

Background Paper for the Symposium on Sustainable Water Supply and Sanitation: Strengthening Capacity for Local Governance

26-28 September 2006, Delft, the Netherlands



Gaining Insight into Capacity Development at the Intermediate Level

Edited by

Jan Teun Visscher, Erma Uytewaal, Joep Verhagen, Carmen da Silva Wells and Marieke Adank

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Background Paper for the Symposium 'Sustainable Water Supply and Sanitation: Strengthening Capacity for Local Governance'

Gaining Insight into Capacity Development at the Intermediate Level

Jan Teun Visscher, Erma Uytewaal, Joep Verhagen, Carmen da Silva Wells and Marieke Adank

Summary

This paper provides background information on the symposium 'Sustainable Water Supply and Sanitation: Strengthening Capacity for Local Governance' in Delft. It presents the three main issues to be addressed at the symposium: the intermediate level, good governance and capacity development. The paper proposes that approaching the intermediate level from the starting point of the actors involved is too complex, as actors may perform more than one function and functions may overlap. It suggests that this picture can be made much clearer by looking at the different functions. It identifies two main functions at the intermediate level: governance of service provision and providing support to service providers.

The paper stresses that capacity development at the intermediate level is crucial to achieving the MDGs. Local service providers and users cannot efficiently build and ensure a sustained performance of water supply and sanitation systems in the developing world without a suitable enabling environment, good governance, adequate support and competent staff.

In many countries capacity development efforts focus primarily on improving the enabling environment (policy reform, legislation, regulation) and human resources (particularly training), rather than on structural strengthening of sector organisations. Furthermore it is much more common to train service providers than intermediate level staff. It is concluded that a better insight is needed into the role of the intermediate level, and that capacity development requires a strategy and motivation. It also needs to involve existing organisations to benefit from available resources. Sharing knowledge and experience is a prerequisite for all those involved to improve sector performance, and it is essential to acquire a much better understanding of the costs involved in capacity development.

The paper ends with a number of key questions that will be posed to the presenters of the case studies at the symposium.

List of abbreviations

ADB	:	Asian Development Bank
BRAC	:	Bangladesh Rural Advancement Committee
Cap-Net	:	Capacity Building Network (for Integrated Water Resources Management)
CBO	:	Community Based Organisation
CD	:	Capacity Development
CINARA	:	Instituto de Investigación y Desarrollo en Abastecimiento de Agua, Saneamiento Ambiental y Conservación del Recurso Hídrico
CWSA	:	Community Water and Sanitation Agency
DA	:	District Assembly
DFID	:	Department for International Development (UK)
DPHE	:	Department of Public Health Engineering
DWST	:	District Water and Sanitation Team

ECLAC	:	Economic Commission for Latin America and the Caribbean
Ecosan	:	Ecological sanitation
EMCALI	:	Empesas Municipal de Cali
GPOBA	:	Global Partnership on Output Based Aid
GDP	:	Gross Domestic Product
GWCL	:	Ghana Water Company Limited
HRD	:	Human Resources Development
ID	:	Institutional Development
IDEM	:	Indiana Department for Environmental Management (USA)
IMF	:	International Monetary Fund
INGO	:	International NGO
JMP	:	Joint Monitoring Programme (UNICEF)
LGD	:	Local Government Division
LGED	:	Local Government Engineering Department
LGI	:	Local Government Institutions
MA	:	Municipal Assembly
MDG	:	Millennium Development Goal
M&E	:	Monitoring and Evaluation
NGO	:	Non-governmental organisation
NSTFC	:	National Sanitation Task Force Committee
NSWG	:	National Sanitation Working Group
OBA	:	Output Based Aid
OD	:	Organisational Development
PPP	:	Public Private Partnership
PRSP	:	Poverty Reduction Strategy Paper
PWS	:	Public water system
RWST	:	Regional Water and Sanitation Team
SDA	:	Service delivery approach
SENA	:	National training organisation in Colombia
SNV	:	SNV Netherlands Development Organisation
SSP	:	Small-scale private water provider
SSPD	:	Superintendencia de Servicio Públicos Domiciliarios
TA	:	Technical Assistance
TSU	:	Technical Support Unit
UNESCO-IHE	:	Institute for Water Education
UNICEF	:	United Nations Children's Fund
WASH Water	:	Sanitation and Hygiene
WATSAN	:	Water and Sanitation
WB	:	World Bank
WEDC	:	Water Engineering Development Centre
WHO	:	World Health Organization
WS	:	Water and sanitation
WSDB	:	Water and Sanitation Development Boards
WSP	:	Water and Sanitation Program (World Bank)
WSS	:	Water and Sanitation Sector
WWC	:	World Water Council

1

Introduction

Decentralisation has shifted roles and responsibilities from central to local government and community based organisations. A wide range of stakeholders are involved in efforts to achieve sustainable water and sanitation services. These include district and municipal government bodies, decentralised ministry offices, private consultants and contractors, local NGOs, associations of municipalities, water committees, private water service providers, training institutions, and professional associations. Many of these actors struggle with their newly assigned roles for which they are not fully 'equipped' in terms of financial resources, knowledge, methodologies, tools and experiences. Yet it is increasingly recognised that the capacity, 'the ability to perform functions, solve problems, and set and achieve goals',¹ of these actors and coordination between them is critical to ensuring that national policies and plans are based on realities within communities and translate into sustainable services for end users.

It is acknowledged that the lack of capacities is an important stumbling block that severely hampers sustained progress and achieving good governance. Particularly capacities at the intermediate level are insufficient to meet the MDGs and thereby jeopardise future investments in the sector (Therkildsen, 2005). Yet the literature is confusing about what is meant by intermediate level. For this paper we have defined the intermediate level as the interface functions undertaken by a set of actors between the national (policy) level and the organisations providing water and sanitation services to end users. The intermediate level thus includes the functions that ensure the governance of the services and service providers and those that provide support to the service providers (see chapters 2 and 3). Most organisations at the intermediate level operate in a limited geographical or administrative area. One important aspect which makes the picture unclear is that in quite a number of situations there is considerable overlap between the roles of different organisations. Some, such as large utilities, may be almost self-sufficient whereas smaller utilities and water committees need clear support from organisations at the intermediate level. Also quite some municipalities combine their role as gatekeeper of good governance with service provision.

The picture is therefore not so clear cut, but capacity development (CD) is required to ensure that actors can do the job. It is increasingly recognised that CD is a broad issue that entails 'the sustainable creation, utilization and retention of capacity, in order to reduce poverty, enhance self-reliance, and improve people's lives'.¹ It comprises three dimensions: institutional development to improve the enabling environment, organisational development to strengthen the organisations and human resources development to improve the availability of good staff. These aspects will be discussed in chapter 4.

Capacity development at the intermediate level is essential to ensure better support for service providers and to strengthen local water and sanitation governance. The UN World Water Development Report 2006 indicates that an agreed definition of water governance is not yet available but it should include the key principles suggested by Rogers and Hall (2003) shown in Table 1. Basically governance is about how governments, agencies (including the private sector), social organisations (civil society), and citizens interact and make decisions. Governance ultimately determines who has access to water and sanitation and in what way and involves different functions (Table 1).

Organisations working at the intermediate level have a crucial governance role in ensuring that women, men and children have appropriate access to water supply and sanitation in an equitable manner. These organisations need to listen to, defend and empower disadvantaged people, fight mismanagement and corruption and be accountable for their actions. They need to learn how to coordinate and work together because functions and resources are often spread over different actors.

¹ UNDP web site (<http://www.capacity.undp.org/>) [accessed February 27, 2006]

This means that people working at the intermediate level need access to good information and advice and feedback from independent monitoring. They need to do better and deserve the capacity and incentives to do so. On the other hand, developing capacity at the intermediate level will not be sufficient to solve all sector problems. This also requires that governments and funders prioritise the sector, that service providers improve their performance (with help of the intermediate level), and that communities and users pay for acceptable, sustainable and equitable services.

