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# Demand Responsive Approaches to **COMMUNITY WATER SUPPLY**



**Moving From Policy to Practice**

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## MOVING FROM POLICY TO PRACTICE

At a regional water and sanitation workshop held in Entebbe, Uganda in 1995, participating countries from the East and Southern Africa region explored the Demand Responsive Approach (DRA). At the conclusion of the workshop participants expressed the need for:

- understanding DRA within the context of unclear sector policies and a history of treating water as a free good
- further learning and sharing of practical experiences on how to implement DRA;
- gaining a better understanding of the necessary conditions and stimulants of DRA;
- determining constraints to implementation of DRA and how these can be overcome; and
- outlining the changing roles of the sector actors.

In response, the Government of Malawi, UNICEF, and the UNDP-World-Bank Water and Sanitation Program - Eastern and Southern Africa organized a workshop that brought together participants from Malawi, Ethiopia, Ghana, Cote d'Ivoire, Kenya, Mozambique, Tanzania, Uganda, Zambia and Zimbabwe. The World Bank and WSSCC were also represented.

The theme of the Malawi workshop "Moving from Policy to Practice" reflected this need for learning and building consensus on the practical application of DRA. The following is a statement on "Demand Responsive Approaches to Community Water Supply" drafted and adopted by participants during the workshop.

### THE EAST AND SOUTHERN AFRICA STATEMENT ON DEMAND RESPONSIVE APPROACHES TO COMMUNITY WATER SUPPLY

#### Introduction

Lack of access to safe water is at the heart of the poverty trap as it is the poor, especially women and children, who suffer most in terms of illness and lost opportunities. In rural Africa alone, 40,000 million hours are lost each year on collection of unsafe water from distant sources. Over 250 million people - half of Africa's population- are without access to potable water.

The renewed focus of countries and external support agencies (ESAs) on poverty reduction and improving the welfare of children has resulted in increased attention to the benefits of improved water services. In fact, poverty assessments have consistently shown that improvements in water are perceived as a central element of strategies for poverty reduction. The persistence of current trends would lead to unacceptable outcomes as it implies a doubling of the number of people without access to improved services by 2020. In addition, a large proportion of facilities have fallen into disuse or disrepair because past approaches have failed to ensure sustainability of services.

As a result of the International Water and Sanitation Decade, governments, communities and ESAs have made substantial progress in understanding what works and

what does not work. The Dublin principle of water as an economic and social good to be managed at the lowest appropriate level provides the foundation for emergence of a new sector vision. This vision is supported by an ongoing re-orientation of broader policies involving the definition of the role of government, decentralization, commitment to stakeholder participation and reliance on the private sector. Many governments have already adopted these policy elements and are moving ahead with their implementation.

#### The Demand Responsive Approach

The Demand Responsive Approach (DRA) has emerged as an innovative strategy for assisting willing communities to improve their water supply services. It recognizes the existing capacity of communities to take responsibility for identifying and solving their water

#### Objectives of DRA

- user satisfaction,
- community empowerment,
- community ownership, self-reliance and advancement,
- strengthening of community organizational and management skills which could be transferred to other development activities,
- resource mobilization from many sector actors, and
- sustainability

PARTICIPATING COUNTRIES: MALAWI, ETHIOPIA, GHANA, COTE D'IVOIRE



**and Responsive Approach**  
**COMMUNITY WATER SUPPLY**

**DRA focuses on giving communities the responsibility for making choices and decisions on:**

- whether and how to participate in scheme development programmes,
- how, when and with whom to develop and maintain the service
- the type of facilities,
- the level of service,
- siting of service facilities,
- cost sharing arrangements for facilities that they are able to operate, manage and pay for, and
- allocating resources for service development and management, and

Higher levels of involvement should be facilitative, ensuring that institutional rules, policies and processes promote these localized community decisions.

supply problems. The approach holds potential for improvements in achieving user satisfaction, sustainability and resource mobilization by re-orienting the supply agencies to respond to community demand for improved services. The DRA operates through a set of policies and project rules that are designed to create incentives for communities to improve their water services in a cost-effective and sustainable manner.

