

# IRC Business Plan 2012-2016

Inspiring the water, sanitation and hygiene sector  
to deliver services that last

*Preliminary version*





# Executive summary

## About the WASH sector

The Water, Sanitation and Hygiene (WASH) sector is facing serious challenges. First-time provision of services has yet to reach 2 billion people for sanitation and 800 million for water. And when services are provided, too many are unreliable, of poor quality and prone to failure.

Global monitoring indicates that progress is being made with increasing coverage as more pumps, pipes, taps and toilets have been installed. Even so, many countries will not meet the water and sanitation Millennium Development Goals (MDGs) in 2015. Moreover, this MDG-driven investment in new hardware is laying bare the deep systemic challenges in turning capital investment into sustainable services.

Providing sustainable WASH services sounds as if it should be simple, but the process is inherently complex. Drinking water has to be abstracted from sustainable sources, treated and transported to users. Sanitation facilities have to be built, maintained and waste products made safe. Rural populations have to change the customs of generations and adopt hygienic practices when the means to do so are often missing. A large number of different actors have to play their roles and get them right at a range of scales from household and community to district and nation. WASH services are also vulnerable to external challenges like rapid urbanisation, population growth, increasing demand for water and climate change. Providing WASH services to poor people in poor countries against this background calls for a wide range of individuals, organisations and institutions to work effectively together. In practice,

this seldom happens. The result is that much investment is wasted; many services collapse for lack of maintenance, management, governance and knowledge; and millions of people suffer unnecessarily.

IRC International Water and Sanitation Centre (IRC) believes that it is possible to remove a major stumbling block to improved access to services if the sector changes the way it perceives its mandate. It has traditionally focused on capital investment and the construction of new hardware, overlooking the fact that the real challenges to service delivery lie in what happens after the hardware has been constructed: in how it is managed and governed to provide sustainable and equitable services. The central goal of our work is therefore to bring about a shift in perception in the sector as a whole – a shift that we summarise as the adoption of a service delivery approach.

## Executive summary

### About IRC

It is in the context of these challenges and this understanding that IRC has prepared this 2012–2016 business plan. IRC is a knowledge-focused NGO that works with a worldwide network of partner organisations. Our roots are in advocacy, lessons learning, knowledge management and capacity building; and IRC has a strong reputation for cutting-edge innovation and action research to achieve equitable and sustainable WASH services at scale.

IRC does not provide WASH services, but we work with those who do, helping them to make their investments more effective in delivering services to all citizens and overcoming the challenges that lead to wasted investment. We work with practitioners in our focus countries in participatory action research to identify challenges, fill gaps, and develop robust models for sustainable and equitable service delivery. We learn the lessons from these activities with our partners and we document and share them with a wide audience. We use this understanding to advocate at national and international levels for improved policy and practice.

This is not about presenting success stories or even “best practice”, but about sharing the experiences of those who plan, provide and attempt to sustain services, as well as the testimony of communities who receive them, and then working with key global partners to develop a common understanding and a consensus for change.

During the period 2007–2011, IRC made some key developments in our understanding – notably that delivering services through stand-alone projects would never address the problems of scale or sustainability, and that achieving sustainable services demands a much greater degree of collaboration, joint learning and fact-finding: too little is known about what services cost, why services succeed and why they fail.

IRC also implemented two far-reaching shifts in strategic direction. The first was to start working more intensively in a reduced number of focus countries to become an active sector actor in tackling the challenges to service delivery the second was to

develop and lead large programmes aimed at innovating and piloting sector change. Both of these shifts were driven by a desire to achieve a greater understanding and more lasting impact, and both have led to important internal organisational changes linked to considerable growth. These shifts have raised IRC’s impact, effectiveness and international profile.

### 2012–2016 vision, mission and goals

IRC subscribes to a broad sector vision of *a world in which all people are able to enjoy their fundamental human right of access to appropriate and sustainable water and sanitation services that they use and can afford; and where these services are in turn based on sustainable use of water and environmental resources.*

IRC’s mission for 2012–2016 is to act as *a knowledge broker, innovator and enabler of change within the sector, internationally and in selected focus countries and regions, so that services are extended to the poor and are better attuned to their needs while being more sustainable and equitable, better managed and governed.*

We aim to enhance our reputation as a dynamic modern NGO that combines high levels of commitment and well-developed social values with the professionalism and flexibility traditionally associated with private sector organisations.

Shaped by our vision and mission IRC has identified four goals for the period 2012–2016. These are:

- 1 Adoption by the WASH sector of a service delivery approach.
- 2 Adoption by the sector of a strong learning and adaptive approach to service delivery.
- 3 Improved aid effectiveness.
- 4 Improved inter-sectoral dialogue and planning alignment.

## Scope of work

The aim of this document is to provide a clear statement of what IRC aims to achieve during the next five years and, more specifically, the role IRC intends to play in advocating and supporting a sector wide shift towards a focus on the delivery of sustainable and equitable WASH services.

We will achieve our goals through a mixture of direct intervention in our focus countries and regions through innovation and action research (country and regional programmes) coupled with international level advocacy and policy influencing (International programme). To support this we will maintain our global body of sector information services including Source news services, publications, workshops, seminars and conferences. We will continue to support and contribute to topically relevant international thematic working groups. In our focus countries we will also support and contribute to the creation of channels and tools for enhanced knowledge and information management.

We will adopt a stronger sanitation focus, aiming to address the serious deficit in sustainable and equitable sanitation services, along the whole chain from latrine use to safe disposal or reuse of faecal matter. We will continue to address the huge challenge of catalysing and maintaining improved hygienic behaviour, which is essential to ensuring that improved services lead to improved health impact. To achieve this, we will launch a programme on sustainable sanitation services.

To all this work we bring five primary areas of expertise namely policy influence, knowledge brokerage, thematic innovation, capacity building and training, and monitoring and learning.

## Business areas

As a modern NGO, IRC operates within twin boundary conditions. The first is the need to achieve our vision and goals in as efficient and effective a manner as possible; the second is to remain in good financial health. IRC does not seek to make a profit: but we cannot survive if we make losses. As we do not have a membership base or other means of generating our own income, we are entirely reliant on external finance to fund our work.

With the aim, in part, of attracting interest for a range of different types of financiers, we have divided our work into three main business areas – each of which combines a body of work with a toolkit of proven methods, approaches and ways of working, and matches them to likely source(s) of finance. These three business areas overlap and are mutually reinforcing:

**Business area 1: Knowledge management and innovation** builds on IRC's expertise in knowledge and information management, and underpins the role of IRC as one of the WASH sector's leading think tanks. This business area is largely reliant on non-earmarked 'core' financing, which has traditionally come from the Dutch government. It is estimated that government funded knowledge management and innovation programmes will represent 30% of IRC's total budget.

**Business area 2: Innovation and action research** in countries and regions is the primary mechanism for delivering change at scale in line with our vision and goals, through broad programmes aimed at delivering high priority sector change and new knowledge. These programmes are attractive vehicles for external financiers focused on achieving specific outcomes. This work is estimated to represent 50% of the total budget.

**Business area 3: Market based, demand-responsive assignments** are initiated from outside IRC by, for example, national governments, international agencies and philanthropic organisations. This business area is estimated to account for 20% of IRC's budget.

## Executive summary

### Organisational framework

IRC will retain our headquarters in The Hague, governed by a Director and a Supervisory Board. However, the focus in the next five years will be on decentralisation and internationalisation. An international advisory committee will be established to help guide this process and to advise IRC's Director and Board.

Staff development will be guided by principles of attracting and maintaining excellence, increasing internationalisation, and increasing flexibility. We will seek to reduce the number of core staff working in The Hague, while increasing the number of staff who work with us in a flexible way in countries.

### Financial framework

This business plan and scope of work is based on a total budget of €51 million for the period 2012-2016, the sum required to maintain our level of impact and our work on information management, the programmes in focus countries and regions, and our International programme. Of this total approximately 60% has currently been committed. The other 40% will be acquired by means of responding to tenders, proactive proposal development and strategic acquisition and fundraising.

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## Acronyms

BMGF	Bill & Melinda Gates Foundation
BRAC	Bangladesh Rural Advancement Committee
CWSA	Community Water and Sanitation Agency
DGIS	Directoraat-General Internationale Samenwerking [Directorate-General for International Cooperation, The Netherlands]
FTE	Full time equivalent
IRC	IRC International Water and Sanitation Centre
IWRM	Integrated Water Resource Management
MDG	Millennium Development Goal
MUS	Multiple Use Systems
NGO	Non-governmental organisation
RASHON	Water and Sanitation Network of Honduras
RCN	Resource Centre Network
RWSN	Rural Water Supply Network
SWAp	Sector Wide Approach
SWITCH	Sustainable Water Management Improves Tomorrows Cities Health
UNICEF	United Nations Children's Fund
WASH	Water, Sanitation and Hygiene
WES-Net	Water and Environmental Sanitation Network
WSP	Water and Sanitation Programme



# 1 Introduction

## 1.1 About this document

The IRC business plan for the period between 2012 and 2016 is rooted in IRC's Medium Term Strategic Framework<sup>1</sup>, to which it gives specific detail.

It is complemented by detailed operational plans and funding proposals for specific pieces of work. It is intended to provide an introduction to who we are, what we want to achieve, and how we intend to do it. It includes our challenges and our core areas of expertise required to achieve our goals.

The document has two streams of text. The primary text sets out the business plan. Text boxes provide a flavour of experiences and achievements in our different programmes to date.

## 1.2 About the Water, Sanitation and Hygiene (WASH) Sector

The Water, Sanitation and Hygiene (WASH) sector is facing deep-seated challenges. People have a basic human right to be able to access safe water and hygienic sanitation but the reality is that at least two billion have no way to maintain a safe separation between themselves and their own or other people's untreated excreta. At the same

<sup>1</sup> For further reading, visit the IRC website at <http://www.irc.nl/page/64205>.

time, some 800 million people get their drinking water from an unacceptable and probably unsafe source. Despite decades of sector reform and billions of dollars of investment, progress towards universal access to basic WASH services has been frustratingly slow, particularly for sanitation. The net result is that millions of people have poorer health and lower than necessary life expectancy.

A major reason for slow progress is the lack of sustainable service provision. Investments in infrastructure are failing to provide reliable and secure WASH services as a consequence of inadequate maintenance, weak management and ineffective governance. The bigger picture becomes even more challenging when consideration is given to factors and trends with the potential to impact on future provision of, and demand for, WASH services, such as population growth, urbanisation, water scarcity, increasing energy costs and climate change. It is notable that many of these factors are outside the control of WASH sector professionals.

### The sustainability challenge in the WASH sector

As far back as the 1990s, estimates suggested that, at any given moment, 30%-40% of rural water supply systems in developing countries were not working (Evans, 1992). This situation has not changed much. Studies from various countries indicate that between 30% and 40% of systems, particularly handpumps, either do not function at all or are working at sub-optimal levels. The Rural Water Supply Network (RWSN) indicates an average rate of 36% non-functionality for handpumps in sub-Saharan Africa (RWSN, 2009). A more recent study by WaterAid in Tanzania indicates that, only two years after installation, 25% of systems were already non-functional (Taylor, 2009). Piped systems are less prone to total failure; instead they provide services well below expected performance level (Lockwood & Smits, 2011). Taken together, failures on this scale represent significant levels of wasted investment.

The simple fact is that the WASH sector is struggling to meet current demands for basic WASH services let alone for higher levels of service. It is probable, given current trends, that the scale of the challenge will increase, both in absolute numbers and in complexity.