Table 1: Generic principles in effective governance (based on Rogers and Hall, 2003)

Functions	Principles in all functions	Comment on principles
Planning and organisation Strategic decision making Resource allocation Tariff setting Monitoring and control Informing and advising national policy level	Open and transparent	Institutions being open to the public and transparent in their procedures
	Inclusive and communicative	Communicating with all stakeholders and ensuring and encouraging their participation
	Coherent and integrative	Considering all uses and users and their interconnectedness
	Equitable and ethical	Ensuring equal opportunities for men and women to access benefits and share cost of water and sanitation based on fair regulatory frameworks that are enforced
	Accountable	Actors taking responsibility for their action based on clearly assigned roles and tasks
	Efficient	Balancing economic, political, social and environmental efficiency considerations
	Responsive and sustainable	Governance is responsive to the demands from society, but also considers long-term impacts

Chapters 5 and 6 provide more details on capacity development efforts in practice, based on literature and on four case studies (in Bangladesh, Colombia, Ghana and Uganda) conducted in support of the symposium. In chapter 7 the overall conclusion emerges that many CD efforts are still project based and are not truly comprehensive. On the other hand it needs to be recognised that comprehensive CD is not a panacea and will not solve all sector problems. This chapter also presents a number of other conclusions. The final chapter provides summary information about the symposium ‘Sustainable Water Supply and Sanitation: Strengthening Capacity for Local Governance’ to be held in Delft, the Netherlands, September 26 – 28, 2006, and the key challenges and questions that will be addressed.

2

Actors Providing Water and Sanitation Services

To better understand the role of the intermediate level it is essential to understand the service providers, the actors they need to govern and support. Here we can distinguish between two categories of actors: those that design and construct water supply and sanitation services, and implement hygiene promotion often on a project basis with limited focus on long-term sustainability, and those dealing with day-to-day service delivery including operating, administrating and maintaining water supply and sanitation systems including the occasional emptying of latrines and septic tanks. These two groups may be separate or partly overlap, and may or may not work together.

Actors dealing with planning, design and construction include:

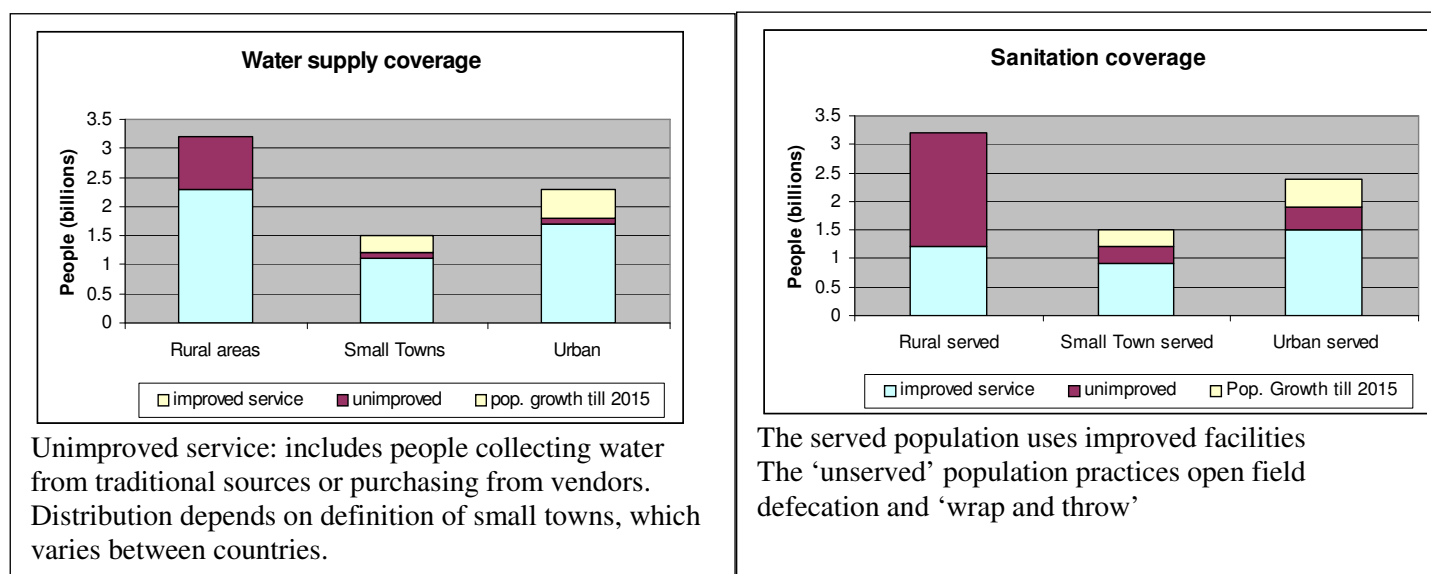
- individual or communal self-help groups, including voluntary water committees, that construct facilities by themselves or with support from outside;
- private sector organisations, such as engineering firms and contractors, but also NGOs practically operating as contractors;
- public sector and civil society, planning divisions of ministries, municipal companies with construction divisions, larger projects operated by NGOs, donors and ministries. The difficulty with this third group is that they may fall under the category of implementation or governance, and sometimes both. This will be discussed in chapter 3.

Actors dealing with daily water and sanitation service provision include:

- individuals or community groups serving themselves and/or their community (voluntary water committees);
- community-controlled water providers of community and regional systems (Community Based Organisation/CBOs);
- small-scale private water providers (SSPs) including sub-contracts with utilities;
- private utilities and public private partnerships;
- public utilities dealing with systems in one or more municipalities;
- (de)centralised government and NGO-managed projects

Figure 1 provides an overview of global estimates of people who have access to improved facilities and those that have to collect their own water from ‘unimproved sources’ or purchase it from vendors, and use open field defecation and ‘wrap and throw’. The estimates show that the population of small

Figure 1: Estimated water supply and sanitation coverage (based on JMP, 2002 and WB, 2006)



towns and urban areas will grow by another 800 million people by 2015, whereas that in rural areas, with the exception of parts of Africa, will not increase. This figure gives a good illustration of the systems that need to be built and those that need to be sustained or improved.

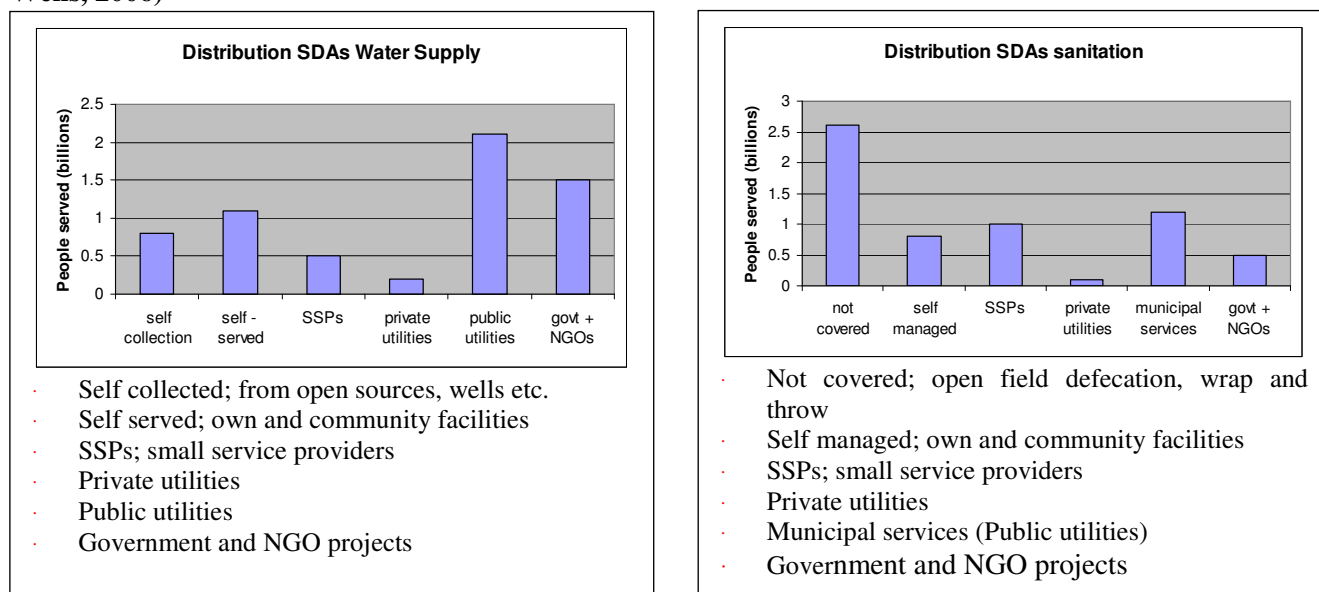
The estimates show that the population of small towns and urban areas will grow by another 800 million people by 2015, whereas that in rural areas, with the exception of parts of Africa, will not increase. This figure gives a good illustration of the systems that need to be built and those that need to be sustained or improved.

Figure 2 shows the indicative 'market' share of the different 'service providers', which comprises the daily provision of water supply services to what is estimated at over 3 billion people and sanitation services to over 1.5 billion. This is a large and diverse group which includes individuals with their own well or pump, small-scale providers, water committees and municipal utilities. They all share a need for:

- **good legislation and regulations;**
- **governance** (planning, decision making, resource allocation, monitoring and evaluation);
- **support** (technical assistance and advice, facilitation and conflict mediation, financing and capacity development):
- adequate **human resources**, motivated to do their job

Service providers that work in **rural areas and small towns** particularly need support because they lack the 'economy of scale' to be fully self-sufficient.

