Opportunities and Challenges for the Water and Sanitation Sector in a Decentralised Context

Report on the 23rd AGUASAN Workshop
Gwatt, Switzerland
18 to 22 June, 2007
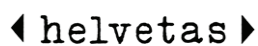
A workshop for project staff, consultants and desk officers

Compiled by Claudia Schneider, Skat

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Abstract

The 23rd AGUASAN workshop dealt with the topic "Opportunities and Challenges for the Water and Sanitation Sector in a Decentralised Context" and explored how shifting of power, competencies, responsibilities and resources from the central government to local levels (municipalities) particularly affects the way water supply and sanitation (W&S) issues are dealt with, as their scope fits the level of local government responsibility and management (unlike e.g. for the health and education sectors). The impulse behind decentralisation is the vision that decision-making is pushed to the lowest possible level (subsidiarity principle), where peer monitoring can take place and people have a more direct control. It should therefore enable more flexible and innovative W&S services, which respond to concrete needs and the demand of the people. The key questions which were addressed in the workshop were:

- How do roles and responsibilities of the main sector stakeholders (state, private sector, civil society, communities) shift in different "decentralisation contexts"?

- What supports do these stakeholders, and mainly those at local level, need in order to fulfil their rights and duties (i.e. capacity building for implementing and managing efficiently and effectively municipal W&S service delivery models)?

- What are the opportunities and limitations of W&S interventions to foster decentralised approaches and good local water governance practices?

- What changes are required in how W&S interventions are set up to handle the capacity building focus/contents and to contribute to decentralisation processes?

Looking at four topic cases dealing with decentralised models for service delivery and an analysis by the concept working group, the workshop brought up several findings: It shows that sustainable and effective decentralised W&S services need not only institutional, organisational and human resources capacity building at local level, but also a functional financial mechanism, and a clear and appropriate allocation of roles and responsibilities.

Furthermore, decentralisation is a dynamic process, which includes a lobbying and negotiation process amongst the players. There is no 'blue-print' solution for a decentralised W&S sector. Therefore, the W&S sector needs to be sufficiently flexible to respond to the dynamic decentralisation process and to find its niche. Political, administrative and fiscal decentralisation should go hand in hand. That means that decision-making power, institutional capacity, fiscal and technical resources for services delivery and their management have to be devolved in an adequate way. In addition, roles and responsibilities in the W&S sector should be devolved to the lowest appropriate and competent (political/administrative) level.

And finally, an effective decentralisation process should be part of a broader governance and democratisation reform, and neither an isolated nor a universal remedy to W&S sector needs.

Résumé

Le 23ème séminaire AGUASAN a abordé le sujet "Opportunités et Défis pour le Secteur de l'Eau et de l'Assainissement dans un Contexte Décentralisé" et a exploré comment le transfert de pouvoir, des compétences, des responsabilités et des ressources du gouvernement central vers les niveaux locaux (municipalités) affecte en particulier la manière comme les questions d'approvisionnement en eau et d'assainissement (AE&A) sont traitées – la portée de ces dernières correspondant bien au niveau de responsabilité et de gestion d'un gouvernement local (à la différence p. ex. des secteurs de la santé et de l'éducation). L'idée fondamentale derrière la décentralisation est la vision que la prise de décision est attribuée au niveau le plus bas possible (principe de subsidiarité), où le monitoring par les pairs peut avoir lieu et les gens ont un contrôle plus direct. Elle devrait donc mener à des services d'AE&A plus flexibles et innovateurs, qui répondent aux besoins réels et à la demande des populations. Les questions clés adressées lors du séminaire étaient:

- Comment les rôles et responsabilités des acteurs clés du secteur (État, secteur privé, société civile, communautés) changent-ils dans différents contextes de décentralisation?

- De quels appuis ces acteurs clés, et principalement ceux du niveau local, ont-ils besoin afin d'accomplir leurs droits et devoirs (c.-à-d. le renforcement des capacités pour mettre en place et gérer effectivement et efficacement la fourniture des services municipaux d'AE&A)?

- Quelles sont les opportunités et limitations des interventions en matière d'AE&A de promouvoir des approches décentralisées et des pratiques de bonne gouvernance locale de l'eau?

- Quels changements sont exigés dans la façon dont les interventions d'AE&A sont montées afin de pouvoir gérer l'accent/les contenus du renforcement des capacités et contribuer aux processus de décentralisation?

Basé sur une analyse de quatre cas traitant de modèles décentralisés de fournitures de services ainsi que sur la réflexion faite par le groupe de travail conceptuel, le séminaire a abouti à une série de connaissances. Il a mis en évidence que des services d'AE&A décentralisés durables et efficaces ont besoin non seulement d'un développement institutionnel/organisationnel et d'un renforcement des capacités des ressources humaines au niveau local, mais également d'un mécanisme financier fonctionnel, et d'une attribution claire et appropriée des rôles et responsabilités.

En outre, la décentralisation est un processus dynamique qui inclut du lobbying et la négociation entre ses acteurs clés. Il n'existe pas de solution unique et simple pour le secteur de l'AE&A dans un contexte décentralisé. Par conséquent, le secteur doit être suffisamment flexible pour répondre à la dynamique du processus de décentralisation et pour trouver sa niche. La décentralisation politique, administrative et fiscale devrait aller de concert. Cela signifie que le pouvoir de prise de décision, la capacité institutionnelle, les ressources fiscales et techniques pour la fourniture et la gestion des services doivent être attribués de manière adéquate. De surcroît, les rôles et responsabilités dans le secteur de l'AE&A devraient dévolues au plus bas niveau (administratif/politique) approprié et compétent.

Finalement, pour que le processus de décentralisation soit effectif, il doit s'insérer dans une réforme de gouvernance et démocratique plus large et ne doit pas être considéré en isolement ou comme un remède universel pour les nécessités du secteur de l'AE&E.

Resumen

El vigésimo tercer taller de AGUASAN trató el tema de "Oportunidades y Desafíos para el sector de Agua y Saneamiento en el marco de la descentralización". El taller exploró como la transferencia de poder, competencias, responsabilidades y recursos de un gobierno central a los niveles locales (municipalidades) afecta en forma particular los temas correspondientes al sector de Agua y Saneamiento (A&S), considerando especialmente, que su ámbito de incidencia depende de la responsabilidad y gestión local (a diferencia por ejemplo, de los sectores de educación y salud).

Los aspectos que impulsan la descentralización, se enmarcan en la visión de que la toma de decisiones sea realizada en los niveles más bajos posibles (principio de subsidiaridad), donde se pueda garantizar el monitoreo de pares y la gente pueda tener mayor y más directo control. La descentralización debería facilitar una mayor flexibilidad e innovación en la oferta de servicios de A&S, respondiendo a necesidades concretas y demandas directas de los involucrados.

Las preguntas más importantes planteadas en el taller fueron:

- ¿Cómo cambian los roles y responsabilidades de los principales actores del sector (Estado, sector privado, sociedad civil, comunidades) en contextos descentralizados?

- ¿Qué clase de apoyo, necesitan estos actores, especialmente a niveles locales para cumplir con sus derechos y obligaciones (por ejemplo, capacidades para implementar y gestionar de forma eficiente y efectiva los servicios de distribución de A&S municipales)?

- ¿Qué oportunidades y limitaciones se pueden vislumbrar en la promoción de la descentralización y buenas prácticas de gobernabilidad gracias a las intervenciones en A&S?

- ¿Cuáles son los cambios necesarios para que las intervenciones en A&S manejen mejor los enfoques y contenidos de capacitación y contribuyan a los procesos de descentralización?

Revisando cuatro estudios de caso que tratan sobre modelos de descentralización para la oferta de servicios y analizando las reflexiones del grupo de trabajo conceptual, el taller obtuvo varios hallazgos: Los servicios de A&S sostenibles y efectivamente descentralizados necesitan no solo instituciones, organizaciones y recursos humanos capacitados, sino también un mecanismo financiero funcional y una distribución clara y apropiada de los roles y responsabilidades.

Adicionalmente, la descentralización es un proceso dinámico, que incluye la abogacía de y negociación entre actores. Puesto que no existe una solución estándar para el sector de A&S, el mismo necesita suficiente flexibilidad para responder a este proceso dinámico y encontrar su propio ámbito de acción. La descentralización política, administrativa y fiscal deben ir de la mano. Eso significa también que la toma de decisiones, la capacidad institucional, los recursos fiscales y técnicos para la oferta de servicios y su gestión deben ser trasladados de forma adecuada. Adicionalmente, los roles y responsabilidades del sector A&S deberán ser transferidos a los niveles más bajos de forma apropiada y competente (política/administrativamente).

Finalmente, para que el proceso de descentralización sea efectivo, debe estar enmarcado en una reforma gobernable y democrática; así como, no debe estar aislado ni ser considerado como un remedio universal para las necesidades del sector de A&S.

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Acronyms and Abbreviations

Agridea	Swiss Centre for Agricultural Extension and Rural Development
AGUASAN	Swiss community of practice in water supply and environmental sanitation
CAAC	Catchment Areas Advisory Committee
CBO	Community Based Organisation
CD	Compact Disk
CIS	Commonwealth of Independent States
CoP	Community of Practice
DWAF	Department for Water Affairs and Forestry
Eawag	Swiss Federal Institute for Environmental Science and Technology
GDP	Gross Domestic Product
GoK	Government of Kenya
Helvetas	Swiss Association for International Cooperation
IDP	Integrated Development Plan
IWRM	Integrated Water Resources Management
IYS	International Year of Sanitation
JMP	Joint Monitoring Program
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
MGSDP	Municipal Governance and Sustainable Development Programme
MSW	Municipal Solid Waste
MoU	Memorandum of Understanding
MSU	Municipal Support Unit
NGO	Non-Governmental Organisation
NO	Neighbourhood Organisation
O&M	Operation and Maintenance
PPP	Public-Private Partnership
SALGA	South African Local Government Association
Sandec	Department of Water and Sanitation in Developing Countries at Eawag
SDC	Swiss Agency for Development and Cooperation
Skat	Swiss Resource Centre and Consultancies for Development
SWAP	Sector Wide Approach
SWMO	Solid Waste Management Office
SWOT	Strengths, Weaknesses, Opportunities, and Threats
WAB	Water Appeal Board
WASH	Water Supply, Sanitation and Hygiene
WHO	World Health Organisation
WMO	Waste Management Office
WRMA	Water Resources Management Authority
WRUA	Water Resources User Associations
W&S	Water Supply and Sanitation
WSA	W&S Authority
WSB	Water Services Board
WSP	Water Services Provider
WSRB	Water Services Regulatory Board
WST	Water Services Trust

1   Introduction

1.1   AGUASAN and its workshops

AGUASAN is an interdisciplinary Swiss community of practice (CoP) bringing together a wide range of specialists to promote wider and deeper understanding of key issues in water supply and environmental sanitation in developing and transition countries. The CoP builds on committed sector professionals from diverse specialised institutions involved in Swiss development cooperation and research. Since 1984, **AGUASAN meetings** are held four times a year where its members share experiences and information related to the sector, discuss successes, problems and innovative solutions, and develop practical recommendations. Through this the CoP provides since more than 22 years a functioning multi-stakeholder platform serving the water and sanitation sector and constitutes an essential link in the thematic knowledge management strategy of the Swiss Agency for Development and Cooperation (SDC).

Beyond regular meetings, members of the AGUASAN CoP (from SDC, Skat, Helvetas, and Sandec) organise an international **AGUASAN workshop** in Switzerland, every year in June. Here project field staff, desk officers, researchers, consultants, other sector specialists and wider development practitioners from all over the world come together for five days to reflect collectively on a cutting edge theme of the sector. AGUASAN workshops foster a mutual learning experience and aim at utilising the broad and multi-faceted knowledge gathered by participants, to mutually elaborate strategies and conceptual tools of practical use in development work. The year 2007 saw the 23rd consecutive workshop in what has become a very popular, successful and respected series of innovative events.
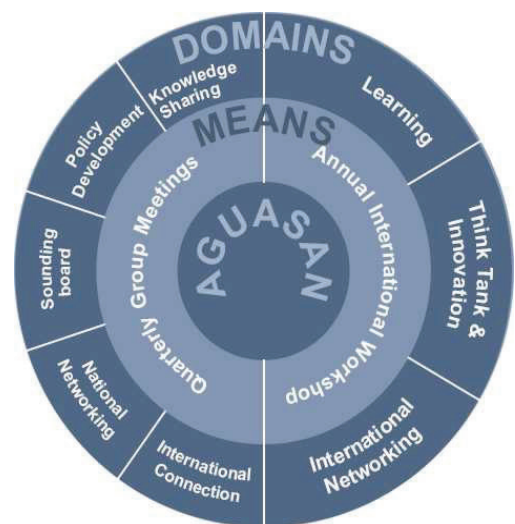
1.2   About this report

The present report summarises the presentations made, the discussions held, the results obtained, the learning achieved and the knowledge generated during the 23rd AGUASAN workshop convened from 18 – 22 June, 2007 in Gwatt (Switzerland). During the five days, 45 development professionals from all over the world delved into the issue of *"Opportunities and Challenges for the Water and Sanitation Sector in a Decentralised Context".*

This document is not a self-contained disquisition on 'Water and Sanitation Sector in a Decentralised Context' in development cooperation, but reflects the individual knowledge and insights of the participants at the workshop and the outcomes they have performed together. In the following, the workshop report is split into two parts. *"Part One: The Topic"* deals with the thematic content of the workshop as follows:

- Chapter 2 gives an **outline** of the 23rd AGUASAN workshop by spelling out its background, goal and objectives and expected results as well as the process undergone.

- In chapter 3 the **thematic framework** is described, stating the 'Current issues in the water and sanitation sector and SDC's position' and reflecting 'Concepts, Processes and Consequences of Decentralisation for Development'.

- Chapter 4 presents the **topic cases** used as illustrations of how effective and sustainable water and sanitation provision is linked to decentralisation processes. In addition, it illustrates the findings and conclusions of the **concept working group**.

- The **synthesis and conclusions** regarding the topic dealt with are contained in chapter 5 – a self-standing chapter for the quick reader - where the insights gained, the lessons learned and the recommendations developed for a successful application of Decentralised Approaches in the Water and Sanitation Sector are gathered.

"Part Two: The Method" addresses the methodological and organisational aspects of the workshop throughout the following sections:

- Chapter 6 sets down the **workshop organisation and methodology**, from its preparation, through its realisation, down to its final assessment.

- Chapter 7 sets the framework for the workshop's **next steps** and follow-up activities.

- And finally, chapter 8 addresses the **resources** of the current event and for future AGUASAN workshops.

Beyond the elements contained in this report, the inputs made to the topic, the background and resource documents referred to as well as the pictures from the visualisations elaborated during the workshop and from the working environment are provided on the **resources CD** appended in the back cover of this document.

PART ONE: THE TOPIC

2 Workshop outline

2.1 Background

Decentralisation is a major theme in the policy discussion of countries characterised by centralistic organisation patterns, although to various degrees and with different accents. Numerous states have embarked upon reforms targeted to strengthen local administrations and public authorities to enhance the effectiveness of public services whilst putting people more at the centre. Further, the promulgation and international recognition of the "Right to water" provides citizens with an entitlement adaptive to lobby governments to deliver safe and sufficient water, and to make governments accountable for ensuring access to basic water and sanitation services.

Shifting of power, competencies, responsibilities and resources from the central government to local levels (municipalities) particularly affects the way water supply and sanitation (W&S) issues are dealt with, as their scope fits the level of local government responsibility and management (unlike e.g. for the health and education sectors). The impulse behind decentralisation is the vision that decision-making is pushed to the lowest possible level (subsidiarity principle), where peer monitoring can take place and people have a more direct control. It should therefore enable more flexible and innovative W&S services, which respond to concrete needs and the demand of the people.

Decentralisation of W&S service management to the municipal level has not always led to a more efficient service provision however, and has often given rise to "new" problems including: loss of economies of scale; profusion of providers; reduced potential for cross subsidies; management and regulation based on political rather than technical criteria; lack of attention to rural areas; lack of incentives to protect watersheds and control water pollution. In addition, one key lesson in the decentralisation debate is the importance of local level capacity (leadership, transparent management and staff competencies), which, if absent, will invite inefficiency, and lack of accountability.

2.2 Key questions raised

Decentralisation may contribute to enhanced and sustainable W&S services delivery. The preconditions or necessary measures (implementation of political, administrative, fiscal, sector reforms) for ensuring that decentralisation leads to such effects are not clearly defined however and might vary from situation to situation.

Further, many W&S programmes/projects already apply the principles of decentralisation and also participation in planning, implementation and monitoring. Those **interventions are often ahead of the political process of decentralisation**, often leading to implementation problems but also to a relevant **support of the decentralisation process**.

Against this backdrop the following key questions need to be addressed and tackled:

KEY QUESTIONS ADDRESSED IN THE WORKSHOP

☞ *How do roles and responsibilities of the main sector stakeholders (state, private sector, civil society, communities) shift in different "decentralisation contexts"?*

☞ *What supports do these stakeholders, and mainly those at local level, need in order to fulfil their rights and duties (i.e. capacity building for implementing and managing efficiently and effectively municipal W&S service delivery models)?*

☞ *What are the opportunities and limitations of W&S interventions to foster decentralised approaches and good local water governance practices?*

☞ *What changes are required in how W&S interventions are set up to handle the capacity building focus/contents and to contribute to decentralisation processes?*

2.3   Goal and objectives

The key questions above formed the basis for this year's AGUASAN workshop. The participants tried to understand the impact of top-down "reform driven", as well as, bottom-up "sector intervention driven" decentralisation processes on the role and performance of state, private sector, civil society and communities – and on their relationships – and through this on the sustainability of W&S services delivery. The **overall objective** of the workshop was therefore to:

Identify how to foster/take advantage of decentralisation processes and decentralised service management to boost W&S, hence contributing to the MDGs.

By looking at a range of functioning models for service delivery - either in rural water supply or in urban sanitation - where municipalities have effectively a stake, the workshop aimed specifically at:

▪ **Assessing and learning from practical experiences in designing, implementing and supporting such models and in building up the capacities of the key stakeholders;**

▪ **Highlighting key issues and challenges to be addressed in processes and interventions targeted at putting into practice such models;**

▪ **Developing generic and context-specific recommendations as well as outlines of practical tools for initiatives supporting such processes;**

▪ **Locating knowledge gaps (open issues) which would require further thinking, research and development.**
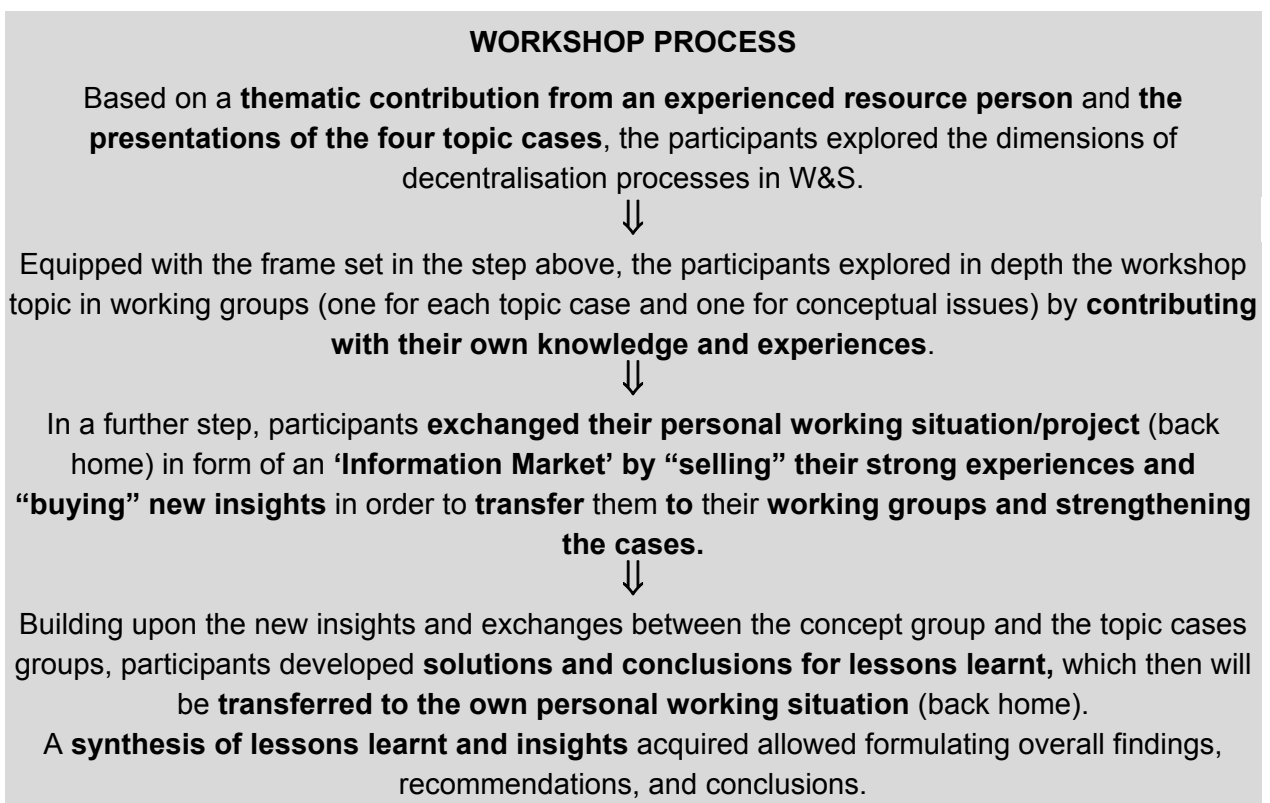
2.4   Expected results

The expected results of the workshop were the following:

▪ An increased knowledge and a common understanding of the relevance and different forms of (political, fiscal, administrative) decentralisation for the W&S sector concerning its challenges, opportunities and pre-requisites are achieved.

- Examples of innovative, demand-oriented, efficient and accountable service delivery models that resulted from and in increased decentralisation processes are collected and assessed; and a collection of good practices are established.

- A range of key factors and prerequisites for enabling local stakeholders to fulfil their rights and duties are identified and described.

- A series of key issues and challenges to be assessed and addressed in respect to the current and future context of decentralisation affecting the presented W&S projects and programmes are drawn and commented.

- A set of solutions and key design elements to integrate/facilitate decentralisation processes in current topic cases' project and programme developments are elaborated with practical tools.

- A list of open and unsolved issues requiring further thinking, research and development regarding the general workshop topic is established.

- The participant's personal networks and contacts among practitioners are strengthened.

- A workshop report, pointing out the potential for a subsequent capitalising publication, is produced after the event.

2.5   Workshop process

Given the scale and significance of this challenging theme, the workshop process was conducted in such a way that the learning community could take full advantage of the knowledge and the experience that the participants gathered:

WORKSHOP PROCESS

Based on a **thematic contribution from an experienced resource person** and **the presentations of the four topic cases**, the participants explored the dimensions of decentralisation processes in W&S.

⇓

Equipped with the frame set in the step above, the participants explored in depth the workshop topic in working groups (one for each topic case and one for conceptual issues) by **contributing with their own knowledge and experiences**.

⇓

In a further step, participants **exchanged their personal working situation/project** (back home) in form of an **'Information Market' by "selling" their strong experiences and "buying" new insights** in order to **transfer** them **to** their **working groups and strengthening the cases.**

⇓

Building upon the new insights and exchanges between the concept group and the topic cases groups, participants developed **solutions and conclusions for lessons learnt,** which then will be **transferred to the own personal working situation** (back home).
A **synthesis of lessons learnt and insights** acquired allowed formulating overall findings, recommendations, and conclusions.

The diagram below illustrates the workshop process:
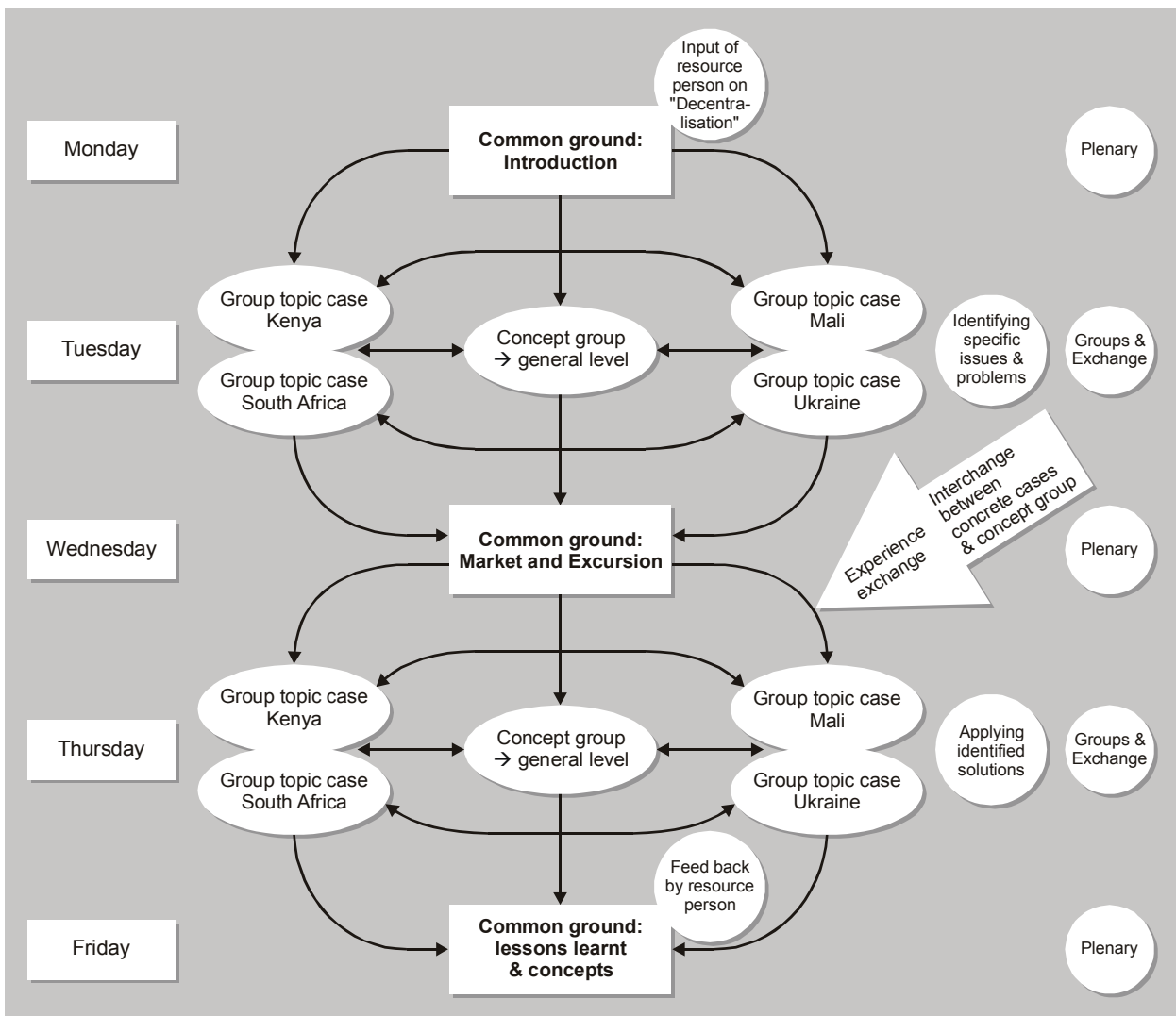
As a whole, the workshop process led to a learning experience for all in knowledge generation of and to prospectively application of the acquired knowledge on the own working situation.