## 1 // Introduction

There are no quick fixes for the challenges of providing sustainable WASH services to all. Policies and practices are needed that are based on a critical examination of the many lessons learnt (positive and negative) during recent decades, and a recognition that “business as usual” is not an option if current and future challenges are to be met. There is also no getting away from the fact that many policies and practices that have been broadly promoted worldwide have not produced the desired and anticipated results.

This is the context in which IRC defines its vision and mission for 2012-2016. And it is the context in which this five year business plan has been formulated.

### 1.3 About IRC

IRC is a not-for-profit, non-governmental organisation (NGO) that works with a worldwide network of partner organisations. IRC’s roots and expertise lie in advocacy, information dissemination, knowledge management and capacity building. Latterly, IRC has built a strong reputation for cutting-edge innovation with a track record in action research aimed at delivering both new and tested knowledge and sector change.

IRC believes that the solutions to the challenges faced by the WASH sector are found only partially in higher levels of financing – more money for more pumps, pipes, taps and toilets. Rather, we believe that the longer term solutions lie in the knowledge and practices of the people and organisations who are involved in providing and using WASH services. It is therefore in the areas of knowledge and information management, systems innovation, institutional development and behavioural change that IRC works: as a catalyst of change, a provider of information, and a developer of new and innovative practices.

IRC sees itself as a modern NGO in the sense that it is thoroughly professional and solution oriented. IRC staff and partners have a level of commitment and social values that are typical of the not-for-profit sector, while aiming for a level of professionalism in line with global best practices. The result is that IRC is able to assemble and manage multi-disciplinary teams that have the necessary experience,

capacity, flexibility and aptitude to work on a wide range of issues ranging from pro-poor WASH service delivery to the technical design of WASH infrastructure and the life-cycle costs of different levels of services. IRC is able to mobilise teams to work on assignments ranging from a few days to many years at all institutional levels and scales (e.g. from household-level studies or programmes to state-level sector reform programmes and inter-country programmes).

#### A modern NGO

Issue	Feature	Comment
	Insiders	Many NGOs used to see themselves as outsiders, challenging “the system” and particularly governments. Modern NGOs aim increasingly to be insiders and see stakeholders in the sector as partners.
Focus	Solutions	Instead of only highlighting problems modern NGOs engage in the search for solutions.
	Systemic change	Development NGOs saw themselves as service providers – often running parallel systems to government. Modern NGOs see themselves as innovators and catalysts of change.
Structure	Networks	NGOs aim to grow the organisation. Modern NGOs focus at least as much on growing “the network”.
Funding	Investment	NGOs are dominantly financed through charitable giving. This will continue, but increasingly modern NGOs will seek to attract financing because they can provide value for money.
Accountability	Strategic	Modern NGOs aim to be more strategic while adopting best practice in professionalism, transparency, accountability and governance.

Source: Adapted from *Sustainability*, 2003.

IRC has always had an international focus, going back to its inception as the International Reference Centre for Community Water Supply (the origin of the IRC label), set up by the Dutch government at the behest of the United Nation's World Health Organization.

We are very aware of being one medium-sized actor among many in a complex WASH sector. To be effective, it is vital to work almost entirely in partnership with other organisations and networks – hence partnership is an important core value. We do not directly provide WASH services to users, although we work actively with those who do. We see our role as being proactive and dynamic in identifying and helping to fill the gaps between other larger actors (for example, governments, banks and international donors) so that aid and investment is more effective in achieving our shared goals.

#### No silver bullets

IRC believes that the primary challenges of the WASH sector are systemic, that is, they relate to the complex interactions between the people, organisations, technologies and approaches involved in providing services. In this work there are no quick fixes, no one size fits all solutions, no blueprints and certainly no silver bullets! Finding what works in a given country is a long process of local level experimentation, reinvention, adaptation and learning. Policies and practices are needed that are based on critical examination of the many lessons learnt (positive and negative) during recent decades and a recognition that, in most cases, business as usual is not an option if current and future challenges are to be met. IRC's primary expertise lies in nurturing the processes of exploration, learning and change that are required to bring about this systemic change.

*To find out more about sector learning and sector challenges visit [www.irc.nl/page/50054](http://www.irc.nl/page/50054) and [www.irc.nl/page/35947](http://www.irc.nl/page/35947).*

#### Process documenting in Ghana



Source: IRC



# Vision, mission and goals

## 2.1 Vision and mission

IRC subscribes to a broadly-shared sector **vision** of *a world in which all people are able to enjoy their fundamental human right of access to appropriate and sustainable water and sanitation services that they use and can afford; and where these services are in turn based on sustainable use of water and environmental resources.*

The main reason that this vision is yet to be achieved, despite decades of investment, is found primarily in weaknesses in the organisation and working of the WASH sector. While it can be argued that past problems were essentially related to lack of investment, it is increasingly clear that the challenges facing the WASH sector today relate primarily to systemic issues around management and governance.

In our experience both technical and financial challenges, while real, are of secondary importance, particularly once the initial hurdle of providing infrastructure for the first time has been met. The real challenge lies in managing the infrastructure and finance needed to deliver reliable and sustainable WASH services at levels that are acceptable to users.

It is this understanding that helps us to identify our own position and **mission** in the WASH sector as *a knowledge broker, innovator and enabler of change within the sector, internationally and in selected focus countries and regions, working to ensure that services are extended to the poor and are better attuned to their needs while being more sustainable, better managed and governed.*

In a sector filled with organisations whose mission is to directly finance or provide services, we find our place as a facilitator of knowledge development, learning, adaptation and change. We believe this role is of critical importance and one in which IRC has demonstrable experience, capacity and comparative advantage.

In line with this mission it is our ambition over the next five years to develop and grow our role as a leading international NGO, with a global outreach, that leads, catalyses and supports pro-poor change in the delivery of WASH services; thus contributing to a better performing sector.

## 2.2 Goals for 2012–2016

Shaped by our mission and vision, and our understanding of the challenges facing the sector, IRC will focus on working towards four strategic goals over the next five years:

### 1 **The adoption by the sector of a service delivery approach**

By 2016 the dominant paradigm in use at the international level will be based on the delivery of services rather than construction of infrastructure.

Future, post Millennium Development Goal (MDG) targets for water and sanitation will be couched in terms of sustainable and equitable service delivery and will include clear identification of the levels of service to be provided. As part of this objective we will lobby intensely for a commitment to universal coverage with clearly defined service levels by, at latest, 2025.

**2 The adoption by the sector of a strong learning and adaptive approach to service delivery**

By 2016 we expect to see learning and adaptive management widely accepted as core elements of good practice in service provision.

**3 Improved aid effectiveness**

By 2016 major traditional donors will be largely committed to harmonise and align the financing of service delivery within country defined frameworks supporting country specific service delivery models. We also aim for a significant increase in the extent to which non-traditional and non-state actors (including international NGOs) allow their actions to be guided by nationally agreed frameworks. Programme management is result driven and stakeholders are mutually accountable.

**4 Improved inter-sectoral dialogue and planning alignment**

By 2016 we expect to see better integration and alignment of plans and budgets across the departments, agencies and private sector organisations that play a central role in sustaining WASH service delivery in rural and urban areas (e.g. local government, energy, health and education). This will become increasingly important in areas experiencing rapid urbanisation and increasing water scarcity.

These four international-level goals will be nuanced and made context specific in all our work in focus countries and regions.

It is open to debate whether these ambitious goals will be achieved in the next five years, given the relatively sluggish nature of WASH sector reforms and the profound changes required. However, we believe that these changes are necessary for our vision of worldwide access to sustainable and equitable WASH services to be achieved by 2025. We dedicate ourselves to using all means at our disposal to bringing these changes about, and to monitoring and reporting actively towards their realisation. If they are met, it will represent an achievement for the many who share our goals.

## 2.3 Strategic choices

During the period 2007-2011 we undertook a significant shift in the way we work. IRC established a regional focus and enhanced presence in a number of countries (Honduras, Ghana, Burkina Faso, Uganda, India and Mozambique); and launched the first large multi-country innovation and action research programmes in which IRC played the roles of manager and leader. These changes were driven by a desire to achieve greater and more lasting impact. Both have led to considerable growth, sharply raising IRC's level of impact, effectiveness and international profile.

They have also resulted in important internal organisational changes, contributing to a more decentralised mode of operating, an expanded and more international staff composition, the recruitment of project staff in countries (typically hosted by local partner organisations), and the creation of long term expatriate positions in some focus countries. They have considerably enhanced the project management capacity within the organisation, enabled by a more than doubled annual financial turnover.

These changes will accelerate, deepen and scale up during the period 2012-2016 with the addition of more focus countries and the start-up of new innovation and action research programmes. IRC will adopt a more international profile, including opening country offices and achieving greater diversification of staff.

# 3

## Scope and ambition of IRC's activities in 2012-2016

### 3.1 Towards sustainable service delivery at scale

For decades, progress in the WASH sector has been measured primarily in terms of building new facilities (pumps, pipes, taps and toilets). Where sustainability has been addressed, the focus has primarily been on the sustainability of the hardware itself, rather than the services they are meant to provide. This has contributed to the global problem of wasted investment represented by poor sustainability. It is crucial that water and sanitation are viewed and understood as **services**, access to which is a basic human right. Hardware is only one essential component; facilities also need to be managed and maintained over time. Sustainability should be seen in terms of the continued enjoyment of an agreed level of service: if a family can get 20 litres of safe drinking water a head within 500 metres of the house today, they should at least still be able to do so tomorrow and in ten years' time.

#### Service slippage

Slippage is defined in India as the falling back of WASH services to lower levels over a period of time. Slippage of water services is caused by, for example, inadequate operations and maintenance, water sources drying up, and unauthorised tap connections. The term slippage can also be used to describe the falling back of sanitation and hygiene levels as community members return to old habits. While the causes of slippage are varied, the majority are associated with *poor WASH governance*.

Slippage of water services is recognised as one of the main challenges facing the Indian WASH Sector. The new Implementation Framework for 2008-2012 of the Rural Drinking Water Department of the government of India notes that: "State governments are reporting more and more habitations slipping back from the fully covered status". It also states that: "the main aim of providing sustainability of drinking water schemes is that such schemes will not slip back from universal access of safe drinking water to the community throughout the design period of schemes".

*To learn more about slippage visit [www.irc.nl/page/49856](http://www.irc.nl/page/49856).*

Shifting the international WASH sector to a **service delivery approach** is the first goal of this business plan, so that the sector can tackle the systemic problems that lead to inequitable and unsustainable service delivery. Delivering this shift in sector understanding will be our central contribution to achieving global sector targets in the next five years. We will achieve the shift through a combination of innovation, action research, advocacy and knowledge management, sharing our own and others' experience of what works and what does not.

### Unauthorised tap connections to public stand-posts

*These often result in reduced pressure and flow further down the water-supply-network; as a consequence, the services received by “tail-end” users decline.*



Source: IRC

### What we mean by “scale”

When we talk about “scale” in water service delivery, we talk about a number of things. Most obviously we talk about the need to “scale up” services: to serve the unserved. However, in the context of WASH service delivery, scale also means acknowledging that delivering services requires different actions at different scales: from local to national, and even international. Actors at these different levels need to be empowered to deliver their roles and responsibilities for service delivery and held accountable for doing so. It also means accepting that building new water supply or sanitation infrastructure through discrete projects at the scale of the individual household or community will never, on its own, lead to sustainable services.

