

**FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
MINISTRY OF WATER RESOURCES**

Letter of Sector Policy

Library
IRC International Water
and Sanitation Centre
Tel.: +31 70 30 689 80
Fax: +31 70 35 899 64

January 1996

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FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
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Summary Action Plan

ISSUES	ACTIONS	Time Frame
Regulatory Framework	Completion of Regulatory Framework Study	1997
	Development of rural water supply policy	1997
Integration of water supply and sanitation	Implementation of integrated water supply and sanitation schemes in 64 Woredas	2000
Rehabilitation and improvement of existing water supply and sanitation systems	Rehabilitation of systems for 12 towns	1996
	Rehabilitation of systems for some of the 25 Project towns under WSDRP	1999
Capacity Building	improvement of technical management, financial management and organization management for the Regional Governments	1999
	Water Supply Policy Development and Promotion by UNICEF Establishment of TA unit in the Ministry for Regional Governments	1997 on-going
Construction of new water supply systems	Construction: 2 towns financed by IDA	1996
	Construction: 7 towns to be commenced with finance from AfDB	1996
	Feasibility study for 11 towns financed by JICA	1998
	Feasibility study for 3 towns financed by Kfw	1998
Linkage with Other Sector	Establishment of consultative forum among government agencies	mid-1996
Water Resource Management	Establishment of integrated data systems for water resource management	1998
	Establishment of water resource master plan for river basins Omo/Gibe and Baro basins	1996
	Tekeze and Abay basins	1999
	Awash, Wabi-Shebele, Rift Valley and Genale basins	2000
Technology Development	Research for development of appropriate technologies for rural water supply at MOWR	on-going
	Research for development of appropriate sanitation technology with assistance from UNDP	1999
Cost Recovery	Finalization of timing for implementing tariff increases for non Project related towns	1996
	Study on rural water supply tariffs with assistance from UNDP	1998
Performance Incentive and Accountability	Study on incentive schemes for regional bureaus with assistance from WSRDP	1996-1997
Efficiency Management	Introduction of demand control	2005
	Legal provisions for protection of water supply resources Improvement of operational efficiency with assistance from WSDRP	1998 1996-1999
Participation of Stakeholders	establishment of forum for rural water supply with assistance from WSDRP	1996
	community based construction and maintenance of rural water supply systems under ESRDFP	1996 onward
Donor Coordination	Establishment of donor consultation forum	1996

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1. Background of Water Supply and Sanitation Sector

- 1.1 The status of the water supply and sanitation sector in Ethiopia, is rather poor. Most of the population, urban and rural alike, do not have adequate and safe access to potable water supplies or sanitation facilities, leaving people vulnerable to a host of water and sanitation related infectious diseases. Women and young girls are overly burdened within the sector, as they are the main suppliers and users of domestic water, and therefore, remain the most susceptible to water-related illnesses. Environmental degradation is an immediate concern, with grave implications for the provision of water and sanitation, severely impairing the natural conditions of the country and resulting in a forest cover of under 4 percent in 1990. In brief, over 70% of disease in the country are water-borne diseases.
- 1.2 Adequate water supply in Ethiopia is defined as 20 litres/capita/day available within a range of 0.5 -1 km from a dwelling. Sanitation is defined only by accessibility to a latrine without consideration of the status of such a facility, as well as the determination of its use. The level of health/hygiene education and the general awareness of the population concerning potable water and safe environmental sanitation is extremely low. Water quality is a major problem. Reports on water quality from various parts of the country indicate that the existing situation is far from satisfactory.
- 1.3 Existing data indicate that the overall coverage of water supply is 26%, while the national coverage for sanitation is estimated to be 7%. Further analysis of the coverage indicates that out of the total estimated 46.8 million rural population only 9 million or 18.8% have access to safe drinking water through an estimated 6000 different rural water supply schemes. The water supply coverage in urban areas, where some 10% of the population lives, is relatively better with about 76% of them supplied with potable water. The urban percentage includes those with low levels of services. Major problems in the urban water supply services include, low production levels, inadequate distribution systems and leakage in many areas, estimated to be more than 30% of the water passing through the distribution network.
- 1.4 The existing financial policy for water supply is not adequate. Current tariff rates are not based on cost recovery and as a result, there is hardly any room for rehabilitation and expansion of the schemes. Actual investment for water supply are far below requirements particularly when one takes into consideration the overall water supply coverage in the country.
- 1.5 In summary, during the last several years, a number of constraints have greatly suppressed the possibility of achieving the targets which have been set for the water and sanitation sector. Water supply and sanitation issues have not been addressed in an integrated fashion. Lack of sufficient involvement from project beneficiaries have forfeited success and sustainability of most projects. Inappropriate technology and experimentation on low cost options has resulted in few affordable alternatives. An urban bias for water supply and sanitation activities has kept rural development at an all-time low. In the past regime government allocations to the sector have been relatively low. Poor co-ordination among sector partners has resulted in excessive duplication and no synergism.
- 1.6 The major factor that accounted for the existence of the above mentioned constraints is the lack of sector policy. The purpose of this document is, therefore, to describe the sector policies that the country plans to

