

All systems go Africa

Closing WASH financing
gaps: increasing local
public investment in
Madagascar
All systems go Africa
19-21 October 2022



BushProof



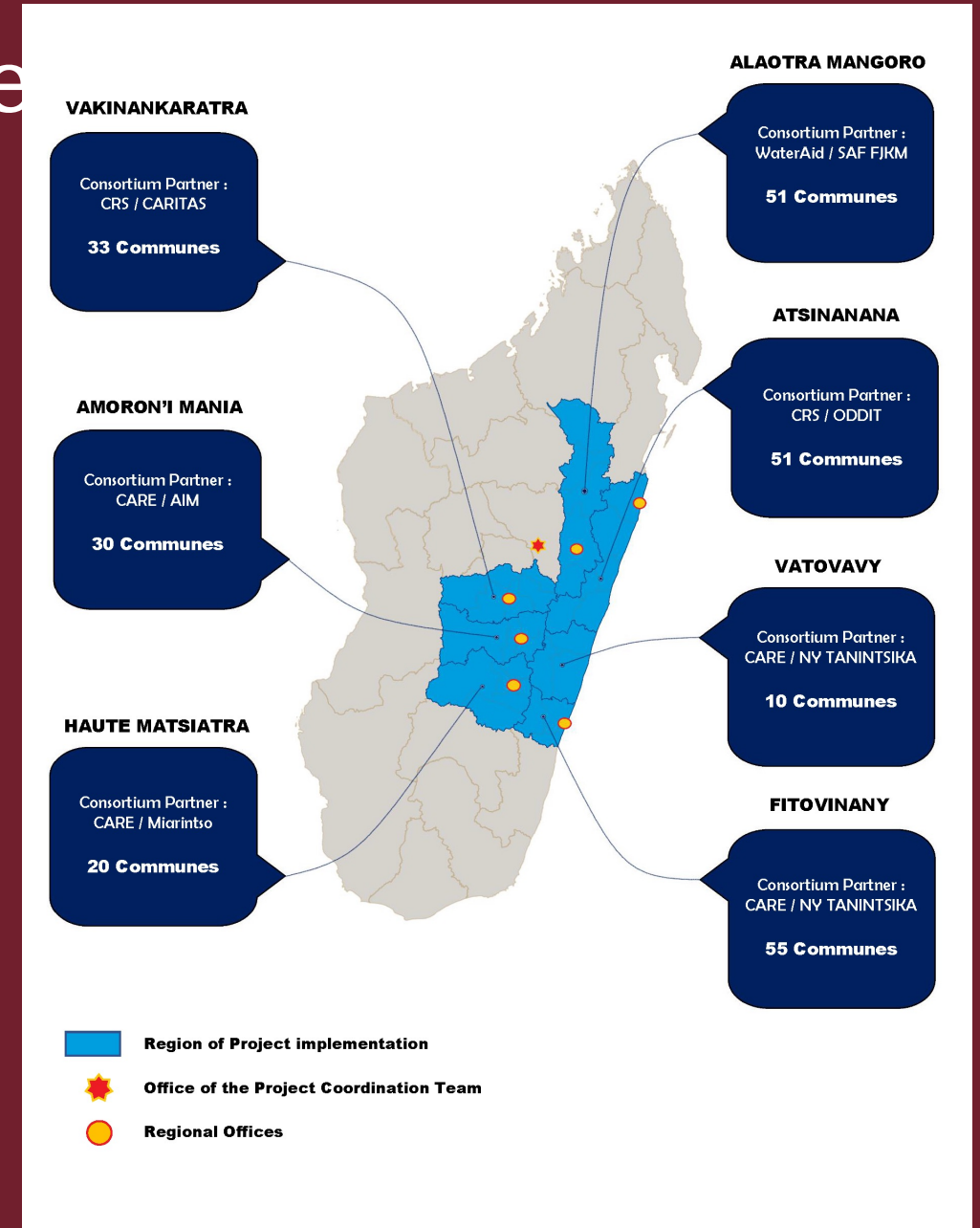
1. Contents

A woman in a white t-shirt and a vibrant orange and yellow patterned headscarf is smiling as she operates a water tap on a concrete structure. She is surrounded by a diverse group of people, including men, women, and children, who are looking on with interest. The background shows a clear blue sky and some greenery, suggesting an outdoor public water point in a rural or semi-rural setting.

1. What is RANO WASH?
2. How have we contributed to increasing local public investment for WASH?
3. What changes have we observed in the system and in WASH service levels?