*To find out more about scaling up visit [www.waterservicesthatlast.org](http://www.waterservicesthatlast.org).*

By 2016 the language and concepts of the sector should be couched in terms of delivery of services, investment and monitoring should be targeted at providing sustainable services, and the whole sector should measure itself against the goal of ensuring that people have access to internationally and nationally agreed levels of basic services. We say that this represents a new service delivery paradigm that governs sector thinking and action. It means that, both internationally and nationally, more finance will go to components of service delivery other than providing new hardware. Aspects such as institutional development, post-construction support, spare-parts networks, national monitoring frameworks, and national research and training will start to receive adequate funding. We will work in focus countries to support the implementation and adoption of service delivery models that showcase the potential for this shift in policy and practice. In those countries that are already moving policy in this direction (India’s National Rural Drinking Water Programme is a good example), we will work with action research programmes to pilot the approach.

IRC has long advocated and practised the sharing of information and experience. It is necessary to go further, so that openness and sharing of data and experience become

### 3 // Scope and ambition of IRC's activities in 2012-2016

the sector norm, rather than the exception. Dealing with systemic challenges requires that actors from community to international level become far more open to learning and adaptation based on experiences. Information is one key part; others are being open to the need to learn; acknowledging mistakes as well as celebrating successes; and adapting strategies and programmes based on experiences and the lessons learnt from them. With such an approach the sector need never be afraid of failure, since it will learn from its experiences – both good and bad. Therefore, the second goal of this business plan is the adoption by the sector of a strong learning and adaptive approach to service delivery.

At all levels, the sector is challenged by a lack of harmonisation and alignment. This is true of donors and international NGOs who all have preferred models and approaches, ranging from procurement to the design of pumps and toilet slabs. At national level a wide range of different approaches, technologies and tools confound efforts to systematise and thus improve economies of scale and allow for effective use of spare parts. IRC's third goal for this business plan is therefore **improved harmonisation and alignment for water and sanitation service delivery** by all organisations and agencies involved in financing, regulating and delivering WASH services. Nationally agreed frameworks for service delivery should set out the range of acceptable financial, management and technical models for service delivery, to which all actors/national and international, should align and subscribe.

Providing water and sanitation services is often seen as the remit of a narrow range of actors at national level, typically including one or two sector ministries. There is a tendency for the sector to be inward looking, despite the fact that providing equitable and sustainable services requires inputs from a range of actors, departments and agencies as well as the private sector, NGOs and communities themselves. The need for inter-sectoral interaction will become more important in the face of rapid urbanisation, population growth and increasing water scarcity. The fourth goal for this business plan is therefore **improved inter-sectoral dialogue and planning alignment**.

Under the overarching banner of improving the delivery of sustainable and equitable services, and the four main goals mentioned above, IRC has a number of sub-sectoral areas of specific interest; sanitation, hygiene, water supply and water resources management.

### 3.2 Sanitation

Sanitation, combined with good hygiene, especially handwashing with water and soap, can save the lives of the 1.5 million children who die each year from diarrhoeal diseases. Inadequate sanitation services act as an impediment to economic growth and slow down development. A recent study in India by showed that poor sanitation costs the Indian economy US\$53.8 billion annually. Although sanitation coverage has increased globally, at the current rate of progress, the world will miss the MDG target for sanitation. Moreover, the MDG target focuses only on hardware and not on sustainable use, improved hygiene or safe end-disposal, or reuse of excreta.

Children playing near an open drain in Mozambique



Source: IRC



IRC has been working on sanitation and hygiene issues since the mid-1980s. In line with the overall direction of the business plan 2012 – 2016, IRC will focus to a greater extent on the delivery of sustainable sanitation and hygiene services to urban and rural poor households; the majority of which will not have access to piped sewerage. Sanitation is likely to be characterised by a large number of service delivery models from a range of providers, including self-provision and small-scale private providers, operating at different points of the sanitation chain.

The effective delivery of sustainable, full-cycle sanitation services for all moves beyond the MDG focus on providing access to improved sanitation, and recognises that sanitation services need to address safe containment, safe and hygienic use, including the safe transportation, treatment, and safe end-disposal or productive use of treated excreta. To maximise environmental, public health and economic benefits, sanitation services need to cover entire communities: households, public places, schools, clinics, markets and other institutions. Sanitation goods and services need to be available to households that may want to replace or upgrade existing facilities, as well as to households that currently have no safe service.

Over the past five years, IRC and partners have successfully developed, tested and piloted elements essential for a sustainable service delivery approach. Combining these elements into a comprehensive and sustainable service requires:

- The creation of **demand for improved sanitation** and ensuring the continuous hygienic use of these facilities.
- **Supply** of affordable sanitation technologies and components through the creation of viable sanitation value chains.
- Access to a mix of **finance** instruments to support construction, use of, operation and maintenance of latrines.
- An adequate **institutional framework** and a supportive enabling environment to ensure continuity, scaling up and sustainability.

In the initial phase of the delivery of sanitation services, we see a greater role for public sector actors to stimulate demand and to raise awareness of the need for sustained and improved sanitation and hygiene behaviour, and to regulate and control all aspects of the sector, including private sector actors. With the evolution of adequate sanitation services, it is expected that governments, over time, will be able to redefine their roles and focus more on planning, financing, monitoring and coordination. Governments have the main responsibility for regulation and oversight with respect to the whole sanitation chain, and for providing finance or other support mechanisms for groups with specific needs, such as people with disabilities and the poorest households.

In rural sanitation, IRC and partners will build on earlier experiences, especially in supporting large scale sanitation and hygiene programmes during the period 2006 – 2011. IRC will document and disseminate these experiences and fill gaps in our knowledge through action research into the actual delivery of sustainable rural sanitation services. We will continue to map and analyse the range of actors and roles across the sanitation chain, while looking into who delivers which services to whom at each point of entry. This work will identify what works and what does not and why, where the gaps are, and where and how the service delivery approach can be strengthened.

Challenges for the urban framework were addressed in depth at the IRC seminar “Sanitation for the Urban Poor: Partnerships and Governance”<sup>2</sup> in November 2008 and through regional workshops. IRC will promote affordable and effective commercial services for safe collection and use of treated excreta as an entry point to work on sustainable sanitation services for all. We will focus especially on end-of-cycle enterprise services at scale. The safe disposal or productive reuse of human waste is the least developed and currently most risky part of the urban sanitation chain. As a consequence, untreated and indiscriminately disposed of human waste is contaminating the environment and freshwater sources.

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<sup>2</sup> International experiences presented at the seminar were published by IRC in Verhagen, J. et al., 2010.

## 3 // Scope and ambition of IRC's activities in 2012-2016

### 3.3 Hygiene

Sustainable water and sanitation services are crucial in improving livelihoods and public health, but unless these services are used effectively and hygienically, the benefits will be dramatically undermined.

IRC and partners have contributed to the international body of knowledge on hygiene behaviour change through action research, innovation, and learning and sharing, especially through work with partners in countries, including Bangladesh, Mozambique, Ghana and Burkina Faso. It is widely accepted that effective and sustained hygiene behaviour change requires ongoing activities with consistent and targeted messages through multiple communication channels, over a considerable period of time.

Hygiene promotion can be seen as a function of public or environmental health where the service delivery approach should be overseen by public or environmental health departments and undertaken by service providers, as well as by health and education sector actors. The range of activities within a particular area needs to be coordinated and integrated. The development of institutional models for integrated hygiene promotion, requiring work across sectors, is an area of keen interest for IRC in our focus countries.

IRC action research focuses on a greater cost effectiveness of hygiene promotion interventions with better research and documentation. Key activities are to disseminate the lessons from experiences in countries and provide a framework for effective hygiene promotion. Some key issues include hygiene promotion for men, assessment of costs and service levels as part of the WASH Cost project and assessment of cost-effectiveness in country programmes. The aim is to make a substantial contribution to the evidence base for effective and efficient hygiene promotion investments.

For both hygiene and sanitation, IRC will be involved in three main **types of activities:**

- Action research for sanitation and hygiene related issues with the aim of filling the gaps in our existing knowledge on the delivery of sustainable sanitation and hygiene services at scale.
- Combination of action research with support to large-scale delivery of sanitation and hygiene services.
- Improved learning and sharing through documentation and dissemination of good practices packaged in tools, briefing notes, training materials and background literature.

#### **South Asia Regional Sanitation and Hygiene Workshops: knowledge sharing, documentation and evidence for improved WASH programming**

Between 2007 and 2010 IRC organised six regional workshops in South Asia that brought together professionals to share experience and research on sanitation and hygiene promotion. Their deliberations on the 100 papers delivered provided remarkable insight into hygiene and sanitation in the context of WASH programming worldwide. The workshops encouraged practitioners to identify and document good practices and experiences, share them in a constructive environment, and jointly analyse and formulate challenges, gaps, lessons learnt and next steps. In 2010, lessons learnt in the different regions were synthesised in a consolidated lessons document that will be disseminated in 2011.

The WASH programme implemented by the Bangladesh Rural Advancement Committee (BRAC) is one the largest programmes ever implemented by an NGO in Bangladesh. It has provided access to sanitation services to approximately 20 million people, and promoted safe behaviour amongst another 37 million. IRC was involved throughout the process; first through the joint development of the programme proposal, and later through capacity development of senior staff during the implementation phase. IRC provided support to ensure that programme strategies and approaches were based on evidence as to what had worked (and not worked) elsewhere. IRC's track record in the field of sanitation, hygiene, and School Sanitation and Hygiene Education (SSHE) has been instrumental in this respect.

Creating ownership of programme strategies as well as strengthening BRAC's learning culture has been a guiding principle. IRC in partnership with BRAC, WaterAid South Asia and the Water Supply and Sanitation Collaborative Council (WSSCC) organised two learning and sharing workshops for sanitation practitioners that provided rich material on good practices that have been developed and tested in the South Asia region.

*For more information, visit [www.irc.nl/page/53553](http://www.irc.nl/page/53553).*

### 3.4 Water supply

Water supply is ahead of sanitation not only in terms of coverage, but also in the sophistication of available service delivery models. Despite relentless urbanisation, the majority of unserved people still live in rural areas. However, the rapid and often unplanned nature of urbanisation leads to a special set of problems in peri-urban and informal (slum) areas.

Rural water supply will increasingly come to resemble “professional” urban water supply in being managed in a business-like manner – whether by community, public

or private providers. With growing wealth and expectations we will see more rural water services being provided through small and medium sized pipe networks, with attendant needs for a higher level of managerial capacity. Issues traditionally seen as belonging to urban utilities (such as asset management and tariff setting) will become increasingly important in rural areas.

IRC has encouraged and supported these changes as part of our scaling up agenda, and we will continue to do so. In the focus countries where we work, we will contribute to measurable improvements in the sustainability and quality of services provided to rural water users, thus improving the cost effectiveness of financing service provision by others. At the same time we will aim to document, scrutinise and widely disseminate our own and our partners' experiences.

In peri-urban areas, IRC will support the development of innovative service delivery models that reach unserved populations and the poor. We will focus on stimulating the development of flexible models that ensure that peri-urban areas benefit from services of an acceptable quality – as part of a planned approach that will eventually result in all urban dwellers living in housing of an acceptable quality with on-site water and sanitation. These models include supporting informal sector providers, as well as creating innovative partnerships and regulation regimes that start from a recognition of how water is actually supplied in difficult-to-reach areas. They encompass enabling regulations and support for utilities, the private sector and community-based associations to ensure access to and sustainability of water services.