follow during implementation of the proposed IDA financed and other donors projects.

2. Sector Objectives

2.1 The overall development objective of the sector is to improve the well-being, health and productivity of the population by increasing coverage and ensuring the long-term viability of water supply and sanitation operations in line with the government's regionalization policies. These objectives will be achieved through:

- establishing the regulatory framework for the sector;
- formulation of integrated water supply and sanitation programmes;
- ensuring sustainability and efficiency through rehabilitation and improvement of the water supply and sanitation infrastructure and operations;
- construction of new water supply and sanitation in urban and rural areas taking due considerations to least cost options;
- capacity building, including institutional infrastructure & manpower development of the Regional Administrations and water supply and sanitation institutions; and involvement and participation of the communities, particularly women; this is assisted by the community participation and promotion offices established under zonal water sections.

2.02 These measures are supported by the following donor assistance programs:

- The Regulatory Framework Study to be carried out by 1996 under the IDA financed Water Supply Development & Rehabilitation Project (WSDRP) and the UNICEF's 1994-99 Programme output, through its Water Supply Policy Development & Promotion (WSPDP), will assist in developing policies to be used as guidelines especially for the development of rural water supply;
- The integrated sanitation program is now underway with the assistance of UNICEF's WBS programme in 64 "weredas" during the programme period. FINNIDA is also following this approach under its Rural Water Supply & Environmental Programme (1994-1998) in the Amhara Region;
- Currently rehabilitation of 12 towns water supply schemes is underway with a grant obtained from the government of Germany (KfW). The proposed IDA project also addresses this issue and implementation will be undertaken in some of the 25 towns;
- Construction of water supply schemes is recently completed in 5 Towns (ADB financed), and underway in other 2 Towns with IDA credit. In other 9 Towns (7 of them to be financed by ADB) it is expected to commence in the 2nd quarter of 1996;
- Technical assistance and training will be provided through the implementation of the IDA's WSDRP, the UNICEF's WSPDP and other donors' programmes.

3. Regionalisation (Decentralisation)

3.1 The national policy, understandably urges a rapid increase in the water supply coverage of the population. Moreover, in order to improve the sustainability of the water supply and sanitation sector, different measures have been taken among which decentralisation of former WSSA

functions through strengthening of regional capacities is one of them. The water sector was reorganised, in 1992, and again reviewed and as a result the Ministry of Water Resources was established in August 1995, to bring it in line with the general administrative changes being made in the country. Strategic decisions concerning this reorganisation have already taken place. Ownership of water supply schemes and responsibility for their operation and maintenance has been passed to the new administrative regions. WSSD, created under the Ministry, will be responsible, by and large, for giving technical assistance for the newly established regions. The decentralisation process shall continue with added impetus stressing optimum utilisation of available resources and the requirements of the New Regional Governments.