Beyond exploring the thematic aspects, the workshop procedures adopted aimed further at:

- Proceeding in an open and participatory manner;
- Using visual aids and a variety of working methods and teaching materials;
- Alternately working in plenary and in groups;
- Inviting guest for the synthesis part of the workshop (last day);
- Having time for informal exchanges in a friendly setting.

3   Thematic framework

3.1   Current issues in the water & sanitation sector and SDC's position

(Summary of the input provided by François Münger, Senior Water Advisor, SDC)

Equitable access to water and sanitation for all without discrimination is one of humanity's major challenges of the 21st century. Hundreds of million of individuals see themselves deprived of water, not because it is rare, but because of clamp down poverty, inequalities, and lack of political will. The Joint Monitoring Program (JMP) report 2006 stated "over 1.1 billion people do not use drinking water from improved sources, while 2.6 billion (more than 40% of the world's population) lack basic sanitation. Each year, 1.6 million children below five die because of poor hygiene and contaminated water". These two hazards alone are responsible for 80% of the diseases that affect developing countries. The report concluded that the world was still on track for reaching the MDG drinking water target - but the trend is deteriorating – and that on current trends, the world would miss the sanitation target by more than half a billion people. It further estimated that it requires a doubling of the efforts of the past 15 years to reach the MDG sanitation target and a one third increase in efforts to meet the drinking water target. More effective and concerted action by all stakeholders is however needed if those targets are to be met.

Conscious of the gravity of this reality, SDC puts the use of water in the centre of its interventions for the human beings (Water for people) and their food security (Water for food). Water is a common good - and access to water & sanitation is a human right. It is on the recognition of these two fundamental and inalienable values that the action of SDC is based. Access to water is a right that the States must guarantee to the citizens, but it also has a cost. Governments have the option to delegate this mission to private companies. But, whether the service provider is public or private, it is a question of guaranteeing the rights of the users. In this context, the assertion of a decentralised and autonomous control proves to be essential. SDC encourages the users to claim their rights and supports the political processes at local and regional level able to ensure the conditions of a sustainable and socially equitable management of water and related issues. The strengthening of governance mechanisms represents clearly a centrepiece in conflict prevention, at a time when tensions around this source of life, subjected to a pressure without equal in the history of humanity.

Indeed, galloping demography, growing and intensive misuses and pollution endangers seriously the today's water resources. To answer the complexity of the mechanisms that this planetary challenge brings into play, an Integrated Water Resources Management (IWRM) framework was elaborate starting from the four water uses as defined collectively by the public, private and civil society actors[1]. With its aims, IWRM answers the Convention of Rio and the Millennium Development Goals (MDG). This invaluable instrument, to the development of which SDC took a significant part, aims at ensuring the most effective and sustainable use of water, the protection of the resources against any pollution and the recognition of the right to water for all the human beings. It includes the planning and the management of drinking water supplies, the access to sanitation services and the provision of sufficient water for production.

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[1] *These four uses are "water for people", "water for food", "water for nature" and "water for other uses (industry, energy, transport)".*

References:
- The Right to Water - From Concept to Implementation; World Water Council; 2006; ISBN: 92-95017-11-10; http://www.worldwatercouncil.org/index.php?id=3&L=0#6252
- La mise en œuvre du droit à l'eau; Actes du XXIXe Congrès ordinaire de l'IDEF; 2006; ISBN: 3 7255 5145 6; http://www.schulthess.com/de/themen/detail.cfm?AR_ID=44423
- The Human Right to Water Legal & Policy Dimensions; The World Bank; 2004; ISBN: 0-8213-5922-3; http://www.ebookmall.com/ebooks/human-right-to-water-legal-and-policy-dimensions-salman-ebooks.htm
- Meeting the MDG drinking-water and sanitation target: the urban and rural challenge of the decade; WHO & UNICEF; 2006; ISBN: 978 92 4 156325 3, http://www.who.int/water_sanitation_health/monitoring/jmp2006/en/index.html
- Beyond scarcity: Power, poverty and the global water crisis; Human Development Report 2006; UNDP; ISBN 0 230 50058 7; http://hdr.undp.org/hdr2006/

3.2 Decentralisation: Concepts, Processes and Consequences for Development

(Summary of the input provided by Dr. Georg Lutz, Institute of Political Science, Uni Bern)

Decentralisation is the process of bringing decision-making closer to the point of service or action, in the fields of political economy, political science, sociology, engineering and economics. Decentralisation is the policy of delegating decision-making authority throughout an organisation, away from a central authority. A decentralised organisation comprises for example fewer tiers in the organisational structure, a wider span of control and a bottom-to-top flow of decision-affecting ideas. The greater the decentralisation of a system, the more it relies on lateral relationships, and the less it relies on command or force. Democracy is alive in places where it is supported by a nation who can express its interests and participate in democratic decision processes. The people on their part support democratic changes when they expect these to bring them direct and tangible benefits. In this way democratic development and decentralisation processes are closely linked.

Percentage of Democratic Countries Worldwide with Local Elections:
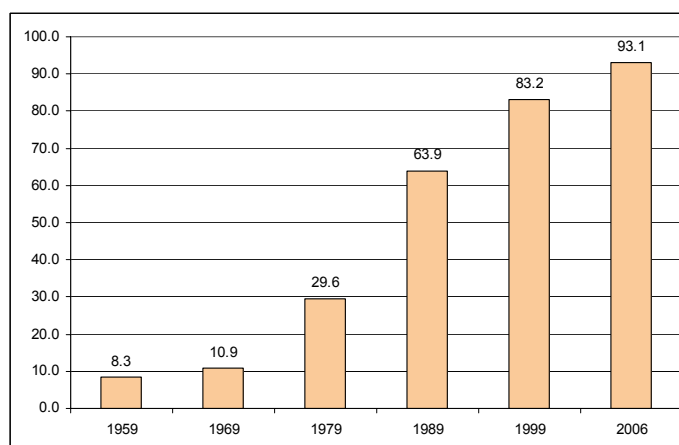
As a whole, Decentralisation refers to 'transfer of power, resources and responsibilities from the national to one or more sub-national levels of government'. There are basically **three dimensions** of Decentralisation:

- **Political decentralisation**: Delegation of decision-making power to political actors independent of higher levels of government. Centrality of elections: accountability of local authorities to citizens, not to higher levels of government. Political decentralisation means that locally elected authorities hold responsibilities towards those who elected them and that they should take up fully local interests in political decision-making processes. Ultimately it aims at fostering the active participation of the population in political decision-making processes.

- **Fiscal decentralisation**: Financial transfers through defined mechanisms from the centre to the local level and/or between local communities; Delegation of revenue collection and budgeting power. Fiscal decentralisation is an essential element of any decentralisation form. A decentralised unit cannot accomplish its duties independently unless it is provided with sufficient financial means and has decision-making power over them.

- **Administrative decentralisation**: Transfer of responsibilities (regulatory or provision of public goods) to the sub-national level(s) of government to fulfil public duties. It includes responsibility for regional or local planning, operational management, and also partly financing of public infrastructure and services.

Political, fiscal and administrative decentralisation processes complement each other. In practice, the various dimensions of decentralisation overlap and appear in various forms and mixtures, varying largely from case to case. There are also a series of other terms that are related to Decentralisation:

- *Deconcentration* refers to the redistribution of decision competencies to regional or local units belonging to the central/national government level. It is characterised as the weakest form of decentralisation as the transfer in competencies takes place within the central governmental hierarchy.

- *Delegation* as the transfer of power to para-statals. It refers to the redistribution of decision and operational responsibilities to authorities, which maintain a certain independence from the central/national government, but are under indirect control.

- *Devolution* as the transfer of power to sub-national political entities. This is the strongest form of decentralisation as it includes a shift of decision-making power, finances and management duties from the central authority/administration to independent local governments (municipalities with locally elected entities and clearly defined competencies).

- *Privatisation* as the transfer of power (and responsibility) to private entities.

As a whole, **independent accountability** is a necessary precondition for independent local political spheres to evolve. And decentralisation is about states and their way to provide public goods to regulate the society and economy. Working in a decentralised framework means working with state actors that are (per definition) political actors. There are basically **two types of decentralised countries**:

- Never centralised: Sub-national units resisted centralisation successfully (e.g. Switzerland);
- Recent move to decentralisation (most new democracies).

General common problems related to an un-completed decentralisation process are:

- Badly defined processes, responsibilities, and transfers;
- Incongruence between responsibilities, resources and political power;
- Limited clarity about fiscal and administrative transfers;
- Bargaining instead of subsidiary.

Therefore, duties and competencies should be assigned to the best capable governmental level or entity. **Expected results** of decentralisation are summarised in the following diagram. The diagram illustrates the outcomes, results and impacts, which can arise from decentralisation.
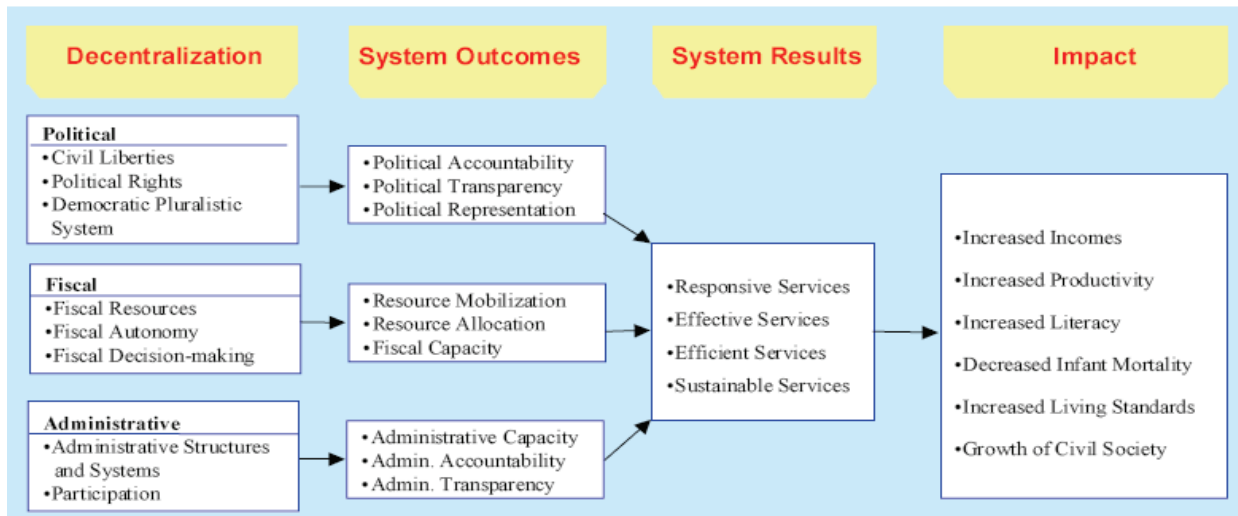
(Source: Ebel/Yilmaz, 2001)

What are false hopes related with decentralisation?

One of false hopes related with decentralisation is that through decentralisation local management is automatically improved. But, here the question is why splitting up weak and inefficient governments should lead to stronger governments. On the contrary, there is even a higher risk of worse implementation of development activities. Likewise, through decentralisation local governments expect increasing returns. Yet, there is the paradox of better control over local revenue base against greater difficulties of revenue collection because of interpersonal relations. Many people hope that there would be a better control over corruption. However, there is need of central control and at the same time local control through citizens. Another false hope is that decentralisation can handle the risk of increasing inequalities within a country. But the empirical evidence of the effects of decentralisation is very diverse.

One of the major questions related to decentralisation is what would be a motivation for central governments to give up power and control and to devolve them to the local government levels. Central governments are very much aware of the fact that once power is given away, it is hard to gain it back. As a whole, centralisation and decentralisation are permanent (slow) political processes.

But, why do countries decentralise anyway? Countries decentralise very unlikely because central governments think that local governments could do a better job. Decentralisation rather arises out of the difficulty to manage economic, fiscal and political challenges. This means that decentralisation is understood as a means to hand over difficult responsibility. Related with this are also hopes that revenues can be collected more efficiently. Furthermore, through decentralisation, central governments could gain support from the local level, in the sense, that decentralisation is undertaken in return for local mobilisation.

As a whole, decentralisation is always a bargaining process. Strong and well-organised local governments can pressure central government successfully for decentralising decision-making power. And finally, decentralisation is high on donors' agenda at the moment. So, in many cases, countries decentralise because it is donor-driven.

What does this mean for development? What are potential consequences?

Increased complexity:

- Many local government and non-government actors instead of one ministry
- Variation in the local context
- Service provision becomes more of a play-ground of politics in a decentralised system
- Local-national political dynamics: different interests where and how to implement projects

Increased uncertainty:

- Local democracy (as democracy in general) is fragile
- Decentralisation as a process and playground between local and national political actors
- Reform of decentralisation is still common in many countries

A checklist for service provision:

Professionals may use the following checklist in order to assess and to plan for effective and sustainable decentralised W&S services.

- Assess the key elements of the institutional framework of political, fiscal and administrative decentralisation (especially with regard to water and sanitation):
    - ☞ Formal decision making power
    - ☞ Administrative and financial responsibilities
- Map the formal and informal power structures at the local level:
    - ☞ State authorities
    - ☞ Interest groups, organised sections, traditional authorities
    - ☞ Citizens engagement
- Identify political risks and potential conflicts
- Define the approach of service provision:
    - ☞ Centrality of local governments
    - ☞ Other stakeholders? If yes which and how?
    - ☞ Allow for variation within countries and flexibility within projects

The diagram below illustrates the **identification and mapping of essential local stake-holders**:
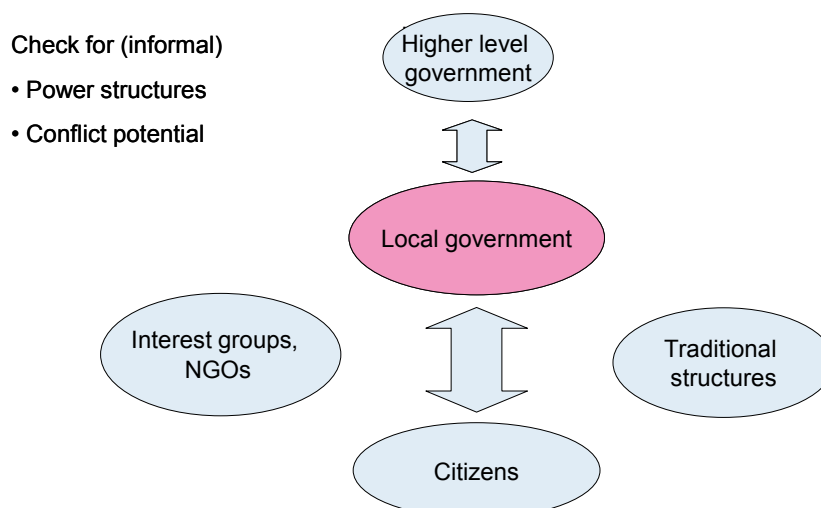
Final remarks:

Decentralisation can be a real chance for sustainable development processes. Decentralisation has the potential to improve development efforts, because:

- Needs can be evaluated directly in a flexible way;

- Ownership is easier to create;

- Corruption is easier to control;

- Sustainability mechanisms can be introduced directly at the local level;

- Decentralisation creates chances for collaboration with local state institutions where central institutions are too corrupt to work with;

- Collaboration with state authorities is essential for sustainability when public services/goods are provided;

- A flexible project approach is needed: not one model fits in every context within a country. Allow for variation in project design and implementation;

- 'Political management' becomes essential in service provision.

Following the input by the resource person the subsequent questions were discussed in the plenary. The box below is divided into two parts. The first part contains the critical issues that were discussed, and the second part includes open questions, which remained unanswered and were left open to be looked at more closely in the further sessions of the workshop.

Critical issues discussed:

Can *decentralisation* be a means to improve service delivery, especially in W&S?

- In theory, sub-national entities (regional or local authorities/governments) may be in a better position than national governments to deliver public services efficiently; because local authorities should be better capable to assess local demands and to prove respon-siveness and accountability, as they are closer to the local population. But, there is always a risk of lack of responsiveness by local authorities. This means, although local authorities have more money to spend, they are not automatically more accountable for the quality of services than before *decentralisation*.

- Deficiencies in decentralised services (rural and urban) are not only a reflection of resource constraints, but can be in fact management problems.

Why should political decentralisation be combined together with fiscal decentralisation?

- If political *decentralisation* is done without decentralisation of authority, the revenue sharing is not accompanied with relevant responsibilities over local expenditures. In other words, if the transfer of power is done without resources, the central government hands over essential competencies and duties but without providing the sub-national entities with the required control over the relevant financial resources.

- Effective decentralisation requires sub-national entities, which are able/capable to provide and finance services. However, many of these entities have only a limited financial and managerial competence and face rudimentary local capital markets.

- Sub-national entities lack effective internal operations: insufficient collection of resources (taxes, fees, charges); entities are often mismanaged, and have only a weak technical and institutional competence to maintain services and infrastructure. (Increased service coverage, and lack of strategic planning are main challenges at local authority level.)

What are expectations from decentralisation processes?

- One expectation from decentralisation processes is that people/citizens become more independent from decision-makings at central level;

- Another expectation is that decentralisation would strengthen civil society and give more power to citizens;

- Decentralisation as a top-down process versus an 'autonomy' process from the ground; (e.g. in Bolivia, people use the term 'local autonomy' for a bottom-up approach, instead of 'decentralisation');

What is needed for effective decentralisation?

- One crucial pre-condition of an effective decentralisation is the existence of a capable local government, and a strong and engaged civil society/citizens; as a whole an enabling environment is needed in order to create an effective decentralisation process;

- A decentralisation process demands strong commitment and readiness of all the players;

- Willingness or un-willingness of stakeholders, in particular central national governments to give up power to 'lower' governmental entities; (this needs a lot of advocating);

- More trust, political willingness, and mechanisms of community participation are needed;

- A good balance between central, regional, and local level is needed;

- All governmental levels should share the power; this has to be negotiated amongst the various levels;

- Capability of central national authorities versus that of local authorities to provide services needs to be clarified from case to case;

- Stakeholders need to clarify mismatch between municipal needs and de-concentrated central government services;

- National government's (e.g. line ministries) policies need to be aligned with implementation by the local authority;

Should a decentralisation process be implemented in one 'big bang' (*over-night*), or in a gradual/incremental manner?

- It depends on the case: there is a risk of instability if decentralisation is done very fast; therefore, decentralisation process needs to be well prepared because new entities need to be built up or/and existing entities need capacity-building;

What can we learn from past experiences?

- It can be helpful to learn from past experiences with decentralisation; e.g. private companies change their organisational set-up from a centralised to a decentralised one, or vice versa; review traditional decentralised systems before colonisation - (colonisation was done in a very centralised manner);

What is the role of the state in a decentralised set-up?

- The state needs to have (central) control over the citizens and the territory in order to maintain stability and peace, and thus to provide a sound environment for development;

How many levels (administrative & political) are needed for effective decentralisation?

- There is not an ideal solution; the larger the country, the more levels are rather needed;

In case of a conflict country, how can decentralisation processes be introduced/maintained?

- A stable political environment is needed; and local authorities need to be strong in order to deal with centralisation or any manipulation by the central government;

Open Questions:

- How can W&S contribute in order to enhance decentralisation? How to motivate authorities despite of risks and low effectiveness in decentralisation?

- Decentralisation is often only of cosmetic nature, as decentralisation in practice is still 'controlled' by central authorities;

- How to overcome a lack of implementation capacity in local governments;

- Should W&S be fully under the responsibility of the local government? One central national entity can hardly manage W&S for an entire country;

- To what level is decentralisation possible?

- How to ensure that the political will is not reversible?

- Clarification is needed on how decentralisation is in fact done or 'implemented';

- Is decentralisation all about democracy?

- Decentralisation in rural water supply can also lead to centralisation: from communities' level to the municipalities' one;

- How to transfer essential components, such as competencies, resources to sub-national levels in order to achieve an effective decentralisation?

- There are always "politics" (e.g. power games), whether it is at the national or local government level;

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- Decentralization and Development, SDC Publication on Development No. 2, Bern 1999, http://162.23.39.120/dezaweb/ressources/resource_en_23615.pdf

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- Decentralization and its implications for Urban Service Delivery, Urban Management Programme, World Bank, Discussion paper No. 16, 1994

- Guide to Decentralization, SDC, Bern 2001, http://162.23.39.120/dezaweb/ressources/resource_en_23586.pdf

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4   Topic cases and conceptual work

*The **topic cases** brought in by different presenters aimed at constituting the base upon which the workshop topic was addressed and developed. The workshop featured four topic cases dealing with basic service delivery models in a decentralised context where municipalities (local governments) have a stake, addressing either water supply services in rural areas or sanitation services in urban settings. The expected results of working in groups with each case were:*

- *Clear description of the case and course of actions/procedures*
- *Analysis of conceptual weaknesses*
- *Insights and proposal for concrete actions*

Apart from the topic cases groups, a concept working group was formed. The objective of the concept group was to take up findings from the thematic inputs (chapter 3) and to examine critical issues with regard to W&S services delivery, as well as to reflect this conceptual work in the topic cases in order to come up with more generic findings. The expected results and effective benefits of the concept working group were:

- *A collection of ideas, proved concepts and instruments, 'good practices', etc.*
- *Identification of bottlenecks and gaps for experimentation*
- *Formulation of consequences and recommendations for SDC*
- *Finding of ideas for workshop follow-ups*

4.1   The Kenya case: Supporting Community Driven Service Delivery

4.1.1   Presentation of the case

Country	Kenya
Sub-sector	Urban Sanitation
Working Title	Supporting community driven service delivery: Kiambiu Informal Settlement
Central Question	How to enact pro-poor service improvements by CBOs and NGOs in densely populated informal settlements?
Project Organisation	CBO: Kiambiu Usafi Group NGO: Maji na Ufanisi, Nairobi (technical & organisational backstopping)
Stakeholders	NGO (Maji na Ufanisi), CBO (Kiambiu Usafi Group), Water Service Board, Nairobi Water & Sewerage Company (municipally owned)

a)   Decentralisation Context and the Water & Sanitation Sector

Kenya has a population of more than 33 million people (2005), and faces an enormous challenge of providing water and sanitation services to a rapidly growing urban population (currently 34% of the entire population). The newly elected Government of Kenya (GoK) has undertaken far-reaching reforms in the W&S sector since 2002. The institutional reforms that have been triggered by the enactment of the Water Act 2002 have been guided by the following principles: (i) decentralisation - decision-making and operations have been decentralised from the national level to the local level to increase efficiency; (ii) 'no responsibility without authority' - all actors now have clearly defined roles and have delegated authority; (iii) separation of regulatory from service delivery functions; (iv) private sector participation to boost effective management by encouraging commercialised service provision. The W&S sector is effectively spearheading the GoK reform effort, as on-going reforms of the local government sector are still slow.

At the local level in Kenya's 175 municipalities, a variety of W&S providers are now becoming operational and attempting to redress decades of stagnation and service decline due to public sector neglect. Three types of Water and Sanitation Providers (WSP) are most common:

- Municipally-owned W&S providers (the case of most big towns and cities in Kenya);
- Commercialised Service Companies, autonomous utilities under the Companies Act;
- NGOs or community-based service providers - these organisations mostly provide services where the above-mentioned do not reach.