An important area for IRC and key partners is the approach that rural water services must take into account the needs of rural users not just for drinking water but also for water for a wide range of other activities (such as livestock, horticulture and small businesses). In the next period, we will continue to advocate for a MUS based approach, with the objective that by 2016 it is routinely included in rural water supply programmes.

### Recognising the multiple uses of water

IRC has long championed recognition of the need to cater for the multiple water needs of rural communities under its MUS programme.

Many of the gravity-fed piped water systems in Honduras are used for small-scale productive uses such as gardening, processing of coffee beans and stock watering. When government and World Bank officials went to cut the ribbon at a water system, constructed as part of the Rural Infrastructure Programme, they found users were already connecting hosepipes to the storage tank to sprinkle their vegetable gardens.

The productive uses of water are often ignored by domestic water supply projects, while irrigation schemes often neglect the need for domestic supplies. Since 2003, the MUS Group has operated as a network promoting research, documentation and dissemination, encouraging learning, and carrying out advocacy. IRC is a founding member of the MUS Group, and has acted as its secretariat. Today, Plan and Catholic Relief Services, both international NGOs, have mainstreamed MUS into their rural work, while the South African government has explicitly recognised the importance of multiple uses in its sector policy.

*To find out more about MUS visit [www.musgroup.net](http://www.musgroup.net).*

## 3.5 Water resources management

Rapid urbanisation, coupled with growing wealth, leads to increased demand for water. Together with climate change, the occurrence of local water resource scarcity and the potential for conflict will increase. IRC has a track record of working on resources management issues, with a focus on supporting negotiated local-level agreements. This important area will receive further attention, in particular through support for inter-sectoral dialogue and planning alignment.

Particular attention will be given to inter-sectoral planning in regions that are relatively well endowed with resources, but are facing water scarcity as demand outstrips supply. In such areas, there is a fundamental need to manage demand as well as to protect water supplies.

### The SWITCH project in Accra

IRC has been an active participant in the European Union funded SWITCH programme ([www.irc.nl/page/58311](http://www.irc.nl/page/58311)) which looked at integrated urban water management in 15 cities around the world. In Ghana, SWITCH and IRC actively supported the 'Accra learning alliance,' which brought together a wide range of actors to look at how to tackle problems related to domestic water supply and sanitation, as well as drainage and urban agriculture. In 2011 the first ever strategic vision for the integrated development of Accra's water resources was produced by the SWITCH learning alliance: [www.switchurbanwater.eu](http://www.switchurbanwater.eu).

# 4 Primary expertise

To achieve the goals described in this business plan, we will rely on five primary areas of expertise, where IRC has a competitive advantage, and the skills, approaches and tools to complement the work of other WASH sector actors.

## 4.1 Policy influence

We have become a respected and valued contributor to international and national policy arenas, including the European Union Water Initiative, UN-Water, and the Sanitation and Water for All initiative. IRC is increasingly involved in providing policy support directly to national governments, for example, in the development of sector strategies and roadmaps.

We will continue to position ourselves as a leading, independent and global think-tank in the WASH sector with the capacity in innovation, policy advice, and convening alliances to influence sector thinking. New competencies will be developed to track and analyse international WASH policy trends.

To reach beyond the traditional WASH sector with our core messages, IRC will also work with partners to influence Northern and Southern public opinion and political leadership in order to generate a tipping point in support of sustainable WASH services.

Advocacy will be based on key messages derived from research experience. We will use a mix of traditional and new media to promote pro-poor sustainable service delivery; and we will encourage and support partners in their attempts to influence the sector in their countries and/or regions. We will also reach out with key messages to non-sector organisations that play a role in global opinion-making including organisations positioned at the international level. A new series of policy publications will be launched, bringing relevant experiences from country programmes to an international audience. Special attention will be given to sanitation policy issues.

## 4.2 Knowledge brokerage

IRC's original role was as an information provider to the WASH sector – a role that continues to change and grow. Our ambition is to be a leader in developing and providing global WASH information services with international and national partners, based on the belief that what we call “the WASH sector memory” is a global public good. Our aim is to secure, improve and promote the accessibility and use of global knowledge related to sustainable WASH services. We also aim to actively inform sector staff about opportunities, developments and solutions.

To achieve this, we will work on three main sets of international level knowledge brokerage activities, namely: an electronic WASH sector library; the E-Source group of WASH news portals; and the KnowledgePoint question and answer service. At the same time, we will maintain and expand our existing body of open access publications, including books and thematic overview papers.

In focus countries and regions, we actively support organisations and networks to set up national and regional newsletters, sector libraries and question and answer services.

### Supporting open access to sector information

The right to know is a human right, encapsulated in the Freedom of Information Acts. Access to information ensures both transparency and informed decision making.

IRC has pioneered access to information, making some publications freely downloadable from its website in 1998 and introducing a policy of total open access to all publications in 2005. Between 2005 and 2010 the number of downloaded IRC publications rose from 18,300 to 57,700 per year.

The WASH digital library collection was launched in 2000 and provides free online access to about 15,000 sector publications. In 2011, IRC made all its materials from its training course on transparency, integrity and accountability available as OpenCourseWare ([www.irc.nl/page/55370](http://www.irc.nl/page/55370)). One of the course modules is on the use of the Freedom of Information Acts.

Visit the IRC WASH Library [www.washdoc.info](http://www.washdoc.info).



### Snapshot of E-Source website and Source Bulletin

Source E-source website: [www.source.irc.nl/page/62584](http://www.source.irc.nl/page/62584)

Source Source Bulletin: [www.source.irc.nl/page/3389](http://www.source.irc.nl/page/3389)

### Source – providing news to the global WASH sector

More than 40,000 policy makers, sector professionals and information specialists use E-Source as their primary tool to inform themselves on water and sanitation issues, and to access related websites.

As of March 2011, there were 8,335 e-mail subscribers to the Source newsletter, and 3,712 subscribers to the WASH news blogs, as well as 295 followers on Twitter. In 2009, the English Source web page registered 222,039 views, with a total of 458,116 views for the English, French, and Spanish pages combined. WASH news blogs registered 398,969 page views in 2010.

Visit the E-Source web site [www.source.irc.nl](http://www.source.irc.nl).

### 4.3 Thematic innovation

Only by continuous innovation will the sector adapt to meet future challenges. IRC's thematic innovation programme will continue to generate, consolidate and support the development of new knowledge, based on real life experiences, and published as global public goods. We will contribute to strengthen innovation systems at international, regional and national levels so that the best ideas are taken into policy and practice in our focus countries and themes. We will maintain a portfolio of thematic areas which will be echoed in our regional and country programmes.

#### **A first for Mozambique – cost analysis of hygiene promotion strengthens inter-sectoral collaboration**

In collaboration with the national Department of Sanitation in Mozambique, IRC, through its WASHCost project, is undertaking a programme of hygiene cost analysis. This compares the costs of three approaches to hygiene promotion in three provinces. Together with effectiveness studies to be implemented in 2011, the results of this work will provide hard data to inform a sector debate on the efficacy of different approaches to hygiene promotion. The outcome of this debate will influence a key sustainability strategy adopted by the National Programme for Water and Sanitation: the rural water and sanitation Sector Wide Approach (SWAp), which will be implemented across the country over the next five years.

Public, private and NGO stakeholders from water, sanitation, health and environmental health sectors at national and local levels are all involved in the work, representing an unprecedented level of inter-sectoral collaboration.

*To find out more about WASHCost in Mozambique visit [www.washcost.info/page/147](http://www.washcost.info/page/147).*

*“This is the first time that Ministries of Health and Environmental Health have participated with water and sanitation in a study on hygiene promotion.”*

**> Ministry of Health, Mozambique**

*“We hope this is the first of many opportunities to work together on critical issues in health. Hygiene promotion is the backbone of primary health prevention, but we continue to work in our little pockets and don't get together to discuss what we are all trying to achieve.”*

**> Dr. Eva Pascale, World Health Organisation, Mozambique**

*“The more we understand about the costs and effectiveness of various approaches to hygiene promotion, the better we will be able to plan and support interventions that make a difference to the lives of our communities.”*

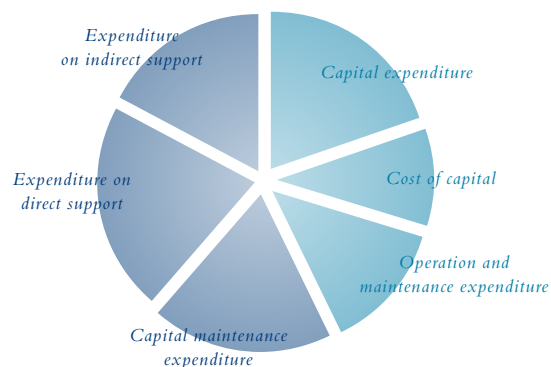
**> Rostina Baptista, Department of Sanitation, National Directorate of Water, Mozambique**

## 4.4 Capacity building and training

Capacity building continues to be a core activity for IRC, especially in action research which brings together practitioners and researchers to learn how to do things differently and better. Capacity is about the right people with the right skills being in the right place, and having the tools to do their jobs and meet their responsibilities. It involves everything from the village waterman (or woman) having the right skills and spare parts to mend a handpump, to national laws, rules and protocols giving support to sector policies and people.

Training is a critical part of capacity building. We recognise that training is a key channel for catalysing sector change and in developing and maintaining human capacity in the sector. IRC has taken a strategic decision to once again make training a core activity, to be delivered by IRC in The Hague and within our focus countries and regions.

**The life-cycle cost approach pie chart shows the different cost elements necessary to take into account for sustainable service delivery.**



Source: <http://www.washcost.info/page/752>.

To find out more about WASHCost visit [www.washcost.info](http://www.washcost.info).

### Training on life-cycle costing

IRC's WASHCost project seeks to answer a deceptively simple question: how much does it cost to provide sustainable water, sanitation and hygiene services?

The answer is complex because the sector does not think in these terms. Sector professionals can tell you how much it costs to drill a borehole or construct a latrine, but they cannot cost post-construction support to communities or a viable national monitoring framework.

Three years of action research in Ghana, Burkina Faso, India and Mozambique is beginning to find answers and create greater awareness of why these questions are an important part of the shift to sustainable service delivery. Started as a five year project financed by the Bill & Melinda Gates Foundation, WASHCost has been mainstreamed into IRC's work on service delivery as the life-cycle cost approach (LCCA).

The techniques learnt by WASHCost teams in these countries are now included in training materials that IRC is piloting nationally and internationally. They include 10 steps to collecting life-cycle costs data.



An ambitious international training programme will be developed to target future leaders, senior consultants and managers, as an integral part of our sector change programmes. We aim to build a new training programme on a solid basis of partnership with other training organisations including universities, training centres and NGOs. At country level we will use training to advance sector change agendas.

#### 4.5 Monitoring and learning

While it is impossible for IRC to be truly accountable to something as diffuse as “the WASH sector”, we will be transparent and honest in talking about what we do, how we do it and how much it costs. Learning is central to transparency and to our planning and monitoring systems, and will be a core part of all our internal and external processes. A commitment to collecting information and sharing lessons is therefore a fundamental part of how IRC will work to achieve a loop of analysis, planning, action and monitoring. Assessment and evaluation will be an integral part of this business plan.