The Magochi workshop participants adopted the following definition for DRA:

“a strategy that empowers a community to initiate, choose and implement a water supply system that it is willing and able to sustain and that elicits the appropriate response from the sector actors and stakeholders”

**Implications of the Demand Responsive Approach**

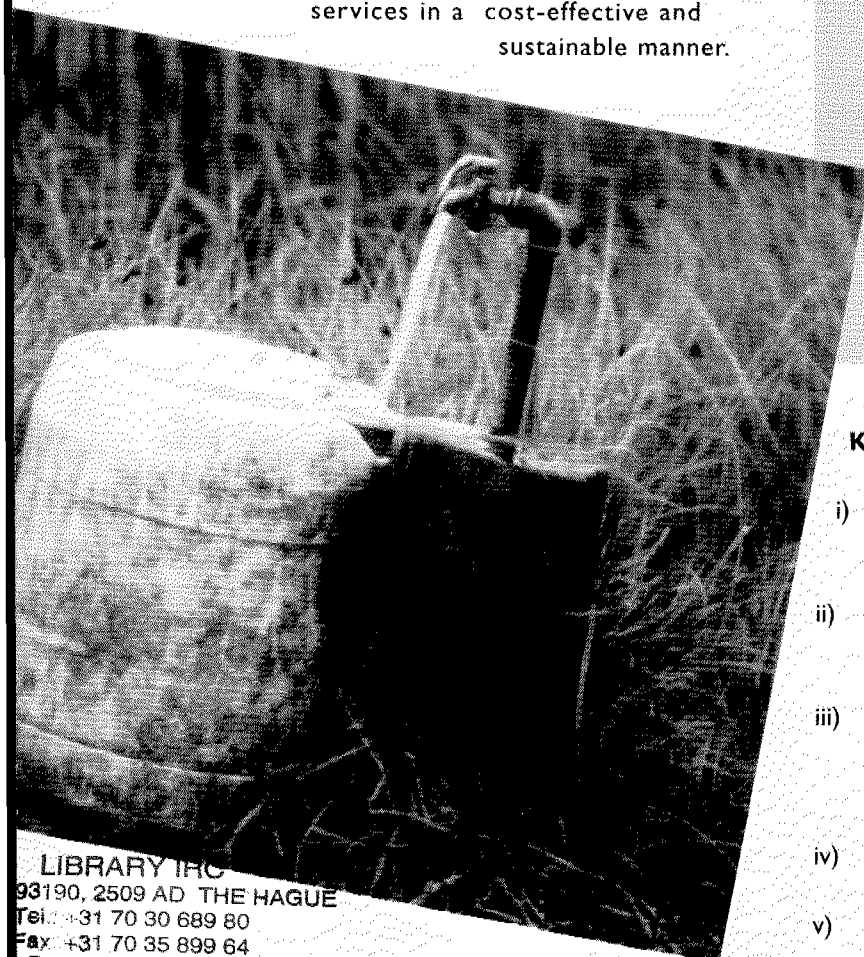
The concept of demand responsiveness implies:

- community expression of demand and initiative for an improved service as the starting point for all support
- investment and operational decisions of governments and ESAs tailored to meet that demand,
- investment decisions made by the communities include choices on financing packages and institutional arrangements, and
- changes in the way support to communities has been channeled including the separation of technical support and promotion functions from funding.

