding of how a utility – either publicly or privately managed – is run, and the constraints and challenges it faces.

The specific recommendations for the utilities and governments can be summarised as follows:

Have a Vision of Service for All and Develop Policy to Facilitate It

- Establish an open policy dialogue on slums / informal settlements
- Adopt a policy of private connections for all households, and back up with resources and dissemination
- Ensure the unconnected are represented in debates about sector strategy
- Allocate funds for capital investments designed to bring prices for the poor down and make services better
- De-link land tenure and access to utility water
- Coordinate activities of NGOs and make them consistent with stated policy

Work with Civil Society Organisations

- Build capacity of NGOs to understand government policy and initiatives, and utility operations
- Involve NGOs and other civil society organisations in policy dialogue
- Integrate line agency activities with NGO activities
- Recognize capacity of NGOs, and show good will
- Effectively coordinate donor inputs (bilateral, multilateral, NGO)

Recognize the Value of and Create an Enabling Environment for Local Management

- Change attitudes towards community management and support it
- Recognize waterpoint management committees as valid institutional players in service delivery
- Redefine the legal framework and allow easy and fast legal registration of local management institutions such as waterpoint management committees
- Recognize the role of small private providers of water and sanitation services and develop a way for them to have formal recognition, such as licensing
- Establish and enforce price and quality controls for on-sellers, especially private vendors
- Allow on-sellers to buy bulk water legally at reasonable rates

Improve Utility Performance

- Establish transparent, reliable metering
- Eliminate utility corruption
- Increase hours of service and water quality

It is hoped that discussion of these recommendations will form the basis for the next workshop of this project.

Annex 1 - List of Participants

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14. Clarissa Brocklehurst, consultant to BPD
15. Fernanda Violante, interpreter

Annex 2 Case Studies (to be added at a later date)

Annex 2.1 Angola: Development Workshop

Annex 2.2 Argentina: IIED-LA

Annex 2.3 Bangladesh: DSK

Annex 2.4 Ethiopia: WaterAid

Annex 2.5 Mali: Plan International

Annex 2.6 Mozambique: WaterAid

Annex 2.7 Nigeria: WaterAid

Annex 2.8 South Africa: Mvula Trust

Annex 2.9 Tanzania: WaterAid

Annex 2.10 Zambia: CARE



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