4. Linkage with other Sectors

4.1 The Ministry of Water Resources (MoWR) is the overall authority for the sector. The other important government agencies, either directly involved of particular relevance to the sector, are the following:

- Ministry of Economic Development and Cooperation (MEDaC)
- Ministry of Works and Urban Development (MoWUD)
- Ministry of Health (MoH)
- Ministry of Agriculture (MoA)
- Ministry of Finance (MoF)
- Disaster Prevention & Preparedness Commission (DPPC)
- Water Works Construction Enterprise (WWCE)
- Water Well Drilling Enterprise (WWDE)
- National Meteorological Services Agency (NMSA) and
- Addis Ababa Water and Sewerage Authority (AAWSA).

4.2 Coordination among the sector partners, has been weak. However, in order to maximise the economic and social benefits, linkages and co-ordination among the above sector partners shall be improved, and, to this effect the government will organise consultative forums for governmental sector partners beginning from mid 1996. Consultation meetings will be held at least once annually. The MoWR will be the chairman and secretary of the Meeting and the Vice Ministers, Commissioner and General Managers of the sector organisations will be members of the consultation meeting.

5. Water Resource Management

5.1 Water for agriculture and community water supplies are areas that will merit priority attention. Equally important will be problems related to pollution of water resources. Still other areas of critical concern include the incidence of floods and droughts, water for hydroelectric power generation, industry and matters related to the utilisation and management of shared water resources.

5.2 Assessment of the water resources is an important prerequisite to planning, development, policy formulation and the operation and management of water resources in their multiple uses. The establishment of integrated, reliable data systems, to include the functions of gathering, storage, retrieval, analysis, dissemination and use of meteorological, hydrometeorological, hydrological and hydrogeological data will, therefore, be a priority consideration. To this effect, a study assisted by the Netherlands government under its "miliev" programme, (80% to be financed from the "miliev" facility) will be undertaken beginning from mid 1996.

- 5.3 An integrated inter disciplinary approach to the formulation of water policies and appropriate legislative and administrative arrangements will be important components of national water management. Considerations will include cost-effectiveness as well as social benefits and environmental conditions. The creation of consultative forum, indicated under 4.2 above, will help in the formulation of policies and guidelines appropriate to the realisation of such objectives.
- 5.4 Appropriate legislation will be fundamental to the optimum development of water resources. Provisions which regulate water management will be enforced and will be periodically reviewed and updated. To this effect, Water Resource Utilisation Proclamation no. 92/94 is issued in 1994. Guidelines for the establishment of Water Committees has also been prepared by the former WSSA and is being used by the zonal water sections.
- 5.5 For proper co-ordination of all water related national activities, a centralised authority responsible for policy preparation and implementation as well as a decentralised approach to water policy making and implementation to suit a federal system of government are considered and the appropriate institutional arrangement is under implementation since 1993 (proclamation No. 41/1993).
- 5.6 The establishment of a water resource master plan for each river basin has been in progress to varying degrees. For Omo/Gibe and Baro-Akobo river basins, preparations of master plans is underway (Completion Target: 1996). Studies have also been initiated for most of the major river basins. For Abay and Tekeze basins, consultants teams have been selected and works are under progress (Completion Target: 1999). For Wabi Shebele basin, preparation of master plan is scheduled for 1996 (Completion Target: 2000). For Awash basin, the surface water study has already been undertaken (Completion Target: 2000). For Rift Valley basin, a preliminary survey has been prepared and a study will be initiated soon (Completion Target: 2000). For Genale basin, only preliminary capacity assessment has been undertaken (Completion Target: 2000)..