RANO WASH project overview

- RANO WASH (RW): Rural Access to New Opportunities in Water, Sanitation, and Hygiene
- A six-year project: June 2017 to June 2023 (includes one year extension)
- Implemented by a consortium led by CARE International and composed of CARE, Catholic Relief Services (CRS), WaterAid, and two Malagasy WASH Enterprises: Bush Proof and Sandandrano
- Budget: 33 million USD (USAID)
- Intervention areas: seven regions of Madagascar and 250 rural municipalities



How it started...



Communes were dependent on external actors to develop their WASH services.

The commune owned the WASH services, but WASH improvements were mainly the result of external actor investment. No communal budget or other resources were allocated to WASH.

Budget support institutions did not consider WASH.

Support for communal budget development and implementation monitoring occurred periodically, but there was no focus on WASH.

Other challenges:

WASH service providers/managers did not pay their fees to communes.



RANO WASH Theory of Change

RANO WASH activities and outcomes

WASH system outcomes

Service delivery outcomes

Establish communal accountability mechanisms

Periodic and inclusive discussion on WASH issues

Communes are responsive to community feedback

Concerted solutions to the challenges raised by community feedback are available

Train CSOs to empower community

Voice of community strengthened within municipalities

CSOs challenge communes on their WASH budgets

Support regional directorate of the budget ministry (DRB) to train communes on WASH budgeting and tax mobilization

Improved institutional support to communes on WASH budgeting and tax mobilization

The commune develops its WASH budget and mobilizes tax revenues

The commune budget has a WASH component

Support communes to undertake dialogue with Private Sector

Private sector has better knowledge of WASH business opportunities

Commune engages private sector to improve WASH

Increase in local resource mobilized

Support DREAH to set-up technical and financial monitoring (STEFI) of WASH services

Improved monitoring of water services royalty payments

The private sector pays their royalties

Train municipalities to develop and improve their plan.

Commune has capacity to plan for universal and sustainable WASH access

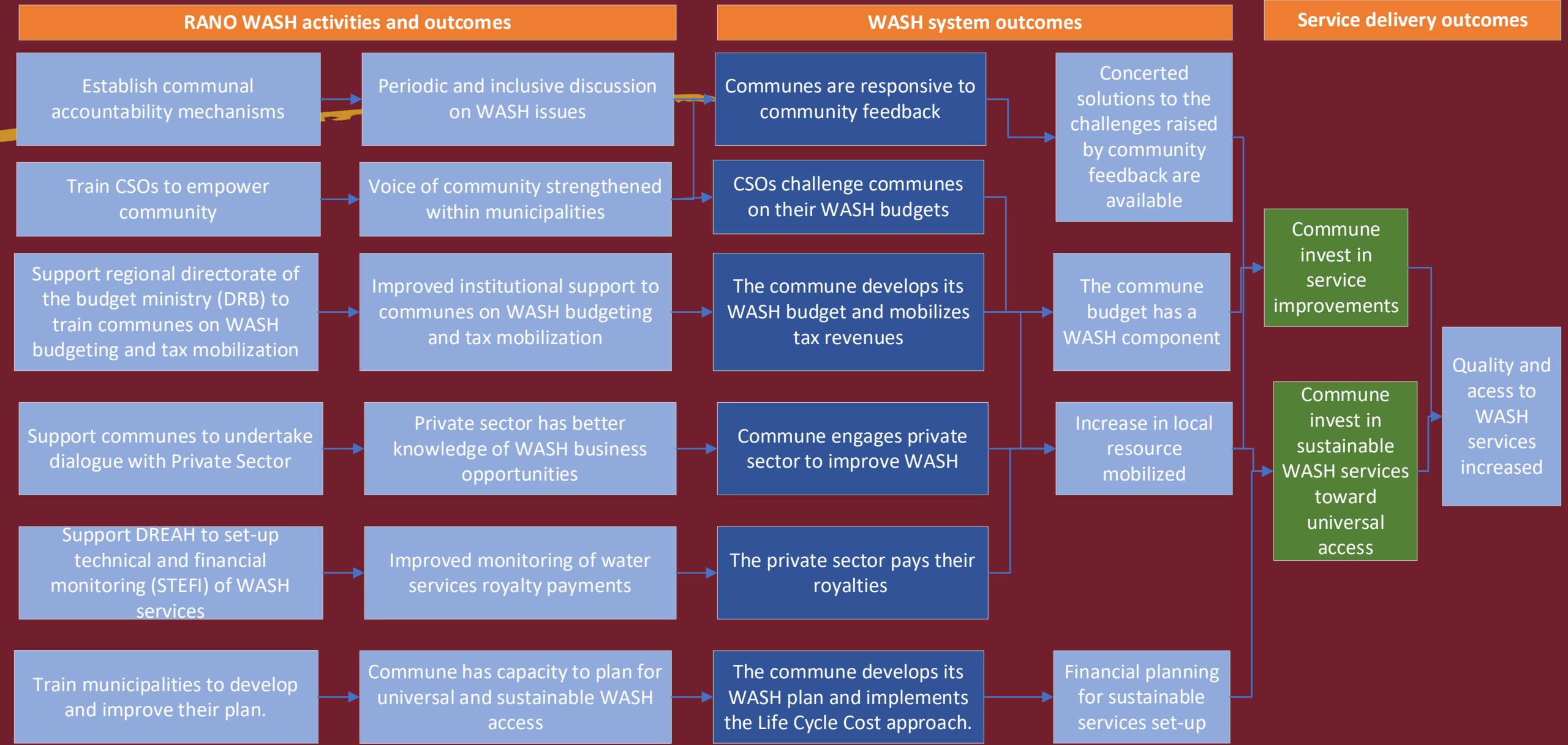
The commune develops its WASH plan and implements the Life Cycle Cost approach.