Both the municipally owned and commercialised utilities have found it difficult to provide adequate services to informal and peri-urban settlements and enact pro-poor service improvement - this is where NGOs and CBOs step in with community-managed services for the poor. During the time before the recent sector reform, the Municipal Water and Sewerage Departments were responsible for policy formulation up to service provision. The performance was seen as not cost-efficient. Since 2002, there is an ongoing W&S sector reform, which is one of the leading transformations within the Government of Kenya's reform. The W&S sector reform includes:

- Decentralisation of decision-making
- Decentralised operation to the local level
- Separation of regulatory functions from service delivery
- Introduction of the Water Act in 2002

The Water Act established the following institutions (see diagram below):

- Water Services Regulatory Board: regulates all water supply and sewerage services;
- Water Services Boards (WSBs): ensure the availability of efficient water and sewerage services for the 7 regions of Kenya; plan for water and sewerage services and facilities;
- Water Resources Management Authority
- Water Services Trust Fund
- Water Appeals Board

The Water Act further separates *water resources management* (WRM) from *water supply & sanitation* (WSS), provides for regulation of W&S and distinguishes between *asset holding and development* from *operations and management.* **Water Service Providers provide directly W&S services on contractual arrangements with Water Services Boards**.
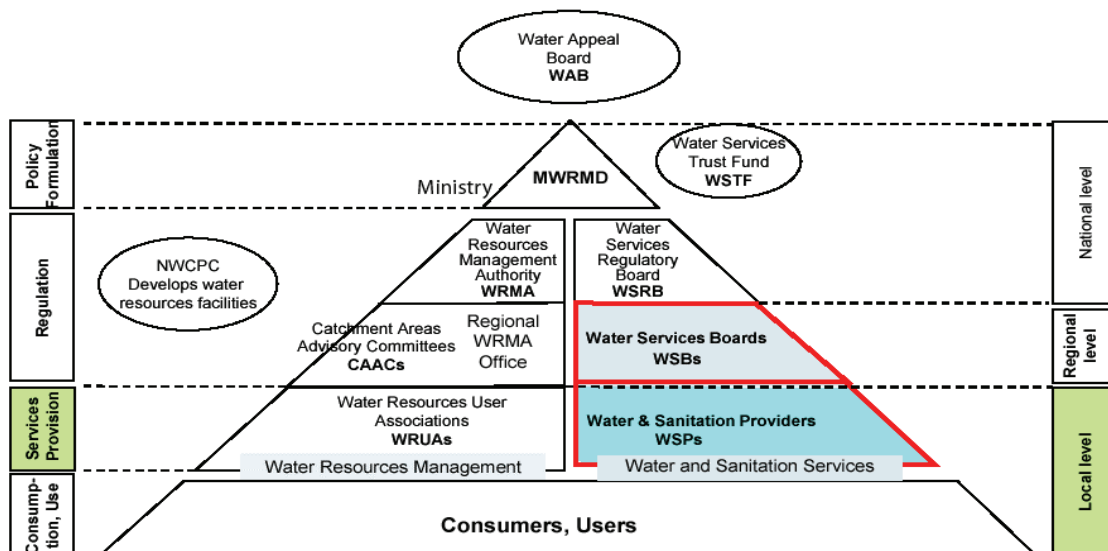
Source: Water Act, 2002

b)   Topic Case

The case presented is about Kiambiu - an urban slum area in Nairobi. It is one of the many in-formal settlements in the city. The NGO Maji na Ufanisi has been supporting W&S infrastructure through four major local CBOs in different informal settlements, namely; Kiambiu, Soweto, Kib-era Laini Saba and Kaptagat. These CBOs have been instrumental in community driven service delivery in their respective settlements. The case shows how such an exemplary community-based service provider - the Kiambiu Usafi Group has managed to grasp the opportunities of the new sectoral reforms and move from a disorganised community to a performing service pro-vider, providing jobs and income within the new policy environment. The CBO is officially registered and has recognition from the local Water Services Board (regulating authority).

W&S interventions by this CBO (with NGO's Maji na Ufanisi support) included the construction of appropriately designed sanitation blocks, water kiosks and improvement of solid waste man-agement and wastewater drainage systems. This has resulted in improved environments for the communities; increased access to affordable water & sanitation services; reduced water prices and increased availability; increased access to improved drainage systems among others. Furthermore, both the Water Services Board and the Nairobi Water & Sewerage Services Company (WSP) are supporting expansion of its services within the slum through this set-up.

Policy context:

The current policy context recognises non-sewered sanitation options in urban areas. Organisa-tional-wise, CBOs need to enter into management agreements with WSBs as WSPs. Yet, 'dele-gated service provision by WSPs' is not provided for in the policy. Moreover, the current policy implies that a license is required for the W&S services provision to more than 20 households. However, relations with the sector institutions determine if CBOs can provide services. Unfortu-nately, often they cannot meet the stringent licensing conditions.

Lessons Learned and Challenges: What are main problems and way-out options?

Problems	Way-out Options
Governmental reforms are not well communicated amongst people of very low income; Residents lack understanding of new policy; Inability of users to make informed choices;	Sector policy needs to be published and made available to all stakeholders;
Lack of water policy linkage with other sectoral policies – sanitation, land, environment;	Sector Policy needs to be formulated and linked with other sectoral policies;
Lack of regulatory framework for Water Service Providers;	Formalising of informal service providers (CBOs) is needed;
Water Service Providers are not able to meet the legal requirements of water provision;	Water Service Providers needs training in meeting quality standards; A quality control mechanism needs to be intro-duced;
Lack of pro-poor regulations and incentives; Lack of supportive financing mechanisms;	A financial mechanism needs to be introduced;
Illegal W&S connections (pipes); and therefore, fewer revenues on water;	Formalising of informal service providers (CBOs) is needed;
Users' role, rights and duties are not defined yet;	Sector policy where users' role, rights and duties are defined needs to be formulated and executed;

Problems	Way-out Options
No integrated pro-poor service delivery (water, sanitation, and hygiene issues);	CBO driven services can result in pro-poor service considerations at neighbourhood level, and in strengthened socio-economic development through jobs creation and savings;
Limited coverage of W&S; Inability to scale-up;	CBO driven services can result an enhanced coverage;
No new investments without secure tenure of land;	Public and private ownership needs to be clarified;
Top-down and hierarchical structures;	CBO driven services can result in partnerships with other stakeholders;
Policy limitations and effects (negative/positive);	Commercialised service delivery by a community-based service provider should be considered;
Challenges for CBO driven services: ▪ CBO needs to be legalised ▪ Limited financial capacity	CBO driven services can result in partnerships with other stakeholders; Integration of communal enterprise management model;

4.1.2   Analysis of the case

Participants in the working group:	Ramesh Bohara, Luca Citarella, Halidou Koanda, Christoph Lüthi (coach), William Moraka, Kariuki Mugo (case presenter), Elizabeth Tilley

Stakeholder analysis:

First, the working group did a stakeholders mapping, which is presented below:
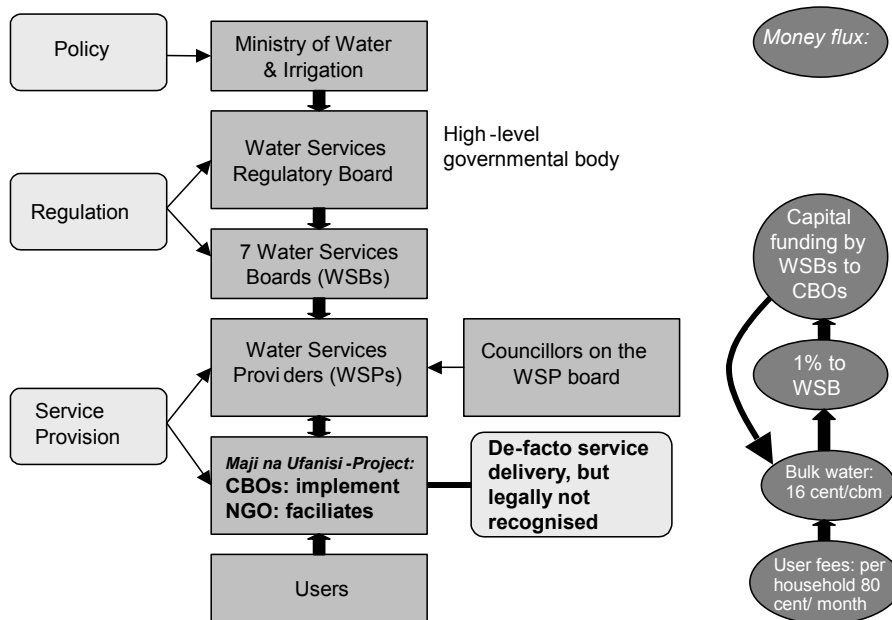
Then the current challenges for the key stakeholders were identified as it follows:

CBOs:

▪ CBOs are 'illegal'; they are legally not recognised;

- Despite the 'illegal' character, CBOs have overtaken responsibilities of the state to deliver public services, such as water supply, in particular in slum areas, to poor households;
- CBOs have often a 'business approach', which means that they make sometimes profit; Are then CBOs more of a private company than a people's organisation?
- Accountability of CBO operations;

Water Service Providers:
- WSPs are not open to on-site sanitation;

Users:
- There are no cross-subsidies for slum areas;

Sanitation:
- Communal sanitation solutions are often not recognised as 'improved sanitation' at international level;

The following diagram illustrates the status of decentralisation in the Kenya case. It shows that the administrative decentralisation aspect is slightly more advanced than the political and financial aspects of the whole decentralisation process.

Decentralization mix	The Kenia case
Political (including: legislation, policies, regulation)	Fully Centralised ● → ■ ▲ Fully Decentralised
Financial (investment and running costs)	Fully Centralised ● → ■▲ Fully Decentralised
Administrative (institutional, organizational, HRD)	Fully Centralised ● → ■▲ Fully Decentralised
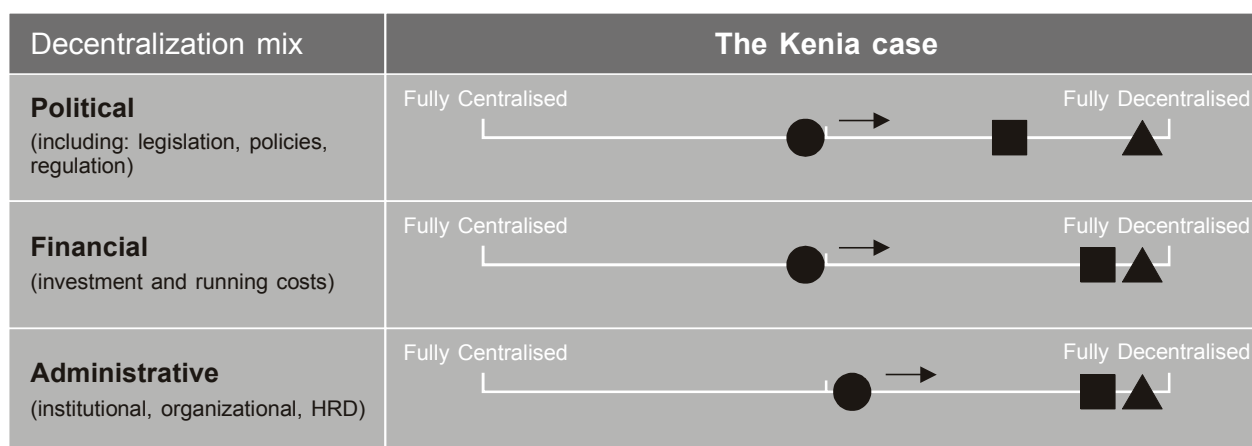
Political decentralisation:

● *General:* Following independence, government functions were gradually centralised and the powers and resources of local government were seriously eroded. Unlike many other countries in Africa, there has been no serious attempt to decentralise power and resources in recent years. There are, however, new constitutional reform proposals for extensive devolution.

■ *W&S Sector:* Extensive and far-reaching water sector reforms separating water resource management and development from W&S service provision.

▲ *Topic case:* Community level service delivery by community-based service providers (CBOs) in Nairobi's extensive slum settlements. These delivery mechanisms are now de-facto recognised by state authorities.

Financial decentralisation:

● *General:* Local authorities have limited revenue autonomy, but recent reforms have increased central government transfers to the local level - and provided an incentive structure to improve the own local government revenues. Local governments control only the junior staff; there are many senior vacancies.

■ *W&S Sector:* Water Act 2002 foresees new cost-recovery schemes that have increased capital spending in W&S sector four-fold. Tariff setting is done by WSBs at regional level.

▲ *Topic case:* User fees levied by CBO cover all running costs plus a monthly profit which can be re-invested in new infrastructure improvements.

Administrative decentralisation:

● *General:* Transfer of responsibilities to local level or district level (incl. planning, management and financing of service delivery) achieved for most public duties and public sectors.

■ *W&S Sector:* The responsibility for the delivery of municipal services (incl. water, sanitation and solid waste) has been transferred to registered Water Services Providers (either municipally owned or commercialised service companies) or, in some cases, local NGOs.

▲ *Topic case:* In the Kiambiu slum, the CBO Kiambiu Usafi Group provides communal water and sanitation services supported by the NGO Maji na Ufanisi. The Nairobi City Council is absent and does not take any responsibility - as this slum is still not officially recognised.

4.1.3   Conclusions and proposals for action

A first step but also barrier is to make the Kenyan Water Board to participate in the current debate and to get them involved in solution finding;

How can CBOs be legalised or formalised? Current policy framework need to be changed for WSPs to delegate responsibilities to CBOs; and CBOs should be transformed into cooperatives. In order to support and sustain CBOs activities, municipalities should make contracts with them. *How can stakeholders advocate for the legalisation of those CBOs?* Stakeholders can lobby at international level through AGUASAN and the International Year of Sanitation (IYS).

The case study suggests to support CBOs through national subsidies. And at local level, water services trust funds should concentrate on capacity building. CBOs need further training and capacity building to carry out effectively water services delivery. Also, NGOs need a certain 'distance' to the CBO's in capacity building. They should not 'own' or manipulate the CBOs in order to make CBOs as independent as possible to guarantee their sustainability. Furthermore, the national level should concentrate on policies and their further development. Local governments should give service contracts to the private sector. Here, a local water management in slum areas is needed.

What can be further done to address and to serve future slum/low-income areas? What is needed for an effective and affordable service provision? The legal status of a slum area is crucial, as the main challenge is to legalise the slum areas thus incorporating them into the city planning from a legal point of view. As long as slum areas are not legal or formal, the state does not feel responsible for them. Therefore, the state has to acknowledge informal settlements for better service delivery/provision.

Generally in Kenya, institutional reforms can happen very quickly, so more reforms will likely follow in the near future: Nowadays funds flow much better from the national level (e.g. water services trust funds) to the local level; however, this is only the case for urban areas and not for rural regions. There is a risk to build up parallel structures, such as state structures and new 'accountable' donor driven parallel structures: How can those structures be reconnected?

Communal sanitation solutions are often not recognised as 'improved sanitation' at international level. Proposed solutions are:

- The definition of 'improved sanitation' (e.g. by JMP) needs to be reviewed;

- The issue should be taken on the agenda of IYS 2008;

- International NGOs in W&S (also WASH partners) should better coordinate similar international initiatives

Tariff setting and regulations for poor urban areas are lacking. Therefore, a pro-poor water pricing instrument should be developed and introduced. Moreover, the case working group concludes that profitable WSP operations should be used for cross-subsidies.

And finally, the working group suggests to scale up local 'success stories' (e.g. from 4 to 100 projects). For this a strategy needs to be developed of how to empower more NGOs and CBOs for services provision. And at least 1% of the Water Services Trust (WST) Fund should be used for pro-poor urban sanitation, in particular for capacity building.

4.2 The Mali case: how an emerging rural municipality is trying to manage local services on its territory

4.2.1 Presentation of the case

Country	Mali
Sub-sector	Rural Water Supply
Working Title	Rural Municipality of Sido: How an emerging rural municipality is trying to manage local services on its territory
Central Question	How to expand a successful pilot experience (scaling-up) by setting up inter-communal support structures and mechanisms?
Project Organisation	Municipality (municipal council & population) with the technical and financial support of partners
Stakeholders	Municipal council, population, NGOs, Centre for Communal Advice, National Agency for Communal Investments, donor agencies

a) Decentralisation Context and the Water & Sanitation Sector

In 1995, the legal basis for the creation of sub-national entities was established in Mali. In 2002, the Mali Government signed a law supporting the transfer of competences from the central state to the sub-national entities for three key sectors: Health, Education and Water. The responsibility for water and sanitation services is located at three decentralised levels (communal, district, region), all endowed with financial autonomy and the right to associate in the organisation of sector activities and in the management of collective provision of water services.

The following three main steps shaped the decentralisation process in Mali:

- 1993: The main legislative texts and essential regulations to implement decentralisation were adopted;

- 1995: The legal basis was established for the elaboration of the territorial governance code, defining different levels of collective authority in the country;

- 2002: A law was passed allowing the "transfer of competencies" from the central authorities to the '*territorial collectivities*' in three key sectors: Health, Education, Water & Sanitation

The table below shows the levels of government with water sector related competencies:

Level of Territorial Government	#	Decision Making	Transfer of Competencies
Municipalities (urban or rural)	703	Municipal Council	Responsible for water and sanitation service provision at Municipal level
Cercle	49	Cercle Council	Responsible for water service provision at inter-municipal level
Regional Government	8	Regional Assembly	No competencies
Central Government	MMEE	National Water Resources Directorate	Responsible for elaboration and supervision of water & sanitation sector regulations and water resources development

The following list illustrates the W&S sector's existing legislation for planning, implementing and operating water supply and sanitation services:

Legislation	Content
Law determining the conditions for decentralised governance	The local governments can undertake activities in cooperation with other local governments or with state institutions
Local Governance Act	The decisions by the Municipal Council are executed by the Mayor under the tutelage of delegated state authorities
National Strategy for the provision of drinking water and sanitation services to rural and semi-urban populations (2000)	The delegation of management of service provision to the private sector or community based organisations
Instruction regarding the public service for provision of drinking water (2000)	The revenues from water sales remain entirely at disposition of the W&S sector
Decree establishing the conditions to ensure support services by the Service Departments of delegated State Authorities	Delegated State Authorities and Service Department provide services and support on demand formally submitted by local governments
National Water Policy (February 2006)	The delegation of the management of service provision by Local Governments must be secured with performance based contracts

b)   *Topic Case*

History of the topic case:

The Municipality of Sido is composed of 26 rural villages, and has a population of about 15'000 inhabitants. Water facilities include 11 open wells and 35 water points with handpumps. The majority of them are older than 14 years.
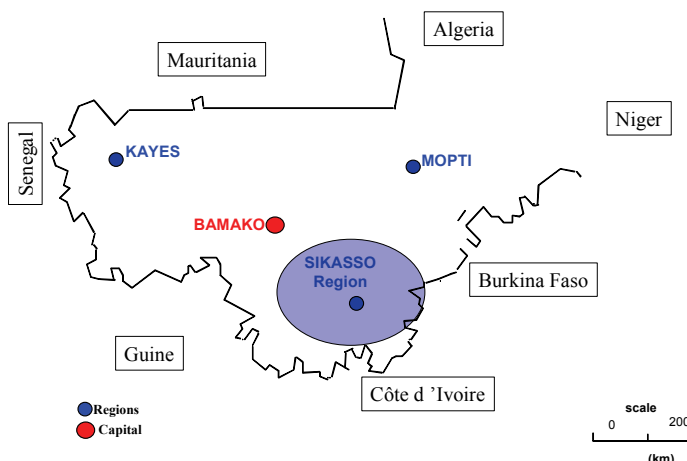
In 1999, the first mandate of Sido Municipality started with first municipal elections. The delegation of responsibilities for W&S service provision became a challenge for all actors newly involved in the process. Although some trainings were provided by NGOs and Government institutions, particularly the Communal Council faced capacity problems. Another challenge was that villagers trusted neither their own water management committees nor the newly elected representatives at the level of the Communal Council. At the same time, the private sector continued to operate in the framework of projects but with little interest to collaborate with the new local government structures. And in general, the public administration of the central state lacked the willingness to support the decentralisation process, fearing loss of power and control over resources.

As a consequence of these constraints and lack of progress in assuming the delegated responsibilities - in 2003, after the second municipal elections - the municipality found itself in a rather difficult situation regarding the provision of water services to the rural communities: 15 out of 35 water points were more than 20 years old, and 12 out of 35 handpumps were out of order. Furthermore, none of six municipal projects that were planned during the first mandate were implemented (2 projects for safe water access, 1 project to reinforce water committees, 1 project to set-up sanitation committees, and 4 agricultural projects).

At this point of time an international NGO launched a «manifestation d'intérêt» for supporting water services management at municipal level. The application of the Sido Municipality was accepted, and in 2004 the municipality in collaboration with communities and the local private sector took the initiative to develop service systems in 6 selected pilot villages. The initiative included the launching of a social mobilisation and communication process, the establishment of management structures at different levels, the rehabilitation of water points, and the introduction of a water payment system.

This positive experience will now have to be extended to other villages. Collective solutions will have to be found in collaboration with other Municipalities to establish services that meet the demand of the communities. The further development of decentralised service provision will also depend on how effectively the overall administrative and sector reform process will be supported by the central Government and other externally supported capacity building and investment programs. The challenge of the Municipality of Sido is to influence positively the transfer of competencies and resources to the local level.

Stakeholders: Roles and Capacities

The main stakeholders are the Communal Council, *villagers, Water Management Committees, water consumers, private sector, and the public administration.* The following graph shows the relationship and interaction between these actors in the water service management system:
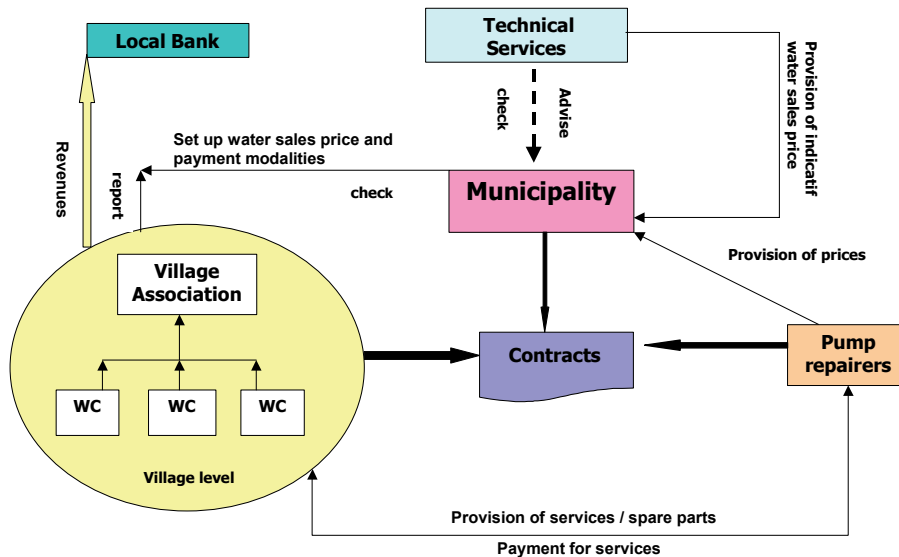
The table below shows what – in connection with the pilot program - has been achieved in terms of capacity building at the level of each of these stakeholders:

Stakeholders	Before	Now
Communal Council	Weak capacity for their new functions Weak ownership for the process	- Municipal W&S Commission established - Water service management contracted - Municipal support to service providers getting equipment and capacity building
Villagers	Lacking trust in Communal Council and Water Management Committees	- Principle of water sale and pricing of services prices introduced - Payment modalities established
Water Management Committees	Not existent; weak organisation;	- All Village Water Management Committees members of a formally established Association - Bank account used to deposit funds from water sales - Regular reporting to villagers and Municipality
Water Consumers	Unaware of risks linked to use of unsafe Water; use of unsafe traditional water sources (still now)	- Sensitised for safe water consumption - Payment for safe water accepted
Private sector (pump repairers)	Maintain "project spirit"; no trust in decentralisation process	- Permanent availability for repairs - Provision of spare parts at standardised prices - Payment based on services rendered
Public administration	Lack of willingness to support the decentralised process, fearing loss of power and control over resources	- No change

Strengths and weaknesses of each stakeholder are summarised below:

	Strengths	**Weaknesses**
Communal Council	• Legitimate authority (document of transfer) • Improved management capacity • Existence of Communal Development Plan • Trust of villagers	• Weak management capacities • Not all Councillors are literate (40% illiterate) • Limited financial resources • Lack of technical services
Villagers (users)	• Concern for conditions of water supply systems • Selection of Water Management Committees by village population • Water payment modalities defined by village population	• Poverty: Communities pay only partial contributions to the municipality • Lack of awareness and information • Weak negotiation skills
Village Association / Water Management Committees	• Elected by village population • Official status • Contract with Municipality • Women in leadership positions • Transparency, reporting to public and Municipality	• Illiteracy • Cultural/traditional constraints essentially for women
Pump repairers	• Capacity, skills, experience • Recruited locally • Relationships and culture of collaboration with Water Management Committees	• Insufficient service providers • Old equipment • Illiteracy • Lack of entrepreneurial spirit
Public administration	• Technical capacity • Responsibility and power for policy and regulation	• Not present at Municipal level • Lack of financial and human resources/ poor working conditions • Resistant to decentralisation process

Support Mechanisms and Capacity Building Processes:

There are essential needs for capacity building being:

▪ Support for the establishment of a local technical service at inter-communal level (one service for 3 'Cercles')

▪ Strengthening of the institutional and organisational capacities of regional and local Technical Services (institutional diagnostic and organisational development plan, data management, training, budget support)

▪ Support for the elaboration of planning and decision making tools (participatory approaches, methodological guidelines, data base development and updating, etc.)

▪ Support to establish a multi-stakeholder platform ('cadre de concertation des acteurs de l'eau') at 'Cercel' level, chaired by the 'Cercle Council' and supported by the local Technical Service (including private sector service providers, community based organisations and other government services)

Basic capacity building mechanisms are provided through:

▪ Investment Fund for Local Governments (ANICT);

▪ Budget support by the State for the running of Local Governments;

▪ Advisory services for Municipalities at 'Cercle' level (Centre de Conseils aux Communes – CCC);

▪ Association of Local Governments of Mali;

The Government provides some capacity building, such as:

- Trainings of CT- *Collectivités Territorial* (on decentralisation and local level governance) at national and regional level;

- National and regional workshops on the transfer of competencies;

- Support for the elaboration of municipal social, economic and cultural Development Plans (PDSEC);

- Availability of guidelines and instruments for water service management by Government (DNH);

NGO support for capacity building processes is provided in the form of the following five steps:

- Step 1: Identifying the municipality's willingness

- Step 2: Making available institutional development service provider to support the process

- Step 3: Functional analysis and implementation of capacity building programmes

- Step 4: Support for setting-up a dialogue between the Municipality and villagers

- Step 5: Budget support for infrastructure rehabilitation and application of learning

Lessons Learned

The main lessons learned regarding the decentralisation process so far are summarised below:

- The allocation of shared responsibilities, the broad participation in decision-making and the need for accountability have allowed for a strong mobilisation of the citizens and the development of locally adapted solutions;

- The availability of legal documents and guidelines and manuals of procedures have facilitated the implementation of the decentralisation process;

- A well managed dialogue between the Municipalities and the village population has led to an increased trust in the new structures and ownership and acceptance of new roles and responsibilities;

- The multi-stakeholder dialogue at 'Cercle level' have allowed the Municipalities to exchange and develop solutions at the inter-communal level;

- Information dissemination and capacity building of all affected (Municipalities, population, Government services) have been key to ensure the process of decentralisation.