6. Technology Development

- 6.1 A systematic approach to applied research, aimed at exploring alternative options and developing these for practical application, has not been sufficiently promoted in the past. Efficient mechanisms for the dissemination of replicable technologies are lacking and co-ordination and registration of experimental projects as inputs to the learning process has not been initiated.
- 6.2 For water supply many approaches have been tried out in practice and many innovative technology modifications have been put to test. These should be pursued with added vigor in the future and new programs should be initiated and expanded. Researches are being undertaken on hand pumps, solar power and wind mill driven pumps.
- 6.3 However, sanitation has not been a priority and therefore knowledge of recent developments in technology and approaches remains limited. The concept of the ventilated improved pit latrines is known, but not fully understood by technicians and extension workers. There is also a clear need to further refine and adapt low-cost and appropriate sanitation technology for urban areas, as the use and application of conventional water-borne sewerage will be minimal. This can be demonstrated through the planned "Urban Sanitation Project" expected to be financed by UNDP in the near future. With local staff, studies have also been conducted

on sanitation in some of the major urban areas under the Public Works Programme, even though it is not yet implemented due to lack of financial resources.

- 6.4 The relevant policy issues to be considered will be: (i) creating a favourable environment for the public sector to fulfill promotional and regulatory functions [this is already created]; (ii) building local manufacturing capacity, [the new economic reform of 1992]; (iii) facilitating the growth of local well/bore hole drilling enterprises, [the Water Well Drilling Enterprise is improving its efficiency and other public and private enterprises are coming to the market]; and (iv) establishing appropriate technology standards suitable to local conditions. The MoWR intends to assist regions' technology development with assistance from some donors such as UNCDF, UNDP and UNICEF.

7. Institutional Framework

- 7.1 The Ministry formulates policies, strategies and provide guidelines, while the Regional Bureaus are implementors of same and their own plans. The existing institutional arrangement/framework for the sector includes the following, and their main duties and responsibilities are indicated below:

The Ministry of Water Resources (MoWR)

It has powers and duties, inter alia, to determine the condition and methods required for the optimum allocation and utilisation of water that flows across or lies between more than one regional self-governments, among various uses and regions, including transboundary water. It also initiates the preparation of master plans for the development of valleys, including the undertaking of studies pertaining to water tariff and collection of bulk charges for large scale water supply schemes, dams and the like. [The powers and duties of the Ministry still go further to the extent of controlling the impact of natural resources on the environment and preventing water, soil and air pollution]. It carries out its functions in the sector through the following major/technical departments.

- **Planning and Projects Department**

It prepares the country's water resource policy and strategy; coordinates the relevant government offices and various Departments of the Ministry to prepare the Federal Water Policy, Prepares an integrated short, medium and long-term plans for the water sector. Besides, it follows up implementation, evaluates and prepares socio-economic studies for vital projects and conduct studies on water tariff policy. The Department prepares and provides to the Federal Government, Regional Governments and investors as, required, detail of projects that were covered by the Master Plan Studies.

- **Basins Development Studies Department**

Studies and prepares the country's water basin master plans, identify projects that could be implemented with in basins, conduct feasibility studies and realize that the Master Plan studies take the nation's water resources, natural resources, land and socio-economic features into account.

- **Trans-boundary Rivers Study Department**

Conduct studies on trans-boundary rivers, realize that the benefit from such rivers are secured and in line with the international water use principles, national integrity and advantages.

- **Design Department**

Conducts survey and design of various water works that are to be undertaken by the Federal Government; control and follow-up works of foreign consultants. The Department monitors and finds out remedies for any environmental impact of designed construction works associated with prepared designs. It provides technical and professional support for water supply and irrigation works to Regional Administrations.

- **Contract Administration Department**

Develop estimate for water works of the Federal Government projects; prepares specification and contract agreements; prepares equipment, material, financial and manpower requirements for projects implementation; prepares tender documents; monitors that construction works and equipment installations are done as per the agreement. Develops and implements water works studies and design standards; besides, approves the existence of professional efficiency for water resources development studies and design.