Figure 2: Service Delivery Approaches (SDAs) for water and sanitation (Visscher, Da Silva Wells, 2006)



Looking at the project cycle, different types of support are needed for different service providers at different moments. In practice however, most support from governments, donors and NGOs is provided at the planning and construction stage of water supply systems and to a lesser extent for sanitation systems least of all for hygiene promotion. Support is often provided through project-based activities, including training, perhaps because it is more visible and attractive. But this support is phased out when construction is completed.

Much less support is provided for sustained service delivery (operation, maintenance and service expansion). And this is the main cause of the sustainability and low performance problems in the sector. This is where much better governance and much stronger support are needed. This is where the intermediate level has to play a much more active role. The intermediate level can help the sector to

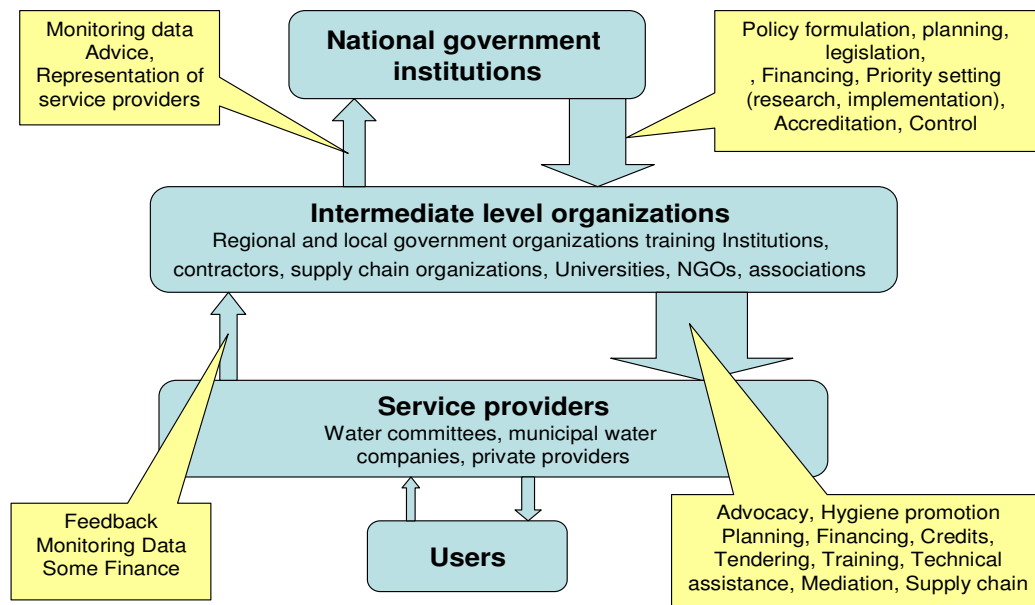
ensure that systems are better managed and provide sustainable services while ensuring that the poorest members of society also get a fair share. They can help service providers to adopt a client-focused approach, which requires good communication skills.

3

Understanding the Intermediate Level

The literature is very clear about the fact that the intermediate level is a container term that is not and perhaps cannot be very well defined. Schouten *et al.* (2003) indicate that it is a set of actors, functions and required capacity that do not exist at either community or national level, but somewhere in between. We may clarify this further by stating that the actors at the intermediate level play an important role as an interface between the national level and service providers (Figure 3). As the figure shows, there are many relationships between these actors. In fact talking about actors at all does not provide a clear picture, because several actors play more than one role and/or operate at different levels.

Figure 3: Intermediate level, interface between national government and local service providers



Instead of looking at the actors we must therefore first take a look at the functions involved (Table 2). This gives much more clarity about the intermediate level, which is indeed an interface with a clear responsibility in terms of good governance and supporting service providers.

Table 2: Main functions at the different levels

Function level	Main functions
National level	Policy orientation, legislation, regulation, planning, resource allocation
Intermediate level	Governance of service provision (planning, decision making, organisation, finance (tariff setting) and control; informing and advising the national level)
	Supporting service providers (Training and advice, supply chain, conflict mediation, etc.)
Service provision level	Providing services, including construction and expansion (operation and maintenance, administration, monitoring/reporting)

The actors at the intermediate level

The actors at the intermediate level in the WASH sector comprise a broad range of different players (Lockwood, 2002; Ubels, 2005; Moriarty *et al.*, 2005; and Visscher, 2006). Three main actor groups can be identified:

- **The public sector**, including local (municipal), district and regional government and public training institutes and public universities. Some authors also include the de-concentrated offices of line ministries, which is compatible with our definition if they have a governance and/or support role.
- **The private sector**, including private firms (usually small) involved in design, construction and maintenance, private consultants, local spare part stockists, local masons, sections of water utilities supporting 'community water supply systems' in the rural areas of municipalities, private universities, professional organisations, etc. The last couple of years have seen a major development in the local private sector, both formal (consultants, contractors, suppliers, utility staff, with a focus on bidding and contract design) and informal (entrepreneurs, cooperatives and user associations of (small) water providers) (Ijjasz, 2005). Financing organisations are also becoming increasingly important at this level, partly because of growing interest in micro-credits.
- **Civil society organisations**, mostly NGOs with a presence in a region, associations of water users, church councils, etc. In several countries international NGOs (INGOs) also operate at the intermediate level, directly supporting local service providers and communities, but not necessarily over a long period of time. Local NGOs may also function as service providers, as some operate practically as private companies and may even own their own drilling rigs.

The number of actors is huge, which implies that strategies for capacity development at the intermediate level need to be well targeted and to benefit from all the resources available including professional training institutions, universities, NGOs, etc., because in many countries the skill base at the intermediate level is limited and mostly focused on technical aspects. The realistic options to strengthen the intermediate level will depend very much on the local situation, which may vary widely in terms of staffing and resources. For example, in Jordan, there are 750 staff members working for the Balqa'a governorate water department for a population of about 250,000 people, while in Bikita district in Zimbabwe in the 1990s, a staff of about three had to cope with the same number of people.²

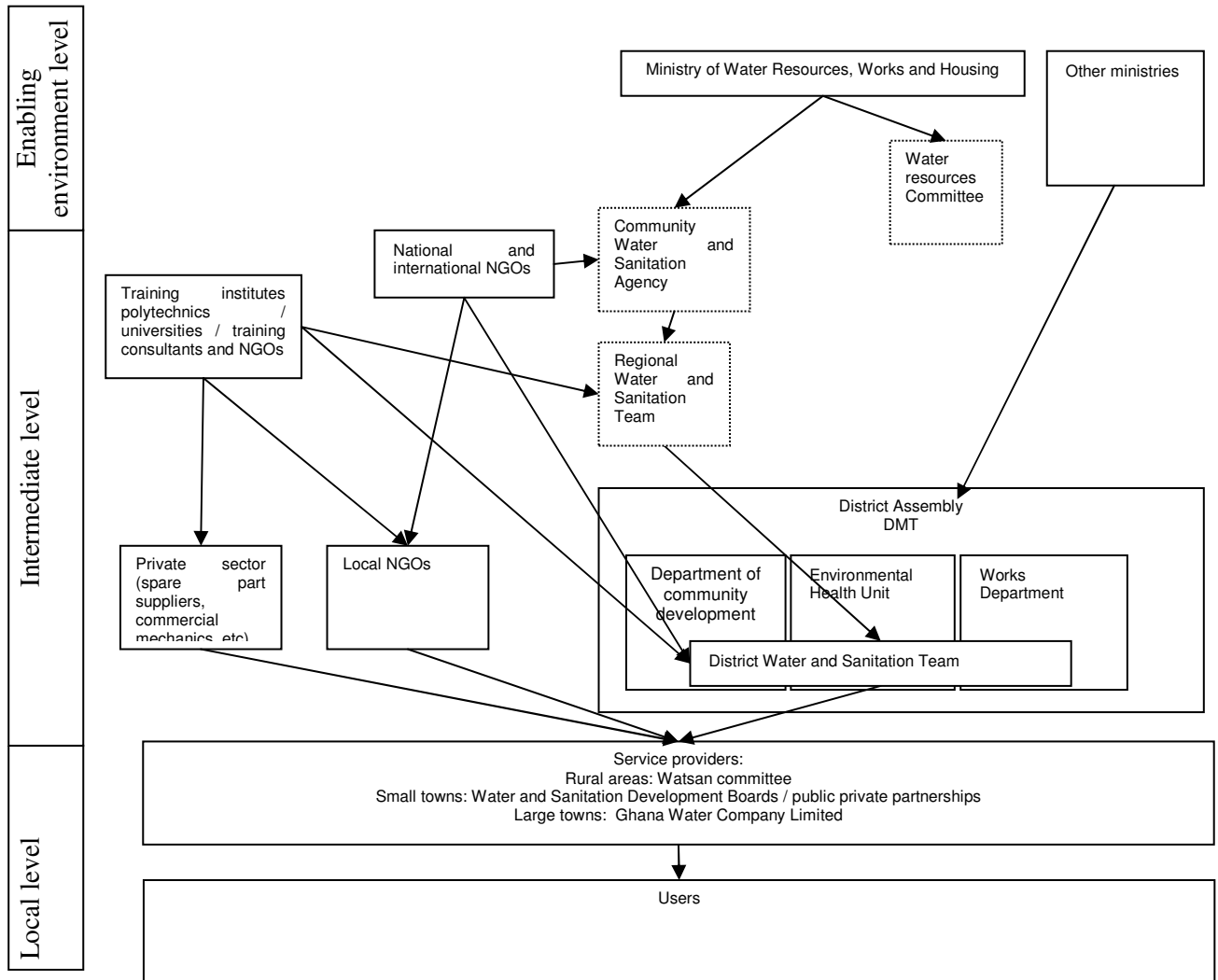
A major difficulty is that in many countries actors' roles and responsibilities are not clearly defined or assigned. There is also insufficient coordination and collaboration, which leads to overlaps, inefficiency and lack of effectiveness. Organisations and people with overlapping mandates often end up doing double work. For example, a project in Cali established that different organisations kept records about communities in the 'rural area' of the city, but none of the data bases were complete. Pooling resources and some field work produced a much better overview (CINARA-EMCALI, 1992). One community in this area was receiving support from six different 'intermediate' organisations which generated few results. Things improved a lot after the community, with help of external facilitation, encouraged these organisations to combine their support.