Challenges:

Still remaining challenges are summarised below:

Concerning inter-municipal services:

- To implement a decision of 24/26 Municipalities and of the 'Cercle Council' to establish an inter-municipal association (*syndicat inter-municipal*) with the intention to put in place a joint technical water service;

- To harmonise with the government approach of establishing technical services at 'Cercle level' (SECOM);

- To secure the transfer of competencies to the inter-communal association and the financing of its activities.

Concerning financial management:

- A transfer of competencies without transfer of human and financial resources limits the capacity of the elected Local Governments and undermines the legitimacy of the decentralisation process;
- To improve the capacity of the Municipality in responding to the community demand through communal fund/tax mobilisation;
- To establish a payment system that allows for a proper control of water sales;
- To safeguard the revenues originating from the sales of water (in a bank deposit);
- To put in place a municipal fund for the rehabilitation and replacement of municipal water infrastructure.

Concerning service provision:

- To extend the experience and improve the access for another 24 villages to safe water supply;
- To extend the delegation of management of the water supplies to another 24 villages;
- To put in place an inter-communal mechanism for the supply of quality spare parts;
- To set up a joint technical water service with 25 communes.

Possible way-out/options:

- Roles and responsibilities of actors need to be clarified;
- Water sale initiatives and/or competition can result in better management of service delivery;
- Maintenance contracts can encourage private sector to offer services;
- Follow-up programmes with reporting and communication mechanisms between the municipality and the villages need to be established.

4.2.2   Analysis of the case

Participants in the working group:	Sergio de Leon, Christian Disler, Moussa Doumbia (case presenter), Kaspar Grossenbacher (coach), Fatoumata Guindo-Sibide, Agossa Hadonou, Mohammad Shafi, Ould Mohamed Mahmoud, Fataou Salami, Franck Sylvain, Cheick Tidiane Tandia

Short summary on the context concerning decentralisation:

- There are three decentralised levels in Mali: Region, 'Cercle', Municipality;
- Local Governments are able to undertake activities in cooperation with other Local Governments.

The following diagram illustrates the status of decentralisation in the Mali case. It shows that the political decentralisation is more advanced than the financial and the administrative aspect of the whole decentralisation process.

Decentralization mix	The Mali case
Political (including: legislation, policies, regulation)	Fully Centralised ··········· ■ ···· ▲ ● → ·· Fully Decentralised
Financial (investment and running costs)	Fully Centralised ● → ■ ▲ ············· Fully Decentralised
Administrative (institutional, organizational, HRD)	Fully Centralised ···· ▲ ·· ■ ● ········· Fully Decentralised

Political decentralisation:

● *General:* Local councils have been elected and political power has been decentralised to the local level, and have been entrusted with a wide range of tasks. Local authorities are recognised by their constituency, but accountability mechanisms are still very weak. In that sense municipalities may appear for many citizens as an arm of central government. Local governments are frustrated because of lack of resources to fulfil their political mandate.

■ *W&S Sector:* Policies are decided upon on central level. There is little space for municipalities and citizens to shape policy in the W&S sector. Municipalities are to a large degree responsible for the execution of norms and regulations defined by central government. Active participation of the population in decision-making processes is not yet achieved.

▲ *Topic case:* The municipality has taken up to build a close link to the communities. On the one side the mayor and the municipal council which represents the communities are regularly informing about the activities performed by the local government, and on the other side, they are active in collecting the views of the citizens regarding the supply of safe drinking water.

Financial decentralisation:

● *General:* Practically no decentralisation of state funds to the local governments has taken place. Very little funds are transferred to lower levels. Nationally operated investment funds are inefficient and very difficult for local governments to access. Generation of revenues by municipalities is very limited and a large part of what is raised needs to be transferred to the national/regional treasury. Municipalities of viable size are seen as a prerequisite to further and effective financial decentralisation.

■ *W&S Sector:* The general situation is mirrored in the case of the W&S sector. Investment tools/mechanisms are not working effectively and revenues and taxes for services are not administered locally. Donors start to support the development of more regional investment mechanisms to which the municipalities will have easier access. Recycling of waste provides municipalities with a modest income to finance communal services (waste collection). Cost recovery for major repairs and rehabilitation is still a big concern in the rural areas.

▲ *Topic case:* The municipality with limited access to state funds and revenues has arranged donor/NGO funding for investment projects. Communities are responsible for the financing of operation and maintenance and smaller repair works. Community funds have been

established for that purpose. The tariffs and contribution are negotiated between the municipality, the communities and the private sector.

Administrative decentralisation:

● *General:* A wide range of sector responsibilities has been transferred to the local government level. Regional authorities are responsible for the transfer of competence to the urban and rural municipalities. This process is delayed because regions themselves often do not have the required resources. Municipalities have and use the freedom to enter into inter-communal arrangements, which allow a concentration of scarce resources and skills.

■ *W&S Sector:* The responsibility for the delivery of communal services (incl. water, sanitation and solid waste) is transferred to the municipal level. Large water supply schemes of rural towns are managed by state enterprises. Municipalities of rural towns receive also some support from the Regional Government. Overall skill and know-how are low and unsuitable to deal with increasingly complex problems (collection/treatment of toxic wastes).

▲ *Topic case:* The municipality deals actively with problems, which could not be addressed by central state authorities and the communities. It is successful in attracting investments for water point rehabilitation and capacity building of the municipal council and the community structures built up to deal with WATSAN matters.

The working group worked out the following table, which illustrates the decentralisation levels and related responsibilities:

Levels	Responsibilities	Stakeholders			
National	Responsible for W&S regulations and water resources development	Government Donors	Haut Conseil des Collectivités, Association des Municipalités du Mali	CCN	National Water Fund: ANICT, PROSEA
Regional	No competencies transferred (!)	Regional Assembly	Gouverneur, Regional Technical Services	Association des Municipalités du Mali	National Water Fund: ANICT, PROSEA
'Cercles' (inter-municipal level)	Responsible for W&S provision at inter-communal level	'Cercle' Council	Local Administrations	Association des Municipalités du Mali, Syndicat Inter-Municipal	CCC, SECOM (SDC funds)
Municipal	Responsible for W&S provision at municipal level	Municipal Council	Water Municipality Committee	W&S Association	Service Providers

In a further step, the working group analysed the main constraints, opportunities, necessary capacity building and most influential actors, which are summarised in the table below:

	Constraints	Opportunities	Necessary Capacity Building	Influential Actors
National	Weak fiscal decentralisation Difficult donors' coordination	Strong stakeholders' interest in inter-municipal solutions Fund for inter-municipal investments Legal basis for inter-municipal services	Lobbying for enabling conditions to set up inter-municipal relationships Platform for dissemination of lessons learnt & policy dialogue	Direction Nationale des Collectivités Territoriales Association des Municipalités du Mali Coordination PTF-Water Sector Haut Conseil des Collectivités Unions (Syndicats) NGOs
Regional	Unsatisfactory avail-ability of Governmental Technical Services Heavy bureaucracy: Too many administra-tive/decision-making levels	Deconcentration of investment funds	X % of investment funds to finance inter-municipal services	ANICT, PROSEA
'Cercle' (inter-municipal level)	Unclear implementation modalities to set-up inter-municipal services; Undefined W&S competencies at inter-municipal level	Competence for inter-municipal W&S services at Cercle level; Transformation of Communal advisory office into Service Centres	Development of inter-municipal W&S services; Establishment of consultation platform	CCN, Inter-municipal Association, NGOs, SDC Regional Fund
Municipal	Competence but no means; Change of newly trained Councillors	Inter-municipal associations exist; Service providers at municipal level exist; Pilot experience in 2 villages	Sido Municipality as 'resource centre' for other municipalities/villages; Development of a revenue base; Experience exchange	CCC, Municipal Council, NGO, W&S Commission, Service Providers, Technical Governmental Services
Village	Weak capacity to push for accountability; Socio-economic conditions of people	Village level water point management	Establishment of Village W&S Associations; Civic education and community capacity building	Municipal Council, NGO, W&S Commission, Service Providers, Technical Governmental Services

4.2.3   Conclusions and proposals for action

The group work identified still remaining challenges, but which can be tackled through specific actions:

Weak accountability at local level (e.g. water point committees): the village elite controls and has low social accountability. This problem can be solved through 'public audits'.

There is a tremendous complexity of various responsibilities for water supply at the various governmental levels in Mali. The question is 'who is doing what'. Here, a certain focus is needed with clear roles and responsibilities. And the number of roles and responsibilities need to be minimised.

How to overcome challenges at inter-municipal level? Here, the establishment of an inter-municipal W&S services association would help. And the development of a consultation platform for associated municipalities can foster their linkages.

How to tackle challenges of financial management? A solid payment system that allows for an effective control over water sales should be introduced. Revenues from water sales should be saved in a bank deposit for necessary upcoming maintenance activities. And establishing of a municipal fund for future investments in the municipal water system can be very useful.

How to decide on the 'right' balance of engaging the private sector for public service delivery? What should be sub-contracted and how much? One possible strategy would be to start with maintenance contracts in order to encourage the private sector to offer services. In addition, actors should establish a reporting/communication mechanism between the municipality and the villages to exchange experiences with the private sector about ensuring quality.

The group discussion generated also some open questions, whereby answers have to be found together with project partners and the governmental actors in the course of further developments:

- Problem of losing valuable knowledge when personnel changes;
- 'Old' personnel is often resistant to changes; they fear to lose certain responsibilities and power;
- National level is reluctant to give away decision making power, also because donor funds flow through that central level;
- Few donors work through local governments; most of funding is channelled through the central governmental structures; therefore, local governments' access to (aid) funds is only limited;

4.3   The South Africa case: Water Supply Management at Local Level

4.3.1   Presentation of the case

Country	South Africa
Sub-sector	Rural Water Supply
Working Title	Rural water supply in South Africa: The case of Sisonke District Municipality
Central Question	How to achieve localised management, higher accountability, local level planning, appropriate technical solutions and strong stakeholder relations?
Project Organisation	Municipal Water Service Masibambane national water sector support program
Stakeholders	Department of Water Affairs and Forestry, Local Government Association, Sisonke District Municipality, Water Information Network, Civil society

a)   Decentralisation Context and the Water & Sanitation Sector

Current political system and government decentralisation policies:

In 1994, South Africa underwent a turning point for a new democracy era through new elections. The new democracy inherited huge socio-economic and political discrepancies in the country. At that time, three independent spheres of government were established:

- National
- Provincial (with 9 Provinces)
- Local ('Metros', District & Local Municipalities)

A decentralisation process has been started since 2000 with transfer of assets, functions and staff to municipalities. As a result, local governments receive nowadays direct funding.

W&S sector policies or sector reforms:

A democratisation process draws political emphasis on the W&S sector reform since 1994. In that year, after the democratisation of South Africa, basic water supply and sanitation was given high political priority. The new government inherited massive backlogs with an estimated half of the population lacking adequate basic water and sanitation facilities, mainly in rural areas. In some cases, existing infrastructure was deteriorated and in general there was a total absence of billing systems and cost recovery. Under *Apartheid* segregation, 'homelands' were created for 'black' people. They were economically and agriculturally poor, with mainly rural populations and some high-density settlements, which were labour pools for neighbouring 'white' areas. Water services were the responsibility of these homeland governments and there were no local government structures in rural areas. The water services departments of these homeland governments were incorporated into the national Department of Water Affairs, which was also given the responsibility of addressing the basic water services shortfalls whilst the new local government system was being established. This responsibility included development and implementation of interim policies, implementation of new basic water supply and sanitation infrastructure and operation and maintenance of existing schemes.

The Water Services Act of 1997 stipulated that local governments take over the role of a water services authority, being responsible for water services. However, the local government system underwent massive transformation. The new local government system and applicable legislation was only fully introduced in 2000. Water Services Act of 1997 and the Municipal Systems Act of 2000 legislate for the establishment of the following entities:

- **WS Authority (WSA)**: This must be a municipality (metro, district or local) if authorised; it is responsible for ensuring access to water supply & sanitation services.

- **WS Provider (WSP)**: A WSP is contracted by the WSA to provide required W&S service; a WSP can be the municipality itself or any other public or private body.

Functional Areas and Responsibilities of WSAs

As a whole, decentralisation of water supply delivery has been a driving force for transformation of the water services sector in South Africa over the past 6 years. The decentralisation process includes:

- Transfer of assets, functions and staff to municipalities;

- Division of power and functions between the district and local municipalities;

- Fiscal decentralisation, with direct funding to local government, specifically through the Municipal Infrastructure Grant;

- Institutional reform and development within the sector;

- Review of the role of the Department of Water Affairs and Forestry and restructuring to fulfil its policy, regulatory and support role and alignment of water resources and water services activities;

- Mainstreaming of support to the new local government structures;

- Coordination of inter-governmental planning across the three spheres of government;

- Systematisation of accountability through sector monitoring and reporting;

The decentralisation process has been driven by various parameters, which are summarised in the illustration:

In general, the transformation process has led to a need to ensure that efforts and initiatives of the various actors within and outside of the government are coordinated and integrated leading to effective, efficient and sustainable water supply and sanitation services to communities. As a result, the water services sector adopted a sector wide

Drivers of Decentralisation
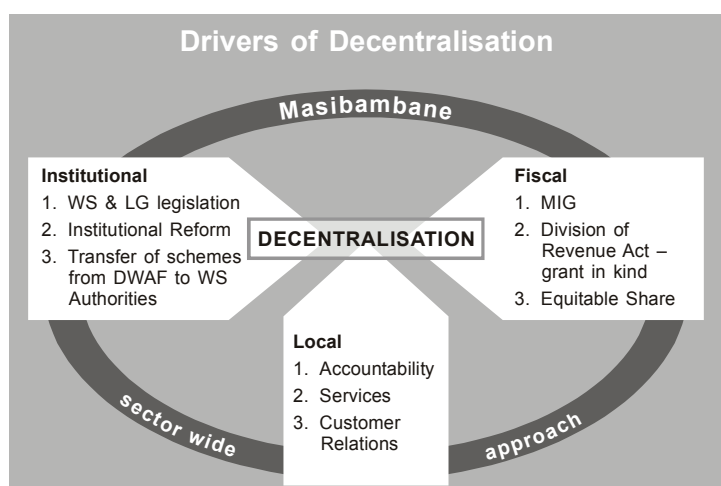
approach, bringing together all water services role players to better support and work with local governments in all facets of water services provision with special focus on:

- Collaborative development of sector wide strategies and implementation plans;
- Development of mechanisms for joint decision making;
- Coordinated systems for financial accountability, performance monitoring, and reporting;
- Institutional development and capacity building of local governments and the sector as a whole;
- Creating a learning culture in the sector through the documentation, sharing, dissemination and application of lessons and best practice.

Major problems and challenges, which local authorities and communities face in establishing good local governance practices and decentralised management structures:

The decentralisation process meant that provision and local regulation of water services functions would be transferred from the national government to the local governments. Although local governments had been prepared for this transformation there are still various challenges. In the case of Sisonke District Municipality the following challenges exist:

- Lack of institutional knowledge and capacity. Sisonke District Municipality was a totally new municipality, established through the democratisation process of 2000 (capacity/skills drain, new staff and fast turnover, no institutional memory);
- Meeting the widespread demand in a quick manner whilst ensuring sustainability of operations with sufficient cost recovery, given it is an economically poor area with massive backlogs;
- Institutional challenges – governance, planning, delivery and sustainable operation and maintenance (establishment, transformation and delivery- all at the same time!);
- Meeting political priority need of access for all (basic services infrastructure) to the neglect of asset management and O&M (including higher service levels which generate income);
- Realities on the ground mitigate against implementation of enlightened and progressive legislation and policies;
- Enormous demands on municipalities - fiscal dumping;
- Financial viability and economy of scale (lack of affordability given 40% unemployment);
- Integrated planning across sectors despite the municipal IDP (Integrated Development Plan);
- Immature regulations, benchmarking and monitoring;
- Limited locally based supplies and competent service providers;
- Politicisation of water services, especially due to historical animosity and fighting between the two major and evenly matched political parties.

Benefits of decentralisation & Sector Wide Approach Programme:

The purpose of decentralisation was to bring water service delivery closer to the people. This is regulated by the Constitution of the Republic of South Africa. One of the benefits of decentralisation would be that planning would be done at local level in order to ensure integration with other sectors and local economic, social and development goals. Also a closer accountability to customers and ability would meet real needs, and improve customer relations, especially through ward committees. An active participation of all involved actors to share learning and to

understand better the bigger picture (legislation, policy, targets, strategy, direction). This would lead to strong sector stakeholder relations and beneficial exchange, such as District Water Services Managers Forum, Water Service Provider Network, Water Information Network of South Africa and South African Local Government Association and mentoring by the Ethekwini metro. A decentralisation process can encourage the support and capacity building through the sector network like Department of Water Affairs & Forestry *Masibambane* support programme.

A key vehicle for decentralisation has been the *Masibambane* support programme initiated in 2000. It aims at building a strong and organised W&S sector through creating a common identity and ownership with a strong leadership, collaborative structures and processes, alignment of strategies and programmes, and support and knowledge sharing.

Moreover, the National Treasury 'forced' decentralisation by redirecting the capital budget to local governments. And the W&S authorities have become central and decisive players. The W&S sector partners' capacity has been strengthened – in particular WS capacity in SALGA (South African Local Government Association) and within the municipalities.

b)   Topic Case

History of the topic case:

The Sisonke District Municipality is one of 284 municipalities that were established in South Africa in 2000, in line with the new three-sphere government as entrenched in the Constitution of the Republic of South Africa (Act 108 of 1996). With the authorisation of powers and functions by the Minister of Provincial and Local Government empowered by the Local Government Municipal Structures Act (Act 117 of 1998), the Sisonke District Municipality is both, water service authority and water services provider in its area of jurisdiction. The municipality's main challenges are scarcity of skills and resources. Within its jurisdiction there is a number of small towns, yet the population (about 312'000 inhabitants) is mainly rural, with high levels of unemployment (approx. 75%). Half of all households receive water services above the basic standard. 42% of the households receive sanitation above the basic standard. The table shows the historic development of Sisonke concerning the decentralisation process:
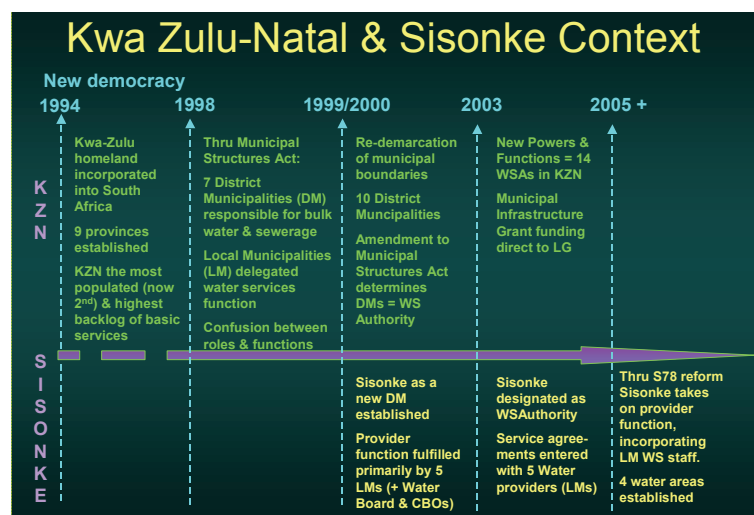
The Sisonke District has faced many challenges concerning W&S services so far. The district inherited large deficits and an unsustainable financial situation from local municipalities due to lack of planning. In 2004, the district entered an interim service level agreement together with the local municipalities until the completion of the institutional reform process. Furthermore, there was some resistance by the to WSPs towards Sisonke district to take over the role of the WSA. There was no real desire to cooperate. A poor understanding of the separate roles of

WSA and WSP worsened the situation. And reluctance from the side of the WSPs to report back was a challenge as no verifiable technical and financial information was available. And lastly, staff members were not very eager to stay in Sisonke due to the geographical location. It is not attractive to skilled and managerial staff combined with relatively low salaries. However, there were some opportunities to solve problems in Sisonke:

- ▪ 'Basic services' is a top political priority and therefore national funding has been made available;

- ▪ Sisonke has surplus water which can be sold/supplied to other areas, but this needs dam building investments;

- ▪ Strong impact on people's lives through community based and labour intensive approach, SMME develop-ment (plumbers, builders, O&M);

- ▪ Certain creativity to improve people's livelihoods and nutri-tion;

- ▪ Option to introduce community based water monitors;
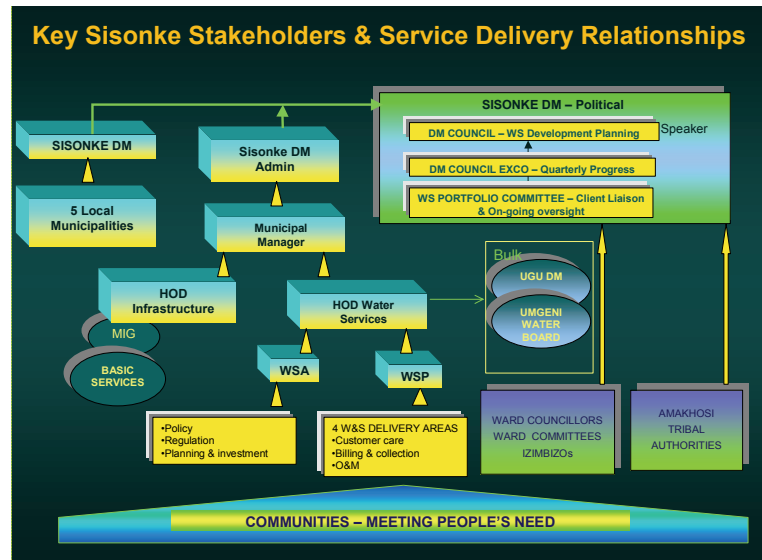
The stakeholders' relationships are illustrated in the graph:

Lessons Learned and Challenges: What are main problems and way-out options?

Problems	Way-out Options
Institutional:	
Political turnover/lack of continuity (councillors are elected for 5 years)	Reach out and work intensively with all communities- despite political comings and goings managed to build up good basis and trust.
	Ensure introduction of councillors, keep them informed, foster personal working relations (especially with WS portfolio councillors)
	Enhance planning at local level to ensure continuity and integration with other sectors;
	Introduce regular information sharing from national to decentralised levels;
Staff retention and lack of handover and institutional memory; scarcity of institutional knowledge and capacities	Establish & maintain systematic information/knowledge system, and develop knowledge sharing culture;
	Review conditions of employment;
	Promote skills acquisition: carefully identify key competencies in job descriptions, including soft skills such as change management, communications etc., ensure needed support;
Transformation and staff transfers etc. create suspicion, insecurity and territorialism	Establish & maintain systematic information/knowledge system, and develop knowledge sharing culture;
	Be people centred – people react differently: foster openness and honesty for collective ownership of problems- recognise

Problems	Way-out Options
	gaps & weaknesses and support to address;
	Put *Human Relations* at the forefront of transformation;
Legislation/policies do not favour community based models (risk exposure and legal liability)	Concentrate on community based water monitoring & establishment of independent service providers and contractors
Politicisation of water services;	Information sharing from national to decentralised levels;
	Information sharing between sectors to create strong sector relation;
	Introduction of M&E systems, and improved accountability;
	SWAP for donor coordination, consolidated budget, and allocation towards sector goals and objectives;
Organisational:	
Meeting rapidly the huge demand in services	Planning at local level to capture demand;
	Information sharing between sectors to tackle demand;
Establishing sustainable and viable operation systems	Planning at local level to establish effective M&O system;
	Capacity building;
Limited locally based competent service providers; limited private sector/service provider capacity (not attractive)	Examination of reliability and professionalism of service providers
	Capacity building; Make education & training accessible to local people – with focus on women;
	Introduction of M&E systems, and improved accountability;
	Push for longer term funding and offer longer term contracts;
Fragmented planning & development system	Introduction of regular communication with other municipal functions/departments;
	Work with other municipal structures to ensure procedures and approval processes to deal with development implementation;
	Foster sharing of plans (don't keep 'cards close to chest');
	Know the status of assets/anticipate future and take time to plan;
	Even if district (and not local) level, build in local level responsiveness.
	Review existing infrastructure given focus on basic services;
Financial:	
Lack of economy of scale and financial viability	Develop indigent policy: Quantify verifiable information on free basic services needs and costs for national subsidy;
	Standardise tariff and indigent policies; Harmonise tariffs and billing with other services (electricity);
	Work with neighbouring municipalities e.g. for shared bulk service provision with District Municipality;
	Planning at local level to incorporate socio-economic goals;
Salary discrepancies (Sisonke provides only low paid salaries)	Review salary structure and incentives for good performance and longer tenure;
	Contractually obligate hand over to/mentoring of newcomer;
	Review conditions of employment;
	Standardise *Human Relations* policies;

4.3.2 Analysis of the case

Participants in the working group:	Assefa Biru, Ndala Duma, Yeyung Ghogomu Mbiminah, Neil Herath, Palitha Jayaweera, Nomonde Mnukwa (case presenter), Christoph Morger (coach), Sibusiso Mthembu, Antonio Vasco

The working group identified the various administrative layers of decentralisation in South Africa, in particular in Sisonke District.
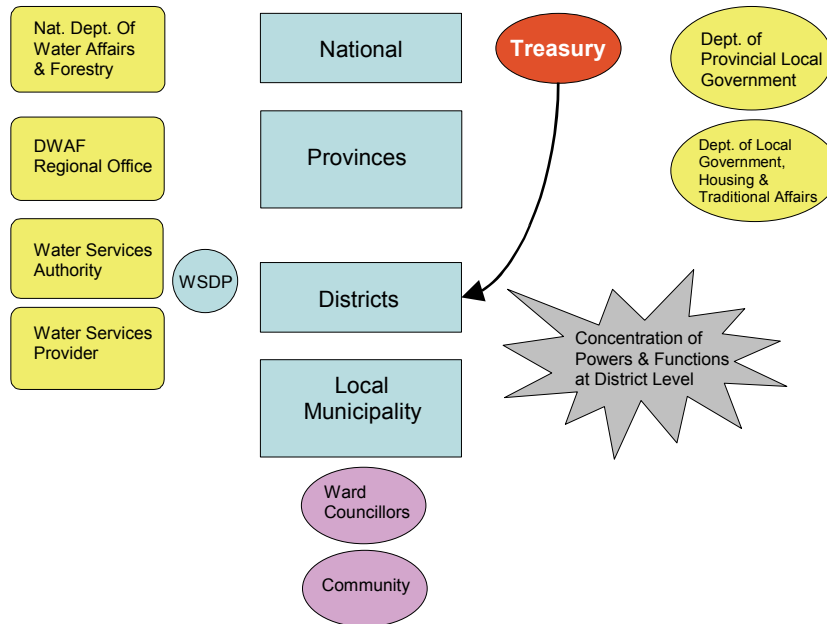
The decentralisation process started only recently. Similar to the Mali case, also the South African case has a further developed political decentralisation process with regard to the financial and administrative aspects. The political decentralisation processes is rather on a good track. The diagram below illustrates the decentralisation trends in South Africa:

Political decentralisation:

● *General:* South Africa went through a decentralisation process after the democratisation in 1994. The process was in a way a concentration of responsibilities at the district level. This means that responsibilities of the central level were decentralised whilst those of the communities were "centralised" at the district level.

