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Further to the recent note on WB-CSO dialogue, please find notes from Belinda Calaguas, Head of Policy at WaterAid, from the various sessions attended and meetings held at the World Bank Water Week (26th Feb - 1st March). All presentations from the Water Week are available on the Bank's website: www.worldbank.org/watsan

Accountability of utilities to consumers

. A new research project, with Meike van Ginneken as Task Manager, to look at institutionalised forms and mechanisms for ensuring utility accountability to consumers, with consultants: Mike Muller, former Director of South Africa Dept for Water Affairs & Forestry (DWAF) and Robin Simpson of Consumers International

. Looking at various levels of a utility's accountability - from information provision, consultation, participation in decision-making to getting redress for complaints, and mechanisms used by individuals, community of users or collective (as in all consumers across a city) for these various levels of accountability. The focus of the research is on the short route of accountability.

. Framework used was the World Development Report 2004, Making Services Work for the Poor: services do not work for the poor because the long route of accountability between citizen & policy maker does not work, and because the short route of accountability between the consumer and the service provider does not exist.

. Critical discussions focused on how the long and short routes of accountability are interlinked. If the long route is weak, then the short route is also not going to work. Discussions will impact on the scope of the research.

WB-donors Informal Meeting

. Held one day before the start of the Water Week, at the invitation of the WB. Most of the bilateral donors in attendance and all the regional development banks, one UN agency representative and a rep of the Gates Foundation. For first time, this meeting was opened to CSOs to observe - a promise that JS made during the WB-CSO dialogue organised by WaterAid in 2004. General observation: Jamal is the leader of the pack (good grief!) No donor reps that attend these meetings able to take a global view, provide an analysis, or even has the charisma and attitude to exert any authority over the donor collective. Those that attend are effectively, juniors and are not the decision-makers on water. Really sad.

. Donors agreed that there is something not working vis a vis the general advocacy for WSS/WRM since bilateral resources are "at best stable" and not increasing. Only the World Bank and the regional development banks are increasing investments in the water sectors. Is the problem real, or is it a problem of inability to capture in monitoring terms, investments being made by donors, eg, through budget support? (some donors said that budget support is only a small proportion of their investments.)

. Identified G8 as a necessary audience for advocacy and agreed that water needs to be on the agenda of the Japanese G8 in 2008.

. DFID's proposal for a global action plan, (one annual report produced by UN Water and 1 annual meeting, 1 national plan and coordination body and 1 UN body to coordinate UN activities) was met with polite questions and some support for different components of the plan. Generally supportive of an annual report, but who is going to do this and who is going to ensure its quality (no one believes the UN can produce a good quality report - see note on JMP below)? Generally supportive of one annual meeting, but which other meetings will have to be cut? Why the need for a national plan when there are already PRSPs and MDG roadmaps being written in-country? Why not focus the report only on Africa as this is where the problems are most acute?

. UN Habitat's proposal for the Water Operators Partnership was rejected. There was warm support for getting the partnerships to happen, as donors believed that utilities - whether public-public or private-public could learn from each other, etc. But these need to happen on the ground, no need for a global secretariat housed in UN Habitat. Also insisted that existing mechanisms such as the SE Asia Water Utilities Network, the Africa Water Association or the old Water Utility Partnership be built upon. Questions also about sustainability of the partnerships if these were funded only by the donors - to address this, need utilities to also fund it directly. Questions about the accountability for the advice that will be provided by utilities to each other - what if the advice, when implemented results in disaster or does not

work?

. In the end, there was some navel gazing - were the donors looking at the right issues at the right levels? Are the donor meetings still useful? Can they not discuss more honestly what works and what doesn't, which countries to invest in, and where to make these investments to get the most bang for the buck?

. When asked for my input, I raised the following issues:

o the need for donor meetings like this to make themselves accountable to each other for their commitments and decisions - both in terms of volume and quality of aid and promises of harmonisation;

o that issues the donors need to also look at include a) local governments & how to support their strengthening and service delivery / management capacity, b) supporting and strengthening the demand for good governance and improvements in services, not just the supply - how to support civil society, etc., and

o create spaces for civil society to share their lessons learned and good practice within the WB Water Week and WB-donor meetings.

Opening Speeches: Jamal Saghir and Kathy Sierra (Vice-President for Sustainable Development, Jamal's boss) / Water Futures, Sustainability and Growth

- There has been a paradigm shift within the Bank reflected by the integration of the environment, social development and agriculture departments with infrastructure.