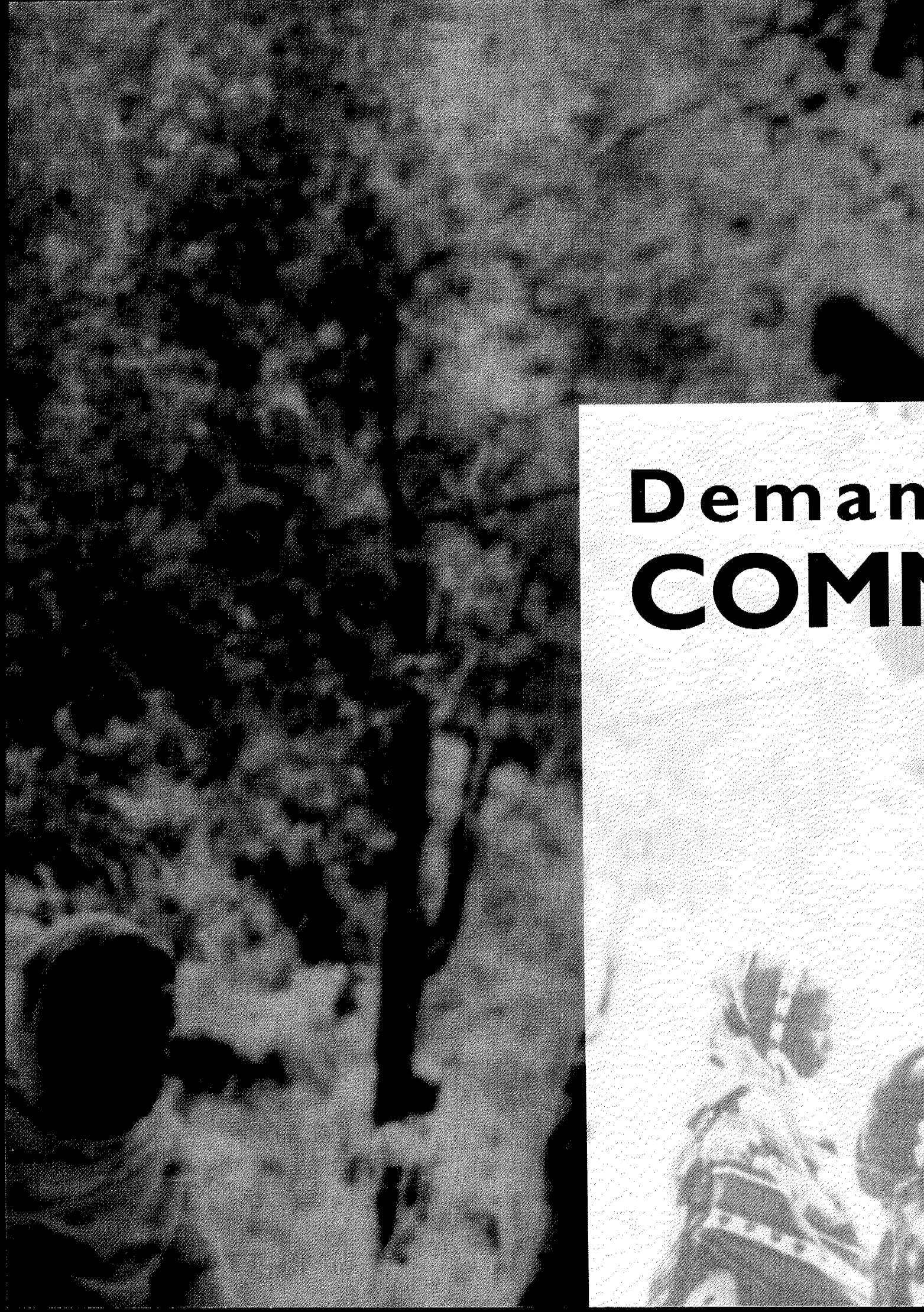
Where community demand for services is not strong it should be carefully stimulated and in this regard, agencies should desist from setting coverage targets or defining what is best for communities.

**Key characteristics of DRA are:**

- i) the community initiates and makes informed choices about service options and how services are delivered;
- ii) the community contributes to investment costs relative to the level of service and has significant control on how funds are managed;
- iii) government has a facilitative role, sets clear national policies and strategies (including legal framework) and creates an enabling environment for all actors participating groups;
- iv) the community (or representative legal body thereof) owns and is responsible for sustaining its facilities;
- v) community capacity is appropriately strengthened and awareness is raised to stimulate demand; and



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- vi) the approach promotes innovation and recognizes the need for flexibility in service delivery.

### Self-help Schemes in Kenya

Many of the key characteristics of DRA are familiar to most water sector professionals. This is because DRA builds on ideas and methods that have been tried and tested over the years. In Kenya, self-help initiatives have been a key mode of water service development since the 1950's. Hundreds of communities have translated their demand for improvements in access to water (for both domestic and economic uses) into reality by initiating improvements, contributing an average of 50% to the costs of construction, taking the initiative to seek additional financing and technical assistance where needed, and taking full responsibility for operation and maintenance. As government resources continue to decline, communities will become important partners, replacing or supplementing external efforts to improve access to water services.

water supplies. Initiatives range from formulation or review of policies and strategies, to innovative steps in project implementation. Countries also recognize the tremendous challenge in moving from old practices to new ones that take into account the economic and social value of water.