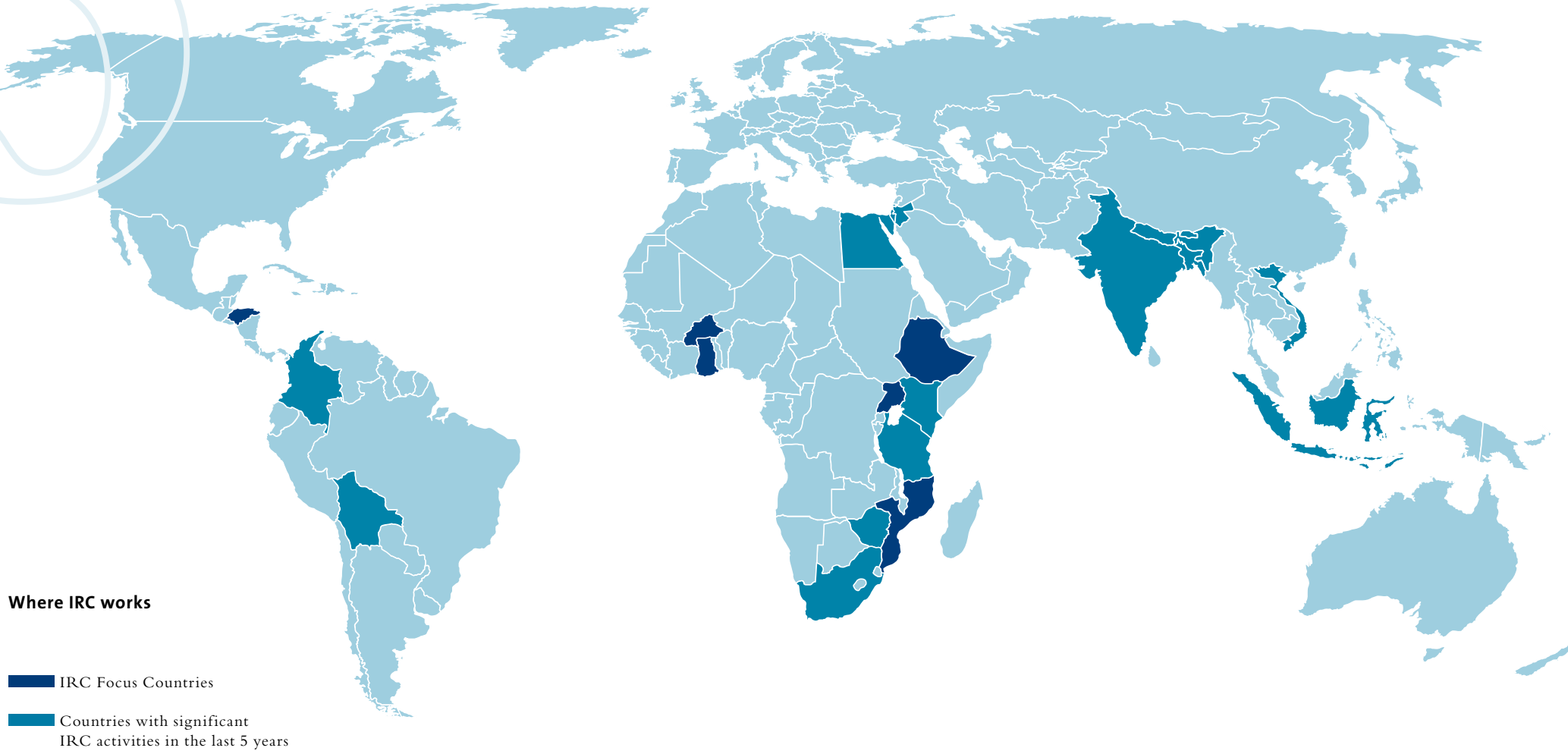
Monitoring and learning, using a combination of methods and tools, will take place primarily at the level of programmes. We will develop outcomes-based indicators as integral parts of all IRC programmes. There are exciting developments in monitoring effectiveness to support social transformation, including narrative-based approaches that link monitoring to learning, rather than ticking boxes and counting beans.



Source: IRC



# Main programmes



Our country and regional programmes are important in terms of effort and expenditure. In Africa and Latin America IRC has established a medium-term presence in five countries (Honduras, Burkina Faso, Ghana, Mozambique and Uganda) with the aim of embedding itself in the national sector as a respected NGO and knowledge centre, champion and supporter of sector change and learning.

We have also established a strong network across South-East and South Asia, with substantial programmatic activities in India and Bangladesh. In India, work under IRC's WASHCost project on the use of life-cycle costing for water and sanitation service delivery has meant a strong focus since 2008 in Andhra Pradesh. IRC is also actively involved in work in Rajasthan and will explore the possibility of opening a regional office in Delhi. In Bangladesh, IRC works with a local NGO – BRAC, playing a part in leading 20 million people gain access to sanitation services. In South East Asia, IRC works in several countries with a strong thematic focus on sanitation and issues linked to increasing water scarcity.

IRC's International programme seeks to provide advocacy for the wider adoption of lessons from -in-country work, actively engaging in global dialogue around WASH issues.

## 5.1 Country and regional programmes

The majority of IRC's resources and professional time is spent working on the ground in focus countries and regions. Country level objectives are twofold: to deliver sector change, and to identify and document effective and scalable mechanisms for delivering sector change. This approach is driven by our belief that to be effective, learning has to be local and based on principles of action research that ensure active participation of key stakeholders.

*“CWSA is making a paradigm shift in its approach to rural water supply from a focus on projects to delivery of services. This objective is being pursued in partnership with the Triple-S initiative. It is expected that results/innovations from the piloting will inform the adaptation of policies and practices for delivering water services in Ghana.”*

> **Clement Bugase, CEO CWSA, March 2011**

### Ghana – how a country programme is working for sustainability

In 2010, IRC's Ghana country programme had a total budget of approximately €1 million, of which approximately 20% came from the Dutch government, 70% from the Bill & Melinda Gates Foundation and 10% from other sources. The programme has a full time expatriate country director and 12 full and part time Ghanaian professional staff, supported by a multi-disciplinary team in The Netherlands, who between them spend approximately 2.5 person years per annum on work related to the country programme. This includes six component projects, some unique to Ghana and some related to international programmes. IRC led action research projects include both the Triple-S and WASHCost projects, and we also contribute to the SWITCH and Tripartite Partnership (TPP) action research projects which are led by partners.

Triple-S began in 2009 and is hosted by Ghana's Community Water and Sanitation Agency (CWSA). Mobilising support for moving to a service delivery approach has meant, in particular, looking at the post-construction phase of rural water supplies. By partnering with CWSA and the World Bank on a major US\$75 million investment programme, Triple-S is helping to ensure that the next generation of water supply services will have sustainability built in from the start. At the same time, Triple-S is helping CWSA to research and document existing experiences with rural water supplies in three of Ghana's ten regions. A learning alliance of sector actors will ensure that the lessons learnt from this shared research are incorporated into updated sector guidelines and policy.

Programme staff are involved in a range of activities including action research, policy support to national government and sector agencies, facilitating sector meetings and learning events, and publication of newsletters and other documents. IRC is a major financier and provider of support to Ghana's Resource Centre Network (RCN) ([www.washghana.net](http://www.washghana.net)).

In 2011, IRC is establishing a permanent presence in three of Ghana's ten regions in the form of learning facilitators, hosted by CWSA. IRC is currently registering an office in Ghana to allow decentralised management of financing and some core staff functions.

*To find out more about IRC's work in Ghana, visit [www.irc.nl/page/42138](http://www.irc.nl/page/42138). To find out more about IRC's Triple-S project, visit [waterservicesthatlast.org](http://waterservicesthatlast.org).*

## 5 // Main programmes

While each country programme has its own specific focus and flavour, they all share the commitment to service delivery, and to the development of a learning sector that is better able to identify problems and solutions, is more adaptable in the face of risks and threats within or outside the WASH sector, and more effective in its coordination. All IRC's country programmes focus on mainstreaming change and learning from good practice both within the country and internationally.

### Rural water supply in Honduras



Source: IRC

#### From supporting the RASHON Resource Centre to sector support

IRC began supporting the Water and Sanitation Network of Honduras (RASHON) in 2006, in the development of a resource centre. In practice this has meant aiding RASHON to address priority themes in the Honduran water sector, including sustainability, sanitation, water quality, MUS and transparency. Members of the RASHON network come together in thematic groups to undertake research, exchange experiences, develop information products and advocate for policy changes. In an evaluation of the programme in 2010, the added value of IRC was found in a combination of thematic expertise, process facilitation skills, and tools and methods for knowledge management. The collaboration also enabled RASHON to leverage funds from other donors. From this, demand grew for IRC support to broader sector development processes. One result is our current support to government agencies in the formulation of a new WASH policy in Honduras: [www.irc.nl/page/55231](http://www.irc.nl/page/55231).

IRC is able to contribute key areas of expertise to support sector information management and knowledge brokering, thematic innovation, and advocacy for policy change. We undertake capacity building, training and the development of training materials and programmes, and increasingly support governments in policy formulation.

Active engagement with regional level platforms and networks provides an effective means of promoting and supporting sector learning. For example, IRC interacts with WES-Net India which is a network of stakeholders in the water and environmental sanitation sector, including NGOs, United Nations agencies, private sector bodies, consultants, government departments and donors. The objective is to improve knowledge sharing and coordination within India's water and sanitation sector.

In Africa and Latin America, we work to influence the WASH agenda at the continental and sub-regional levels to promote sustainable WASH services, improved WASH governance and enhanced capacities for sector learning and sharing. We provide examples of how to catalyse sector learning as well as experiences of

sustainable services provision. Strong regional demand has been expressed for IRC support, in particular in Southern and Eastern Africa; while Burkina Faso is a centre for work in Francophone West Africa.

### **Capacity building and support to WASH strategic planning (North and South Sudan)**

IRC, at the request of the United Nations Children's Fund (UNICEF), has supported the Sudanese national government and 15 Northern states to develop multi-annual WASH sector development investment plans, in close collaboration with a national planning support team. From the start, IRC also supported strategic sector planning for the government of Southern Sudan and its ten constituent states. A first phase resulted in a guiding strategic framework, to be followed by a second phase and national level set of multi-annual sector development investment plans with support from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the World Bank, and the United States Aid Agency (USAID).

*For more information visit [source.irc.nl/page/54408](http://source.irc.nl/page/54408).*

## **5.2 International programme**

The International programme acts as the hub for supporting, consolidating and drawing lessons and inferences across IRC's work and for delivering these into the global arena in such a way as to influence the dialogue and actions of the major sector development partners.

The WASH sector in many countries continues to be dominated by donors and international organisations, and there is an active network of international WASH sector professionals who attend a plethora of annual meetings, conferences and workshops. Most institutions have signed the Paris Declaration and the Accra Agenda for Action to coordinate and harmonise around nationally determined agendas and approaches.

In reality, however, diverse policies and practices in the headquarters of bi- and multi-lateral agencies, including donors and NGOs, impact on their projects and county offices. Engaging with the international actors is therefore essential to us to achieve our objectives on the ground. It is also crucial to share the lessons learnt from country programmes if they are to be applied in countries and regions where IRC is not present.

It is essential that the International programme continues to 'speak' from a grounded and informed reality stemming from the practical experience of how policies play out in practice. In view of the above, the International programme has the following main objectives:

- 1 Generate, consolidate and support the development of new knowledge in the sphere of sustainable WASH services delivery in rural and peri-urban areas, based on practical experiences from across the organisation and our partners.
- 2 Contribute to strengthened innovation systems at global, regional and national levels where the best ideas are brought to policy and practice in the countries and in the themes where we work.
- 3 Influence the policies and practices of development partners, international agencies, Dutch stakeholders and global initiatives towards more sustainable and harmonised WASH service delivery in alliance with other global stakeholders.
- 4 Share and communicate best practices, achievements and lessons from IRC regional programmes, projects and other relevant experiences in the thematic areas of interest, through a series of open access and branded global information products.