- External factors currently influencing the Bank's work are: population growth, urbanisation, climate stress and governance. Stern report has demonstrated the cost of inaction re climate change. The Bank has embraced the need for a major push on the environment - in water this translates as poverty reduction within an IWRM framework.

- Other milestones /changes to business between 2000 -2005 include a shift to multi-sector projects; a renewed focus on results brought about by the MDGs; the need for sub-national support as expressed by the Camdessus Panel

- Public investment in the sector is decreasing, bilateral donor support is 'at best stable' but Bank investment is on the increase - around 2.5 billion USD this coming financial year.

Output based aid: Approaches, updates and lessons (Patricia Veevers-Carter)

- OBA takes the form of performance based subsidies/ grants. The core of the OBA approach is the contracting out of service delivery to a third party, usually a private firm, where payment of public funds is tied to the actual delivery of services. Water users are expected to cover a small percentage of any investment

- The Global Partnership on Output-Based Aid (GPOBA) is a multi-donor trust fund which funds OBA approaches in infrastructure and health. GPOBA is funded by DFID, IFC, the Dutch and AusAid.

- Water = 31% of total projects. Project grants are relatively small - around 5 mill USD

- Regional banks interested in adopting OBA approach

Questions raised by the presentations:

- Sustainability - what happens when OBA project ends and the Bank is not there to offer guarantees to investors?

- Role of local government in the contracting of service providers? An additional burden for LGs - experience in Uganda showed that they do not have the capacity to manage the tenders

- Access to finance necessary to run the projects - local operators having real difficulties finding this.

Results management - baseline indicators and target values

- The session was primarily used to discuss the JMP

- JMP measures use of facility not functionality or sustainable access

- JMP figures are based on household surveys carried out every 3 years in most cases

- HH surveys do not disaggregate by district, slums, peri-urban, gender, age. They give no indication of water quality or reliability of service.

Questions raised by the presentations:

- Data is not considered to be relevant to national governments and is not being used in policy formulation. How can JMP become more relevant??

- Shouldn't data be linked to investment in-country? This would allow us to measure the effectiveness of different types of investment.

SWAps - to be or not to be?

- SWAp is more than a financial instrument (eg budget support, basket funding), it is a process

- Key components of the SWAp = sector strategy (consistent with PRS, MDG, decentralisation) + expenditure framework (results-based, linking to strategy) + co-ordinated financing (basket fund or budget support)
- SWAps are embedded within the public finance system with all its strengths and weaknesses. A project approach is still considered to be the more flexible approach by donors because of this
- Are SWAps more effective? It depends on the Government's implementation capacity. Coordination takes time. Monitoring of programmes within the SWAp is weak.
- Uganda seen as an example of how SWAps should work

PER - why should water professionals care?

As part of the World Bank's country economic and sector work, a PER is undertaken to assist the borrowers in understanding their development problems and potential solutions as well as help illuminate the World Bank's own country assistance strategy. This session used examples from India and Benin to show how the PER has been used to evaluate the financing gap and review allocative efficiency (budgets for maintenance, absorptive capacity and public financial management).

Total Sanitation Approach

. Presentation by WSP on the paradigm shift of total sanitation, then presentations by different governments - Maharashtra, Indonesia where WSP has promoted the TS approach from Bangladesh. As expected, glowing reports. Mentioned WaterAid once, and the local NGO partner was not even identified.

. The WSP narrative on total sanitation is around 4 items:

- o Role of institutions - involve local government and engage political leadership
- o Role of information - synthesise info and ensure dissemination in real time; cross-learning, taking indigenous innovations to scale and adaptation to local conditions
- o Role of incentives - especially fiscal incentives.
- o What we still don't know: the long-term sustainability of changed behaviours and its impact on health and well-being.

. This last point is now the subject of a Gates Foundation \$12 million grant to WSP to evaluate Total Sanitation and Marketing Sanitation approaches to look at effectiveness, long-term impact etc. and why these work. Questions the WSP team (led by Eddy Perez) want to look at include the following:

- o If no subsidy, what about the poor? How do poor move up the sanitation ladder?
- o Costs of projects
- o Managing children defecation
- o Are there globally applicable lessons?
- o Behaviour change model is about shaming people, which goes against communication models of presenting positive messages

. Initial work by an evaluation team on TS (done in India on the state-wide programme in Maharashtra) measured the impact of TS on sanitation behaviour and the impact of this on Under-5 children's height (if young children constantly suffer from diarrhoea, they then suffer from malnutrition and this contributes to stunting of growth). The results - statistically significant that in the TS areas, 3 year old kids were 2.5 cms taller than same age children in other areas where TS/behaviour change had not happened (3-year monitoring done). Questions these raised:

- o Does having latrine matter or using them (facility vs behaviour) Using regression analysis, ownership of latrine is not significant factor
- o Do we need 100% compliance within a village to achieve results?
- o Parental open defecation is significant factor on child height and weight (also from regression analysis)

Sanitation, Water, HIV AIDS and Climate Change On HIV-AIDS - Kate Tulenko, World Bank, Human Dev Network

- . Need to integrate WSH into HIV-AIDS programmes. Most health care and community health workers are not trained in hygiene.
- . Watsan NGOs should /could partners with HIV-AIDS organisations, get WSS in palliative care for HIV-AIDS sufferers
- o This will help to avoid stigmatisation
- . Take advantage of existing relationships with HIV+ communities
- . Improve HIV programmes in water ministries and utilities.
- . Longer term - more research is needed. Globally, WB need to do more cross-sectoral work.

On climate change - Donna Goodman, UNICEF

. Climate change has health related impacts, particularly on children's health. Change of 1.4 degrees F is enough to alter health diseases. Health burden due to CC in developing countries coincides with WSS impacts.

- o Increases in vector-borne diseases

- o Future CC are likely to increase diarrhoea-related child deaths
- . Strategies for action: identify main health vulnerabilities to climate change, build adaptive capacity and accessible expertise. This means educating children and the public: where does the water come from, where does it go, etc.
- . Check out the Children & Environment Strategic Alliance (www.who.un/globalchange)
- Separate meetings On LG Financing
 - No single department within WB dealing with decentralisation - fragmented work being done by the Public Sector Group within the Poverty Reduction and Economic Management (PREM) department (need to follow up here); by the Social Development Department (their Senior Economist is peer reviewing our work) and by the Water Anchor (although public finance hasn't been their focus up until now).
 - Generally, positive feedback on the research framework - acknowledgement that this will fill a knowledge gap - but scepticism about our power to use the findings to bring about change - 'WaterAid is a very small fish' (which is why we are talking to big fishies like you..)
 - Suggestion that we link up with Price WaterHouse Coopers and the like to share what we are doing/use them to promote our findings. These guys are key influencers when it comes to improving PFM.
 - Suggestion that we should use research to promote performance benchmarking among LGAs.
- Separate meetings on sanitation (with WB and WSP sanitation experts: Pete Kolsky and Eddy Perez)
 - . Queried why new policy officer to be recruited is sanitation & environment focused. Worried that we were going down the so-called "sustainable sanitation" campaign launched recently, which actually focuses on ecological sanitation, or closed loop sanitation.
 - . Emphasised the need is to keep eye on the price of increasing access - sanitation for people, not for fishes.
 - . Huge data problems with sanitation (and water). Unlike Health, which has got its vital statistics and DHSS (fully and continuously funded by USAID) and Living Standards Surveys, there is no equivalent monitoring mechanism for WSS.
 - . However, national decision makers do not make investment decisions based on data, so the issue here is to understand the political economy of decision-making on sani financing.
 - . 2 researches - sanitation financing and Poli econ of sanitation to be built up from 6 case studies each - preliminary data from at least 2 case studies each will be available only by Dec 2007.
 - . Would like engagement with WaterAid, perhaps a case study, or even electronic engagement.
- Separate meetings with Jamal Saghir (2 meetings)
 - . On EWP Global Action Plan - is this the same as DFID and the HDR? Need to coordinate. Arguing for a GAP will only provide the donors with another escape route to meeting their commitments, as they take time to negotiate and bargain with each other. In the meantime, they are not delivering on their commitments entered into in previous global meetings. Nationally, no need for new plans - PRSPs and MDG roadmaps are sufficient.
 - . Concentrate your efforts on making the donors accountable for their commitments (for Jamal this means - to get increases in IDA 15).
 - . Key donors: UK, Germany, France, Japan, USA and Netherlands. If these decide to act as one, then the other donors will follow.
 - . Side Meeting at WB Spring Meetings - DFID responsible for the agenda. WB will produce a report. For Jamal, he is interested in getting this side meeting in order to "bring back water onto the development agenda".
 - . The question of improving reporting on WSS - cannot be done by the WB - because "this makes me more powerful. With more power and resources, I can be arrogant and make mistakes or I can do better."
 - . Wants to meet Barbara Frost, CEO, WaterAid

Best wishes

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