- **Water Rights Administration and Water Utilization Control Department**

Plans methodologies on rational distribution of water resources between regions. Follow up their implementation as approved. Provide permits for irrigation and various water works implementing parties on regions-crossing rivers/water; follow up water tariff implementation; controls bulk use of water; controls and monitors the safety of dam and irrigation structures; cooperate with relevant parties to conduct studies and research that improves water management methodologies.

- **Water Supply and Sewerage Department (WSSD)**

Plans methodology for expansion of water supply & sewerage services in the country. Studies and presents for decision, water quality standards for various uses and safeness of different sewers; follow-up and monitors their practicality as approved; generate relevant policy for sanitation and sewage disposal; plans implementation strategies; provides technical support and professional advises for regional administration water supply and sewerage service offices.

- **National Meteorological Service Agency (NMSA)**

NMSA collects, analyses and disseminates data and information on climatic, weather and atmospheric conditions through out the country.

REGIONAL GOVERNMENTS

At a regional level, the Regional Water, Mines and Energy Bureaus are responsible for the overall development, management and utilisation of water resources:

The duties and responsibilities of the bureaus, among others, include the following:

- to ensure that central government laws, regulations and directives issued in relation to the conservation and utilisation of water resources are respected in the regions;
- to control the implementation of the country's water resources development policies;
- to grant permits to persons engaged in water works construction activities, such as dams and other works, in view of utilising the water resources of the regions;
- to supervise the balanced distribution and utilisation of the water resources of the regions for various types of services or uses;
- plan, study and design rural water supply schemes;
- supervise and inspect the activities of water service units;
- provide technical and maintenance services for the water service units and the rural water points; and
- promote community participation.

The Regional governments have the authority to decide on water and sewerage tariffs. They also formulate their investment plans within the budget ceiling allocated to them by the central government.

8. Capacity Building

8.1 Given Ethiopia's potential resource base, to support overall economic and social activity, and the radically new approach of decentralisation, new management skills will be required, both for MoWR and the regions. In this regard, there is a need to formulate a comprehensive management system to increase the capacity to manage, administer, operate and maintain the existing systems, as well as to implement new programmes and projects. With emerging decentralisation in water supply and sanitation activities, the creation of a strong management and planning systems at regional levels is absolutely necessary. In brief, the pillars for sustainability of water supply and sanitation services is capacity building at different levels.

8.2 There is also a need to upgrade the facilities and equipment, particularly those of the Regional bureaus. Clear operational procedures and lines of information flow need to be established between the central and the regional bureaus. There is also a need to set-up a system of standardisation of equipment, management and information flow to provide logistic support to the regions. The number of professional staff in the different regional bureaus need to be increased and upgraded in order for them to handle new technological applications, methodologies, as well as to adapt transfer of skills to zonal and water supply units. In brief, the capacity building effort will concentrate on:

- formulation of comprehensive management system;
- formulation of training programmes for senior, medium and lower level manpower geared towards programme formulation, implementation, monitoring, operation and maintenance, etc.; and
- strengthening the institutional capacity through providing equipment, logistics support, spare parts, workshops and water chemicals.

8.3 In order to improve the efficiency and sustainability of the organisational, financial and technical management of the water supply operations in the country, a project has been identified to be financed by the World Bank. Other than this IDA's WSDRP, in the 5th cycle Country Programme (1995-1996), UNDP has a capacity building component for regional as well as central institutions which is now under implementation. The output of the programme is expected to build and strengthen the institutional capacity as well as develop human resources in the sector in order to facilitate the provision of water supply services. These programmes will help to develop management capacity of the regional administrations to implement policies, guidelines, etc.