■ *W&S Sector:* Formally the district level is in charge of Water Services. The democratisation process focused on the W&S reform. As a consequence, a Water Services Act was passed in 1997 stipulating that local governments are in charge of providing basic water services for all. This took the responsibility away from the communities, which before assumed this responsibility due to lack of support from the central government. Water service provision has a high political priority, but is also highly politicised.

▲ *Topic case:* Sisonke district is no exception; the District Municipality was established in 2000 and is subdivided into 5 Local Municipalities. A Water Service Authority (WSA) is established at the district, which is responsible for ensuring access to water supply and sanitation services.

Financial decentralisation:

● *General:* The decentralisation process in South Africa includes financial and fiscal decentralisation. There is direct funding to the local government especially through a Municipal Infrastructure Grant.

■ *W&S Sector:* Due to the huge backlog in water & sanitation facilities, funding through the Municipal Infrastructure Grant is highly inadequate. The municipal water authorities have the power to set water tariffs but they also have the legal obligation to provide basic services to poor people for free.

▲ *Topic case:* Sisonke District is a predominantly rural area with a very high unemployment rate of about 75%. This means that the majority of the people are not able and are legally not required to pay for W&S services. This leads to a situation that almost no water revenues of taxes are collected.

Administrative decentralisation:

● *General:* The transfer of responsibilities to the District level has been implemented since 2000 with transfer of functions and staff to the municipalities. Due to initially massive transformation and reorganisation of the local government and administrative system, the process of decentralisation is a continuing one.

■ *W&S Sector:* Local governments are the Water Services Authority. The services can be provided by the municipality itself or contracted to other public or private bodies, the Water Service Providers (WSP). Present legislation and policies do not favour community-based models since districts cannot devolve risk exposure and legal liability to community levels.

▲ *Topic case:* The Sisonke District Municipality is administratively in charge of water services. It is both, the Water Service Authority, and the Water Service Provider. Initially there was some reluctance of the district to take over the WSA from the local municipalities as WSP and there is still a poor understanding of the separate roles of the two and poor communication and coordination. Planning and construction of infrastructure is handled at the district level with a certain involvement of communities. Operation & maintenance is handled by 4 regional offices.

The working group also worked with the question, whether decentralisation - below the district level - makes any sense or is effective:

	Present Scenario	Suggested Scenario (Proposed Solutions)
Planning & Construction of New Schemes	District together with the Ward Councillors Communities are involved only after the project prioritisation	Involve communities from inventory collection stage onwards Undertake civic education Introduce discussion platforms for stakeholders Mobilise local contributions (cash & in-kind)
Operation & Maintenance	District O&M in 4 water offices	Undertake capacity building for O&M at local level Make local municipalities responsible for O&M Use water monitors/caretakers
Cost Recovery	No collection of revenues/taxes in rural areas, even when people could afford it	Introduce stepped tariffs system Undertake capacity building at the very local level Make local municipalities responsible for tariffs' setting District should consult with local municipalities during tariffs' setting Undertake gradual phasing out of existing subsidies
Policy Making	Tight regulatory frame work restricts any flexibility	Lobby for change at policy level

4.3.3   Conclusions and proposals for action

The group work identified still remaining challenges, but which may be tackled through specific actions:

How can we better integrate the very local level?

- Community participation is needed: Involve actively communities from early stages onwards;
- Ward Councillors should be included right from the beginning during the planning process;
- Ward Councillors and the community should do capacity building; clarify who will build up the capacity of local communities, and who will monitor this;
- Local committees should be responsible for water supply;
- Introduce discussion platforms for all stakeholders;
- Lobby for change at all policy-making levels.

How can we overcome financial challenges?

- There is a discussion whether water should be for free or whether one has to pay for the water supply; therefore, a stepped tariff system appears to be quite attractive: the water price is set according to the household income; as a whole, it would be a governmental decision to provide free water;
- Financial flows should follow the delegation of tasks and duties;
- Undertake gradual phasing out of existing subsidies.

How can we improve M&O systems?

- Monitoring of local municipalities' performance is needed; an appropriate monitoring framework is already in development;
- Undertake capacity building for O&M at local level;
- CBOs should compete with the private companies in water services;
- If the public sector does not perform well in services delivery, the private sector could step in; In future times, a mixture of half-privatised or fully commercialised water sector organisations may emerge; This is also a question of definition: privatisation vs commercialisation.

What should be the role of the local municipality?

- Make local municipalities responsible for O&M;
- Make local municipalities responsible for tariffs' setting (in consultation with the local water users);
- Local municipalities are not involved in water supply. One reason is that they have not yet the competency. However, this differs from place to place in South Africa. In some places, the district municipality is responsible for water supply, in others- it is the local municipality;
- In South Africa, water as such is a national asset, therefore water control is in principle guaranteed through governmental bodies.

4.4   Ukraine: Managing urban sanitation through community participation

4.4.1   Presentation of the case

Country	Ukraine
Sub-sector	Urban Sanitation
Working Title	Managing urban sanitation through community participation: Solid waste management in Ivano-Frankivsk City
Central Question	How to improve municipal governance and sustainability of local development through people's participation in decision-making?
Project Organisation	Municipal solid waste management office ('public-private' body) providing technical and marketing support, training and networking
Stakeholders	City Council, local community, private sector, NGOs, EU-Tacis, UNDP-MGSDP

a)   Decentralisation Context and the Water & Sanitation Sector

Current political system and government decentralisation policies:

Ukraine is one of the CIS countries with 48 million population. 60% of which live in cities of small, medium and larger size. The country has adopted a democratic system of government with power divided among the President, the Parliament and the Government. This new structure, initiated in 2006, is not stable yet. Political conflicts are often observed between the Government and the President on various national as well as development issues. The new constitution and the legislation grant substantial authority and responsibility to local government (village/city councils, rayon/oblast councils). However, Ukraine has still a strong division of power between the elected councils and state administrations, which are controlled by the Government and the President. Although elected councils at sub-national level have executive

committees, the decision-making power and the financial resources are largely controlled by the state administration.

Ukraine has formally embraced the European Charter on Local Self-Governance in 1997. Its development policy is influenced by its objective to join EU and by its commitment to the World Summit on Sustainable Development and to the Millennium Development Goals, all of which require integration of the participatory approach into the process of governance and local development as pre-condition.

The process of decentralisation is incomplete and on-going. The division of power and responsibilities is at the heart of the decentralisation debate in Ukraine. The stakeholders have not yet been able to agree on a common vision and common modality of the national agenda on decentralisation because of differing interpretations and understanding of what decentralisation means for the country. Key issues to be addressed for effective decentralisation are:

- The delegation of authority and responsibilities is not followed by adequate financial decentralisation;

- Decentralisation of administrative and income-making authority is in line with the size of a municipality;

- Territorial reform (for creating viable municipality size) is seen as a pre-requisite to financial decentralisation but different models of reform are yet to be converged;

- Regional autonomy is promoted as a part of decentralisation by some actors but it is considered as a threat of national disintegration by some others;

- Several dubious and non-reconciled legal provisions cause difficulty in execution;

- Frequent political crisis have delayed the strengthening of the decentralisation process.

Institutional set-up of local government and the process of decentralisation are illustrated in the scheme:
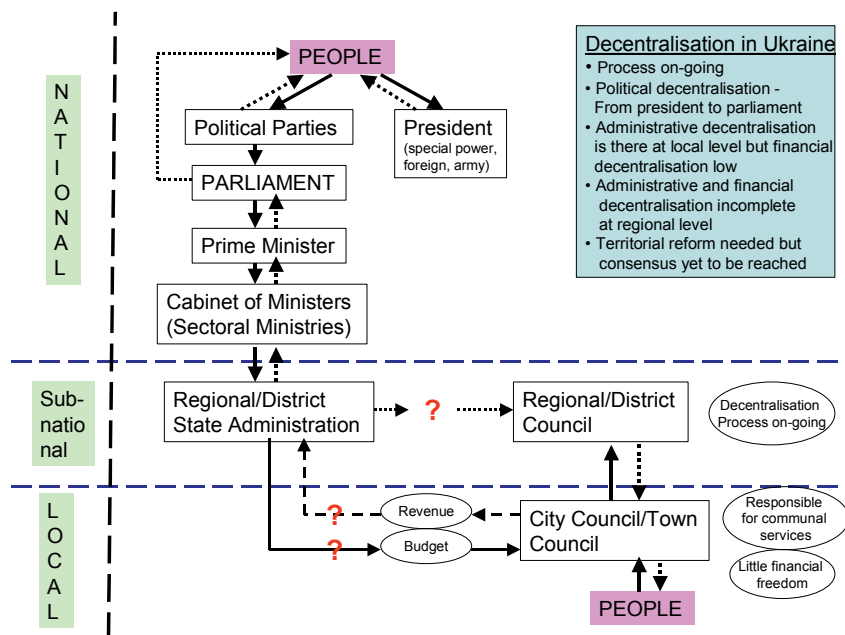
Local governments have the authority and responsibility for municipal services delivery. Yet, decentralisation is at the very first stage as finances and decision-making are still largely controlled by the central state administration.

Situation in the W&S sector:

Institutions involved in water and sanitation in the Ukrainian cities include relevant ministries, city water authorities (state enterprises), municipal service enterprises (public bodies) and commercial enterprises (undertaken by private sectors and local communities). These enter-

prises provide services without duplication. The concerned ministry has exclusive authority over water resources and policy making. The state/public enterprises provide services but face difficulties due to high inefficiency. The commercial sector is still at immature stage.

The W&S sector witnesses severe challenges due to poor technical condition of water supply, drainage and sewerage systems. However, the existing law allows regional and local governments to develop their own strategy and policy on improvement of water and sanitation services in their respective jurisdictions. But, the achievements in these directions have not been adequate due to resource constraints which local governments face, and inadequate technical capacities. In general, municipal departments of city councils are responsible for the local waste management. Often, wastes are dumped in open area demarcated for this purpose. Overtime, such an open dumping creates various forms of pollution. Efforts are underway to introduce the private sector in this field to render competition in service delivery. Also, some cities have initiated scientific dumping processes of waste, waste processing, and manufacturing technologies.

Unrealistic standards, developed during the Soviet era, hinder local governments from developing affordable and effective municipal services. The small and medium sized cities have poor income source especially due to inadequate financial decentralisation. On the other hand, the current legal provisions are outdated and do not allow mechanisms of joint financing with local communities. At the local level, the communities have hardly benefited from decentralisation process undertaken so far. Tariffing procedures on the municipal services are not yet conform with the actual costs of service delivery. It is mainly subsidised due to welfare considerations. Nevertheless, there are several examples of cost-recovery-based tariffs, where people become a part of the process. The current legal provisions are old and do not allow mechanism of joint financing with local communities. People's participation in the development process is relatively new and on-going. As a whole, policy-makers, civil servants and local government officials at large have inadequate understanding about the process of effective citizens' participation in the development and service delivery.

Water and Sanitation Sector in Ukraine

Cabinet of Ministers
Ministry of Building, Architecture, Housing and Communal Services; Ministry of Agriculture; Ministry of Environmental Protection and Ministry of Economy

> Sole authority for national policy on water resource

Ministry of Building, Architecture, Housing and Communal Services

> Authority for national policy on sanitation

Oblast/ Rayon Administration

City/Town Council

Gorvodokanal (City water authority)

> State enterprise to supplies drinking water

Housing and Communal Service Enterprise

> Communal enterprise for sanitation, heating, gas etc.

Commercial enterprises

> Local community and private sectors. Still at infancy stage

- State/public enterprises Inefficient   * Commercial enterprises more efficient, at limited scale
- General mindset for subsidised service   * Better cost recovery in commercial enterprise
- Joint financing with local community not well founded yet

Government strategy and policy in W&S on the national, state and local level:

On 24 June 2004, the Government of Ukraine adopted a law on "State Programme on Reform and Development of Housing and Communal Services in Ukraine". This law allows regional and local governments to develop their own strategy and policy on improvement of water and sani-

tation services in their respective jurisdictions. Furthermore, the Government has developed a long term plan (2006-20) to address the issue of safe and adequate water supply and sanitation – to be executed into three stages: 2006-10, 2011-15, and 2016-20. The following areas of actions have been stipulated for it:

- Prevent contamination of water sources;
- Increase reliability of water supply and drainage system functioning through prevention of losses and leakages in the existing physical infrastructures;
- Adopt energy efficient technology and equipment to reduce cost on water production, transportation and distribution;
- Support development of water supply and drainage system;
- Motivate for economising consumption of water;
- Improve legislation.

The achievement in these directions has not been adequate due to resource constraints and due to the frequent changes in the government.

Major problems and challenges, which local authorities and communities face in establishing good local governance practices and decentralised management structures:

It is necessary to change the mindset of the people, officials and policy makers to introduce competitiveness in the service delivery. Private sectors and local communities must receive greater access to that business. The work of municipal enterprises must be improved based upon business principle and consumers' satisfaction. The tariffs should be based on the costs of service delivery. In fact, there is a need of continued demonstration on participatory mechanism of local development and service delivery in Ukraine. Further major challenges being:

- Inadequate financial decentralisation
- Financial inability of the city councils to provide services
- Inefficient service delivery
- Mindset of subsidised services

b) Topic Case

Overview:

The city of Ivano-Frankivsk is an urban municipality with 235'000 inhabitants. Ivano-Frankivsk city is the regional headquarter with 'green tourism' as its major economic base. The Municipal Governance and Sustainable Development Programme (MGSDP-UNDP) established a partnership with this municipality in 2004 for the implementation of a participatory model within the framework of public private partnership. The partnership was based on willingness of the municipality to accept the principles of sustainable local development and commitment to share resources (physical, personnel and financial) for sustainable service delivery through community involvement. Basically, MGSDP builds capacity of the partner municipality to mobilise local communities and to make them organised into a neighbourhood organisation (NO). Similarly, academia, small businesses and the NGOs in the city are mobilised to form their respective networks. Established NOs/networks identify their development needs and prioritise them based on such criteria as nature (basic need versus general need), feasibility (able to contribute a part of the cost and participate in the implementation process), equity (benefiting 80% or more of the

population), and sustainability (to be maintained by the NO/network). The priorities are main-streamed in the municipal plan in course of the planning process of the municipality.

The NO/networks prepare proposals for their priorities, indicating the resource sharing by them, the municipality, and other public/private sector and external agencies. These proposals are assessed by a selection committee comprising of officials of the municipality, its technical department, and representatives of NO/networks and which approves the project in a competitive frame. The NO/network receives a grant, which includes resources from UNDP/SDC as well as the municipality, and it mobilises also own resources and from other stakeholders as envisaged in the proposal. NO/network implements the project by themselves. A quality supervision committee advises them in the course of implementation to ensure quality output. Upon completion of the project, the NO/network carries out public auditing in participation of its general members. If necessary, it hands over the new/repaired property to the respective department (of the government or municipality). The department provides usufruct right to the NO/network for operation, maintenance and use of the facility. The NO/network raises a fee from the beneficiary members to meet the operation and maintenance cost. Depending on the situation, it maintains local technicians or joins others for common technical personnel or lets the O&M function fully done by a private company.

The specific case presented focuses on **solid waste management** as a public service. The solid waste management project was initiated in 2006 with a specific objective to create a sustainable environment for collection, sorting, transportation, processing and disposal of municipalsolid waste (MSW), as well as reducing its detrimental effect on the environment and human health in the Ivano-Frankivsk city and in the region. It involves actions at local level as well as municipal level – including individuals, families (apartments), and buildings (public/private).

Note: Coloured circles indicate different type of containers for collection of segregated waste materials
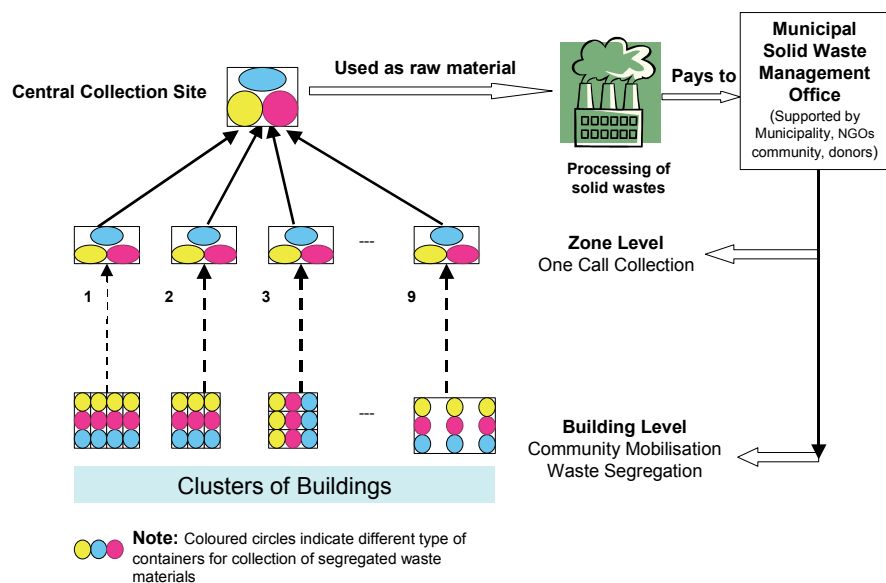
The project utilises a public-private-partnership approach for sustainable solid waste management in the city. The city has been divided into 9 zones. Residents of each zone are mobilised by community mobilisers. The community mobilisers are assisted by one or more active members of the building to ensure that each household segregates its wastes and brings them to the waste-containers nearby. There are three different containers at each site for three different types of solid wastes. A transport system collects wastes from these containers (based on a one-call-collection system) and transports them to the 'zonal dump site'. From the zonal dump site, the wastes are transported to the central dumpsite from where the processing company buys the wastes for further processing. This company exports the processed products.

The approach involves (a) a newly built waste processing private company (built under support of the municipality, oblast administration and a Polish firm); (b) a state owned metallurgy factory which is being converted into waste segregation factory; (c) a private polymer processing company; (d) three waste transport companies, including two private ones; (e) Ivano-Frankivsk city council; (f) solid waste management project (established under steering of city council, NGOs, citizens, academia); (g) a set of support agencies specialised in community mobilisation, research and campaigning; and (h) local communities.

Stakeholders

The main stakeholders are summarised in the following paragraphs:

City council – is capable to facilitate the process of public-private partnership; provide financial, personnel and logistic resources; serve as coordinator and custodian. It has capacity for planning and budgeting for public services delivery; the City has a clear strategy for sustainable solid waste management and it will keep working/investing on it in the future. It will save about 30% of the budget on this sector, which will be used for innovative investments approving tariffs and making local policy. However, the traditional service-providing unit of the municipality on MSW management is likely to resist the new approach. It may interfere into day-to-day activity of the mechanism.

MSW management office – currently implements the project. It is steered by city council, NGOs, citizens, academia. It plans to become registered as 'cooperative' from 2008 onwards (after the project comes to an end) formed by users/clients. The current planning process adopted by the management is of participatory nature – with involvement of media, civil society, local communities, local government, state bodies etc. It has a dedicated team that is aware of the community mobilisation approach. However, the team lacks prior experience and requires backstopping from time to time.

NGOs/public organisations (schools) – Are good in campaigning and organising trainings. However, it might be challenging to streamline their modus operandi and maintain a common voice.

Private sector – and public processing plants work on making huge investments from national (public/private) and international funding sources. The processing company buys solid wastes. It is capable of making investment, has high flexibility and low bureaucracy. It is eager to exploit profitable opportunities. However, it lacks prior experience. Accountability of the service providers has to be observed by the clients. The role of the city council needs to be defined.

Local communities – Are capable and willing to segregate wastes at the source and pay a part of the costs. It is challenging to maintain their momentum.

Regional/national governmental bodies – Are capable to adopt appropriate policies and make budgetary provision in favour of participatory mechanisms. However, they lack experience and awareness of participatory approaches.

Lessons Learned and Challenges: What are main problems and what are opportunities?

Lessons Learned include (a) the assumption that people have the willingness and potential to help themselves has proved to be true in Ukrainian cities; (b) involvement of the community members at large must be emphasised at each step in the process; (c) a few success cases at

community level must emerge before a larger scale activity (like municipal solid waste management) is initiated.

Challenges include:

- General weak legal bases;
- Reluctance of key stakeholders for community participation in managing public services;
- Developing a legal basis for community participation in management of public services;
- Eroded infrastructure;
- Inability of city councils to maintain and repair infrastructure;
- Changing the mind set of policy makers.

Opportunities:

- Participatory approaches can be successful despite of difficult setting;
- PPP (Public Private Partnership) can be combined with a profitable waste management;
- Key lessons in support of sector reform efforts with the aim that the municipality delivers successfully services at community level with large potential for scaling-up.

In summary, small-scale success cases at community level must emerge before a larger scale activity (like municipal solid waste management) is initiated. A real need for MSW management must be first felt by the local government before venturing upon the task. Also, the question whether a 'cooperative' is a better legal form to manage the MSW system should be clarified. As of now, the municipality is the strongest stakeholder as it is driving the process. But what should be its role in the future? This questions needs to be clarified. Besides, the current leadership is positive towards privatisation and community participation. With this, a multi-stakeholder management might be a difficult task, and the current 'team' may not be able to handle this on its own unless constant capacity building is continued for some years. And finally, an important issue is to find international level technical backstopping, documentation and knowledge sharing mechanisms.

4.4.2   Analysis of the case

Participants in the working group:	Paul Bayili, Hans Hartung, Koussé Koné, Rocio Mellado, Jaysingh Sah (case presenter), Roger Schmid (coach), Thierry Umbehr

The working group summarised the following findings:

- Very strong state: The national level controls down to the municipal level; but at the same time, the national level does not feel responsible for adequate public services;
- The public sector is inefficient in providing services;
- There is a general mindset that services should be subsidised;
- Commercial enterprises are more efficient than the public sector, yet at 'limited scale'; there is room for improvement;
- Commercial enterprises have a better cost recovery, than in the public sector.

The organisational set-up of the sanitation sector is illustrated in the overview below:
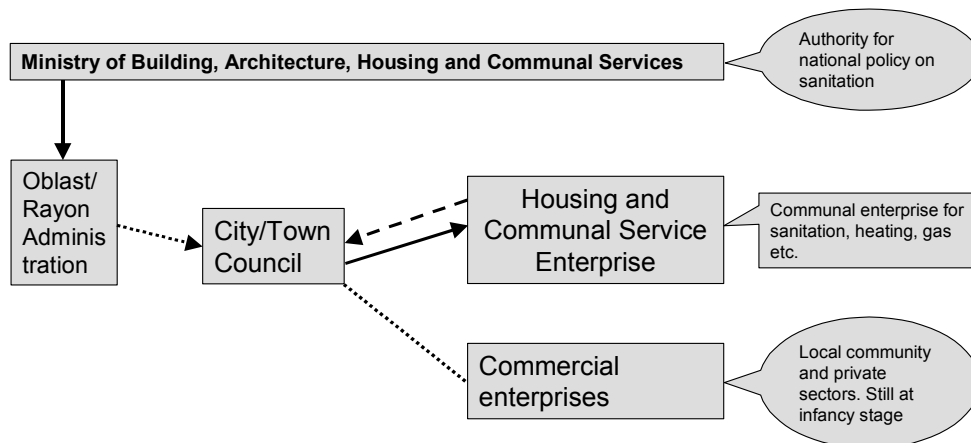
The Ministry of Building, Architecture, Housing and Communal Services is the principal authority to issue national policies on sanitation. That Ministry controls the Oblast and Rayon Administrations, which supervise the municipalities (city/town administrations). Municipalities delegate further services duties to communal enterprises of housing and municipal services. Furthermore, commercial or private enterprises are sub-contracted for service provision, but this is option is still not very much developed and applied. The diagram below illustrates the decentralisation trends in Ukraine:

Political decentralisation:

● *General:* Elected councils at sub-national level exist but decision-making at local level is still strongly controlled by state administration. While the central level tends to hold back further political decentralisation, municipalities claim for more autonomy in decision-making.