Financial planning for sustainable services set-up

Commune invest in service improvements

Commune invest in sustainable WASH services toward universal access

Quality and access to WASH services increased



Progressive improvements observed in the communes

Observation 1:
Communes respond to community feedback

Observation 2:
Communes have WASH budgets and programs

Observation 3:
Communes improve the mobilisation of their tax revenue

Observation 4:
Communes implement WASH programs and improve transparency

Observation 5:
Communes engage with the private sector

Observation 6:
Communes improve their financial planning

Observation 1: Communes respond to community feedback



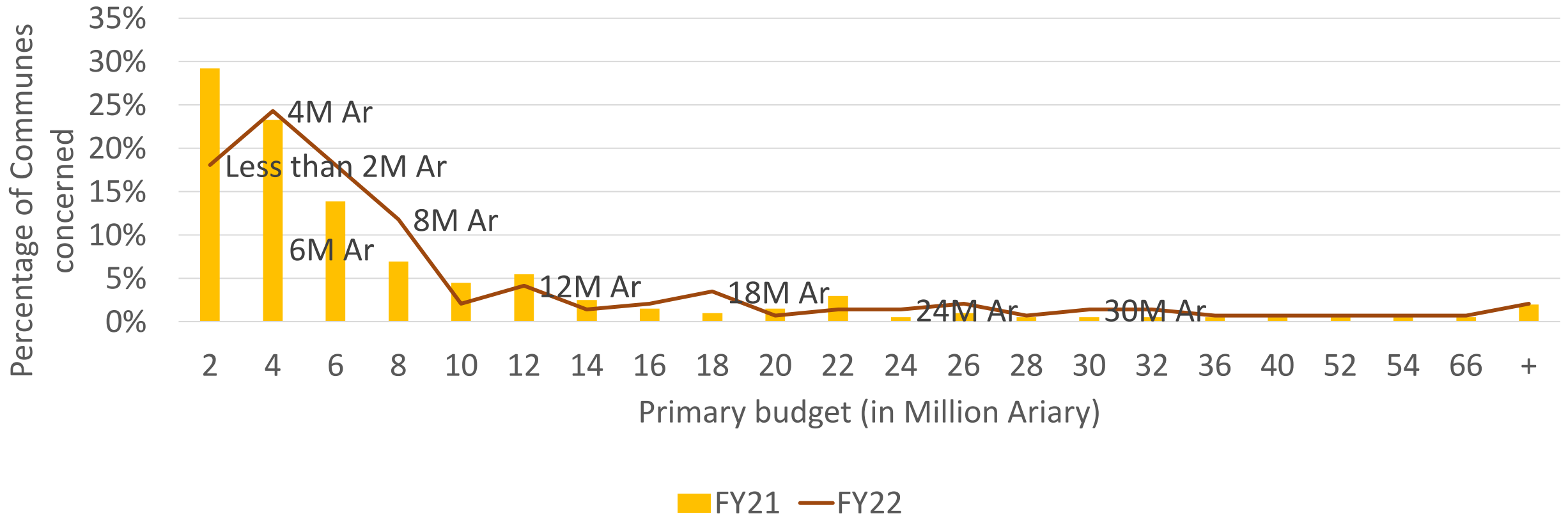
Some communes have financed the rehabilitation of small water supply schemes or the construction of small sanitary blocks:

- Ambahive Commune (Vatovavy) financed the repair of three handpumps by communal WASH technical service (STEAH) following a consultation with the Local Consultation Structure (May 2022)
- Fandrandava Commune (Haute Matsiatra) rehabilitated water supply schemes at the Communal Health Care Center (CSB) level.