## 5 // Main programmes

IRC can speed up the process of sharing knowledge and bring a focus to issues of importance through hosting international conferences, symposia and training events; and by participating in, and sometimes giving leadership to thematic groups such as the MUS group, the Rural Water Supply Network (RWSN), and the Water Integrity Network (WIN). IRC will continue to support multilateral initiatives such as the European Union's (EU) Africa Working Group (AWG), the Sanitation and Water for All (SWA) partnership, and the UN-Water Global Annual Assessment of Sanitation and Drinking-Water (GLAAS) series.

### **'Pipes, Pumps and Promises'**

IRC's international symposiums draw experts from around the world every two years to share experiences and develop a knowledge base. In November 2010, more than 120 sector professionals from 27 countries met in The Hague for IRC's symposium on 'Pumps, Pipes and Promises' that grew out of, and showcased findings from, IRC's WASHCost project. Almost 40 papers were delivered, documenting experiences related to the costs, finances and accountability in WASH service delivery.

The shift towards services that reach people with the regularity and quality they demand requires greater clarity in planning and financing. The symposium demonstrated the need for data that can be seen through the prism of accountability and transparency and understood and used by those who make decisions about finance.

Some key practical questions emerged: What are the real disaggregated costs of providing services? (\$5-\$15 per person per year for rural water supply, it seems). What are the best models for financing post construction costs, especially maintenance and technical support? Which financing source (tariffs, transfers or taxes) should pay for what cost element?

*For more information, visit [www.irc.nl/page/61225](http://www.irc.nl/page/61225).*

The International Programme consists of five types of activities:

### **1 Thematic Innovation**

Our thematic innovation activities will enable sector change through a combination of innovation, action research, knowledge management and advocacy. IRC will maintain a portfolio of innovative international thematic areas. Regional and country programmes will each work on a selection of these themes, selected to align with policy priorities of donors and the sector and demand from regions, countries and other sector players.

### **Learning alliances for delivering change**

Learning alliances are a mechanism for delivering change and creating new knowledge by bringing together groups of relevant stakeholders within a country at different institutional levels. IRC facilitates dialogue within and between these groups and supports them as they map challenges and test possible solutions.

Learning alliances use action research to involve practitioners in the search for solutions. Action research differs from academic research in being solution oriented, but retains the rigour of the scientific approach, helping to ensure that findings are solid, and that knowledge is properly documented and shared. By linking practitioners, policy makers and researchers it is possible to tackle barriers at the heart of many of the systemic problems of the WASH sector. By involving national level policy makers in a shared search for solutions with district level service providers, it is possible to identify the points where different parts of the WASH service delivery system rub up against each other, and to find ways to make them work effectively together. Involving stakeholders from national level to communities in identifying, testing and adopting solutions leads to changed individual and organisational behaviour, and to more sustainable service delivery.

*To learn more about Learning Alliances, visit [www.irc.nl/page/14957](http://www.irc.nl/page/14957).*

The two projects financed by the Bill & Melinda Gates Foundation, WASHCost and the Triple-S projects are at the core of one of the most innovative areas, the sustainable water service programme.

### Sustainable services at scale – the Triple-S project

Triple-S was launched in 2009 with the ambitious objective of changing how rural water services are delivered. Currently active at international level and in Ghana and Uganda, Triple-S is seeking to build a broad-based alliance around the need to find solutions to providing sustainable services for all rural water users. Triple-S grew out of the scaling-up group, a network founded in 2001 that IRC led and facilitated. In 2010, the scaling-up group formally merged with the Rural Water Supply Network (RWSN). Triple-S has already managed to change the language and concepts around rural water service delivery both at the international level and in Ghana and Uganda. Supported in the first instance by a six-year US\$25 million grant from the Bill & Melinda Gates Foundation, discussions are currently underway with different donors to expand Triple-S to Burkina Faso, Ethiopia and Mozambique.

*To find more about IRC's Triple-S project, visit [waterservicesthatlast.org](http://waterservicesthatlast.org).*

## 2 Policy and Advocacy

IRC seeks to engage in the international policy arena and to position itself as a global think tank in WASH with capacity in research, providing policy advice, convening groups and alliances etc., all with the aim of influencing debate and development partner approaches. IRC will need to reach beyond the traditional WASH sector with core messages to generate a tipping point in support of sustainable WASH services, using evidence-based advocacy and new channels and opportunities, including social media. Under this heading IRC will:

- Work with like-minded and existing partners to share advocacy plans and messages, and to collaborate on joint initiatives and research.

- Engage and create new/strengthen existing alliances with a series of sector organisations and platforms which IRC wishes to influence, including the World Bank, WSP and the African Development Bank.
- Reach out to non-sector organisations that can influence public views and opinion-leadership.
- Publish a series of policy publications and briefings that bring policy relevant experiences from country programmes to an international audience.
- Strengthen the IRC Associate Programme to involve a growing team of international experts with links to other arenas, networks and organisations.
- Engage with the public sector and private corporate sector through training and partnerships.
- Continue to support the Dutch sector, including providing policy advice and collaborating with DGIS and Dutch civil society.
- Advocate for information literacy, open access and the right to information.
- Establish an IRC international advisory committee to strengthen international links and accountability.

## 3 Training

IRC will establish an international training programme to make our concepts, frameworks, tools, ideas and experiences available to international development partner staff, practitioners and policy makers to further embed concepts and approaches to sustainable WASH service delivery. Experiences with Triple-S and WASHCost show that high-level training can serve as a powerful mechanism to transmit key concepts and ultimately to effect changes in practice.

This approach will include the development of short courses, distance learning packages, bespoke training on demand, support for training institutions to strengthen their curricula, and programmes for IRC staff and partners. Content already piloted or under development includes local governance, transparency, sustainable service delivery, sustainable services at scale, LCCA tools, information literacy skills and management of national WASH information services.

## 5 // Main programmes

### 4 Sector memory

Sector memory activities will secure, improve and promote access to and use of global WASH knowledge. Activities will be aligned with publications and communications strategies and activities. IRC will:

- Establish an international consortium to investigate the use of smart tools and collaboration agreements to expand and preserve our existing WASH digital library.
- Develop a system for monitoring sector information trends, information needs and information use.
- Develop a suite of services to ensure the dissemination and uptake of information, news and sector debate to promote sector change.
- Maintain and keep website material current and relevant.

### 5 Communications and publications

IRC has a long history of publication in the sector and has established a widely recognised and respected brand. We will build on these foundations and explore new approaches to publication and dissemination. IRC will maintain an in-house dedicated editorial and publications management capacity, with a network of experienced external associates (editors, writers, designers, publishers etc.).



Source: IRC



# Partners and networks

IRC interacts with a large number of sector organisations and individuals in many different networks and platforms. Some are like-minded and share our goals; others need to be persuaded. Partners include UN agencies, international donors, our financiers, clients for specific pieces of work, project implementers and service providers, local NGOs, consultancies, research organisations or national and local governments in our focus countries.

## **IRC and the Dutch water sector**

As a Dutch registered organisation with its headquarters in The Hague, IRC has been part of The Netherlands' water sector since its founding in 1968. The Ministries of Foreign Affairs and of Infrastructure and Environment have been longstanding supporters and funders, and IRC has played an active role in formulating and supporting the implementation of Dutch WASH development policy. IRC has provided technical support to The Netherlands Water Partnership's NGO alliance and its successor, the WASH Alliance. IRC has always maintained an international outlook, but our Dutch roots remain important, and we will continue to play an active role in the national water sector.

*To learn more about the Dutch water sector visit [www.nwp.nl/en](http://www.nwp.nl/en).*

When we refer to these different entities as partners we are expressing a philosophy of relationship as much as of a legal construct. Partnership, in the sense of working on the basis of mutual respect in the pursuit of shared goals, is a core value for IRC.

We attempt to engage all partners in a mutually beneficial search for solutions to the challenges that affect our work. This is a direct consequence of an organisational philosophy that sees all knowledge as being local, and the product of individuals, groups and organisations learning to do their business in better ways. We do not come to the table as senior partners, although we do have tangible and useful skills. Rather, we see ourselves as catalysts for change whereby our presence and actions stimulate national and sectoral learning processes through which locally appropriate knowledge can be created.

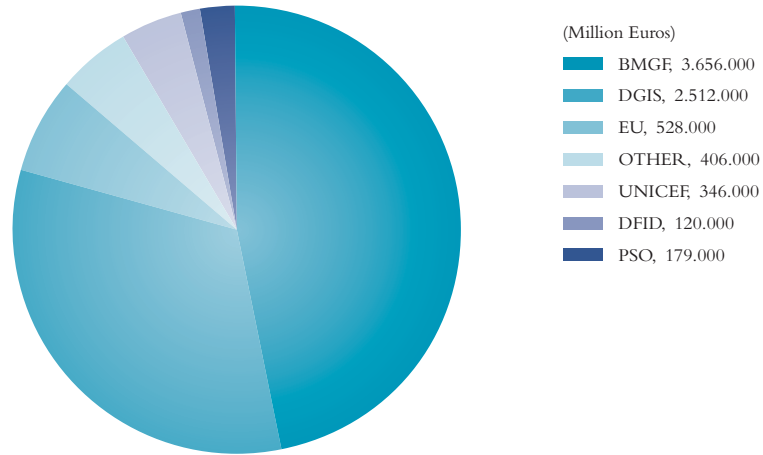
Three broad groups of partnerships are essential to IRC being able to achieve its mission: our financing partners, our implementing partners in focus countries and regions, and our thematic platforms.

## 6.1 Financing partners

IRC's partnership with the Dutch government has existed as long as IRC itself, and has been crucial to IRC's continued operation, accounting for some 70% of the total financing in our previous business plan. Since 2008, however, the Bill & Melinda Gates Foundation has become an important new financier, allowing us to radically increase the size and ambition of our work, notably through the WASHCost and Triple-S grants. The Foundation currently represents almost 50% of total IRC financing. It is our aim in 2012-2016 to broaden the base of our finance by developing partnerships with new financiers while maintaining the overall level of financing at more or less current levels.

**IRC revenue breakdown 2010**

Revenue 2010 - Total = €7.74m



Source: IRC

## 6.2 Implementing partners in focus countries and regions

We have a 20 year history of shared activity with many of the national partners we work with in country and regional programmes. More recently we have started to work more closely with national research institutions and universities, as well as with service providers such as BRAC. Since 2008 we have also started to partner more actively with national and local governments, acknowledging the leadership role of government in developing policy, as well as ensuring regulation and access in order to enable the sector to deliver sustainable services.



## 6.3 Thematic platforms


As already noted, IRC is part of a wider range of international thematic platforms to pursue sector change in areas as diverse as knowledge management, public finance management and training. We aim to maintain and expand our network and membership of key international and regional platforms.