■ *W&S Sector:* The laws allow regional and local governments to develop their own strategy and policy on improvement of water and sanitation services in their respective jurisdictions. Active participation of the population in decision-making processes is not yet achieved.

▲ *Topic case:* The municipality has instituted a participatory (city council, local communities, civil society, private sector) governance approach in solid waste management and the services are provided through a public-private partnership

Financial decentralisation:

● *General:* Financial resources are largely controlled by the state administration. Budgeting power is delegated to local level, transfer mechanisms from central to local exist but transfers do not correspond to local budgeting and needs, delegation of revenue collection is not achieved. Territorial reform (not yet achieved) to create municipalities of viable size is seen as a prerequisite to further and effective financial decentralisation.

■ *W&S Sector:* Budgeting and tariff setting/collection power for public services delivery is delegated to municipal level. Investment funds from central level are largely insufficient to meet the budgeted needs of the local governments. Cost-recovery-based (O&M) tariff setting is still a challenge (poor state of infrastructure, unrealistic standards, mindset of subsidised services inherited from the past).

▲ *Topic case:* The municipality, in its participatory governance approach, sets cost-recovering tariffs (O&M) for solid waste management and budgets the investment needs to be covered by locally mobilisation funds (private sector, donors and citizens).

Administrative decentralisation:

● *General:* The transfer of responsibilities to local level (incl. planning, management and financing of service delivery) has been achieved for many public duties/sectors.

■ *W&S Sector:* The responsibility for the delivery of municipal services (including water, sanitation and solid waste) is transferred to the municipal level. Planning and operational management of the services is the responsibility of the municipal councils in collaboration with state enterprises (water), communal service enterprises (waste, sanitation, heating, and gas) and commercial enterprises

▲ *Topic case:* The municipality, in its participatory governance approach, plans and manages the solid waste management infrastructures and services in a public-private partnership set-up and raises the funds necessary for initial investments.

The **key stakeholders**[2] and their **power relations** in the Ivano-Frankivsk solid waste management system are presented in the picture here next, along with the main threads underlying the relations:

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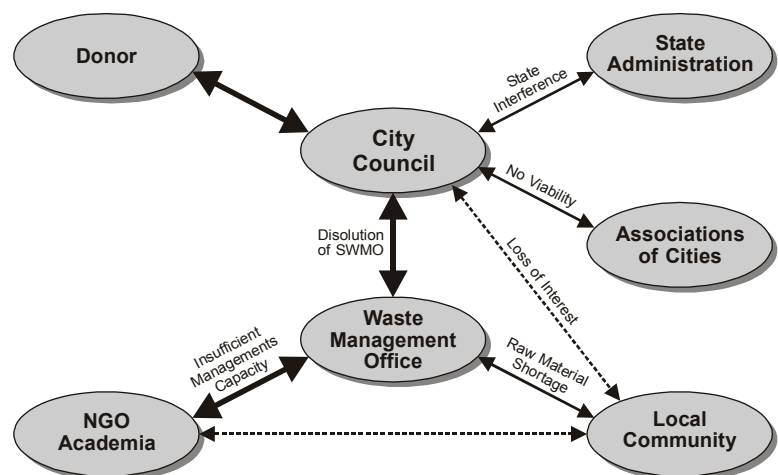
[2] *The private sector (waste processing and transport companies) were not considered as key stakeholders for managing the system, as they will respond to the opportunities provided by an enabling environment and profitable markets*

The main risks/threads to the stakeholders' relations are the following:

- The central state administration can interfere into the city council's agenda. Central level management of solid waste has never been efficient and sustainable so far and only the fact that the centrally planned funding for the sub-sector has virtually ceased allowed (forced) the city to engage into a locally planned, managed and funded model, which proves to be functional and economically viable.

- However, the investment into a big infrastructure, such as the waste processing units may not be viable for one city alone, as their processing capacities have to be fully exploited to become cost-efficient. Therefore, an association of neighbouring cities might be needed to pull together capital, responsibility to share costs and sufficient raw material, hence making the system viable.

- The city council may dissolve the Waste Management Office (WMO), if it does not perform effectively or if its function is not considered a priority anymore (e.g. due to political changes). The WMO consists of representatives of all local stakeholders, from the private sector, civil society and the community (households) but has no legal status yet.

- The WMO has currently still insufficient management capacities to handle the rather complex system, but capacity building is ongoing within the project support and can be further improved through trainings provided by NGOs or specialised academic institutions.

- There is a risk that the local community (households, residents) may lose interest in collecting and segregating waste at household level, if they do not continue perceiving positive effects and individual benefits of the system. A consequence would be that the volume of waste raw material for recycling could become reduced and the system becomes less viable.

4.4.3   Conclusions and proposals for action

Based on the above-mentioned analysis, the working group worked out the following main conclusions:

- The Ukrainian private sector or universities have the knowledge in waste treatment technologies, rather than the public sector;

- Up-scaling in waste recycling can be a problem: there is likely too much of recycled material than there is need on the market;

- Up-scaling has to go hand in hand with the existing size of waste treatment plants;

- Issue of "Mafia": challenge that members of any local committee do not become members of the Mafia; risk of creating a "waste Mafia" can be avoided through not creating a monopoly on waste business- a certain competition is needed;

- Decentralisation as a strategy, due to lack of financial means: municipalities have to organise themselves to provide services (if national level does it insufficiently); yet, municipalities need to obtain officially the responsibility of a service provider;

- But still, there is the question whether to decentralise or to centralise service provision: can it be useful if the central state creates institutions in order to avoid Mafia-like structures?

- The main driver to effective service provision should be the municipalities. Is there then privatisation of services still needed? Who decides whether and how services should be privatised- is it the central state or the municipality?

In order to sustain and scale-up the decentralised and participatory waste management system as introduced in the City, the risks/threads mentioned under 4.4.2 have to be addressed and if possible eliminated. To achieve this, the following seven actions for solution finding are proposed. All actions are situated at the level of the actor (key stakeholder) who has the leading role in accomplishing them:
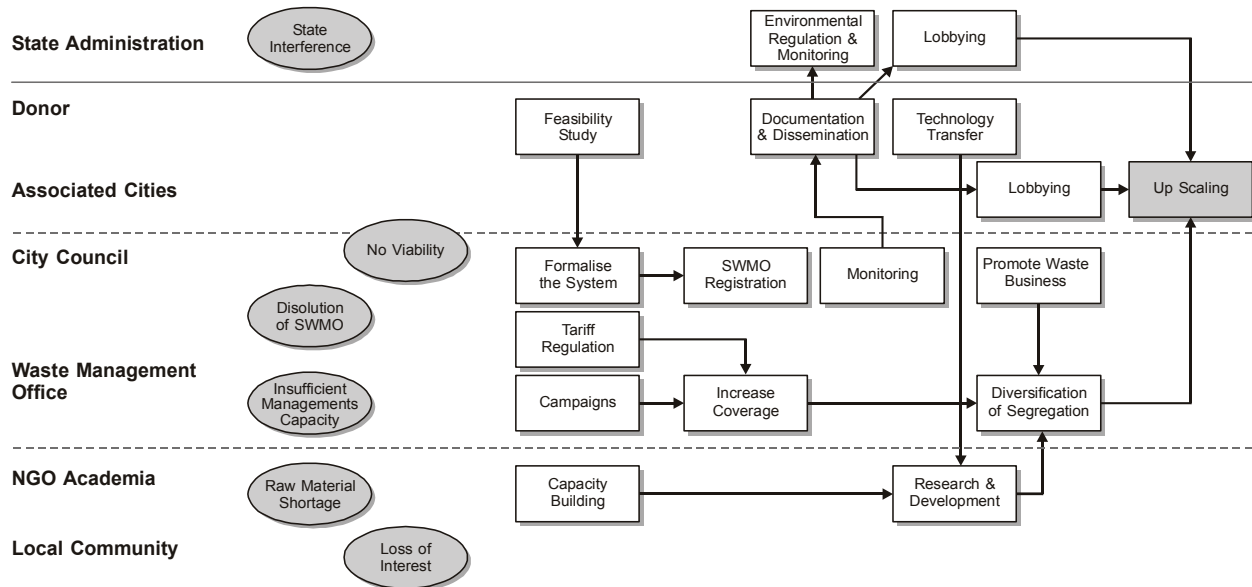
Action 1:

A feasibility study, financed by a donor agency, can help to formalise, and then to register the Municipal Solid Waste Management Office, which is considered as the driving factor in the system. Currently, the office has no official status and is at the mercy of City Council decisions. Once officially registered under an appropriate legal status, the City Council will not be allowed anymore to dissolve the office on its own and only decision. In order to accomplish its tasks with sufficient independency (also from political considerations), a status of cooperative/association should be aimed at rather than integrating the office as a department of the City Council.

Action 2:

In order to play its crucial role, the capacities of the office have to be strengthened in social, institutional, economic, institutional, technical and knowledge management aspects as well as human resource development through capacity building (training, coaching, advisory services) provided by NGOs and specialised academic institutions. Only with this enhanced knowledge and skill the office will be able to act as a facilitator of the system and to lobby for it.

Action 3:

The introduction of appropriate, transparent and pro-poor tariff regulations reinforced by information awareness raising campaigns will be needed to increase the rate and coverage of waste segregation and collection. The risk of a raw material (waste for recycling) shortage can thus be minimised and the interest of the households and local communities in segregating and disposing of properly the wastes be sustained. The system will only be sustainable when the users perceive individual (and collective) benefits from it – benefits that should be thoroughly assessed, properly documented and professionally communicated.

Action 4:

Through extensive lobbying work and a promotion of the 'waste business', neighbouring cities or also smaller municipalities can be fielded to build up an alliance. The alliance of municipalities can partner in the waste business, for example, to share costs for/use of waste collections systems and processing plants, and make the waste management thus much more viable through optimised used of resources and waste collection/processing capacities.

Action 5:

Beyond increased coverage of the system and enhanced waste segregation/collection rates, the system viability can be furthered by the diversification of waste segregation and processing (larger range of recycled materials). To achieve this, technology transfer promoted by donors and the state, combined with research and development conducted by specialised academic institutions is needed.

Action 6:

Proper documentation and efficient dissemination of information based on an essential monitoring of the current waste management system should flow into regional and national policy dialogue fostering through this more appropriate environmental regulations assorted with means for their enforcement and monitoring. Through this process the state administration is informed of what is going on in the municipalities in terms of waste management, takes up the best practices and shows buy-in by adapting the regulatory framework. As a result, the national level will interfere less, and more responsibilities are transferred to the municipalities through the adoption of more adapted and conducive legal framework acknowledging decentralised solid waste management models.

Action 7:

Once the actions 1-6 having been done successfully, the solid waste management system as piloted in Ivano-Frankivsk municipality and its surroundings becomes viable and sustainable. The experience is then mature enough and embedded in a conducive legal framework so that it can be scaled up and disseminated to other locations in Ukraine. Extensive lobbying and knowledge transfer through city partnerships, supported by donors and the state administration, will be required.

4.5   Concept Group

Participants in the concept working group:	Ibrahim Ba, Peter Bury, Andrew Cotton, Mamadou Kane, Iris Marmanillo, François Münger (coach), Glenn Pearce-Oroz, Carmen Pong, Cesarina Quintana

4.5.1   Outputs of the conceptual work

Concept and scale of decentralisation:

The concept group discussed major issues of decentralisation in the context of W&S, developed a diagram of analysis and cross-checked their findings with the four topic cases. First, the concept group developed a kind of "decentralisation-metre", to demonstrate the level or extent to which the different aspects (political, financial, and administrative) of decentralisation have been achieved.

The 'degree' of the various forms of decentralisation may change over time in one direction or as a pendulum back and forth. To visualise these aspects, the group introduced a simple graphical representation assessing status and dynamics in this "decentralisation mix" – a representation which has then be used in each topic case to highlight the situation in the specific country-context (see also in the chapters 4.1 – 4.4). The current status is represented by a symbol on a sliding scale- ranging from a centralised to a fully decentralised status. An arrow indicates in which direction the process is evolving to. The model is not meant to measure the degree of decentralisation, but to stimulate thinking and discussions about the nature and trends of decentralisation as well as to roughly compare the situation in various country-

contexts. And finally, the 'decentralisation metre' graph illustrates that the W&S (waste management) sector searches for a niche of most appropriate decentralised level. This is a dynamic process whereby the sector adjusts continuously to the decentralisation framework.

Decentralization mix	The Ukraine case
Political (including: legislation, policies, regulation)	Fully Centralised .... Fully Decentralised
Financial (investment and running costs)	Fully Centralised .... Fully Decentralised
Administrative (institutional, organizational, HRD)	Fully Centralised .... Fully Decentralised
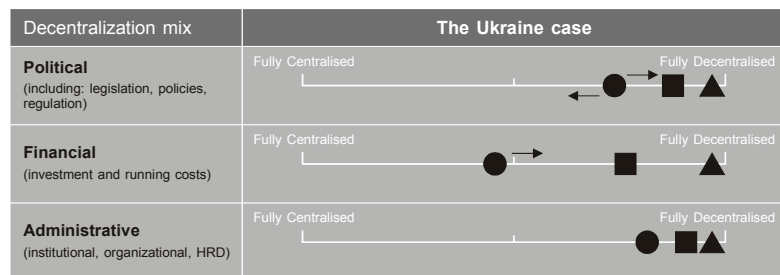
Representing roles of actors and levels of intervention:

In a second step, the concept group has put up a diagram to illustrate the diverse levels that decentralisation processes have an impact on:

The circular diagram shows the different levels of decision-making. It illustrates the various stakeholders and their inter-linkage concerning their responsibilities. The household level is located in the centre of the diagram emphasising a household-centred approach. Whenever a problem is located close to the household level, the household-centred approach aims at problem solving with close links to households. In other words, solution finding is done out of the household's perspective. Further, the municipal level is one of the main actors, and is, within a decentralised context, the principal responsible entity to manage problems and in particular to provide effective services. Yet, municipalities are often overwhelmed with responsibilities at the same time trying to solve problems with limited financial and human resources. Here, inter-municipal cooperation can help to share managerial and financial burdens. Regarding the regional level, duties of district and provincial administrations are often not defined. And finally the national level entails ideally the policy-making and the dissemination of policies to the 'lower' governmental levels.

Furthermore, the diagram can assist in highlighting the 'principle of subsidiarity', whereby decision-making over public services and their management are devolved to the lowest appropriate and competent level.

The concept group identified and defined the various areas of services provision interventions and developed an 'onion-grid' diagram. The situation and thus the solution finding differ from area to area. For this, the group sub-divided the areas of intervention into urban and rural: upper (urban) and lower (rural) part of the circle; and into water supply and sanitation services: left (water) and right side (sanitation). The diagram helps to define the area of service provision. This 'onion-grid' diagram always needs to be adapted to the individual situation.
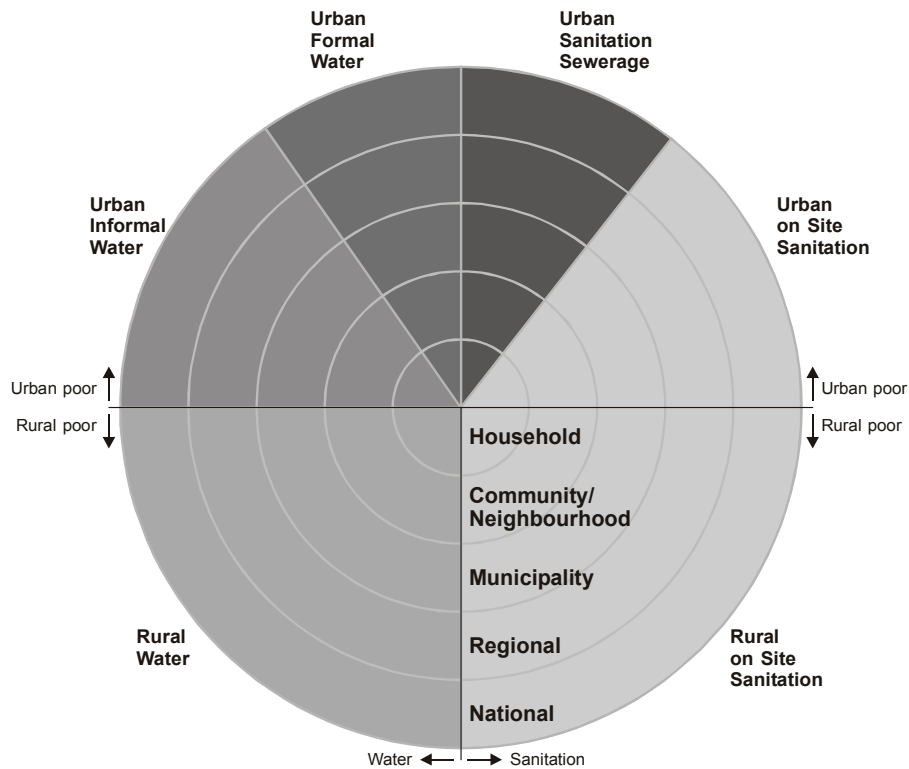
In addition, the group established an example of the circle diagram, which shows the roles and responsibilities and where they are located. It illustrates on what level what kind of activity can be undertaken in a decentralised context. It illustrates that ideally tariff policies and regulations should be decided at national level, and the actual tariffs setting should be done at municipal level. As a whole, the circle diagram highlights what (political/administrative) level should hold what kind of roles and responsibilities.
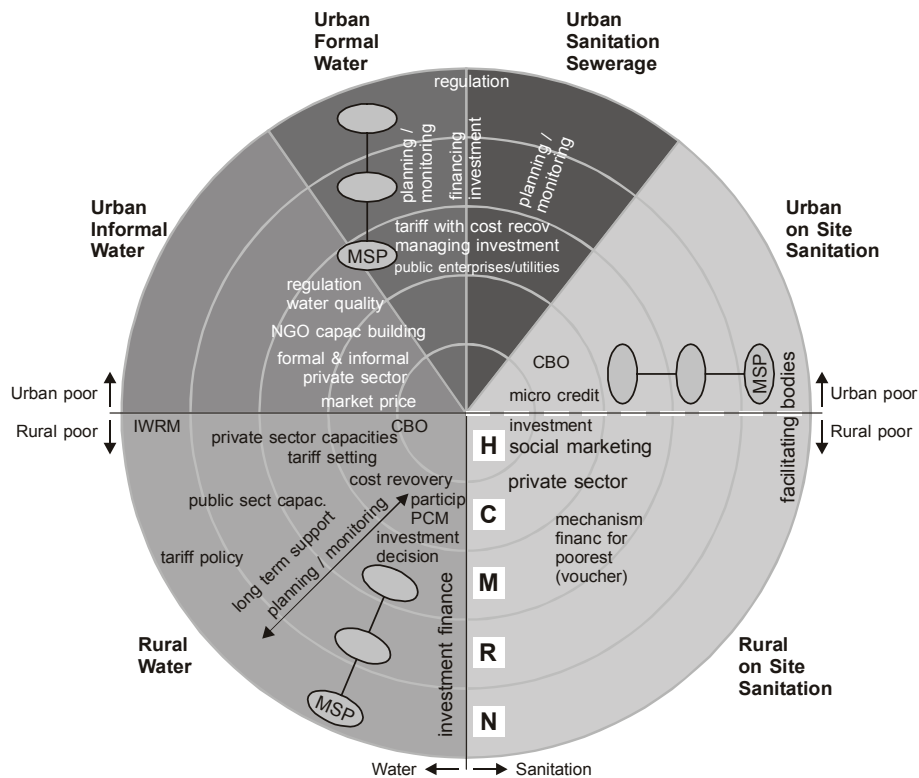
Identification of good practices:

Moreover, the group identified good practices in a decentralised context. Decentralised structures sometimes evolve good practices, and vice versa, good practices have often a strong linkage to decentralisation processes.

Subsidiarity Principle:
- Decision-making over public services and their management are devolved to the lowest not only appropriate and but also competent level.

Private sector/CBO's:
- Promoting small scale providers to increase quality of delivered services;
- Formalising CBO's as service providers (Kenya case) can be easier in a decentralised context as a strengthened municipal level with real decision-making power and established administrative procedures would have the responsibility to formalise local organisations.

Community Participation:
- Increasing communities' involvement, commitment and accountability (Ukraine case) is better possible when structures are decentralised.

Sector policy formulation:
- Line ministries, being responsible for policy formulation can develop better policies based on inputs from on-the-ground experiences of the policy executing bodies (regional and municipal authorities), in a decentralised context.

Economies of scale for provision of service (Mali case):
- In a decentralised context, municipalities can share roles and responsibilities in service provision through the establishment of inter-municipal associations.

Market Aspects:
- Identifying the size of the market for private operators.

Institutional Aspects:
- Opportunity for local authorities to influence performance of "local utilities" through sector strategy and decentralisation process.

SWAP- Sector Wide Approach (South Africa case):
- Coordinating donor interventions towards sector goals and objectives: Centralised structures often provide easier money flow into a country, as resources are canalised through ministries. Whereas in a decentralised context, donor agencies have to deal with more than one partner, in particular with municipalities as more decision-making power in service provision is with them. Therefore, a sector-wide-approach is needed as framework to coordinate donor agencies.

Planning and Monitoring:
- Planning at local level and integration with other sectors;
- Sharing information at national level (South Africa case);
- Systems for M&E and accountability.

4.5.2 Challenges and Recommendations:

Finally, the group together with the plenary have identified still existing challenges but also recommendations to tackle those difficulties in a decentralised service provision context.

Challenges	Recommendations
Promotion of cost-recovery schemes:	
Economies of scale for provision of services	Clarify financing mechanisms and policies (who? what? when?)
	Decentralisation and water supply can promote each other in order to 'market' water supply;
Local capacity-building:	
Development of local capacities through training and universities cooperation	Improve municipal capacity (planning, monitoring, service delivery) of W&S for the poor;
	Support emergence of local private sector and NGO's at the municipal level;
Ensuring the political and administrative support	Clarify the set-up of (parallel) structures (official authorities and NGOs/CBOs) for distributing roles and responsibilities in water supply;
Improving local salaries	Clarify financing mechanisms and policies (who? what? when?)
Lobbying	
Legalising and regulating the informal service providers	Consider the many forces beyond decentralisation concerning water supply: for example, privatisation. An effective privatisation needs a strong local Government as a partner.
Harmonising the legal framework at national level	Ensure that urban sanitation policies (excreta, drainage, SWM) address realities of all settlements;
	Water resources should be dealt with within the framework of water supply in form of an Integrated Water Rural Management system;
	Water resources management has become also a trans-boundary and international issue between countries: What is the role of decentralisation there?
Negotiating between the various administrative/political levels (local, regional and national) about responsibilities and roles	Clarify actors' roles in a decentralised context;
	Local, regional and national level must work 'hand in hand'; certain tasks and duties have to be given to each level according to their competences;
	Ensure good local capacity and strong national leadership;
	Water resources are not only a national issue, but should be handled also at the municipal local level;
Fiscal decentralisation	
Ensuring financing for development of local W&S plans & implementation	Support emergence of local private sector and NGO's at the municipal level;
	Clarify financing mechanisms and policies (who? what? when?)
	Decentralisation and water supply can promote each other in order to 'market' water supply;
	Water as a 'human right': what does this mean for tariffs, subsidies, etc?

5   Synthesis and conclusions

The following synthesis and conclusions are drawn from the Concept Group Work' results, plenary discussions, and discussions within the Steering Committee.

5.1   Starting point

The starting point of the workshop was the assumption that (1) decentralisation may contribute to enhanced W&S services delivery; and (2) W&S interventions may support decentralisation processes.

Decentralisation processes- shifting of resources, power, competencies, and responsibilities from the central governmental to the very local levels (e.g. municipalities)- particularly affects the manner how water supply and sanitation (W&S) issues are dealt with. The impulse behind decentralisation is the vision that decision-making is pushed to the lowest possible level, where peer monitoring can take place and users have a more direct control over the provided W&S services. It should therefore enable more flexible and innovative W&S services which address the concrete needs and demands of the users.

However, decentralisation has not always led to a more effective and efficient service provision. On the contrary, it contributed to the creation of new problems including loss of economies of scale, abundance of service providers, reduced potential of cross subsidies, management and regulation based on rather political than technical criteria, etc. In addition, one key lesson in the decentralisation debate is the importance of local level capacities (technical know-how, leadership and management skills, and staff competencies), which, if absent, lead to inefficiency, ineffectiveness and lack of accountability in W&S services.

In order to benefit from the positive aspects of decentralisation for improved W&S services, this year's AGUASAN workshop aimed at answering the following key questions:

- How do roles and responsibilities of the main sector stakeholders (state, private sector, civil society, communities) shift in different "decentralisation contexts"?

- What supports do these stakeholders, and mainly those at local level, need in order to fulfil their rights and duties (i.e. capacity building for implementing and managing efficiently and effectively municipal W&S service delivery models)?

- What are the opportunities and limitations of W&S interventions to foster decentralised approaches and good local water governance practices?

- What changes are required in how W&S interventions are set up to handle the capacity building focus/contents and to contribute to decentralisation processes?

Looking at four provided topic cases dealing with decentralised models for service delivery and an analysis by the concept working group, the following findings were collected throughout the workshop.

5.2   Findings

Based on the insights gained from the series of four topic cases and from the concept group (chapter 4) the following findings illustrate what benefits but also limitations can be expected from decentralised W&S services:

Studying the four case studies, various trends of decentralisation processes can be observed:

The Mali case study shows that decentralisation trends have rather gone too far. As a reaction, a centralisation process is on its way. The regional level will be more strengthened, as it has better competencies for certain services than the very local level.