Communes purchased sanitation materials for markets and public spaces

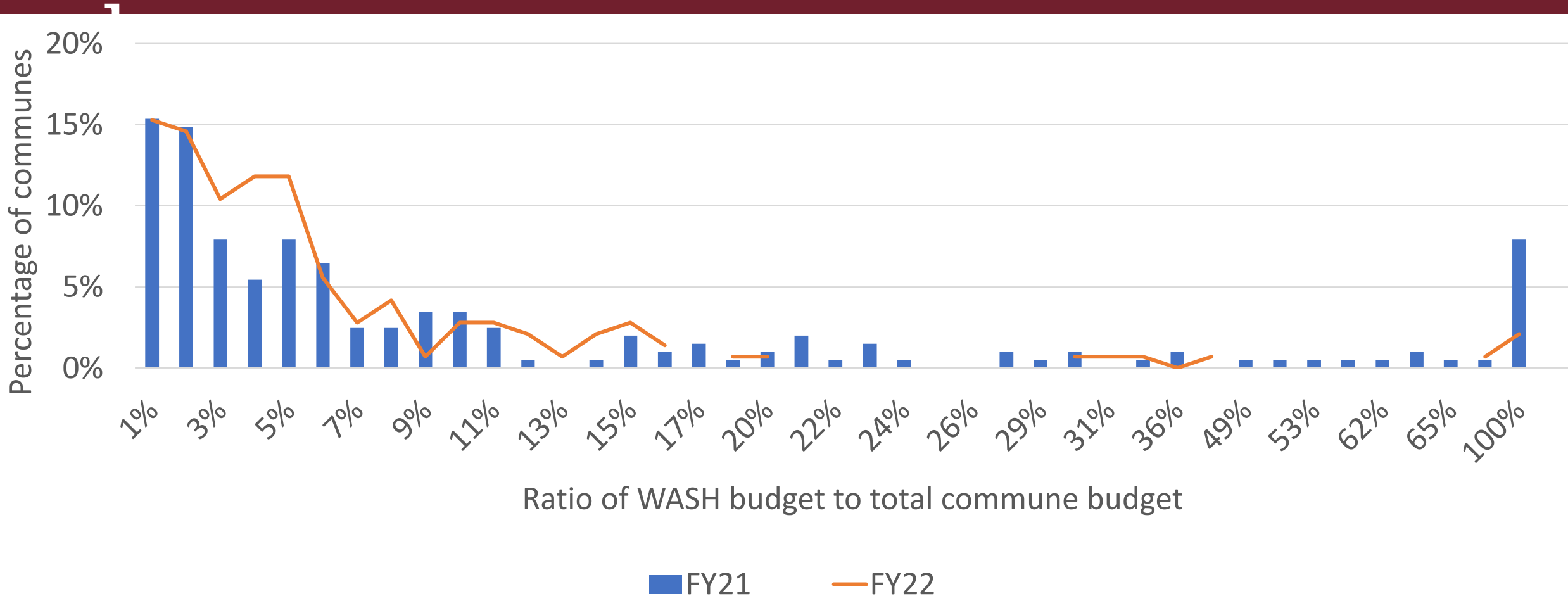
- RW supported the commune in setting up spaces for dialogue (between Commune, community and service provider), and accountability mechanisms.
- RW trained CSOs on advocacy and how to empower the community to demand their rights to water and sanitation.

Observation 2: Communes have WASH budgets



1. From no budget, the WASH budget increased progressively each year.
2. The highest WASH budget is more than 66 million Ariary, while the majority is under 10 million Ariary per commune.

Observation 2: Communes have WASH budgets



The ratio of WASH budget to the total commune budget

1. From no WASH budget, the priority of WASH within the commune budget is increasing.
2. The majority of communes have a WASH budget, which is just under 9% of the total communal budget.

Observation 2: Communes have WASH budgets and programs

Challenges experienced and solutions

- Communes faced difficult writing (and reading) WASH component of a communal budget and especially on accounting codes for WASH activities
- Slow pace of communes to prepare budget documents in accordance with the schedule foreseen by the texts
- Weak transparency of budget documents

RANO WASH provided:

- Facilitated training on the budget process and accounting coding by the Regional Budget Unit (RBU);
- Budget monitoring by CSOs.