### Constraints to DRA identified by participants are:

- inadequate policy, institutional and legislative frameworks,
- inadequate human, financial and technical resources at all levels,
- bureaucratic and time consuming financial and procurement procedures,
- resistance to change among donors, governments and communities,
- insufficient information and knowledge on DRA

Various countries represented at the Mangochi meeting have already adopted some of the DRA principles with the aim of improving the sustainability of community



### Regional Experiences in implementing Demand Responsive Approaches

County presentations made during the workshop illustrated the differences in policies, strategies, and implementation approaches. Ghana, Uganda and Malawi have formulated policies that support the application of DRA, and are in the process of implementing projects based on principles of DRA. These projects provide funds to communities that initiate projects, are willing to contribute to capital costs, and take full responsibility for O&M costs. Community ownership is key factor in all projects. As all three projects are at an early stage of implementation, it is difficult to assess the degree of demand responsiveness. However, all three presentations outlined the need to:

- enhance the ability of donor and government agencies to respond to community demand in a timely manner,
- provide training to re-orient support agencies in their new roles, and
- facilitate the gradual change in attitudes of communities, ESAs and governments - from the supply-driven to demand-driven approach.

### The Challenge

#### Policy and Implementation

The workshop concluded that the strengthening of policy frameworks is still a priority. Even where policies exist, there is often a lack of awareness and/or commitment to their implementation. The workshop recommends that Governments take the necessary steps to:

- i) clarify and/or create clear policy and implementation mechanisms - strategies, guidelines, legal frameworks and regulations;
- ii) carry out awareness campaigns on policy/strategy taking into consideration the time needed for acceptance of new ideas;
- iii) review the overall institutional setup and make necessary changes to support DRA and enable NGOs and the private sector to fully participate in DRA; and
- iv) review procedures for procurement and channeling of funds in line with the needs of DRA.



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The workshop noted that the adoption of DRA in the sector should not be carried out in isolation and should fit within the broader national development context. Country experience highlighted the importance of developing phased programmes to ensure a smooth transition.

### **(b) Financing**

The DRA facilitates cost sharing as an avenue for mobilization of resources and allows communities the opportunity to seek direct support from financial institutions and the private sector. One of the main constraints experienced in implementing DRA is that while it requires timely availability of funds, governments and ESAs insist that their procedures for procurement and disbursement of funds be followed. To enhance DRA, the challenge, is to review these procedures to make them more responsive to DRA. Efforts should include:

- (i) developing financing mechanisms that create incentives for generation of funds;
- (ii) developing mechanisms that enhance communities'

capabilities to manage, control and direct financial resources;

- (iii) adopting simple financial management systems that promote transparency and accountability at community level;
- (iv) harmonizing financial management methods between donors and governments through adoption of coherent sector development programmes; and
- (v) providing a legal framework that encourages all actors to participate in financing and financial management of DRA.

### **(c) Poverty Alleviation**

In order to ensure that disadvantaged and isolated communities are not left out in the application of DRA, financing arrangements and technology options should be appropriate and sustainable.

Communities should commit themselves up front, and coping mechanisms should be enhanced to ensure community capacity to fully pay for O&M.