9. Establishment of National Standard

9.1 With the present commitment to accelerate water supply coverage and to bring the economic and social benefits of safe drinking water and sanitary facilities, to both the urban and rural populations, more resources are needed. To utilise the limited resources effectively requires, among other things, that the planning process be guided by standards that will assist in evaluating programmes and projects so that those selected for implementation can be rationally justified.

9.2 These standards relate to the quantity and quality of water to be supplied for various uses. In the urban areas, domestic consumption per capita per day is related to the level of service, ranging from in-house connections to public fountains. Taking the existing crude data, the standard for project planning, based on population size and level of service, are indicated below:

Levels of Service for Water Supply in Ethiopia

Size of Population Group	Type of Service	Level of Service
< 100	Dug Well	Provided by community self help
101 - 400	Dug Well (Large diameter)	hand pump fitted
401 - 2000	Drilled well	hand pump fitted 300 - 350 persons per well
2000 - 5000	Piped supply	95% service by public fountain 300 - 350 person per fountain
5000 - 10,000	Piped supply	80% service by public fountain 400 - 500 person per fountain
10,000 and above	Piped supply	60% service by public fountain 400 - 500 person per fountain

- 9.3 With regard to quantity standards, the present standard is 35-40 l/c/d for urban centres and 15-25 l/c/d for rural water supply schemes. However, it has to be noted that, the design parameters for urban centres allow higher values than the one indicated above. As far as quality standards are concerned, the country has attempted to establish its own standard, with the view of achieving WHO standard.

10. Cost Recovery and Financing Strategy

- 10.1 Cost recovery is of paramount concern throughout the water supply and sanitation sector. Because of the policies pursued in the past, there has been a tendency to treat water as a free commodity for which the people are not expected to directly pay. However, changes are being forced upon the government in view of the magnitude of the investment, operation and maintenance costs of water supply services, particularly in urban areas. The lack of clear policy toward cost recovery has greatly contributed to the financial problems of water supply services. Experience shows that, as long as water supply services are dependent on central government budget allocations, they can hardly operate efficiently. Safe and convenient water supply, delivered to the consumer's house, is a highly valued consumer good, and there is no reason why the consumers should not pay for it. The financial strategy in urban areas, therefore, should be designed to encourage conservation of water resources and at the same time, it should be in a position to cover operation and maintenance costs. Capital cost recovery should be maximised based on the populations ability to pay; the long term goal being the phasing out of government subsidies. Within this framework, tariff structure that accomplish these objectives will be introduced.
- 10.2 To this effect the government has established basic principles and guidelines for pricing and cost recovery for urban water supply and sanitation operation (March 1995). According to the document the tariff will be signed on marginal cost pricing approach which takes into account economic, social and financial objectives of water utilities. The tariff increase for Addis Ababa, effective in May 1995, has been approved by AAWSA's Board. A formal approval for the tariff increases for urban water supply in Oromia Regional Administration, including Assela and Shashemene towns, will be given by the Oromia Regional Council and a notification will be issued accordingly. Tariff increases in other towns will be made step-by-step after some studies are conducted and approved by the respective Regional Administrations. By 1996 Regions will finalize a time frame for implementation of the tariff increase and commence implementation thereafter in the remaining towns. The implementation of tariff adjustment will be in phases and the full cost recovery (urban water supply) may be realised over a period of time depending on the objective condition of each region.
- 10.3 With respect to rural water supply tariff, there was no clear policy. In some areas the users pay for water while in others it is free of charge, but actively participate in construction and operate and maintain the schemes through their water committees. The policy of supplying water free of charge, however, proved that the schemes could not be sustained. Hence, in order to address this problems and ensure a sustainable rural water supply, a national rural tariff study is planned to be launched under the UNDP financed 5th Cycle Country Programme (1994-99). The study is expected to come up with tariff structure, based on affordability, which will enable to cover at least the operation and maintenance costs of rural water supply schemes. The study is expected to commence in the second quarter of 1996.