As conditions are different throughout the world only a specific actor analysis (institutional assessment) can clarify what role the intermediate level plays in a specific setting, what actors it comprises and what roles they play. This analysis is important to create a clear understanding of the

² Personal communication, Patrick Moriarty IRC

organisational landscape and the different roles and responsibilities involved. Figure 4 provides a schematic overview of the water supply sector in Ghana.

Figure 4: Schematic overview of the water supply sector in Ghana



The overview needs to be complemented with a summary description of the roles of the different organisations, to help clarify roles and overlaps, and a description of the profiles of the main actors and their CD requirements. Box 1 provides a few examples of summary profiles of some of the staff involved in the sector.

Box 1: Some staff profiles at intermediate level in the sector in Ghana and Uganda

District Water and Sanitation Desk Officer in Ghana A senior officer of the District Assembly and has been appointed to lead and manage the district water and sanitation programme. In most districts this is also the District Planning Officer. Coordinates and supervises the district water and sanitation team (DWST), lobbies for the District Assembly's water and sanitation efforts and resources, carries out planning and administrative tasks to support the programme and serves as communication link with senior DA staff and all stakeholders in the district, and provides supervision and support to the DWST (Personal communication, Mr Akabang, 2006)

Community Development Officer in Ghana One of the three members of the District Water and Sanitation Team, the full time field team working on water and sanitation issues. The other members of the team are an Environmental Health Officer, and Technical Officer. Team members make regular visits to communities to inform and advise them on water and sanitation, check on the work of service providers and monitor the community's progress in improving their water and sanitation (Personal communication, Mr Akabang, 2006)

Health Promotion Officer in the Community Based Health Care programme of the Diocese in Western Uganda In charge of health and sanitation promotion. A nurse by profession having attended a training of trainers' course organised by the Ministry of Health on adult education and hygiene promotion. Holds a certificate from Leeds Metropolitan University and has participated in many training courses as well as two visits to Kenya, one on ecological sanitation and one on rainwater harvesting and sand dams (Rwamwanja, 2006)

4

The Concept of Capacity Development

The literature indicates that capacity development includes three dimensions: institutional development (ID) to improve the enabling environment, organisational development (OD) to strengthen the organisations and human resources development (HRD) to strengthen staff resources (Box 2). To enhance the performance of organisations and staff operating at the intermediate level, comprehensive approaches are needed that look at these three dimensions. Just giving training, for example, may not encourage staff members to apply new skills if these do not match the organisational set-up, are not incentivised, or are not in line with sector policies. In practice however, such comprehensive CD models are rarely applied in the sector, where most interventions address just one dimension, with the largest share going to training, perhaps because this is the easier part, particularly if you operate at project level. 'Comprehensive' refers not only to the three dimensions of CD but also to all the actors involved. Sustainable CD interventions will also have to explore the links and relationships with the national and local levels.

The 2006 Mexico World Water Forum displayed many good practices and interesting experiences of capacity development at local or community level, and also that considerable efforts are focused at improving the enabling environment at national level, e.g. sector wide approaches, road maps, policy development, legislation, etc. Concrete information about CD efforts at the intermediate level, however, is much less available. Gender in South Africa for example is mainstreamed in national water policy and legislation, but little is known how it has been operationalised in gender-sensitive approaches at the intermediate level.

Box 2: Three different dimensions for capacity development

- **Institutional development (ID; also called 'enabling environment')**
ID refers to the process of improving the enabling environment in which organisations operate including policies, legislation and regulations (rules of the game), financing, the political situation, institutional arrangements and inter-organisational relationships and networks, society as a whole, and the surrounding culture. Often organisations need to exert influence and help to adapt this wider context to changing circumstances.
- **Organisational development (OD)**
OD refers to the sustainable strengthening of the internal capacity of an organisation, so that it can better achieve its objectives and fulfil its mission. This includes improvements in the organisational structure, decision-making processes, procedures, working arrangements, management instruments and organisational incentives.
- **Human resources development (HRD)**
HRD, sometimes also referred to as professional development, refers to the improvement and maintenance of the quality of personnel within an organisation (human resources). Staff require sufficient knowledge, skills, attitudes and motivation, and must be able to apply these in their work. At this level, capacity building involves aspects such as gaining information and insight, changing perceptions, accepting values, practical skills, attitudes and style.

(Based on Alaerts *et al.*, 1996; UNDP 2005; PSO 2004; and Bos, 2006)

The overall picture that emerges is that comprehensive approaches to capacity development still seem to be absent and few reports on the monitoring and evaluation of existing partial CD efforts, such as training, are available on the Internet. A considerable number of articles clearly recommend moving towards more comprehensive approaches for capacity development and many also suggest looking at incentives (WWC, 2006). The latter indeed seems a very relevant point because people and organisations need a stimulus to take action and need to be able to apply what they learn,

otherwise frustration may increase. Training will then backfire and have a negative rather than a positive effect. Based on the literature and the case studies developed for the symposium, a number of key questions have been developed that may help to review the situation and provide a basis for planning capacity development activities (Table 3). From the questions it is clear that the dividing line between activities relating to CD and those that address broader sector reform and modernization is, at best, vague. Several of the questions also apply for example to the development of sector plans in a broader sense. The paradox is that few sector plans include comprehensive capacity development strategies.

Table 3: Possible questions to provide a basis for planning capacity development efforts

Institutional aspects	<ul style="list-style-type: none"> · Is the legal framework for the sector adequate and supportive, and is legislation applied? · Is resource allocation separate from monitoring and control? · Is an overall plan for sector development available and does this include: <ul style="list-style-type: none"> · Special pro-poor and gender sensitive measures? · A proper section on capacity development? · Are responsibilities properly defined and assigned, including private sector involvement? · Are coordination mechanisms established and applied? · Are politics influencing management and operations? (E.g., changes in staff positions are based on politics instead of job profile) · Are sufficient resources allocated to the sector and to capacity development? · Does financial policy help sustain water supply and sanitation services? · Are resources available for sector improvement, applied research and information sharing? · Is progress properly monitored and rewarded?
Organisational aspects	<ul style="list-style-type: none"> · Are organisations clear about their roles and mandates? · Do they have sufficient autonomy in decision making? · Are organisations properly staffed in relation to their role? · Do organisational incentives exist to encourage the organisation to improve its performance? · Do organisations coordinate activities and collaborate? · Are resource allocation and contract management transparent? · Do organisations have a learning approach based on monitoring their performance? · Do organisations have staff plans? · Is staff training encouraged (both internal and external)? · Do organisations provide incentives to staff? · Is multi-disciplinary teamwork encouraged?
Individual aspects	<ul style="list-style-type: none"> · Is there a gender-sensitive staff policy and is promotion based on merits? · Is staff performance monitored? · Are personal development plans prepared? · Is training encouraged? · Do training courses and materials match local conditions and are they gender-sensitive? · Do incentives exist to improve individual performance? · Is knowledge sharing encouraged internally (both positive and negative experiences)?³ · Is knowledge and information sharing with other organisations encouraged?