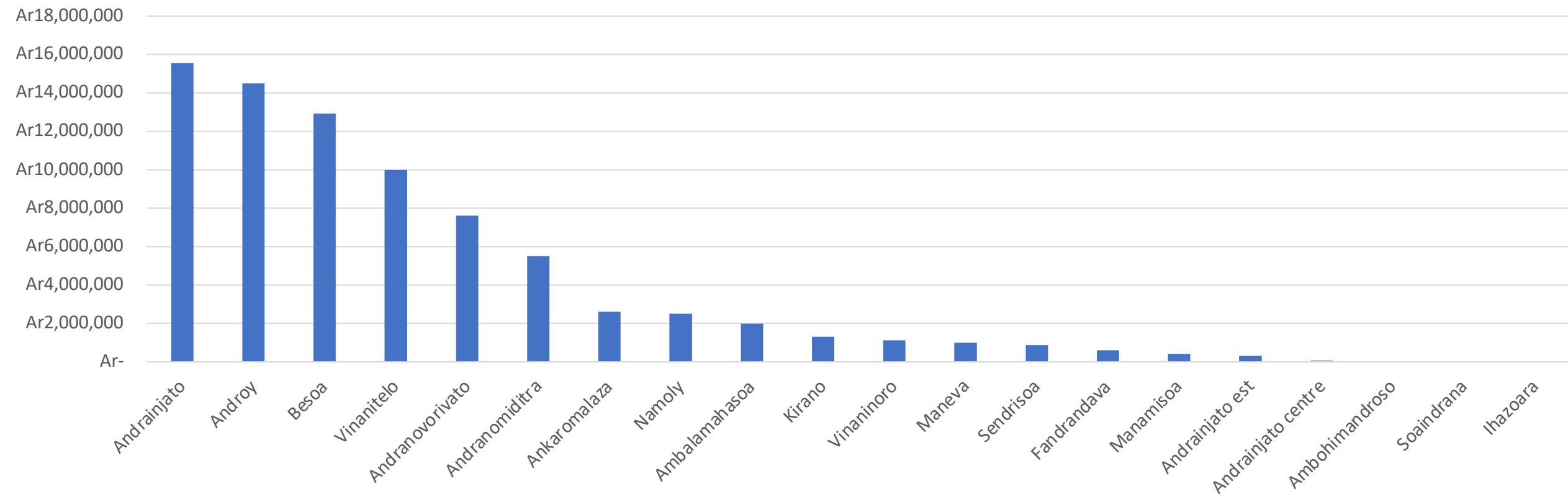
AFFECTATION DE BUDGET WASH

DEPENSE D'INVESTISSEMENT		RECETTE D'INVESTISSEMENT	
Compte	intitules	compte	intitules
2143	Construction/rehabilitation de voies d'eau	1015	Fonds de travaux de reseaux d'eau
2148	Autres construction/rehabilitation	1017	Mises a disposition
2151	Reseau d'adducton d'eau	1061	Reserves des budgets annexes
2152	Reseu d'assainissement	1064	Excedent de fonctionnement capitalise
2158	Autres construction/rehabilitation de reseau	1200	Resultat comptable de l'exercice (excedentaire)
2214	Construction/rehabilitation de voies (concession)	1311	Subvention recue de l'Etat
2215	Construction/rehabilitation de reseau (concession)	1312	Subvention recue des CTD
2224	Construction/rehabilitation de voies (Transfetr de co	1313	Subvebtion des organismes natonaux et internationaux
	Construction/rehabilitation de reseau (Transfetr de		
2225	competence)	1314	Aides bilaterales
2234	Construction/rehabilitation de voies (Affectation)	1315	Aides multiilaterales
2235	Construction/rehabilitation de reseau (Affectation)	1318	Autres subventions d'equipements recus
2443	Construction/rehabilitation de voies d'eau (encours)	1411	Frais de developpement, recherche et etude recues icessi
2448	Autres construction/rehabilitation (encours)	1418	Autres immobilisation incorporelles
2451	Reseau d'adducton d'eau (Encours)	1420	Cesssion d'immobilisations corporelles
2452	Reseu d'assainissement (Encours)	1421	terrain (cession imm corp)
2458	Autres construction/rehabilitation de reseau (Encours	1423	Batiment (cession imm corp)
		1424	Voies (cession imm corp)
		1425	Reseaux (cession imm corp)
		1426	Materiel et outillage (cession imm corp)
		1427	Materiel de transport (cession imm corp)