11. Roles of the Public and Private Sectors

11.1 The role of the public sector is to prepare policy guidelines and regulations, plans and strategies, provide budgetary and technical assistance, monitoring and supervision for the overall development of the sector, while the role of the private sector is providing consultancy services for feasibility studies and design and actively participating in construction, drilling and supplying of pumps, generators, pipes and fittings, etc. Specifically, the private sector can participate in the following areas;

(a) As consulting and counselling services:

- conduct pre-feasibility and feasibility studies;
- prepare designs and tender documents;
- construction supervision; and
- studies on institutional capacity building, tariff, etc.

(b) As a contractor:

- water well drilling;
- construct new water supply schemes; and
- rehabilitate and maintain existing schemes.

(c) As a provider of sanitation services

- solid waste disposal; and
- sewerage systems services.

11.2 The government will assess the conditions and legal framework for the participation of private sector in the area of water supply activities. Accordingly, private sector participation in managing, operating and maintaining water supply services, particularly in urban areas, will be considered in order to create competition and control monopoly. Consumers participation in controlling monopoly will also be encouraged. In order to satisfy the fast growing demand of the Regions, the involvement of the public sector will continue until the private sector fully takes over these activities.

12. Performance Incentives and Accountability

12.1 The inadequacies in operation, maintenance and monitoring, both in the urban and rural water services is partly a manifestation of poor management, lack of performance incentives and accountability. There is a near depletion of professional manpower in the sector. There is no incentive, whatsoever, as a result morale and motivation of staff is low. Coupled with normal aging of facilities, this situation has resulted in many of the water supply systems, mostly in rural areas, being non-operational. Hence, there is a need to formulate incentive policies (such as bonuses, better payment, long leave, training opportunities, etc.) with clearly defined accountability if the water services are going to be properly managed, operated and maintained. Organizational study under the IDA's WSDRP will look into this issue and make recommendations.

13. Efficiency Management

13.1 Master plan study preparations are under way in some of the river basins aiming at optimum utilisation and allocation of different users within a framework of integrated development approach of water resources. A master plan study for water supply financed by the Dutch Government is also expected to start by mid-1996. However, the maximum utilisation

and efficient management of these resources is very complex by nature and will require not only a coordinated planning among the different users, but a sound institutional framework that will allow to formulate policies, mechanism for coordinated planning, cost recovery, monitoring and evaluation.

13.2 In this regard, measures that will help for the efficient management will be introduced based on the outcome of the study. Thus,

- legal measures for the control and balanced use of water resource will be introduced;
- demand-spreading techniques aimed at relieving peak demand pressure will be introduced; and
- legal provisions for the protection of water supply sources and enforcement of rules on use and conservation of water will be introduced by giving relevant authorities responsibility in water resource system planning, simulation and optimisation.

13.3 Furthermore, through the institutional capacity building component of the World Bank Project (Water Supply Development and Rehabilitation) assistance will be provided to improve operational efficiency of water supply and sewerage utilities in each region. Training will be provided to the regions' water supply managers to improve their management efficiency.

14. Participation of Stakeholder

14.1 The main participants in the sector are the government, bilateral and multilateral organisations, international financial institutions, NGOs and the consumers (communities). The government's main role is formulating sector policies, planning and coordination, budget allocation and capacity building, while the role of the donors is mainly contributing funds for construction, rehabilitation and, to a certain degree, for capacity building and operation and maintenance. The rural communities are also participating by contributing funds, labour for construction, but their main contribution is operating and maintaining the schemes through their water committees.

14.2 In the future, the government will continue its role as promoter, facilitator and coordinator. The rural water supply pilot project, one of the components of WSDRP, will create a forum for rural water supply activities. The Bank's Social Rehabilitation Fund Project, which is under preparation, includes community based construction approach. The organizational study of WSDRP will make recommendations as to how to improve communication with stakeholders in decision making.