³ A practical overview of knowledge sharing and knowledge management can be found in IRCs *TOP Knowledge and information management in the water and sanitation sector: a hard nut to crack*. IRC thematic overview paper 14.

http://www.irc.nl/content/download/25395/280851/file/TOP14_KM_06.pdf

5

Some Facts and Figures about CD at Intermediate Level

This chapter discusses experiences with the three dimensions of CD. They will be looked at separately as this reflects the general tendency not to adopt a comprehensive approach to CD.

Experience with institutional development

Sector reform is emphasised in many countries, resulting in the establishment of new policies and legislation and the creation of separate institutions for allocation, regulation and control functions. This relates primarily to water supply, less to sanitation and least to hygiene promotion. Latin America has been the frontrunner in creating the legal environment for decentralisation and in involving private sector organisations in water service provision. The process of reform is likely to be painful; there are few examples of radical change occurring in the absence of major political transformation or without the support of a very strong government (WSP, 2002a).

In practice results are mixed. [Giessen](#) and [Tablada](#) (2003) for example suggest that decentralisation and sector reform in Nicaragua have led to better overall performance of maintenance activities, higher efficiency and user satisfaction. Others suggest however that the desired outcomes of sector reform have been hampered by lack of institutional and financial support, clear mechanisms for decentralised levels to take on their new roles and their limited capacity to do so. Local governments seem to be making the same mistakes as national governments did in the past, and the latter often retain decision-making authority in resource allocation and tariff setting (ECLAC 2004). Although it seems clear that CD requires adequate funding, a review of eleven different cost estimates for the MDG targets on water and sanitation revealed that all fail to include the cost of CD, policy planning, monitoring and regulation (Toubkiss, 2006).

A good example of an *incentive-based approach to encourage the development of a supportive enabling environment for OD and HRD* comes from the USA. State governments will lose part of their national annual allotment, if they do not develop and implement a capacity development strategy for existing public water systems (IDEM, 2000). The requirements for this strategy include the following:

- identify and prioritise systems in need of improving capacity;
- identify the factors that encourage or impair capacity development;
- describe the methods the state will use to assist public water systems (PWS) in complying with existing drinking water regulations, encourage partnerships among systems, and assist in the training and certification of operators;
- describe the baseline that the state will use to measure the effectiveness of the strategy;
- identify the involvement and participation of stakeholders in creating the strategy.

Another aspect of institutional development is to encourage sector learning through an enabling learning environment. In some countries initiatives have been taken to develop *sector training centres*. An example is the Addis Ababa Training Centre in Ethiopia, which was developed with support from Japan. A review of the experience indicated that the Ministry of Water Resources has a clear intention to give the centre the status of an independent organisation under the ministry. Yet the review also concluded that, for future sustainability of the centre, it is necessary to allocate sufficient budget, strengthen the staff and materials and improve labour conditions (Hirota *et al.*, 2002). Whereas such centres can be a major intermediate level support to the sector, it is striking that in this case – and many others - that a new centre was set up rather than building capacity in existing centres.

Learning alliances (Moriarty *et al.*, 2005) are also a good option for strengthening the enabling environment. In these alliances sector organisations come together to share information and

experience and jointly develop and improve strategies and materials. This is a very attractive way to encourage both horizontal and vertical collaboration among organisations. It may also be a very good way to involve universities and training institutions in getting inputs and helping improve existing teaching programmes for future sector staff. Promising experience has been gained with a learning alliance using parallel learning projects in Colombia. Universities were active partners in these projects and the results are being incorporated in the teaching programmes (Visscher, 2006).

Experience with organisational development

A major problem in the sector is that many interventions are project-based and subject to *political interference*. This makes it difficult to sustain change, because even organisational change can be undone quite quickly if the management of the organisation changes.

Since the mid-1980s there has been a marked increase in interest in *private sector participation* (PSP) in an effort to enhance performance in urban water supply providers. This included the take-over of large systems by private utilities but also different forms of interaction between the public and private sectors evolved in response to the cultural, economic, legal and financial structure of each country. PSP had strong advocates, including the World Bank, suggesting that it is the only realistic way to force the cultural changes necessary to achieve self-financing in water utilities (Nickson (1999)). In practice, this has not happened and on the basis of its recent statements at the World Water Forum in Mexico (2006), the World Bank now seems more open to other approaches. This makes it more important to think about the possibilities for improving municipal utilities and CBOs, as the organisations that provide services to the largest number of people (Figure 2 in chapter 2).

One option to support internal improvement in organisations is *benchmarking*. By creating and reporting on comparable indicators organisations can compare their performance with others. This approach is common in larger utilities and has helped to improve organisational performance in terms of service provision. Indicators used include technical efficiency, financial efficiency and effectiveness. A similar benchmarking approach might be very useful for smaller service providers but also for organisations with intermediate level functions. Benchmarking becomes even more attractive if it is linked to *incentives*, as for example implied in output-based aid (OBA). The difference with other subsidies is that OBA is often targeted at the poorest families (Cambodia) or the poorest neighbourhoods (Paraguay) and is only paid after verification of successful delivery (GPOBA, 2005). In China's Rural Water Supply Program incentives are used successfully, but in a different way. The salary of the operations staff is tied to monthly bill collection with the result that over 90 % of households with metered systems pay on time (WSP, 2002b).

The *demand-responsive approach* that has been introduced in a considerable number of projects in the sector is in fact an example of organisational development as it implies a paradigm shift from the earlier supply-driven approach. Further change is needed, however, because traditional service providers need to reform themselves radically to become consumer-oriented. It is also crucial to establish *effective partnerships* among the many organisations involved in rural and small town water supply. This also includes training institutions because many current CD interventions are 'project based' and do not work with existing training institutions, nor are they embedded in the organisational setting or the country context.

Organisational development is often included in Technical Assistance (TA) programmes of development banks, usually in combination with training. Wallum (2004) states that the final report on TA in Kazakhstan included recommendations on arrangements for project implementation as well as recommendations and training programmes on (i) standard design criteria and procedures, (ii) procurement of services and goods in accordance with ADB and national guidelines, (iii) financial management, (iv) subproject economic and financial analysis, (v) community development, and (vi) hygiene and sanitation education. Most of these programmes were developed by external consultants instead of building the capacity of organisations in the countries themselves to undertake these activities.

Experience with human resources development and training

Training is an aspect of HRD that receives a lot of attention. Many larger projects include some form of training (courses or training on the job) and also demonstration visits. Unfortunately, this training often comprises isolated activities which are not embedded in sector organisations and policies and sometimes use materials that are not locally tested. More important is that training is not combined with organisational development with the result that trainees may encounter unsupportive organisational settings (Austen *et al.* 1988).

Training in isolation is not effective. It needs to be embedded in a broader CD concept which looks at the enabling environment and the organisational dimension. A special element for attention is *incentive based training*. This seems to have considerable potential, particularly if it is carefully developed and includes a gender perspective. Staff, for example, may receive a salary increase or a possible promotion if they complete training activities and apply what they have learned. In Indiana the CD plan includes the possibility for board members and managers to attend training on new and existing rules, which may mitigate past violations for monitoring and reporting (IDEM 2000).

Methodologies and materials

Many organisations – including Cap-Net, IRC, WEDC, UNICEF, CARE, WaterAid, WHO, the World Bank, national government agencies and universities - are involved in developing training courses and materials. Increasingly, these materials are available on the Internet. UNDP, for example, provides a toolkit on its website aimed at developing capacity for pro-poor PPPs at municipal level.⁴ This includes issues such as strategic planning, identifying partners, tendering, etc. SNV has a similar toolkit for local governance.⁵

Interesting efforts to enhance collaboration in sharing and developing materials and methods include initiatives such as Cap-Net, the UNESCO-IHE Power programme and IRC's Resource Centre approach, which all aim at bringing actors and university and other networks together to enhance efficiency in the sector. Local universities must be involved as they are the gatekeepers to developing the capacities of the new generation entering the sector.