Current priorities are:

- Water scarcity and water resources management, with innovation in reuse of wastewater.
- Costing and financing, including LCCA, national investment planning and (macro)financing studies.
- Aid effectiveness, through advocacy, documentation and synthesis of lessons learnt, and supporting countries in developing WASH sector SWAPs.
- Sustainable sanitation, including urban sanitation, advocacy for scaling up rural sanitation and hygiene for men.
- Capturing innovation from Triple-S in three main service delivery models: community-based management, self-supply and private sector models. Innovative work on public-public and public-private partnerships will be undertaken.
- Learning for change with learning alliances, resource centre development and strengthening capacity in the context of decentralisation.
- Advocacy and support in developing accountability and transparency tools and innovation in regulation for WASH services.
- Sector monitoring focusing on post-MDG global monitoring.
- Continued advocacy for multiple uses of water (MUS).

## 6.4 Partners and competition

IRC is unique in terms of its track record, global network of partners and range of ongoing programmes. However, IRC recognises that we face stiff competition in many of our programmatic areas and that organisations with whom we partner for some activities may be competitors for others. Many international NGOs and research organisations are involved in innovation and action research related to WASH services while universities and institutes are involved in aspects of WASH training and capacity building. A range of international organisations such as the Water and Sanitation Programme of the World Bank provide policy advice to governments. Many organisations do not fit neatly into any box, such as UNICEF, which plays a range of roles from government advisor to project delivery. As an organisation dedicated to innovation and sector change, we believe that healthy competition is positive. However, as a general rule we do not enter into direct competition with local actors in our focus countries. The capacity of these WASH organisations is improving rapidly, and we welcome and applaud this capacity development.



# Role in a changing sector

To help prepare this business plan, we underwent an external review of our 2007–2011 business plan. We also mapped 24 trends affecting both the development of the WASH sector and its operating environment. The analysis of these sector trends are available at: <http://www.irc.nl/page/65919>.

The findings from the review and the trend mapping were used as the basis for a scenario building exercise where a number of broad opportunities and challenges were identified, and used to identify principal business areas for our work.

## 7.1 Opportunities

The external review of IRC's 2007–2011 business plan stated the following: *"There is little doubt that IRC's core competences (innovation, knowledge management, advocacy and capacity building) are highly relevant to the MDG targets. What is more, to the extent that IRC increasingly focuses on the sustainability of water supply operations (as it has forcefully done under the WASHCost and Triple-S projects), IRC goes well beyond the simplistic MDG water supply targets that only attempt to measure access to services while completely ignoring the quality and sustainability of the services."*

There is increasing recognition internationally and within countries that the challenges of sustainability and the vulnerability of the sector to external shocks, such as rapid demographic growth and environmental (climate) change, require new models and knowledge that take into account the local contexts, and a need for organisations that can support the processes to develop these models and knowledge. With high levels of investment in the sector, and slow but steady progress on the quality of governance, the WASH sector environment is ripe for IRC and our partners to have significant impact.

## 7.2 Threats

There are also threats to the sustainability of IRC as an organisation. Much past success has been enabled by generous funding from the Dutch government that provided the space for us to identify gaps, launch new initiatives, and develop programmes that responded to the identified needs of the countries in which we work. More recent support in our country programmes, and innovation and action research programmes has come from very significant levels of funding from the Bill & Melinda Gates Foundation.

Maintaining IRC's current level of funding is critical to our continued success, but is likely to be challenging given a number of observable sector trends. These include the tendency of a number of traditionally generous sector donors to gravitate towards direct budget support to governments, while governments may lack the self-

confidence to pay for external expertise, even when they struggle to find it internally. In a fragmented sector multiple small Northern NGOs and university departments compete for the same small and fragmented grants. There may be a tendency towards aid fatigue among some of IRC's traditional Northern donors, while new entrants to the sector may have a suspicion of public- or NGO-based approaches and a preference for the private sector. Lack of maturity and policy clarity among new entrants may exacerbate a tendency to prefer the simple over the complex, the quick win over the long slog and the silver bullet over incremental change.

The need for IRC services, approaches, tools and skills has never been higher and investment in the sector is steady or increasing; yet IRC could be in the ironic position of struggling to secure financing for approaches that have been proven to work. Responding to these challenges will involve striking a balance between building on existing programmes, and seeking out and responding to new opportunities that arise over the next five years.

### 7.3 Core business areas

To continue our mission and to achieve our goals, we will need to adopt a pragmatic and flexible approach to developing and financing activities over the next five years. To this end, we have identified three core business areas, which will probably overlap, enable efficient use of resources, and be mutually reinforcing:

#### **Business area 1: Knowledge management and innovation.**

This encompasses IRC's core expertise in sector knowledge and information management, and underpins our role as one of the WASH sector's leading think tanks. Through it, we influence the main discussions and debates in the sector, and bring about change in a direction that is in line with our goals. We offer proven skills in information and knowledge management, cutting edge content, and widely respected catalysing and facilitation of change and learning processes. Our value is as a trusted, professional, innovative and content rich sector resource centre and think-tank. This business area remains ultimately reliant on supportive and like-minded donors, a role that in the past has been fulfilled largely by the Dutch government.

#### **Business area 2: Innovation and action research programmes.**

This is the largest body of our work, and relates to programmes that are aimed at delivering systemic change through large scale action research activities. These long-term programmes deal with priority themes and are implemented primarily in country, with international elements where required. The expertise we bring to the table is specifically related to using action research to ensure lasting systemic change. These programmes are an attractive vehicle for funding agencies that can support them in whole or in part, and can also be of interest to the work of service delivery agencies who are concerned about improving how they work.

#### **Business area 3: Market based, demand responsive work.**

This is initiated from outside IRC by, for example, national governments, international agencies and philanthropic organisations. IRC and our partners play various roles that range from assisting in the preparation of project documents and carrying out evaluations to larger research or technical support programmes. IRC will only undertake work in which we have a genuine interest and a comparative advantage, and that is fully funded in all respects.



# Organisational framework

## 8.1 Principles and values

As an organisation that defines ourselves as trusted, professional and content rich facilitators of change, we subscribe to guiding principles and core values that govern how we work to achieve our ambitions.

### IRC Principles

#### **Inclusiveness**

Decision making is, to the fullest extent, possible based on consultation and involvement of people concerned. The way to achieve inclusiveness is through fostering broad/joint discussions, and our chosen method is dialogue. Our guiding principles in operational terms are that we work with rather than work for our counterparts and colleagues, and that in all our dealings we respect them.

#### **Subsidiarity**

Adopting a principle of subsidiarity means looking for decision making to take place, and for empowerment to occur at the lowest appropriate level. We believe in empowering our constituents to make decisions for themselves armed with information and skills that allow them to do so. Our own staff should also be responsible for making their own way with appropriate support.

#### **Facilitation of change**

IRC has a vision of what changes should happen to achieve sustainable WASH services, and how to facilitate those changes.

### IRC Core Values

#### **Poverty focus**

IRC focuses on the needs of the marginalised and the poorest. This stems from a shared sense of justice and a commitment to inclusiveness. We will be guided by local people's perspective of what constitutes poverty and vulnerability.

#### **Excelling**

We wish to excel in what we do and to provide top quality services. We believe that the route to excelling is to innovate and challenge and to allow ourselves to be challenged.

#### **Transparency**

IRC strives to enhance transparency and accountability, both internally and externally.

*IRC has a website on transparency and accountability (<http://www.reporting.irc.nl/>) and is committed to the INGO Accountability Charter that outlines commitments to excellence, transparency and accountability (<http://www.ingoaccountabilitycharter.org/>).*

## 8.2 Business model

As a modern NGO, IRC's business model is rooted in the need to manage twin boundary lines. Our primary boundary line is about our mission and impact on sector change, leading to the achievement of sustainable and equitable WASH services. Our second boundary line is financial. As an NGO we are not driven by the need to make a profit and are not primarily motivated by financial factors.

Nevertheless, our operations need to be properly funded, and we cannot sustain loss-making activities without some form of cross-subsidisation. As a professional organisation, our aim is to work in a business-like manner to ensure that our medium term activities are properly funded while our day-to-day work is neither ad-hoc nor unduly affected by unpredictable financial flows.

Our business areas have been identified based on the need to support a flexible business model that is reliably able to deliver a set of long term activities to support the core business areas described in section 7.3. Sector knowledge management (business area 1) and innovation and action research in countries and regions (business area 2) are both essential to IRC's effectiveness, yet both provide significant financing challenges.

Business area 2 related activities have led to considerable budgetary and staff growth in recent years. The financial and staffing changes are shown in the Table: Evolution of staff and finances since 2003, which also highlights the relative decline in the Dutch government as a primary funder, even though the actual sums have remained much the same.

### Evolution of staff and finances since 2003

YEAR	IRC Staff (FTE)	Programmatic core funding Business Area 1	Project funding Business Area 2	% Core funding
2003	39	2.9	1,0	74%
2004	39	2.7	1.2	68%
2005	37	2.4	0.9	72%
2006	39	2.5	1,0	72%
2007	42	2.3	1.5	60%
2008	49	2.6	3.6	42%
2009	55	2.6	5.3	33%
2010	61	2.6	5.6	31%

\* FTE stands for full time equivalent.

Source: IRC

It is our intention in this business plan period to maintain and intensify the activities grouped under business area 2. In particular we intend to add a major innovation and action research programme on sanitation, while expanding our country programmes from the current five to between six and seven, including a regional hub in Asia. To do this we will need to maintain and expand our current levels of financing, which in turn means finding new donors and sources of funding.

Business area 3, with a market-based and demand responsive approach, is specifically designed to create leverage and help provide the necessary level of flexibility.

### 8.3 Staff and staff development

As a knowledge-centred modern NGO, our single most important resource is people – our staff, associates and network of partners. To bring about sector change we require a multi-disciplinary team of world class experts. At the same time, our move towards more country level work puts our existing model of a core staff of long-term experts based in The Netherlands under increasing pressure. While stability is essential for the long-term core functions of business area 1, much greater flexibility is required for business area 2. For the next five years, IRC's staff development will be guided by principles of continuing to attract high-level professionals to our programmes, while at the same time increasing both the level of internationalisation and the flexibility of our staff. To achieve this we will:

- Reduce the number of core staff working in The Hague.
- Increase the number of staff who work with us in a flexible way, linked to one or more specific programmes.
- Extend and expand our associate programme to ensure a wide network of top international quality experts available to work with IRC.
- Increase the recruitment of top quality staff to our programmes in the South, and ensure a good level of exchange between IRC staff in different offices and programmes.
- Explore the options for outsourcing support functions currently housed in The Netherlands.
- Explore more cooperation with international universities to offer students work experience.

## 8 // Organisational framework

- Set up an active internship programme.
- Review and change terms and conditions to make them more relevant to an international and flexible environment.
- Strengthen the connectedness of expatriate staff and review arrangements for working at a distance from IRC headquarters.

IRC needs to show value to potential donors as a top quality international organisation capable of producing results, which in turn means attracting the best professionals. As an NGO, IRC is not able to compete directly with development banks and other large international organisations on salaries and conditions of service. We seek to make ourselves an employer of choice for top quality experts by providing a stimulating work environment, opportunities to make a significant difference in the sector and flexible and adaptable terms of employment.

### 8.4 Governance

IRC is an NGO and registered as a Foundation or ‘Stichting’ under Dutch law, and follows the oversight model of governance, consisting of a Supervisory Board and a Director. The full details are described in a Governance Document, published on our website (<http://www.reporting.irc.nl/>).

The Supervisory Board appoints the director and is responsible for monitoring the overall state of affairs and the policy of the Director. The Board approves the annual plans, the annual accounts, the annual report and the annual budget.