15. Enforcement of Regulations and Monitoring

15.1 To improve the water supply and sanitation sector management, operation and maintenance, effective legal and regulatory framework that will allow enforcement of regulation need to be created. The existing regulatory and monitoring framework rests within the MoWR. The regions are also responsible for regulating and monitoring, within their respective area, and supposed to report to the central government.

15.2 Policies, guidelines and directives so far developed for the enforcement of regulations include:

- Water Resource Utilisation Proclamation (92/1994). This is the only legally instituted instrument for the development, management

- and utilisation of the water resource of the country;
- guidelines for the establishing of water committees which is meant to involve communities in all aspects of water supply activities;
- directives issued with respect to drilling for organisations involved in drilling, construction and rehabilitation of boreholes and related works;
- Basic Principles and Guidelines for Urban Water Tariff Study has been recently approved by the government. The regions will be implementors of the policy; and
- a draft irrigation policy has been prepared, but it has not been finalised. This policy requires to be finalised and its implementation should follow.

16. Investment Planning

- 16.1 Meeting targets for providing communities with safe water and the formulation of a step-by-step approach to achieve this aim is considered a priority. Specific and detailed plans will be adopted on water supply services suited to specific conditions focusing on the interests of the most disadvantaged communities. According to the plan of action for the period 1993-1999 programme, prepared in August 1992, national population coverage of 35% for rural and 95% for urban water supply and 12% and 70% rural and urban sanitation respectively will be achieved by the end of the decade.
- 16.2 To improve the existing water supply service level and coverage, the techniques of investment planning need to be reviewed taking into account the new structural set-up of the country as well as the New Economic Policy. The existing investment planning processes are composed of four main components:
- identification of projects and programmes;
 - project determination, selection and funding;
 - determination of financial resources; and
 - budgeting and programming.
- 16.3 The broad investment planning process in the sector begins with development strategy of the country focusing on exploration, survey, evaluation of water resources, and analysis of water use demand. Within the framework of the sector objectives and priorities, funds for projects are derived from the following sources:
- external loans and grants;
 - government budget;
 - NGOs; and
 - community contribution.
- 16.4 Apart from the MOWR the investment planning involves the following Ministries/agencies:
- the Ministry of Economic Development and Cooperation (MEDaC) (for appraisal and approval of plan budgets);
 - the Ministry of Finance (for the indication of overall financial resources); and
 - the Regional Bureaus prepare budgets and plan for projects and programmes within their respective area.
- 16.5 The major selection criteria for water supply projects/programmes are the following:

- number of beneficiaries;
- strong development potential in respect to its administrative functions;
- production, distribution and commercial activities,;
- consideration of equity among regions; and
- lack of major assistance from other donors or NGOs.

17. Donor Coordination

17.1 The existing coordination among the many government agencies, bilateral, multilateral and NGO's operating in the water supply and sanitation sector is not up to the desired level. This is a reflection of the past tendency to work in isolation. Their policies, objectives and strategies need to be focused and coordinated to the better performance of the sector. In this regards, the MoWR, which is responsible to register and approve donor projects and programmes, particularly NGOs, need to take further steps to coordinate overall activities. Such an approach will help to standardise the large number of types and models of imported and donated equipment. It will also avoid duplication of inputs and encourage thrust in support of the national programme. Hence, as a policy development, there is a need to create a strong mechanism of policy coordination at the Ministry level, to work closely with all government agencies, donors and the Regional Administrative Offices. Such an approach will not only facilitate smooth implementation of programmes and projects funded by donors, but will also help for equitable distribution of foreign assistance to the different regions.

17.2 Sector assistance coordination initiation meeting, inviting donors and NGOs, would be organised by the MoWR, in order to exchange information on assistance activities and to work on the modalities of future coordination mechanism. The agenda for this initial meeting will be presentation of brief reports by the participants on their activities, participants interest in coordination, issues to be discussed in the future forum, modalities of future forum (timing, venue, financing, secretariat, budget & assistance), etc.