The Kenya case shows a different problematic situation. There, Kenyan authorities have continuously neglected urban slum areas, as they do not have any formalised status. The official authorities have not taken responsibility providing municipal services to those areas. Therefore, NGOs and CBOs have filled the gap concerning these services.

The Ukrainian case illustrates well how development agencies nowadays support directly the local level instead of going through the national governmental level. As a result, local projects adapt quickly to the manners of direct funding.

And finally, the South African case demonstrates a typical top-down driven decentralisation process.

Shifting of roles & responsibilities of key sector stakeholders (state, private sector, civil society, communities) in different decentralisation contexts and dynamics (challenges and opportunities):

- A decentralisation process is rather not started out of a "good will" from the central government level, but more likely out of the difficulty to manage economic, administrative and political challenges in W&S services in a centralised manner. This is how municipalities receive often difficult responsibilities from the higher governmental levels;

- Hopes are nourished that decentralisation can bring about a more effective revenue collection;

- Decentralisation is always a bargaining process. Strong and well organised local governments can put pressure on central government entities for more decentralised decision-making power and fiscal decentralisation;

- Decentralisation can create many local government and non-governmental actors instead of one ministry which is responsible for services (increased complexity of involved actors).

Decentralised service delivery models: successes and limitations:

The W&S sector is a promising sector to introduce decentralisation processes through good governance strategies because this sector is well manageable through its size. Also smaller municipalities are able to manage W&S services because normally the required budgets for those services are smaller compared with other public services (roads, electricity, etc.).

Successes:
- Decentralised service provision has a real potential to improve because users' needs can be assessed and addressed in a more direct and flexible manner;
- Ownership is easier to create because of direct handling of problems at the very local level;
- Inter-municipal cooperation/association is an attractive alternative to share costs and responsibilities, etc. (example of Kiesental, Mali case).

Limitations:

- Service provision can become more of a playground of politics in a decentralised system.

Good practices in support to key stakeholders

Private sector/CBO's:

- Promoting small scale providers can help to increase quality of delivered services;
- Formalising CBO's as service providers (Kenya case) can be easier in a decentralised context. A strengthened municipal level with real decision-making power and established administrative procedures is in a better position to formalise local organisations.

Community participation and social mobilisation:

- Increasing communities' involvement, commitment and accountability (Ukraine case) is realistic when structures are decentralised.

Sector policy formulation:

- Line ministries, being responsible for policy formulation, can develop better policies based on inputs from on-the-ground experiences of the policy executing bodies (regional and municipal authorities), in a decentralised context.

Economies of scale for provision of service (Mali case):

- In a decentralised context, municipalities share roles and responsibilities in service provision through the establishment of inter-municipal associations.

Market Aspects:

- Identifying the size of the market for private operators is needed.

Institutional Aspects:

- There is an opportunity for local authorities to influence the performance of "local utilities" through sector strategy and decentralisation process.

SWAP- Sector Wide Approach (South Africa case):

- Concerning the coordination of donor interventions towards sector goals and objectives: Centralised structures often provide easier money flow into a country, as resources are channelled through ministries. Whereas in a decentralised context, donor agencies have to deal with more than one partner, in particular with municipalities as they have more decision-making power in service provision. Therefore, a sector-wide-approach can be helpful to coordinate better donor agencies' activities.

Planning and Monitoring:

- Planning at local level and integration with other sectors can be helpful;
- Sharing information at national level (South Africa case) is important;
- Systems for M&E and accountability are required for better decentralised services.

Implications on how to set-up interventions in a decentralised context

A flexible approach is needed. Not only one model fits in every context within a country. Therefore, variation in the design and implementation of decentralised services is essential. The

following short check-list can assist in defining feasible and manageable decentralised service provision:

Assess the key elements of the institutional framework of political, fiscal and administrative decentralisation (especially with regard to water and sanitation):

- Formal decision making power
- Administrative and financial responsibilities

Map the formal and informal power structures at the local level:

- State authorities
- Interest groups, organised sections, traditional authorities
- Citizens engagement

Identify political risks and potential conflicts

Define the approach of service provision:

- Centrality of local governments
- Other stakeholders? If yes which and how?
- Allow for variation within countries and flexibility within projects

5.3 Recommendations

Based on the conclusions of the topic cases and the concept group, the following recommendations are summarised. These recommendations are addressed to practitioners and professionals, as well as interest groups who are involved in decentralising W&S or other municipal services. In addition, the recommendations can be helpful for policy and law makers as well as for administrations at all levels (local to national level).

Shifting of roles and responsibilities:

- Roles and responsibilities should be devolved to the lowest appropriate and competent (political/administrative) level;

Promotion of cost recovery schemes and fiscal decentralisation:

- Clarify possible financing mechanisms and policies; clarify who is responsible for what kind of financing and by when;
- Explore potentials for how decentralisation and water supply can promote each other in order to 'market' water supply;
- Water as a 'human right'- clarify what does this mean for tariffs and subsidies systems.

Local capacity building:

- Improve municipal capacity for planning, delivery, monitoring and management of decentralised services; not only administrative but also technical resources should be devolved;
- Capacity building should build on what already exists, fostering existing structures and institutions rather than establishing new ones;
- Equally, support capacity improvement of local private sector and NGOs/CBOs as service providers;

- Clarify necessary establishment of political, financial, and administrative structures/ procedures to deliver effectively decentralised services;

- As a whole, governments need to emphasise strongly capacity development and identify lead agencies to support it;

- Take into account not only the institutional capacity, but also the organisational and individual or human resources capacity in a decentralisation process of services;

- Enhance a 'learning culture' to give key actors information about decentralised services, their gaps to be filled and the best way to fill them;

Execution of decentralisation laws and regulations:

- Harmonise the legal framework at national level;

- Monitor and ensure the execution of decentralisation laws and regulations;

- Local, regional and national level must work 'hand in hand' in order to distribute duties and tasks according to each level's competences;

- Harmonise the coordination and allocation of roles and responsibilities;

Policy making:

- Ensure that service provision policies address the realities on the ground;

- Negotiate and clarify of how to distribute roles and responsibilities at local level;

- Consider the various forces beyond decentralisation concerning service provision, e.g. privatisation. An effective privatisation needs a strong local government as a reliable partner;

- Take into account the 'intermediate level' (between national and local level) for translating national decentralisation strategies into sustainable W&S services, and to supporting service providers and communities;

- Create confidence in rules, structures, finance and systems of accountability;

5.4   Open issues

There are still open issues that were not answered by the workshop. Those open issues need to be examined in more depth from one context to another.

- How to motivate authorities to decentralise services despite the risks and sometimes low effectiveness of decentralisation?

- How to overcome that decentralisation is often only of cosmetic nature, as decentralisation in practice is still 'controlled' by central authorities;

- To what level is decentralisation possible? Should W&S be fully under the responsibility of the local government? Decentralisation in rural water supply can also lead to centralisation- from communities to municipalities level;

- How to ensure that the political will for decentralisation is not reversible?

- More clarification is needed on how decentralisation is in fact done or 'implemented';

- How to transfer essential components, such as competencies, resources to sub-national levels in order to achieve an effective decentralisation?

- There are always "politics" (power games), whether it is at the national or local government level.

5.5   Conclusions

How should "good decentralisation" look like? How to best benefit from it for effective W&S delivery and management? A flexible approach is needed here. Not only one model fits in every context within a country. Therefore, variation in the design and implementation of decentralised services is essential. A short check-list (see under 5.2) can assist.

How to take advantage of decentralisation processes for effective and sustainable W&S delivery, and how to foster decentralised services delivery and management? One of the crucial challenges is to handle politics in form of a 'political management' in services delivery and management. This means, actors should find a feasible way of how to deal with politics, yet include them into the service provision in a pro-active and strategic manner. Building in mechanisms is important so that local politics cannot jeopardise effective services.

A decentralisation process always needs to be introduced carefully and in an appropriate manner, as decentralisation as such may not always lead to positive impacts. Therefore, decision-makers need to examine the individual situation in depth, in order to choose the 'right' way of decentralisation process. Moreover, decentralisation needs to be perceived as a process in itself. It is all about bargaining and negotiating of power sharing, distribution of finances, roles and responsibilities. And it is a 'trade-off', which means to give and to take. Sound services, and in particular, W&S services improvements should consider fully key factors and pre-requisites for enabling local stakeholders to fulfil their rights and duties. Certainly, there are always opportunities as well as limitations of W&S interventions to foster decentralised approaches and good local water governance practices. And finally and most importantly, W&S interventions need to always have included capacity building components to enhance decentralisation processes. Capacity building activities need to fully address the question of how to efficiently implement and effectively manage municipal W&S services.

The overall key messages out of this year's AGUASAN workshop are summarised below:

- Decentralisation is a dynamic process, which includes a lobbying and negotiation process amongst the players. There is no 'blue-print' solution for a decentralised W&S sector. Therefore, the W&S sector needs to be sufficiently flexible to respond to the dynamic decentralisation process and to find its niche;

- Political, administrative and fiscal decentralisation should go hand in hand. Decision-making power, institutional capacity, fiscal and technical resources for services delivery and their management have to be devolved in an adequate way;

- Devolve roles and responsibilities in the W&S sector to the lowest appropriate and competent (political/administrative) level. Use decentralisation as a bottom-up approach, which is W&S sector's needs- oriented;

- The W&S sector can evolve in at least two directions, towards more decentralisation or the contrary, to a stronger centralisation;

- Decentralisation processes are mostly part of a broader governance and democratisation reform, and are neither an isolated nor a universal remedy to W&S sector needs.

PART TWO: THE METHOD

6   Workshop methodology and assessment

AGUASAN workshops undergo an annual cycle of preparation, organisation, realisation and assessment conducted by the workshop steering committee. These different steps, the various applied methods, and the different structural elements in the workshop process are further described in the following sections.

6.1   Preparation of the workshop

Workshop steering committee

Representatives from SDC, Skat, Helvetas and Sandec - members of AGUASAN - have formed the workshop steering committee, which teams up with a moderator, resource persons and a rapporteur for the event. The committee prepared carefully the workshop in a series of meetings throughout the 12 months prior to the event. The most important preparatory tasks were the review of the previous workshop, the selection and discussion of the new workshop theme, the identification and briefing of the resource person and the topic case presenters, the development of the workshop framework and programme, the selection and invitation of the participants as well as the organisation of the workshop facilities.

The preparatory meetings were facilitated by the workshop moderator, contributing to an excellent team building and an important synchronisation of the thematic and methodological aspects of the workshop. Experience from the series of earlier AGUASAN workshops shows that such a careful preparation of the event- without anticipating its outcomes- has always been crucial to ensure its success.

Responsibility	Person
Steering committee: - Preparation - Coordination of content - Realisation, steering and assessment - Coaching of the topic cases	Roger Schmid (Lead) – Skat François Münger – SDC Kaspar Grossenbacher – Helvetas Christoph Lüthi – Eawag/Sandec Christoph Morger – Intercooperation
Secretariat – St. Gallen and at the venue	Roger Schmid and Gisela Giorgi – Skat
Resource Person	Georg Lutz – University of Bern
Rapporteur	Claudia Schneider – Skat
Moderator	Sylvia Brunold – Agridea

Funding

Like in the past years, the Swiss Agency for Development and Cooperation funded the workshop and contracted Skat for taking the lead in its preparation, organisation, realisation and overall coordination. AGUASAN workshops do not involve any registration fee, but the participants had to fund their travel and accommodation costs on their own or to find a sponsoring organisation.

Preparation of participants

Prior to the workshop the participants received various information so that they could prepare themselves accordingly. In the workshop announcement the theme and the scope of the workshop were communicated by spelling out the background, the goals and objectives, the expected results, the workshop procedures, and the approximate costs for accommodation. Persons interested to participate in the event had to submit a pre-registration form including a section for describing their "personal case" they would bring into the experiences and knowledge gathered by the participants. In order to optimise the working environment of the workshop, the number of participants is limited and all applications had to undergo a selection procedure handled by the workshop steering committee.

Well ahead of the event the participants retained received a background paper to the workshop theme for information and reflection, a tentative programme, the participants list as well as all necessary information regarding logistics and workshop venue. All participants received also a form where they could introduce themselves shortly and which they brought along for the workshop opening. These personal presentations were put up in "Gallery of AGUASAN VIPs" displayed during the entire workshop and are included in the appended CD.

6.2   Realisation of the workshop

6.2.1   Venue

The AGUASAN workshop took place in the **Gwattzentrum** (Gwatt, Switzerland) situated in the Bernese Oberland (25 km South-East of Bern) on the edge of the Lake of Thun. The venue is located in a fairly secluded spot on a vast terrain of land and forest, with direct access to the lake.

6.2.2   Workshop programme

The programme of the AGUASAN workshop has to be understood as a process. Prior to the workshop a tentative programme is prepared. During the workshop the schedule and the content are continuously adjusted and improved (rolling planning) according to the ongoing workshop process and the existing dynamics. Process and dynamics are analysed daily in a night session of the steering committee, based on what the program of the next day is refined. Generally, the working blocks during the five days lasted from 8:30 to 12:00 in the morning and from 14:00 to 18:00 in the afternoon, followed by optional evening working sessions. The Wednesday afternoon was as usual reserved for an excursion providing concurrently a thematic and social event. The picture below gives a general overview on the workshop programme.

MORNING	AFTERNOON
Monday, June 18th	
Arrival (11:00 a.m.) ▪ First informal contacts ▪ Welcome-drink	**Opening** ▪ Programme and objectives ▪ Personal presentation of participants **Introduction** ▪ General introductions to the workshop topic ▪ Key input on decentralisation ▪ Learning diary ▪ Organisational issues
Tuesday, June 19th	
▪ Review of the day ▪ Short presentation of the topic cases ("teaser") **Discussion and learning from the cases** ▪ Working in groups on topic cases (incl. full case presentation)	▪ Group work continued ▪ Presentation and exchange of findings ▪ Synthesising first learnings and insights **Info-market** ▪ Installation of the personal cases info-market
Wednesday, June 20th	

▪ Review of the day
▪ Presentation of the personal cases:
  ➢ Information market I
  ➢ Information Market II
	Excursion
	▪ Visit to the Kiesental Region, including field visits and interactions with authorities / utilities
	▪ Dinner and Culture in the Community

Thursday, June 21st	
▪ Review of the day ▪ Recapitulation: ideas / lessons to keep in mind **Enriching the cases and developing insights** ▪ Working in groups: relevant experiences and methodologies, strategies and procedures for implementation, key challenges / open issues	▪ Group work continued ▪ Preparation of final presentations
Friday, June 22nd	
▪ Review of the day **Synthesis and way forward** ▪ Final presentations ▪ Conclusions and recommendations ▪ Transfer to personal working situation	**Wrapping up** ▪ Listing topics for the next Aguasan Workshop ▪ Evaluation of the workshop ▪ Closure of the workshop

6.2.3   Structural elements

The workshop procedures comprised several structural elements like the generic presentation of decentralisation by a resource person, topic cases presentations, group work on the topic cases and the concept, evening preparation sessions, daily reviews, and an excursion.

Resource person

For this year's workshop, one resource person was invited to contribute. The resource person had the task to present and deepen the issue of decentralisation and to clarify any questions on terms and concepts of decentralisation. This was to stimulate feedback in plenary sessions, to create food for thought for the discussions in the working groups and to give inputs at the final presentation of the five group works. The resource person was **Georg Lutz**. He holds a PhD (Dr. rer. soc.) from the Institute for Political Science, University of Berne. Since 2003, he is a Senior Assistant at the Institute for Political Science, University of Berne. He has undertaken several international and national consultancies and research on decentralisation, participation and local governance/democracy and other political issues.

Topic cases

For constituting the base upon which the topic will be addressed and developed, the workshop featured four topic cases. The cases deal with basic service delivery models in a decentralised context where municipalities (local governments) do have effectively a stake, addressing either water supply services in rural areas or sanitation services in urban (secondary/medium sized towns) settings. They have a potential for bringing forward global aspects, specific key issues, problems encountered and solutions adopted, lessons learned and open (unsolved) issues in implementing and supporting such service delivery models, and ultimately outline opportunities and challenges for the W&S sector in a decentralised context.

After a more general and introductory day 1 in plenary where the participants tried to understand what the key principles, elements and capacity building processes for decentralised W&S service management are, the audience split in topic cases related working groups on day 2. The aim of this group's session was to introduce and discuss the context specific cases and above all to learn from them. After a day featuring a market of the participants' own experiences and an excursion into Swiss reality, day 4 was dedicated to group work on the topic cases again. This second group's session was expected to enrich the topic cases and to yield more general and generic insights, which in turn were assembled and synthesised in the plenary of day 5.

The topic cases presenters provided the workshop participants with the background information required to work with the respective cases. They introduced the case in an approachable manner to the participants and acted as knowledge person in the plenary sessions and group works. Further they were asked to give regular feedbacks to the steering committee throughout the workshop process. The crucial role of the topic cases presenters involved the preparation of the case presentations in the run-up to the workshop and their presence at the workshop venue one day prior to the event in order to finalise the inputs together with members of the steering committee.

All four cases were presented with a '5-minutes-teaser' to the plenary so that the participants could choose the case they wanted to join for group work.

Within the working group formed around the cases, the presenters explained in an one-hour-presentation their case in detail. The presentation was meant as an interactive session, where group participants were encouraged to directly ask questions and comment.

The working group then used the case to elaborate on the workshop topic. From time to time and depending on the progress of the group discussions, the case presenters provided the group members with more details about their case.

The case presenters were 'coached' by coaching persons, as it shows in the table below:

Urban sanitation:

Case	Presenter	Coaching person
Kenya- Kiambiu Informal Settlement	Mr. Kariuki Mugo (NGO Maji Na Ufanisi)	Christoph Lüthi (Eawag/Sandec)
Ukraine- Ivano Frankivska City	Mr. Jaysing Sah (UNDP)	Roger Schmid (Skat)

Rural water supply:

Case	Presenter	Coaching person
Mali- Commune Rurale de Sido	Mr. Moussa Doumbia (Mayor)	Kaspar Grossenbacher (Helvetas)
South Africa- Sisonke District Municipality	Ms. Nomonde Mnukwa (Director Water Services)	Christoph Morger (Intercooperation)

Concept group

A concept working group was formed as a new component of this year's AGUASAN workshop. The objective of the concept group was to take up the findings and open questions from the resource person's presentation (Monday afternoon) on "Decentralisation: Concepts, Processes and Consequences for Development", and to develop them further in close exchange with the four topic cases. The idea was to exchange ideas and findings between the concept group and the four topic cases. For this, members of the group joined the topic cases for sharing new ideas, findings and solutions. Based on this, the group brought together first results and formulated draft synthesis conclusions.

Daily reviews

An alternating group of participants was asked to give at the beginning of each workday a review of the previous day. Every group summarised in a short role-play the most important insights, official activities and unofficial incidents they retained and wished to highlight. This was not only a good opportunity to remember the past day, but also to facilitate a smooth start into the new day and created a good spirit, right from the beginning.

Information market

The information market has been equally a new element within the workshop process. The objective of the information market was for participants to present their work (problems and solutions) in a structured way. Furthermore, the information market was a means for participants to find new ideas (to shop/harvest answers to their questions) as solution finding for the topic cases' group works, but also for their own working situation back home.

The participant prepared their information market already at home beforehand and then deepened intensively on Tuesday evening. The concept behind the information market was firstly to allow participants to exchange information about their work back home, apart from

informal discussions. Secondly, the information market held on Wednesday morning assisted in the further solution development for the topic cases.

As a whole, the participants did a very good job. They were well engaged and prepared their posters in a late evening the day before. It was a very valuable South-South exchange on experiences and knowledge, creating exciting and intensive discussions amongst participants. A quick and short introductory round, 1 minute by each poster presenter, was very useful in order to obtain first insights into each case.

Excursion

Excursions (field visits) can be extremely valuable for a workshop and can influence participants for many years to come. They can lead to new understanding about local conditions and to new insights into the complexity of the problems and the potential solutions much easier then lengthy discussions or reports. Excursions are also most appreciated by the participants, as everybody likes to get out of the workshop venue and sense (see, hear, smell, taste, feel) something new, whilst being a social event for the entire group of people. A mid-week excursion (on Wednesday afternoon) has therefore always been an integral part of AGUASAN workshops aiming at learning from local stakeholders about their livelihood systems, gaining feedback from them on the workshop topic and learning lessons from local practices, initiatives and interventions.

This year's excursions led to Kiesental to visit a municipal water network (Wasserverbund). Kiesental is a valley that is located in between the cities of Bern and Thun. The Kiesental area comprises 20 villages/municipalities and has a size of 136 km². Most municipalities are rural commuter villages, but not yet a sub-urbia area. There are 24'500 inhabitants, of which 4'600 live in Konolfingen, the main municipality of Kiesental area. 20 municipalities of the area have less than 800 inhabitants. Since 1985, the area's population has grown by about 11.4%, which is slightly higher than the Swiss average rate, but stagnated in the municipality of Konolfingen. The main socio-demographic features are related to a high in-migration with stagnating employment creation. Economic-wise, the Kiesental area is oriented towards the two cities of Bern and Thun with a high percentage of working population that commutes at daily basis.

Taxes income of all municipalities and GDP per person is below the Swiss average (48'000 CHF as compared to the average of 52'627 CHF; data is of the year 2004).

The water network of Kiesental (Wasserverbund Kiesental) is a limited private company under Swiss law entirely owned by 10 local municipalities- served by the water network. The network covers a population of 10'000, delivering 2'500 m³ of fresh water daily (drinking water quality). About two thirds of the fresh water is from spring water and one third from ground water.

The features of the network comprise the following:

- 7 spring sources in the hills above the valley;

- 36 km of water pipelines;

- 14 reservoirs with a capacity of 7'000 m³ (5'000 m³ for water usage and a reserve of 2'000 m³ for fire fighting);

- Modern remote control system at the main office in Konolfingen;

The water network of Kiesental is owned by 10 municipalities, which have formed a corporation, called WAKI.

WAKI is responsible for the following issues:

- Procurement of spring and ground water

- Keeping quality

- Management tasks

- Distribution of water to construction sites

- Operation of control system and charging

The municipalities are responsible for:

- Distribution of water to the households

- Management of fire protection

- Charging of water distribution from the households

The role of the water department at regional administrative level (*Kanton* level) is to control the quality of the water and its network. It is involved in planning procedures and issues the legislation and regulations for effective and secure water supply.

The excursion to Kiesental water network comprised a visit to their main office, where the director presented the water network. Participants had the chance to ask questions which were answered by the director (Mr. Schäfer) and a representative of the higher regional level 'Kanton' (Mr. Graf, Water Department of Bern Kanton). Participants received also an introduction to the network in the modern remote control system by the coordinator (Mr. Brechbühl). Thereafter, one of the water reservoirs was visited (Chomberg), which was rounded up with a short ride on a horse carriage through the beautiful landscape of the area, whereby the spring water catchment's area could be seen. The excursion ended with a social event, a dinner in the venue of Appenberg – where old farmer houses had been transformed into a hotel and restaurant.

As a whole, the participants received valuable first-hand information from the excursion, not only for the further development of the workshop's group works, but also for their own situation back home. The programme of the excursion was well structured with a sound balance of theory and practice. The choice of topic was a very good one, as Kiesental is an interesting example for 'learning by doing': WAKI had to acquire all expertise on their own. The host was very well receiving and welcoming.

Dinner tables:

Participants met at voluntary basis during the Thursday evening dinner for further exchange on thematic issues. Three thematic dinner tables were formed, whereby participants could join for an informal discussion:

- Mauritania experience (Mauritania delegation)
- Capacity building to support decentralisation (Peter Bury, IRC)
- Rain water harvesting (Hans Hartung, Fakt)

External visitors:

On the last day of the workshop, an external visitor (from SDC) participated at the presentations of findings and conclusions by the working groups. External visitors can contribute with 'fresh eyes' - providing new inputs and contributions from different perspectives than the one of the workshop, which developed throughout the week. This element can give a higher profile to the AGUASAN workshop, and should be thought about and reinforced in the coming year.

6.2.4   Methodology

A good workshop methodology is key to a successful workshop. Based on the experience of the former AGUASAN workshops the following methodology was applied:

Facilitation and reporting

During the AGUASAN workshop a **facilitator** led the participants through the program and the process. The most important task of the facilitator were:

- Guiding through the various sessions by applying appropriate methods and following the thread according to the theme and the objectives of the workshop.
- Keeping the schedule.
- Preparing the daily program and presenting it every morning.
- Reviewing the progress during the day.
- Developing the assignments for individual work and the working groups.
- Clarifying ideas and misunderstandings.
- Grouping outcomes and summarising briefly the various contributions.

The **rapporteur** had the task to take notes for the workshop report, to collect the files of the presentations and related resource documents, and to keep track of the flipcharts and notes on pin boards. The result of this work is the present workshop report. Pictures of all pin boards and flipcharts were taken as well as of the participants in the plenary, in the working groups, during breaks, on the excursion, etc. On the last day all elements collected during the workshop were burned on a CD and distributed to the participants before they left the venue.

Workshop principles

At the beginning of the workshop a few workshop principles were stated and jointly agreed on:

- It's your workshop – be your own chairperson.
- Give feedbacks to the steering group.
- Allow for certain flexibility from the side of the steering group and the participants.
- It's not problem solving but learning from each other.
- Listen to each other.
- Share leadership and responsibility in working groups.
- Use a careful handwriting on cards, flipcharts and pin boards so that everybody can read it.
- Keep regularly your own daily learning diary.