Cost implications

Information on the cost of CD is scarce and unclear. The following statement is typical: 'To address the overall sector capacity constraints in Ethiopia, an appropriate share of total investments in the water supply and sanitation sector is needed for capacity building, sector information and ME systems and development of supply chains.' (WSP, 2004 p.8)

Investment in some countries is increasing: in Uganda funds spent on programmes associated with capacity building as a percentage of total investment in the sector as a whole increased from 5% in 2000 to 17% in 2003 (DFID, 2003), but the positive impact on coverage was partly offset by the higher cost of facilities, as more difficult areas had to be reached. While studies show that capacity development in procurement, accounting and reporting is becoming increasingly important, governments lack funds to sustain and expand CD. The sector must compete with other pressing areas, and donor support is not guaranteed over time. This makes it difficult to retain qualified staff at district level, which implies that training has to continue, but in a broader context aiming at retaining trained staff or perhaps training staff with a higher potential to stay.

A much clearer picture of the cost of CD is needed, including the roles of often expensive experts, some of whom still work without training a counterpart on the job. Greater insight is also needed into the role of donors and NGOs who sometimes drain the government of their best staff, as they can afford to provide a more attractive working environment and pay higher salaries.

⁴ The toolkit can be accessed at <http://pppue.undp.org/toolkit/index.html>

⁵ The SNV toolkit can be accessed at <http://www.snvworld.org/cds/rglgp/tools.htm>

6

Four case studies

Four case studies were prepared to obtain a greater insight into the situation in Bangladesh, Colombia, Ghana and Uganda. The cases are summarised in this chapter, and a number of common features and specific findings are mentioned. Further details can be found in the case study reports. Two of the cases focus on sanitation, and the other two on water supply. As can be seen from Table 4 conditions in the four countries are very different in many respects.

Table 4: Basic information on the four case study countries

Item	Bangladesh	Colombia	Ghana	Uganda
Total population (estimates 2006) ¹	147 million	44 million	22 million	26 million
Urban population ²	25%	77%	46%	12%
Size (km ²) ¹	147,570	1,138,910	239,460	236,040
GDP (USD) per capita (2005) ³	\$ 460	\$7,900	\$2,500	\$1,800
WS coverage urban (%) ⁵	82 (hc 26)	98 (96 hc)	87 (hc 8)	93 (hc 50)
WS coverage rural (%) ⁵	72 (hc0)	71 (hc 51)	52 (hc 0)	68 (hc 3)
San coverage urban (%) ⁵	75 (hc 6)	96 (hc 90)	74 (hc 58)	53 (hc 10)
San coverage rural (%) ⁵	39 (x)	54 (hc 20)	40 (x)	39 (hc 0)
Infant mortality / 1000 ⁶	61	20	55	66
Collaborating organisation	Water Aid/ NGO Forum	CINARA	TREND/SNVGhana	Consultant ⁷

1. CIA country fact files, (2006 estimates): <https://www.cia.gov/cia/publications/factbook/index.html>
2. FAO: Population Estimates (2004): <http://faostat.fao.org/site/429/default.aspx>
3. CIA country fact files, (2005): <https://www.cia.gov/cia/publications/factbook/index.html>
4. Case studies/ DAC
5. JMP (2002): <http://www.wssinfo.org> For water supply 'hc' between brackets means piped water with house or yard connections For sanitation, 'hc' means users connected to a sewerage system
6. Deaths/1,000 live births: CIA country fact files, (2006 estimates): <https://www.cia.gov/cia/publications/factbook/index.html>
7. This study was carried out by a consultant in consultation with NETWAS Uganda and WaterAid Uganda

Several problems relating to CD are shared

All cases illustrate that the institutional framework (policy, legislation and regulation) is well developed but that operationalisation is still an important problem. Furthermore the intermediate level is ill equipped for its role as facilitator. Organisations at this level receive too little funding to efficiently execute their tasks. Water and sanitation provision must compete with other sectors for resources and sometimes there is even competition between water and sanitation.

The cases illustrate that institutional development (policy, legislation and regulation) and project-based training have been the focus of past CD efforts, whereas very limited attention has been paid to organisational development and the broader HRD aspects such as job satisfaction and incentives. The latter issues are crucial however because staff at intermediate level, as well as those of service providers, lack incentives and support which leads to low morale and often high staff turn-over.

The limited focus on organisational development is reflected in the relative weakness of the intermediate level and the low level of coordination within it. In positive terms, attention to CD is increasing, with some indication of more emphasis being placed on more comprehensive approaches and better planning and coordination. It is also increasingly acknowledged that staff with new competencies is needed to embrace the new roles. Yet a much clearer picture is needed of the different stakeholders involved and their roles and strengths and limitations to truly develop good CD programmes.

The need to be more serious is clearly illustrated in the cases, which show that a broad range of problems characterise the CD situation in most of the countries studied (Table 5).

Table 5: A number of key CD problems that are reflected in several of the case studies

Generic problem	More detailed aspects
Lack of good local governance	<ul style="list-style-type: none"> · Insufficient (technical) support from central government · Weak local governments without adequate authority and resources · Lack of information and no priority for monitoring and evaluation · Corruption
Insufficient financial resources for CD	<p>Discrepancy between mandate and financial capacity at intermediate level Inadequate budgeting and too limited decentralisation of resource management; too much scope for political interference</p> <ul style="list-style-type: none"> · No financial resources for monitoring and evaluation
Weak coordination between actors	<ul style="list-style-type: none"> · No sector-wide coordinating body · Private sector overlooked · No dialogue with educational institutes · Insufficient clarity of the roles and responsibilities of different actors
Lack of well trained staff	<ul style="list-style-type: none"> · Insufficient funds for staff · High staff turnover (for example, staff leaving government for donor programmes) · Low attractiveness of jobs in remote areas · Lack of skills (governance, social mobilisation, training and implementation) · Lack of experience · Academic training not geared to practice
Low staff motivation	<ul style="list-style-type: none"> · Low remuneration and irregular payment · Training often not provided on basis of need or merits · Resistance to change
Limited learning	<p>Experience is not well documented and shared due to limitations in funding and lack of institutions that prioritise learning Training materials are not shared</p>

1 Summary of case study Bangladesh

In October 2003 Bangladesh set itself the goal of reaching 100% rural sanitation coverage by the year 2010 through a people-centred, community-led, gender-sensitive and demand-driven approach. It earmarked 20% of the Annual Development Programme Grant for the sub-district level for sanitation and agreed important sanitation interventions with various donors and NGOs. This has been very successful; by March 2006 the number of households with sanitary latrines had increased from 33% to 72%. For the 2005-2015 period an investment is anticipated of US\$ 358 million for rural sanitation and US\$ 2,428 million for urban sanitation, but these resources are not fully available. Urban investment is much higher because it includes sewer systems. For rural sanitation, 51% of the funding will come from the public sector (government, donors, WSS utilities) and the private sector, 8% from NGOs and 40% from households. For urban sanitation this will be 81% public/private sector, 8% from NGOs and 11% from households.

The sanitation sector in Bangladesh involves many actors. This includes a range of public sector organisations. The Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives has the mandate to provide overall guidance. It implements plans through the Department of Public Health Engineering (DPHE; staff of 7,253) and the Local Government Engineering Department (LGED; staff of 9,628). These organisations, with some 95% male staff, support local government (Union Parishads) in planning and implementing water and sanitation services. A Union Parishad (UP) must form a Union Water Supply and Sanitation (WatSan) Committee, which is overall responsible for promoting sanitation through mobilisation activities and

organising/mobilising latrine production and sales. However, in most cases they do not have the resources and capacity for the required social mobilisation and hardware provision for sanitation programmes, nor do they have the capacity to truly target the poor. Other actors include the users themselves (auto-construction), private sector (small-scale entrepreneurs), NGOs involved in the provision of hardware and social mobilization (which are increasingly also targeting the population in urban slums), public service delivery organisations, and academic institutes.

Institutional development

A Sector Development Framework, Sector Development Programme and National Sanitation Strategy have been developed and approved. The focus is on devolution of authority to LGIs, user participation, public-NGO-private partnerships and gender-sensitivity. Also a sector Pro-Poor Strategy for WatSan Service is in place, to ensure that the benefits of subsidised sanitation services really reach the poorest. Furthermore, a National Sanitation Task Force Committee (NSTFC) has been established, consisting of a total of 43 representatives from ministries, government departments, NGOs, civil society and donors, which leads the national sanitation campaign and monitors progress. Good progress has been made in developing policies and strategies, including a shift towards government agencies such as DPHE becoming facilitating organisations, and sanitation coverage has significantly increased. There is a need, however, to make this more operational, improve coordination and develop approaches for urban slums.

Organisational development

Organisational development is not strongly addressed in the sector with the exception that some national level NGOs which provide organisational development support to their local partners. This needs much more attention both at the intermediate level, where organisations need the capacity to govern sector development, and by supporting the organisations delivering the services. Also much stronger emphasis is needed on inter-organisational collaboration. Several organisations are currently developing training programmes and training materials, for example, which could be much more effective and efficient if resources were shared.