AFFECTATION DE BUDGET WASH

DEPENSE FONCTIONNEMENT		RECETTES DE FONCTIONNEMENT	
Compte	intitules	compte	intitules
6011	Personnel permanent	7252	Taxes sur l'eau
6012	Personnel non permanent (salaire)	7253	Surtaxes sur l'eau
6061	Cotisation CNAPS	7254	Taxe sur les eaux minerales
6062	Cotisation CPR	7711	Redevances collecte et de traitement des ordures menage
6113	Consommable informatique	7712	Redevance de rejet des eaux usees
6131	Carburants&lubrifiants		
6231	Frais de denlacement interieurs		

Observation 3: Communes improve the mobilisation of their



1. From no tax revenue collected, Andrainjato commune (Haute Matsiatra region) has collected 15 million Ariary.
2. In other regions – Vavatenina Region -, with a second year support, the tax revenue collected reached 70 million Ariary for one commune. (Not in the graph)

Observation 3: Communes improve the mobilisation of their tax revenue

Challenges experienced and solutions

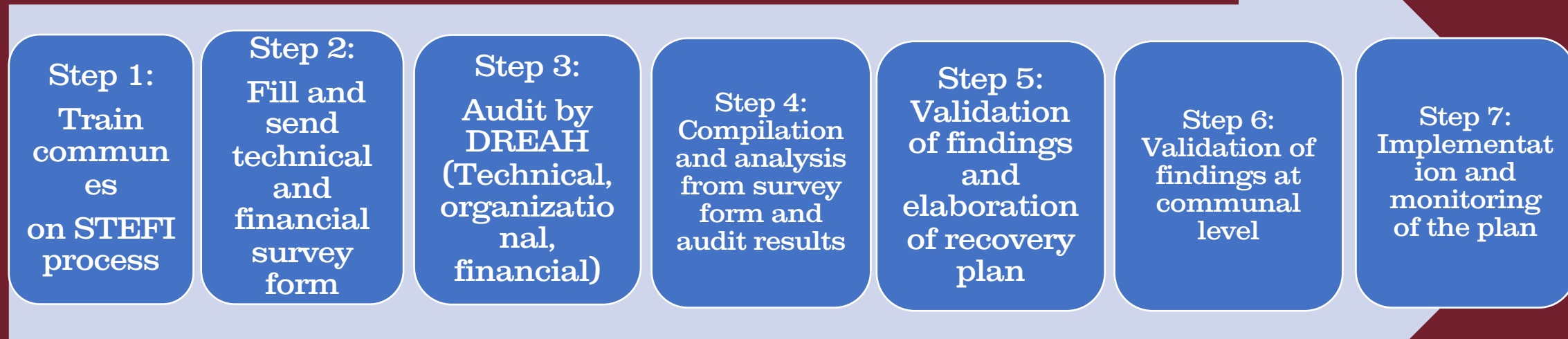
- Lack of political will of the Mayor to mobilize tax revenues.
- Lack of capacity of the commune tax agents to mobilize tax revenue.
- Lack of ideas to motivate community to pay taxes
 - The Regional Budget Unit trained commune tax agents and coached communes on tax revenue mobilization.
 - RANO WASH facilitated exchange of good practices between communes on tax revenue mobilization.

Example of taxes collected by 1 commune in the first year:

- Wood
- Local products
- Tourist taxes
- Slaughter
- Docking fees
- Water service operators' 8% fees
- Certification
- Authorization of landfill
- Customary ceremonies
- Synthetic tax and license
- Beach and market fees
- Fines
- Impoundment fee
- Bovine identification form

Observation 4: Communes implement WASH programs and improve transparency

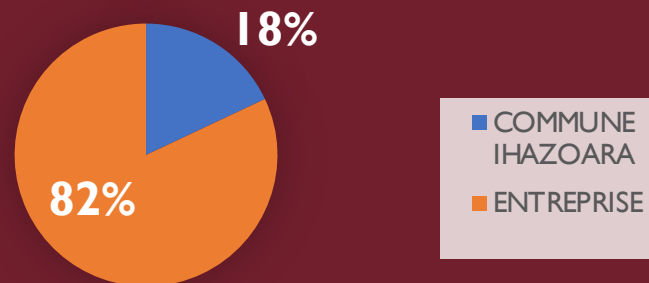
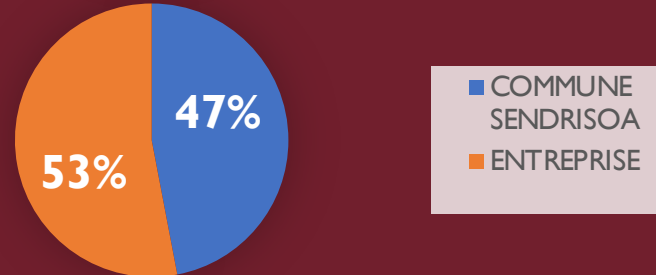
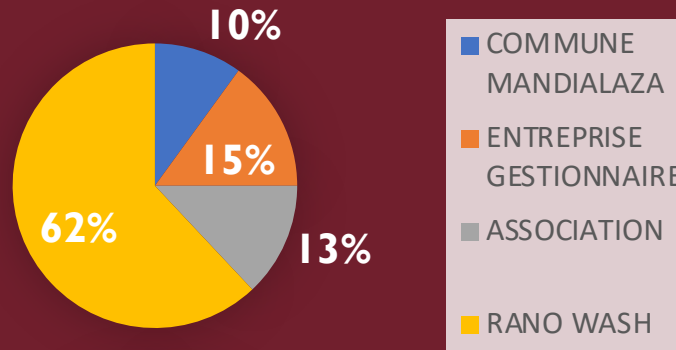
Regional Directorate of the MoWASH (DREAH) increased their technical and financial monitoring of water service providers/managers (STEFI) to strengthen transparency and the collection of municipal fees