Presentation and discussion modes

During the workshop several discussion and presentation modes were chosen:

- PowerPoint for longer presentations.
- Flipcharts and pin boards to illustrate topics or for group work.
- Posters to display permanently more detailed information about the topic cases.
- Brainstorming sessions in plenary.
- Buzzing groups of 2-4 persons to quickly reflect and create ideas
- Working groups of 6-10 persons (see below).
- Carrousel technique for exchanging the outcomes of the group works: This exchange technique included the following tasks for the participants:
  - ☞ Very briefly explain your situation of the topic case/concept group
  - ☞ Focus on conceptual weaknesses
  - ☞ Ask for feedback for on what issues to focus for solution finding
  - ☞ Formulate questions for the information market
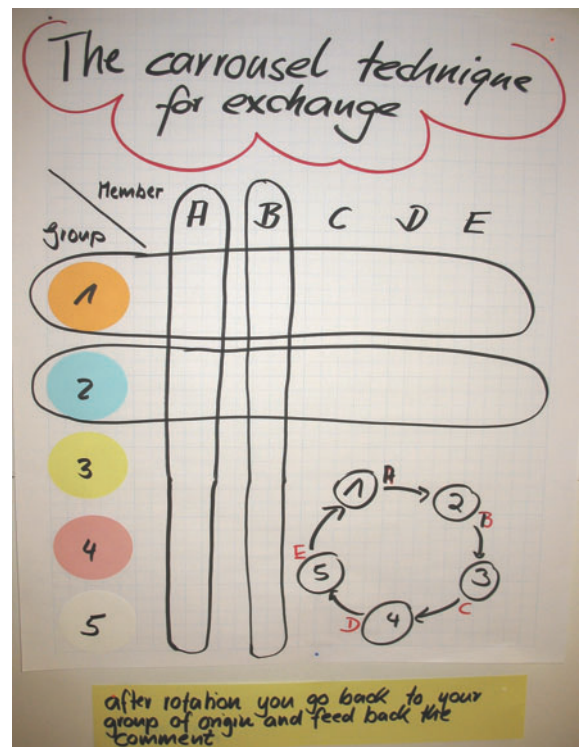
Working groups

Working groups are an excellent means to discuss specific topics in depth. As the working groups achieve better results if they are well organised, therefore the workshop adopted the following process:

- Working groups received always written assignments summarising the objective, the tasks, the available time and the expected results.

- Every working group had to choose a facilitator who moderates the discussions and a rapporteur who reports back to the plenary.

- For some tasks the working groups were suggested to visit each other and to give feedback. These mutual visits contributed significantly to the learning process.

Learning methodology

The workshop participants had many opportunities to learn from each other: from the presentations, the formal and informal discussions, or the excursion. In addition, the participants were asked at the end of each day to sit down for half an hour to write down his/her most important insights of the day in the personal learning diary. The proposed learning diary was structured according to the following questions:

- What was astonishing and interesting for me?

- What seems to be very important for my further work?

- Which are my thoughts and ideas that could be transferred to my own work?

The participants were asked to list as many interesting thoughts, ideas and issues that came to their minds and were suggested to decide themselves at the end of the workshop if the issues and thoughts written down would be potential activities or rather wishes.

6.3   Workshop assessment

6.3.1   General assessment

On the last day, all participants carried out an assessment of the workshop trying to answer the question of *"Did we hit the targets?"*. The fields assessed and the results of this rating exercise by dots are displayed in the picture below.
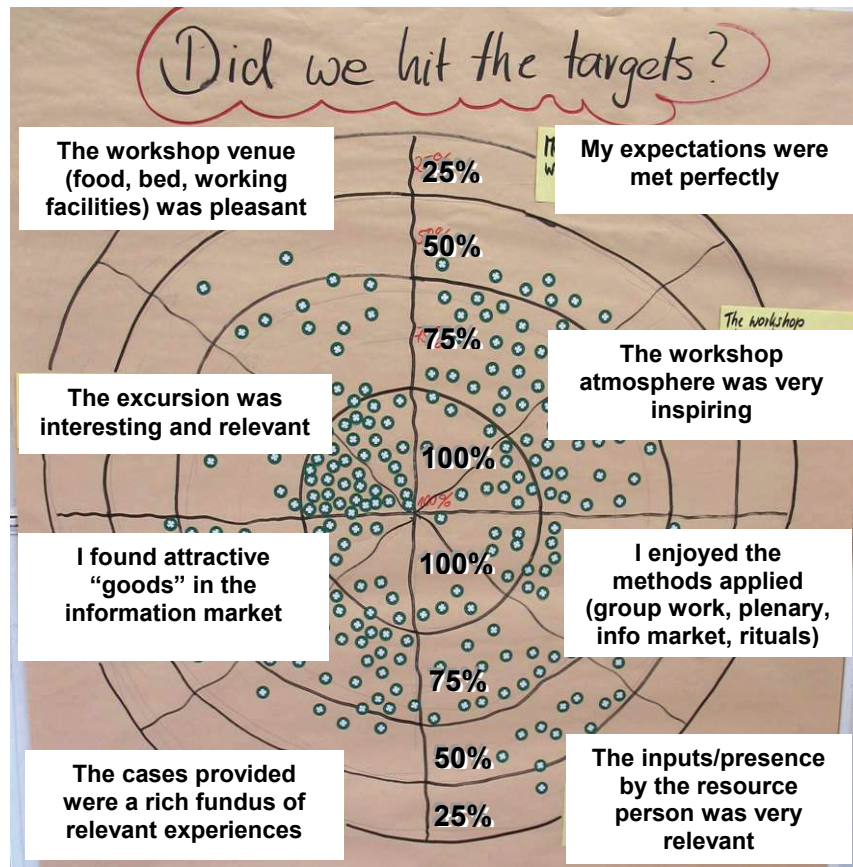
6.3.2   Survey

The participants received a questionnaire. The results of this survey are summarised in the table below.

1 What were your expectations prior to the workshop?	No
Learn from others, experience/information exchange	20
Understand various models of decentralisation	7
Understand linkage of decentralisation with W&S	6
Develop solutions	3
Learn from best practice	5
Understand conceptual framework	1
Learn about new tools and practical strategies to improve W&S	1
Get new insights/inspirations	3
Learn about capacity building for municipalities on W&S	1
Learn about financial mechanisms for the poor	1
Networking	2
Learn about WASH	1
Total Answers = 51	

| 2	How did you prepare yourself before the workshop?	No
	Discussion with:	
	Boss	1
	Colleagues and partners	19
	Preparation group/Project team/Resource person	7
	Topic case presenter	2
	Other workshop participants	6
	Total Answers = 35	
	Other preparation:	
	Read materials provided	2
	Read materials/documents	5
	Reading WebPages	2
	Work on the topic case	7
	Work on poster for information market	4
	Total Answers = 20	
3	**Are your expectations fulfilled?**	
	Yes = 12; mostly = 15; partly = 10; marginally = 0; no = 0	
	Total Answers = 37	
	Comments:	
	Good selection of overall workshop theme	1
	Good selection of topic cases created interesting discussions and insights	1
	Received many ideas, solutions, and tools for own work	1
	Exceeded my expectations	1
	Gained expertise and could exchange knowledge	1
	Case studies and other inputs helped to know more about limits and opportunities for municipal management	1
	Received good overview on other projects and could meet colleagues	1
	Workshop was very useful although the own case is very different from the others	1
	Could not fully follow because of language constraints (English – French)	1
	More on financial mechanisms	1
	Were not able to use initial input fully	1
	Did not really get tools and new concrete strategies	1
	Too little time to work on own project case	1
	Conceptual framework was not very relevant for own work	1
	It is not obvious that WASH specialists should know much about decentralisation	1
	Facilitation was different than expected	1
4	**Was your participation at the workshop of use for your activities?**	
	Yes = 17; mostly = 13; partly = 8; marginally = 0; no = 0	
	Total Answers = 38	
	Comments:	
	Will look more closely into political system of my own work	1
	Will implement most of the ideas which I have received	1
	Will apply the multi-stakeholders analysis at my work	1
	The workshop opened my eyes to difficulties in understanding complex policy arrangements, and the differences in perspectives on understanding the implications of complex policies	1
	Learnt a lot about the methodology of organising discussions and participants in a meeting	1
	Active participation in discussions	1
	Learnt a lot on decentralisation- being relevant for own work	1
	Gained many insights for own topic case/work	1
	Improved own analytical skills	1
	The topic is relevant for my organisation	1
	Helped to reflect on issues which I normally take for granted	1
	Language was a problem	1

5	**Which insights did you gain and how do you intend to use them in your future professional activities?**	**No**
	Learnt a lot in terms of policy gaps in own country	1
	Learnt a lot about decentralisation (three types of political, financial, administrative decentralisation)	1
	Learnt that decentralisation is a longer process which needs time	1
	Decentralisation is not the only solution to a problem	1
	Improvement through inter-municipal collaboration (example of excursion site)	2
	Decentralisation can boost economic and social development	1
	Tight regulations are necessary, although a certain flexibility is important	1
	Sufficient resources, infrastructure and administrative mechanisms are needed	1
	Decentralisation needs efficiency at local level, and a stability at national level	1
	Use of pro's and con's of decentralisation in the analysis of project contents, and in project formulation & implementation	1
	Proper planning is needed in order to successfully and sustainably apply W&S services at a decentralised level (e.g. Council or Community)	1
	Will try to better structure and document own work	1
	Capacity building is linked with decentralisation	1
	Concept group's discussion will help to analyse the process in own country	1
	Elaboration of integrated development plan at village level	1
	Creating a W&S management office for inter-municipal collaboration	1
	South Africa Water Information Network would be a good guide for organising similar collective efforts	1
	Training to Municipalities is a must	1
	Advocacy for better W&S services is needed	1
	Learnt more about waste management	1
	To improve of own project implementation skills	1
	Learnt about communal sanitation options in informal settlements	1
	Plan for and prepare well decentralisation processes; Build up capacity at local level for effective decentralisation	1
	Learnt about new tools	1
	Learnt about the inter-linkage between decentralisation policy and W&S policy	1
	The tools used in the workshop methodology (e.g. follow-ups) will help in own work as a knowledge management tool	1
	Decentralisation is a dynamic process	1
	Decentralisation should be integrated in WASH issues in a inter-sectoral and inter-disciplinary manner	1
	NGO's & CBO's role in services delivery is essential	1
	Learnt to give focus on some stakeholders and activities that were not well integrated in own project work	1
	Total Answers = 31	
6	**How do you evaluate the workshop concept?**	
	Choice of main themes:	
	Very good = 15; Good = 18; Satisfactory = 4; Not so good = 0; Unsatisfactory = 0	
	Balance of theory, discussion, group work/exercises:	
	Very good = 11; Good = 21; Satisfactory = 5; Not so good = 0; Unsatisfactory = 0	
	Possibilities for exchange of experiences:	
	Very good = 10; Good = 18; Satisfactory = 7; Not so good = 1; Unsatisfactory = 0	
	Workshop documents:	
	Very good = 3; Good = 15; Satisfactory = 13; Not so good = 3; Unsatisfactory = 0	
	Total Answers = 144	
	Comments:	**No**
	The generic presentation on decentralisation by the resource person was very informative	1

The information market was a very useful method; it should be increased in time	1
More time for exchange (open space method, etc.)	1
Focus more on 'opportunities' and 'challenges'	1
More material to take back home is wished (e.g. approaches, concept documents)	2
Documents were not delivered yet	1
Project summaries could be improved	1
The Carousel method did not really bring about the expected results	2
More background information of excursion site and theme would be helpful	1
Not enough time to discuss the workshop topics was given	1
The workshop title was not clear; what did the organisers expect?	1

7   How do you evaluate the overall lead of the workshop (moderator, resource persons, steering committee)

Thematic competencies:	
Very good = 9; Good = 20; Satisfactory = 6; Not so good = 2; Unsatisfactory = 0	
Comprehensive presentation of the themes/issues:	
Very good = 9; Good = 19; Satisfactory = 7; Not so good = 1; Unsatisfactory = 0	
Consideration of experience & inclusion of problem areas expressed by the participants:	
Very good = 6; Good = 22; Satisfactory = 8; Not so good = 0; Unsatisfactory = 0	
Total Answers = 109	

Comments:	**No**
Presentations lead to very productive group discussions	1
The Coach was brilliant, supportive	1
The Moderator was very good, and is a professional	2
Excellent facilitation tools (the Moderator had always new good ideas)	2
Very good energy level and organisation	1
Often tasks/questions given were too vague, not specific enough to push the topic further	1
The group was too big to analyse deeply each case	1
Moderator should have better sector knowledge	2
There is always room for improvement	1
The 1999 Aguasan team was more driven and experienced	1
It should be ensured that ALL participants are 'on board' and participate actively	1
Total Answers = 24	

8   What is your overall impression of the workshop (organisation, rooms, etc.)

Very good = 17; Good = 19; Satisfactory = 0; Not so good = 1; Unsatisfactory = 0	
Total Answers = 39	

Comments:	**No**
Pleasant environment/beautiful setting; good facilities	3
Well equipped rooms, good food	1
Well organised	2
More time to visit Thun would have been nice	1
Make sure that everybody participates	1
Formation of a French-speaking group is recommended	1
Aguasan has a very good reputation	1
Sharing of room is not recommended, when you don't know the person	1
The rooms were too small for 2 persons, and was difficult to work at night therefore	1
Internet access was very problematic	1
There is always room for improvement	1

9 Do you intend to have a debriefing back in your office, where you will discuss possibilities of applying what you learned?	**No**
Yes	**34**
Comments:	
With my staff/colleagues/partners	24
With my boss	4

	With member of municipalities and other stakeholders	1
	At next CREPA network meeting in Togo	1
	About making the work more explicit	1
	About joining the next Aguasan workshop with more colleagues	1
	About the decentralisation concept, and how to implement ideas	3
	About lessons learnt	4
	About water sector	1
	No	**1**
	Comments:	
	Perhaps informal debriefing	1
10	**Any other action you will undertake to share and apply the knowledge and tools acquired in the workshop:**	**No**
	Holding discussions with key stakeholders to improve the approach	1
	Organising a technical backstopping	1
	Sharing insights in a professionals' network (e.g. CREPA)	2
	Organising a focus group	1
	Writing a report about the workshop	3
	Will organise a meeting with stakeholders of the sector	1
	Sharing knowledge during missions	1
	Will apply the workshop facilitation methods	2
	Will capture some of the experiences to include in presentations, and use as examples during work	1
	Will share the knowledge with a District Water Services Managers Forum	1
	Will share the knowledge with a Provincial Water Department	1
	Will include lessons learnt in own capacity building activities	1
	Will apply knowledge in assessments of project proposals, formulation of TORs, for reviews/evaluations; for transversal analysis	1
	Will focus more on people-centred project implementation	1
	Will disseminate the workshop materials with other stakeholders of the sector	1
	Will lobby/advocate and network together with the other workshop participants	1
	Will translate documents into French to make them available for colleagues/partners back home	1
11	**Any additional comments you wanted to mention – personal suggestions:**	**No**
	Can Aguasan workshop be organised one time in Africa?	1
	Segregation of group due to language constraints (francophone group)	1
	Can translation (French – English) be organised?	5
	Better balance of topic cases distribution per continent	1
	Shorter breaks (lunches) to finish earlier in the evening	1
	Fewer interruptions during the day	1
	More and shorter presentations	1
	More use of PowerPoint in presentations	1
	Organise the information market on a steam-boat on the lake (e.g. at 5-10 pm for informal exchange)	1
	Keep the information market, very useful tool!	1
	Really very good event! Highly effective and productive in organising exchange of varied experiences	1
	Good way of sharing quickly many experiences and in depth in group work	1
	Topic of next year should include economic growth and sanitation	1
	Workshop programme should be lighter during the first days in order to digest better the provided information	1
	More time for exchange which does not focus on the topic but which is related to it	1
	Allow for finishing earlier in the evening (have shorter lunch breaks)	1
	Really enjoyed the mood and atmosphere of the workshop; the facilitators and organisers were very helpful, warm and kind. Keep up the good facilitation!	1

More hints would be necessary before starting new sessions in the workshop to increase the efficiency of group work and feedbacks, especially on carousel method	1
Rethink carousel method	2
Continue concept group	1
Organise an interactive website to start knowledge sharing about the topic, e.g. about 'water treatment systems and costs', etc.	1
I really appreciated the active participation of the workshop participants	1
Workshop should allow for more personal time and recreations	1

Diagram summarising the overall satisfaction of the workshop participants:

5 = Very good
4 = Good
3 = Satisfactory
2 = Not so good
1 = Unsatisfactory
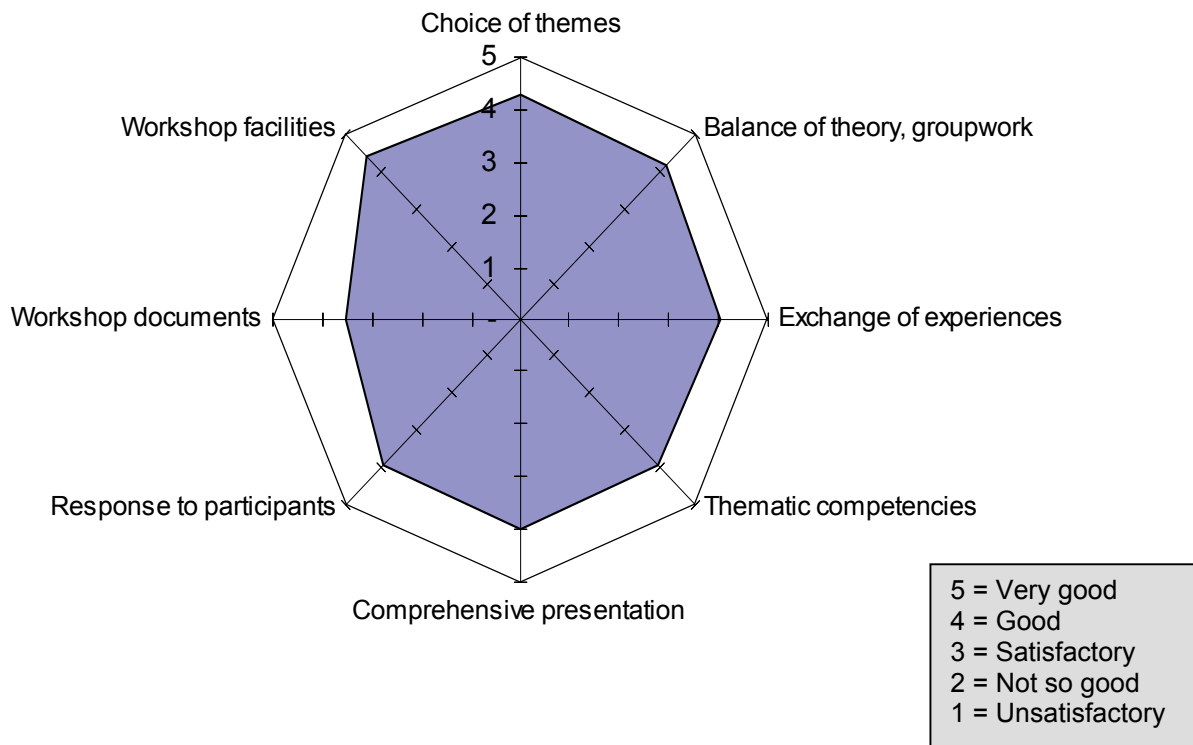
7   Next Steps

AGUASAN workshops are clearly intended to foster a mutual learning experience. They pro-duce innovative outputs and thematic inputs that considerably influence the work of AGUASAN, its constituents and its partners. To the participants, the workshops offer primarily a perfect opportunity to disconnect from daily duties to fully explore new ideas (think tank), to get updated sector know-how and improved skills they can apply in their personal work, and to expand their professional network. To structure their learning throughout the event, the participants are encouraged to keep their personal learning diary by writing down his/her most important insights of the day as well as their ideas about what elements they could transfer effectively to their personal work. But what will happen with the insights, learning and ideas for transfer once the participants are back home after the AGUASAN workshops?

In order to gain a better insight into the effect of the AGUASAN workshop series, the organisers introduced a thematic workshop closing session this year, where all participants were asked to individually define follow-up activities for the next six months. Through identifying those, they did a listing of the main insights from the week, naming the elements acquired they will integrate into their personal work. In addition, they spelled out some feasible ideas of how to share back home the lessons learnt. A compilation of the respective activities identified are given in the table below:

Proposed follow-up activities	No. of participants
Integrate the findings into the own current programmes/initiatives	14
Share the findings internally	13
Share the findings with the local government authorities/stakeholders	10
Launch dissemination workshops	6
Elaborate and disseminate a report/publication on the findings	4
Design and implement a specific action programme	3
Launch an internal think tank/reflection	2
Capitalise the own institution's lessons learned regarding the topic	2
Include the issue and findings into my blog	1

Towards the end of 2007, the workshop organisers will conduct an electronic survey on the realisation of the activities, that the participants identified, and call for sending documented out-comes and outputs of the follow-up activities and perform a thorough analysis on them.

Concerning the steering committee, the annual cycle of workshop preparation/organisation, conduction and reporting/assessment continues shortly after the closure of the event. Within a month time the committee holds a review and outlook meeting encompassing an evaluation of the past workshop (preparation/conduction/outcomes) as well as the identification of a topical and promising theme for the forthcoming workshop. Typical outputs of this evaluation and reporting phase are the comprehensive workshop reports (proceedings) and periodically small publications about the knowledge created during the event and targeted at a broader audience.

Preparation Year X *Oct. – May*	**Work-shop** *June*	**Evaluation/ Reporting** *July – Sept.*	**Preparation** Year X+1 *from on Oct.*

8   Resources

8.1   Documents on the accompanying CD

The results of the AGUASAN Workshop 2007 are available on CD-ROM with following content:

- Workshop report (PDF)
- PowerPoint presentations (PDF)
- Background and resource documents (PDF)
- Pictures (JPG): photos, flipcharts, posters and inboard illustrations.

8.2   Workshop participants and addresses for contact

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8.3   Ideas for the next workshop

In an ultimate plenary session, the participants of the AGUASAN workshop 2007 suggested the following themes and organisational issues to be considered in the next workshop:

Workshop themes

From the topic list of AGUASAN 2006:

- Poverty alleviation and W&S to achieve the MDGs

- W&S sector management at municipal level (including tools)

- Pricing, tariffs, finance and money flux

- Sanitation options for peri-urban areas

- Boosting the image of sanitation – why is sanitation coverage behind?

- Water & sanitation from emergencies and rehabilitation to development

- IWRM (Integrated Water Resources Management) and preventing water-related conflicts

- Knowledge Management and W&S – Networking, institutional learning, etc.

- Monitoring & Evaluation of water, sanitation and hygiene (WASH) activities (for decentralised WASH)

- Bridging the gap between water and sanitation coverage

New topics:

- Water for economic growth and poverty alleviation

- Alignment/harmonisation of W&S and Decentralisation

- Waste management as a municipal task

- How to mobilise the private sector to invest and participate in the W&S sector

- Gender, empowerment, community, and W&S

- W&S achievements in the context of the HDR (Human Development Report) 2006

- W&S for local development

- Rights based approach in W&S provision

- Analysis of advances in cross-cutting issues – e.g. Gender

- Water resources for drinking water and sanitation

For the 2009 AGUASAN workshop, the following topic was suggested:

- Private sector's role revisited 1999 - 2009

8.4   Topics of previous workshops

N°	Titles	Date
0	**Appropriate technologies in water supply and sanitation**	1984
1	**Water decade:** Drinking Water and Wastewater Problems in Developing Countries	1985
2	**Participation and animation**	1986
3	**Sanitation and health**	1987
4	**Operation and maintenance**	1988
	Activities and goals relevant for maintaining of village supply systems and latrines	
5	**Monitoring and evaluation in drinking water and sanitation projects**	1989
6	**Sustainability of drinking water supply and sanitation projects**	1990
	What is sustainability, in what fields can it be achieved, what are its guidelines, what has to be done to make a project sustainable	
7	**Communication in development cooperation**	1991
	Communication and its various aspects in development work	
8	**Water and sanitation knowledge system**	1992
	Development of water and sanitation knowledge systems for better preparation and implementation of WatSan projects	
9	**Water is not a free resource (anymore) – who pays?**	1993
	About the problems of financing water supply and sanitation systems	
10	**Sustainable water and sanitation projects through fair negotiations**	1994
	Importance of well conducted discussions during preparation and implementation of water and sanitation projects in order to ensure their sustainability	
11	**Urban sanitation**	1995
	The challenge to communities, private sector actors, local governments and external support agencies	
12	**Transfer of ownership in water supply and sanitation systems**	1996
	Community ownership of water supply systems, which is essential to user participation, and to the sustainability of these systems	
13	**Less water for more people**	1997
	How to tackle and avoid conflicts around global water scarcity in the field of international development cooperation	
14	**Technology and balanced development**	1998
	All involved organisations, professionals and users are bound to contribute to sustainable drinking water supply and sanitation systems	
15	**Private sector – just a (new) hope?**	1999
	Whether and how the private sector can contribute effectively to cover the needs in the water sector and whether the market economy is suitable to work in programmes of poverty alleviation	
16	**HCA – The household-centred approach**	2000
	A new way to increase the sustainability of water and sanitation projects?	
17	**From sector reform to sector revolution**	2001
	A new (and revolutionary) approach is needed in order to ensure sustainable operation and maintenance of installed systems	
18	**Profits for all – service for all**	2002
	Innovative approaches and management options for equitable and sustainable drinking water and sanitation services	
19	**This shit drama – are there ways out?**	2003
	Innovative approaches for practical solutions to a dirty and deadly issue that has been taboo for too many decades	
20	**Sustainable services without external support – still a challenge!**	2004
	What is needed so that sustainable services are guaranteed after withdrawal of external resources?	
21	**Caring and Integrated Management for Sustained Water and Sanitation Services**	2005
	Conserving existing services allows future investments in upgrading and scaling up	
22	**More Benefits for Households from Water and Sanitation through Intersectoral Synergies**	2006
	Can the impact on poverty be improved by linking W&S with health and income generation?	

The AGUASAN workshop reports of the last years are available for download at www.skat.ch.