Human resources development

Considerable efforts are being made to build the capacity of staff at the different organisations working in the sector. DPHE provides operational training for staff of local government institutions, municipalities and city corporations (often with donor support), focusing primarily on technology and financial management. They established a training division early in the 1990s but they lack professional trainers and expertise in hygiene promotion and social development. The National Institute for Local Governments is responsible for training LGIs but needs to be strengthened to implement this huge task. The Bangladesh Public Administration Training Centre is responsible for capacity building of civil servants but its present courses do not include water and sanitation. Several NGOs, such as NGO Forum, have established well-equipped regional training courses to train staff from its local partner NGOs and latrine artisans. BRAC, the world's largest NGO, has even set up a university-like training division through which it provides not only short courses but also full Master's courses.

There is not only a wide range of organisations involved but also many capacity-building initiatives in the sanitation sector have been ad-hoc and are not sustained. This calls for significant change and much better planning and collaboration. This requires a major effort, but it will be able to build on the existing supportive enabling environment.

2 Summary of case study Colombia

Decentralisation of the water and sanitation sector in Colombia was initiated in 1987. A law stating that departments and municipalities must guarantee water and sanitation service provision to their inhabitants was passed in 1994. The law also establishes that service delivery can be carried out by private sector and non-profit organisations and promotes private-sector participation and payment by

users. The results are reflected in current funding of the sector which in the last three years amounted to USD 766 million per year including 40.5% user contribution through tariffs. Overall coverage for water supply is 86.5% but because of limitations in water treatment less than half the population has access to safe water supply.

A range of actors are involved in the sector. Service delivery is in the hands of local providers (public, private, mixed), operating under the responsibility and governance of municipalities. At national level four ministries are involved in the sector with the ministry of environment taking the lead, as well as a regulatory commission and superintendence for domestic public services (SSPD). There are various actors at the intermediate level, including departmental water units and municipalities, which do not, however, provide strong support to service providers. They also have a high staff turnover with an average period of service of two years. Other actors are the national training organisation SENA, which provides courses for administration and operators, and other more regionally or locally operating actors including universities, professional organisations, and a number of NGOs and private consultants. A recent development is the establishment of associations by community service providers to create their own support and better representation. The SSPD has small regional sections which, under the law, play an important role in supporting small service providers, but too few staff to take this responsibility. In general it may be concluded that the intermediate level is not well organised and is highly politicised.

Institutional development

The institutional framework at national level is well established but is currently under discussion. It includes a clear policy and a legislation and control structure. Two important limitations are that it lacks sufficient clarity, particularly on the role of the intermediate level, and it is too complex for the smaller service providers. The emphasis is on self-sustained service delivery but increasingly it is acknowledged that specific support needs to be provided to the poorer sections of society.

Organisational development

Different national programmes have been established to strengthen sector organisations. These are nationally funded and include the development of guidelines, materials and training. They emphasise the financial and administrative part of service delivery through legalised enterprises (private, public or mixed). One programme oriented towards small providers was initially carried out by staff from the ministry, meaning that one staff member had to take care of some 300 municipalities. This was revised and universities, professional organisations and individual consultants were involved, without, however, embedding the programme institutionally. Another important programme, supported by the World Bank, aims at privatising the systems, initially for municipalities with a population between 100,000 and 500,000 and later those with a population of 12,000 to 100,000. The programme also includes strengthening the ministry and is implemented through consultants.

Human resources development

Part of the sector staff have received training at university or practitioner's level, for example in SENA, but many – particularly at the operational level – learn on the job. Also a considerable number of short training courses are being provided, mainly financed through the national programmes and some by departmental programmes. This training is mostly aimed at service providers and not at the intermediate level. Furthermore, university training is primarily technically oriented and often gets limited feedback from daily practice, although there are some exceptions that better match reality. A broader HRD approach that also looks at staff incentives, etc. is lacking.

3 Summary of case study Ghana

The Ghana water sector embarked upon a major reform in the early 1990s in response to the failure of the supply-driven approach of government projects implemented with donor support. The reform involved de-linking community water supply from urban water supply, and the establishment of the Community Water and Sanitation Agency (CWSA), with core responsibility for facilitating the

delivery of potable water and related sanitation to rural areas and small towns. It also introduced decentralisation, transferring overall responsibility for planning, facilitating and regulating water and sanitation services to District and Municipal Assemblies (DAs and MAs). The services are actually provided by community committees (Watsan Committees) in the case of point sources and by Water and Sanitation Development Boards (WSDBs) in the case of small piped water supply systems, commonly found in small towns. In urban areas services are often provided by the Ghana Water Company Limited (GWCL), a parastatal organisation under the Ministry of Works and Housing and by small-scale independent providers (serving for example some 32% of the households in Kumasi). The donor community is still a strong partner and provides over 50% of sector funding.

In each of the 128 districts, a District Water and Sanitation Team (DWST) has been established. The DWST is a technical unit responsible for supporting the water service suppliers. It is a multi-disciplinary team consisting of three full-time seconded staff members from three DA or MA-level departments (Community Development, Environmental Health Unit, and Works Department). The support role of the DWSTs to the service providers is complemented by local NGOs and the local private sector, including area mechanics.

The de-concentrated Regional Water and Sanitation Teams (RWST) of the CWSA play an important role in providing support to the DAs, including job coaching, sometimes take over the function of the DWST and by directly supporting service providers.

It is recognised that there is insufficient capacity at the intermediate level (RWSTs, DAs (DWSTs), local NGOs and the private sector). In the water sector, which is ahead in national decentralisation efforts, capacity development is a priority and an important component of all major projects in the water and sanitation sector, emphasising improvement of management and utilisation of existing facilities. Most projects allocate over 5% of their resources, laying the emphasis on training, but also including some organisational and institutional CD.

Institutional development

Developing new legislation for the sector dates back to 1993 and is well established, clearly emphasising decentralization. Some of the larger bilateral programmes facilitate the development of an enabling environment for the water supply sector at national level, including the development of a new sector strategy and encouraging donor harmonisation efforts and knowledge sharing.

Organisational development

Organisational development of the public water sector at the intermediate level mostly takes place within the context of donor-funded programmes. Such programmes often include an organisational development component to promote better understanding of the existing structures and relationships among the main stakeholders, their roles, responsibilities and procedures. Furthermore, many of these projects have assisted the development of tools, like the M&E system, but focus less on organisational change. NGOs at the intermediate level generally benefit from organisational development support from larger national and international NGOs. One specific issue to highlight in the case of Ghana is the existence of resource centres for the sector. Four of these centres have formed a Resource Centre Network (RCN) to promote information and knowledge management which is a very useful initiative for the sector.

Human resources development

A range of institutes offer opportunities for human resources development. Public sector stakeholders at the intermediate level can benefit from training provided by, for example, the training school at the Ministry of Local Government, the Institute of Local Government Studies and the Ghana Institution of Engineers. Training of DWSTs and the on-the job training by the RWST are often organised by the CWSA, which relies mainly on consultants and NGOs which offer tailor-made courses. Intermediate-level stakeholders in the urban sector depend to a large extent on courses organised by the GWCL training school. Generally private-sector capacity building has received much less attention. Limited

training facilities and opportunities exist for the private sector, except for those that are directly sponsored by projects, such as the training of area mechanics and latrine builders.

4 Summary of case study Uganda

Gradually attention for sanitation in Uganda is increasing but the situation is not very clear. There are considerable differences in the data on coverage, which is partly due to different definitions. One striking issue is that rural sanitation coverage declined from 90% in the 1960s to some 30% in the 1980s due to political and economic decline. After that, the situation improved to 57% in 2002 (according to health inspectors) and 87% in 2003 (according to a national survey). Despite this lack of clarity it is important to realise that coverage differs throughout the country, ranging from 10% in the district with lowest coverage to 94% in the district with highest coverage. The quality of facilities also differs considerably, partly because of poor maintenance.

Different actors are involved. At national level the Ministry of Health is responsible for household sanitation, the Ministry of Water and Environment for sanitation in urban areas and growth centres, and the Ministry of Education for school sanitation. These ministries are involved in a National Sanitation Working Group (NSWG) which was established in 2003 which also involves the Ministry of Local Government and Gender, donors and NGOs. This group promotes sanitation and coordination, and develops policies and legislation. It also has a subcommittee that meets more frequently to address pressing issues, like sanitation in refugee camps.

In line with the decentralisation policy, the formal provision of sanitation is the responsibility of local government at district and sub-county or municipal level. They are unfortunately not giving priority to sanitation and do not provide sufficient resources. This is perhaps partly because they were not very involved in policy development. Nevertheless district and county level based Health Inspectors and Health Assistants are the frontline workers for sanitation promotion. They face many difficulties in carrying out their tasks (lack of coordination, support in developing tender documents, community capacity building and monitoring) because of insufficient resources, transport and capacity.