- Improved tax collection from private water providers/managers
- Obtained technical and financial information about the water supply schemes, to help commune to oversee service quality and service provider to improve. These performances are shared at regional level and at communal level.

Observation 5: Communes engage with the private sector

- Provision of materials for the project and co-financing of the work by the commune, the private sector, and other development actors (Commune Mandialaza case)
- Co-funding with high participation of the municipality (Commune Sendrasoa Case)
- Co-funding with high participation of the private sector (Commune Ihazoara Case)
- Support of private sector to access the commune market



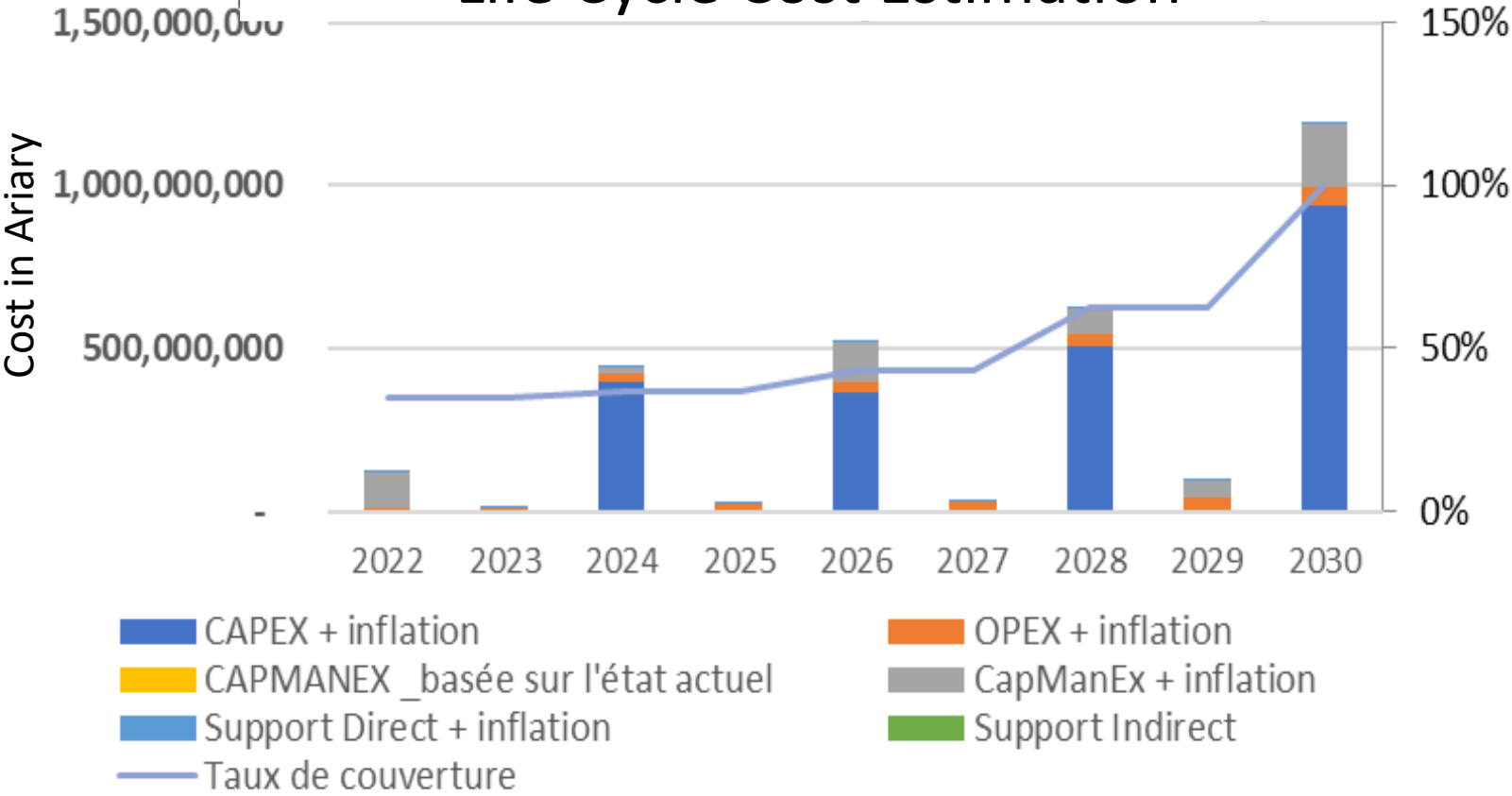
RW supported communes to have dialogue with private sector actors to:

- Develop technical documents (project document, business plan, ...)
- Prepare the municipality to "sell" the potential services, model potential financial yields, and optimize performance
- Organise business to business (B2B) fairs.
- Support the two parties to establish agreement on the construction, extension, and

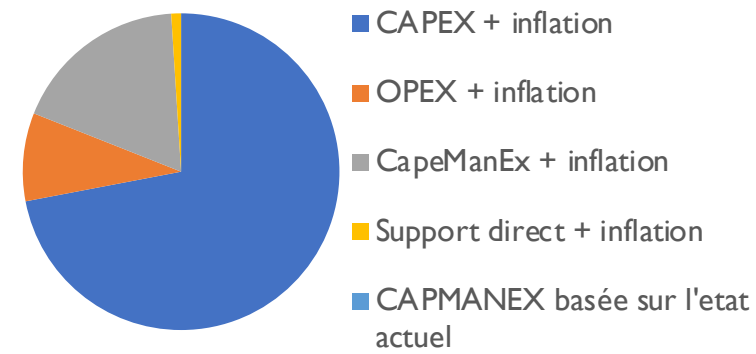


Observation 6: Communes improve their financial

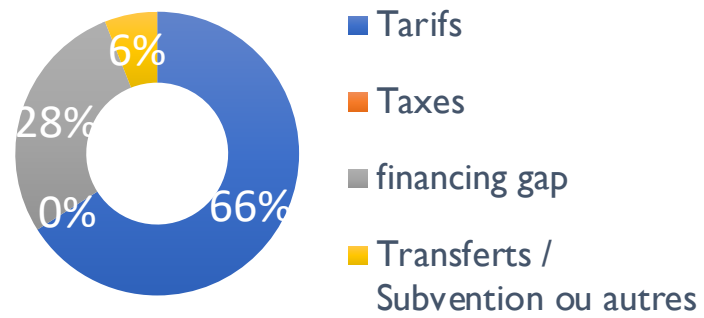
Life Cycle Cost Estimation



Cost per component



Available financing



1. Excel tools used to calculate life cycle costs
2. Models developed - cost references managed/updated by the Ministry teams
3. Tools managed by Commune with annual update to help them during budgeting process

What has been the overall impact?



- **98% of the 144 communes surveyed and supported by RANO WASH now have a WASH budget.**
Support from Regional Budget Unit was a key success factor. DREAH will need to increase its support to communes to scale up and sustain progress.
- **255 communal-CSOs, 246 local dialogue structures (SLC), and 200 accountability mechanisms surveyed and found functional** during the last three months.
These are local autonomous mechanisms. Commune support, regional-CSO monitoring, and district coaching can help to sustain them.
- **Tax revenue mobilization has increased allowing communes to finance their WASH budget and other priorities.**
The regional budget directorate (DRB) will continue to support expanding the tax base progressively.
- **Five regional WASH directorates are undertaking the Technical and Financial Follow-up (STEFI)** of the quality of services provided by the drinking water management and the commune.
Their interventions concern all private water service providers in the region and are not only related to the municipalities supported by RANO WASH.
- **222 communes supported by RANO WASH have WASH plans**
The regional directorate of WASH (DREAH) has provided technical support to the commune to establish these WASH plans.

How can we improve the process?



- Institutionalize WASH budget monitoring by the Ministry of Decentralization and the Ministry of WASH.
- Scale up the inclusion of WASH in commune budgets and the training and coaching of communes provided by the Regional Budget Directorate in the Ministry of Finance.

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Find out more

www.ircwash.org/all-systems-go-africa