The Director has executive authority and is responsible for the development and implementation of IRC’s multiannual policy and strategy, and for the budgeting and results of IRC’s programmes. The Director is aided by a management team drawn from staff with delegated strategic and line responsibilities within the organisation.

IRC is committed to a management model based on participation and joint decision making. A Works Council elected by and representing IRC staff has a legal regulated advisory or approval authority and meets regularly with the Director.

During the business plan period 2012–2016 it is intended that IRC will add an international advisory committee to its management structure. The function of this committee will be to provide strategic input and feedback to the Supervisory Board and Director.

### 8.5 Internationalisation and decentralisation

To remain relevant and effective during the period of this business plan, IRC remains committed to the further development of its profile as a truly international organisation, with strong roots in The Netherlands. It is becoming increasingly unsustainable and illegitimate to be an exclusively Northern-based organisation that works exclusively in the South. We are tackling this with our policy of decentralisation and internationalisation.

IRC will become more international through a stronger presence in Southern countries, either in the form of registered branch offices, or of formalised partnerships with other organisations. This will allow us to become a more valued local and regional actor, and to attract and maintain high quality local staff.

By 2016, we expect to have a physical country presence in five countries in Africa (Ghana, Uganda, Burkina Faso, Mozambique and Ethiopia) and at the regional level in Latin America and in Asia (likely in India). Countries with a significant IRC presence may be headed by expatriate staff from IRC in The Netherlands, however in the medium term we would expect them to be headed by local staff.



IRC will seek to continue to diversify the composition of both core and non-core staff (associates and local staff). We will seek to recruit more actively in the South for core staff positions, to attract high quality local staff to work in our country programmes, and to identify and form longer-term relations with top Southern individuals as part of our associate programme.

We believe that the approaches and tools developed by IRC in its work in Southern countries are increasingly relevant for work in the North. Where resources permit and opportunities arise, we intend during the business plan period to begin an exploration of what it would mean for IRC to do more work in the North. This might, in the fullness of time, become a way to cross-subsidise our work in developing countries.

We will also explore the possibility of establishing a formal presence in Northern countries outside The Netherlands. The primary objective will be to broaden our funding base. However, this will also play an important role in our ability to influence the international WASH agenda. We will start this exploration in 2012 and by 2016, we intend to have a formal presence, either through our own office, or a formal partnership agreement with a like-minded organisation, in at least two Northern countries of which the United States (home to an important body of actual and potential financiers) is very likely to be one. Potential countries in Europe include the United Kingdom and Switzerland.

#### Participants in Kigali regional workshop



Source: IRC



# Financial Framework

IRC is open to funding from governments, foundations, NGOs and other donors. Directly linked to the three main business areas are three major types of financing. These are:

- **Business area 1: Programmatic or core funding** by governmental donors like the Dutch government to guarantee those core activities that cannot be funded by external private parties.
- **Business area 2: Project financing** related to projects which IRC leads (or co-leads) and for which IRC is accountable to a donor for both spending and project outputs and outcomes.
- **Business area 3: Advisory financing** where IRC is paid for specific services rendered to third parties.

Identifying new sources of project and programmatic finance, and maintaining existing ones, are essential to IRC's twin boundary conditions.

To achieve our goals, it is essential that we maintain a well-balanced financial flow across our three main business areas. We will seek to maintain a ratio of different sources of finance in which programmatic core funding does not fall below 30% of the total, with the balance made up of project financing (50%) and advisory financing (20%). While these may vary from year to year (and region to region), a great reduction in programmatic core funding will significantly constrain our ability to

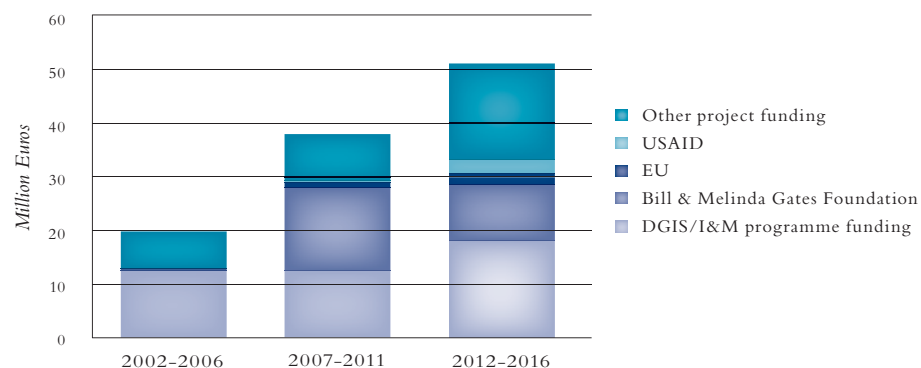
innovate or provide thought leadership; while a major reduction in project financing would leave us with an insufficient presence and grounding in practical realities and lead to loss of influence in countries and regions.

The bulk of IRC's resources are spent in-country. IRC's country programmes generally have a total annual budget of around €1 million, of which about 20% comes from 'un-earmarked' sources, used for core activities such as supporting resource centre networks, publishing sector newsletters, and as seed money for new knowledge development activities.

IRC's budget has increased rapidly over the last years from almost €20 million in the 2002–2006 period to €38 million for 2007–2011. Our planning for 2012–2016 is for a total budget of €51 million. One result of this rapid growth in the budget is that the core or programmatic funding we are looking for is at a substantially lower level, in relative terms, than in previous business plans (although not in absolute terms). In 2002, this funding accounted for 62% of the total amount and in 2006 for 51%. In this business plan we aim to stabilise this funding at no lower than 30% of the total.

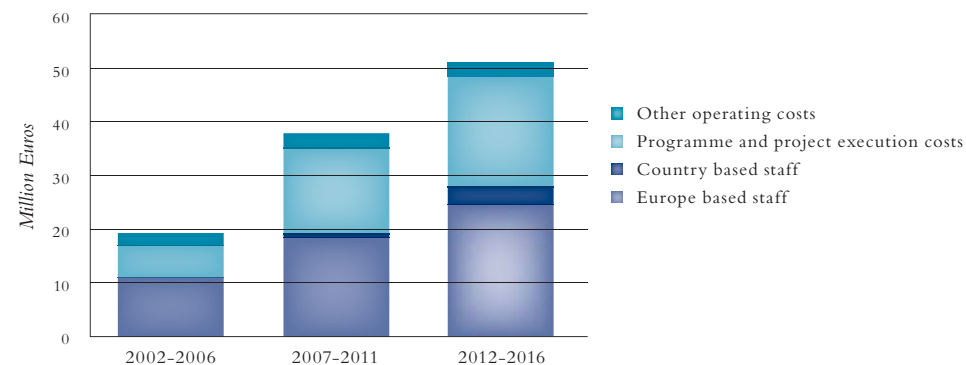
Although the total represents a large (34%) increase, the budget for the period 2012–2016 is based on annual budgets of approximately €10 million shared across our portfolio of multi-annual programmes and projects. This is approximately the level of our actual budget in 2011 and is the level of financing needed to deliver the ambitious multi-country programme that our donors and financiers expect from us, and we are confident that we can maintain this level of funding with support from existing and new donors.

### Evolution of IRC financing and sources of finance



Source: IRC

### IRC cost groups over time



Source: IRC

### Projected profit and loss, 2012-2016 (Million Euros)

	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016	Business plan 2012-2016
<b>Income</b>						
Programmatic Core Funding	3.308.081	3.448.910	3.615.373	3.726.094	3.861.245	17.959.703
Project Funding	6.757.752	6.605.706	6.401.019	6.381.154	6.654.089	32.799.720
<b>Total Income</b>	<b>10.065.833</b>	<b>10.054.616</b>	<b>10.016.392</b>	<b>10.107.248</b>	<b>10.515.334</b>	<b>50.759.423</b>
<b>Expenses</b>						
FTE	63,0	63,0	63,0	63,0	63,0	
Europe based staff	4.692.323	4.833.093	4.978.085	5.127.428	5.281.251	24.912.180
Country based staff	584.737	602.279	620.347	638.958	658.127	3.104.448
Other programme and project execution costs	4.386.052	4.204.667	3.991.627	3.895.398	4.119.320	20.597.064
Other operating expenses	446.000	459.380	473.161	487.356	501.977	2.367.874
<b>Total Expenses</b>	<b>10.109.112</b>	<b>10.099.419</b>	<b>10.063.221</b>	<b>10.149.140</b>	<b>10.560.675</b>	<b>50.981.566</b>
Financial income & expenses	-50.000	-50.000	-50.000	-50.000	-50.000	-250.000
<b>Loss/Profit</b>	<b>6.721</b>	<b>5.197</b>	<b>3.171</b>	<b>8.108</b>	<b>4.659</b>	<b>27.857</b>

Source: IRC

## 9 // Financial framework

In the next period, the volume of country based staff and of expenditures for staff and programmes via partners will increase to a level of €23.7 million – almost 50% of our expenditure.

Out of the total budget of €51 million, an amount of approximately 60% has currently been secured. This leaves a target of €20 million to be sourced over the business planning period. Ensuring the additional funding is a present priority in our ongoing work.

We will submit our core programmes with a volume of almost €18 million for funding by governmental donors, especially the Dutch government.

### Financing needs and sources, 2012-2016 (Million Euros)

	Budget 2012	Budget 2013	Budget 2014	Budget 2015	Budget 2016	Business plan 2012-2016
<b>Committed work</b>						
Project Funding	6.882.927	5.838.687	4.528.539	250.000	100.000	17.600.153
<b>Submitted</b>						
Core Funding	2.350.000	2.432.250	2.517.379	2.605.487	2.694.884	12.600.000
<b>To commit</b>						
Programmatic Core Funding	832.906	1.141.836	1.097.994	1.120.607	1.166.361	5.359.704
Project Funding	0	641.843	1.872.480	6.131.154	6.554.089	15.199.566
<b>Total to commit</b>	<b>832.906</b>	<b>1.783.679</b>	<b>2.970.474</b>	<b>7.251.761</b>	<b>7.720.450</b>	<b>20.559.270</b>
<i>Total Budget</i>	<i>10.065.833</i>	<i>10.054.616</i>	<i>10.016.392</i>	<i>10.107.248</i>	<i>10.515.334</i>	<i>50.759.423</i>

Source: IRC

# 10 Implementing IRC's business plan

The brief time line set out below identifies the main priority actions for each year of the business plan.

## **Year 2011**

- Secure programmatic financing from the Dutch government.
- Develop concept for innovation and action research programme on sanitation service delivery.

## **Year 2012**

- Finalise discussions and take decision on start-up of Ethiopia country programme.
- Open regional office in Delhi.
- Identify financing for sanitation service delivery programme.
- Continue to attract new financing into sustainable water service delivery programme.
- Start exploration to establish presence in North America.

## **Year 2013**

- Finalise new staffing structure and modalities, including associate programme.
- Begin exploration of possibilities to start a programme of work in Northern (European) countries.
- Start sanitation service delivery programme.

## **Year 2014**

- Mid-term review of programme, and adjustment of strategic framework and goals where necessary.
- First work in Northern countries.

## **Year 2015**

- MDG year: aim to ensure the goal of full coverage by 2025 is enshrined in new global targets.

## **Year 2016**

- Development of new business plan for next five year period.

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## Further reading

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IRC International Water and Sanitation Centre

Bezuidenhoutseweg 2  
2594 AV The Hague  
The Netherlands

T +31 (0) 70 304 40 00  
F +31 (0) 70 304 40 44  
E [general@irc.nl](mailto:general@irc.nl)

[www.irc.nl](http://www.irc.nl)