NGOs also play an important role in promoting sanitation and hygiene, and local NGOs and private sector are directly involved in latrine construction, but their roles are not clearly established in the policy framework.

The relative autonomy of local government leads to important differences and has resulted in different strategies on law enforcement and implementation strategies. In one district people without access to a latrine were fined and some were jailed, but under pressure of politicians this scheme was abandoned. Another experiment is a sanitation competition between villages which gave interesting results in terms of increased coverage. One district developed its own strategic framework with the help of an international NGO. These isolated experiences are very relevant but also show the urgent need for better collaboration.

There are a number of CD initiatives for the intermediate level for which donors provide resources and some technical support, but an evaluation in November 2005 indicated that CD for sanitation is not adequately addressed.

Institutional development

Uganda has a well-developed framework of national sanitation policies that elaborate on the 1995 constitutional right to a clean and healthy environment. The 1997 Kampala Declaration on Sanitation developed with donor support has put sanitation on the political agenda. The policy framework emphasises sanitation and hygiene promotion, establishes priorities, and provides a framework for services and programmes which primarily aim at promotion and advice, with most of the actual latrine cost to be provided by users. A major difficulty is that the strategies developed at national level are not effectively operationalised at lower levels of government, where sanitation is often not a priority.

Organisational development

The overall situation is characterised by a lack of collaboration at district and sub-district level. There is no clear orientation towards strengthening the organisational capacity at this level. In 2001 eight Technical Support Units (TSUs) were established as a transitional arrangement to manage the conditional grants under the District Water Supply and Sanitation Programme and to provide technical support to the districts (planning and management, quality assurance, capacity building of district staff and service providers) and to provide special technical assistance on issues such as Ecosan. The 2005 evaluation concludes that they have achieved good results but, despite remarkable improvements, important gaps still need to be filled.

Human resources development

There are a number of well-funded initiatives for training, whereas other components of HRD (such as staff incentives, etc.) are not being addressed. Some focus on the development of skills for demand-responsive approaches for local government staff at district and sub-district levels. Others focus on skill development for service providers, including NGOs, to provide better services and for local government staff to facilitate programme development. One problem is that these projects are not institutionalised, which means that their long-term continuity is not secured. Furthermore they are often focused on a few districts and not on the whole country.

Most training takes the form of short workshops and classroom training, although some in-service training, internships, mentoring, and exchange visits are also used. Some encourage information sharing through reader-friendly printed materials and the use of audio and video materials.

7

Conclusions

The overall conclusion to be drawn from this document is that only limited attention is being paid to CD at the intermediate level. But at the same time, there is a gradual recognition that it is crucial for achieving the MDGs and for the sustained performance of water supply and sanitation systems in the developing world. CD efforts need to be stepped up, as is shown for example by the review of 16 African countries, all of which make recommendations for improvement in CD (WSP, 2006). A number of more specific conclusions show that, whereas some progress has been made with CD at the intermediate level, a lot remains to be done and stakeholders must make a much greater effort to share their inputs and support activities. The more specific conclusions are presented below.

Water and sanitation service providers need governance and support

Service providers are in need of governance within the context of an overall enabling environment (legislation, regulation, resource allocation) and practical support (advice, training, financing mechanism etc.). Without these inputs the smaller providers in particular will never be able to provide sustainable services.

The intermediate level needs to be understood in terms of functions

Most authors address the intermediate level in terms of actors. This is confusing because many actors operate at different levels and several of them play more than one role, sometimes combining governance and support, or governance and service provision. It is clearer to understand the intermediate level in terms of its functions. The two main functions are to provide governance, including feedback to the policy level, and to assist service providers in a good enabling environment. This enables analysis of the different actors to determine which function they fulfil and what CD requirements they have. Such an analysis would provide a very good basis for developing a comprehensive CD strategy.

Capacity development has different dimensions

In projects, CD often takes the form of sector reform or training and exchange visits, but it is much more than that. Providing training without changing the work environment may be counterproductive as those who are trained may become frustrated at not being able to apply what they have learned. Yet most projects seem to do just this, develop their own training programme in isolation from others, sometimes creating temporary parallel structures by setting up specific training organisations for the duration of the project, just to conclude that at the end of the project these institutions need further support. Many projects also seem to be 'supply driven' and do not really explore the motivation of trainees and organisations to adjust their operations.

It is essential to recognise that CD has three dimensions:

- Development of the enabling environment;
- Organisational development;
- Human resources development.

CD interventions therefore need to be comprehensive in addressing these three dimensions. Yet it must also be stressed that CD is not a panacea for achieving the MDGs, it is just a part of the overall effort required. Many other issues need to be addressed, including better financing strategies, greater transparency in the use of funds, better monitoring of achievements, better selection of technology, clearer user involvement and clearer user contributions.

Furthermore, it needs to be explored what specific CD interventions are needed at the intermediate level and how these can be embedded in national policy and the institutional framework.

Capacity development at the intermediate level needs a strategy and motivation

The intermediate level does not receive much attention in terms of CD, whereas it is the crucial interface in ensuring that service providers can do a better job. CD at intermediate level needs:

- a clear policy, a suitable enabling environment and a clear definition of roles
- strong institutions, both for governance of the sector and for providing support to service providers
- inter-organisational collaboration, sharing resources, materials and training
- sufficient well trained staff and good staff incentives

Change is needed to link CD with the government's broader plans, like PRSPs, Sector-Wide Approaches and the 'Roadmaps' for the WASH MDGs that are being developed in a number of countries, and with the intentions and interests of organisations and actors.

Capacity development needs to involve existing organisations

Building on the capacity of existing training and advice organisations, such as universities and vocational training centres, seems the most effective way forward. This will need to incorporate learning in society and reduce or avoid the need to retrain newcomers in the sector. If CD activities are not developed with, and embedded in, existing organisations they will not be encouraged to adjust and innovate their programmes. If this is not successfully taken up organisations will continue to re-invent the wheel and sustainable achievement of the MDGs will remain an illusion.

Sharing of resources and learning

Another important lesson that emerges is that far too many CD activities are isolated and are part of short-term projects or efforts of individual organisations. It is clear that sharing resources and joint learning are truly needed. The Learning Alliances approach, where stakeholders are encouraged to jointly explore problems and identify and try out solutions seems to offer important potential for better sharing. Also the approaches of Cap-Net, UNESCO-IHE, IRC and others that encourage networking between different training institutions and information sharing are important as they promote South-South and North-South collaboration and learning. One of most important issues is to enhance the sector's capacity for learning.

An essential element of many CD efforts is information and knowledge management and sharing, issues that are at the heart of IRC's mandate. It is about making information available and encouraging its use, but also about learning by doing. More information on this issue can be found in the IRC thematic overview paper 'Knowledge and information management in the water and sanitation sector: a hard nut to crack' (http://www.irc.nl/content/download/25395/280851/file/TOP14_KM_06.pdf).

More insight is needed into cost benefits

There is very little insight into the cost and benefits related to CD. This is very important when more funding needs to be obtained. Investment in CD for the WASH sector may be expected to have a considerable rate of return which, if properly documented, may become a very important 'selling point' for CD in the sector.

8

Key Questions for the Symposium

The symposium 'Sustainable Water Supply and Sanitation: Strengthening Capacity for Local Governance' in Delft aims to provide a platform for sharing experiences in capacity development for improved local governance. The symposium will bring together practitioners and researchers who are concerned with CD in developing countries. The three-day programme comprises three main components:

- Introduction to the concepts through keynote presentations
- A review of promising cases
- A discussion of promising approaches

CD is a very complex and broad issue comprising many aspects. To focus the discussion we have therefore singled out five of the issues that stand out in the current literature as key challenges. In the symposium we want to review the case studies in light of these main challenges by posing the question shown in Box 3. Case presenters will be asked to answer the questions that are relevant for their case and also to identify what possible action could be taken to ensure that the challenge is better addressed.

Box 3: Key questions for the CD cases that will be presented

Participants will be asked to review their own case with the following key questions:

- Is your CD embedded in national policy?
- What dimensions of CD are addressed at intermediate level (for governance and/or support)?
- How effective are the CD interventions in your case in terms of impact (including gender equity) and sustainability?
- How is inter-institutional collaboration and knowledge sharing addressed?

Activities prior to the symposium

The meeting will also explore what the participants see as the most important issues in terms of support to improve their CD efforts at the intermediate level. This will be addressed by asking the participants to answer a brief questionnaire.

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