### **The Mvula Trust Fund**

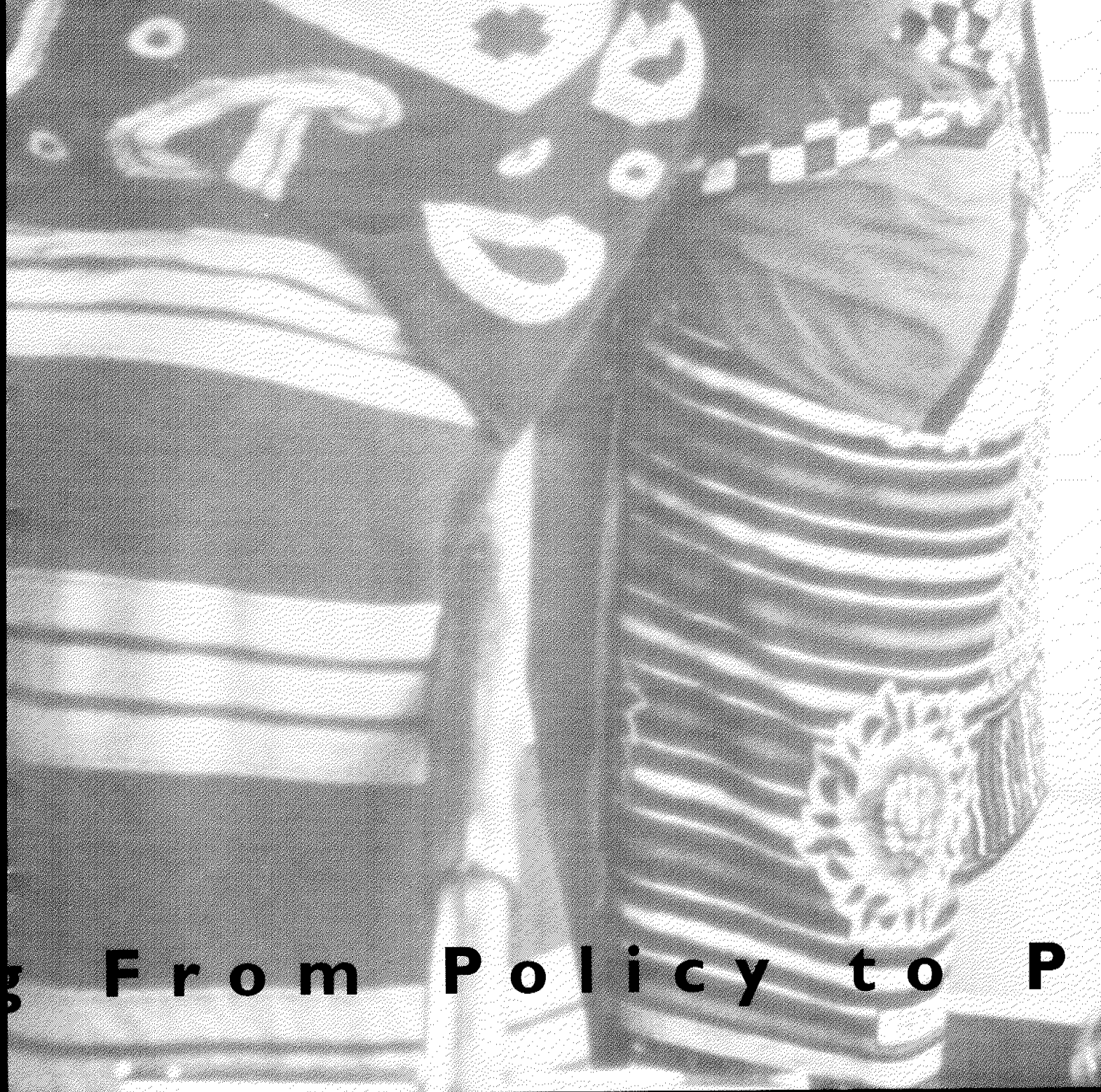
Established in 1994, the Mvula Trust is a large scale, independent, sector specific Social Investment Fund. The Trust assists poor South African communities develop water and sanitation facilities that they want and can afford, through cost-sharing arrangements and a set of broad based and flexible rules. The Trust's main activities include grant financing, facilitating loan finance, policy development and capacity building. Its grant financing policies include the following elements:

- the Trust provides grants of 92% of the capital cost while the community contributes 8% within a specified unit cost level for basic water services
- the cost of O&M is entirely borne by the community
- the Trust provides incentives for O&M performance after completion but no additional funding after project completion
- funds for project development are deposited into bank accounts controlled by water committees
- water committees enter into contracts with implementing and training agents and procure necessary material and equipment
- all projects contain training components

One of the Trust's unusual features is its policy of handing over all project funds to water committees, who hire implementing and training agents, procure equipment and supplies, and hire and pay local labour. The Trust's approach has resulted in a strong sense of ownership and empowerment arising from community initiation of projects, control of funds, and overall project implementation and management.

The practical application of the Trust's approach to funding community supply systems can be summarized as follows:

- a community establishes a water committee, which approaches the Trust with a funding application, including a feasibility study drawn up by an agent. (the agent claims payment if and when the project is funded and does not usually receive any payment if the project is not funded).
- the application is reviewed by the Trust and financial support may be approved or denied by the Trustees
- upon approval, funds are transferred to the water committee and used to pay agents working for them, purchase materials and pay for local labour
- the Trust's field staff act as facilitators, monitor progress, and recommend payments in tranches according to a pre-arranged payment schedule
- communities contribute most of their 8% capital contribution through labour



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A major effort should be undertaken to raise awareness of the various sources of funds and mechanisms in remote and isolated areas. Mechanisms for ensuring that poor and disadvantaged communities are not denied access should also be devised.

#### (d) Capacity Building:

One of the challenges of implementing a demand responsive approach is building capacity of the different sector actors to respond to the changes implied by DRA. This is manifested in the lack of community capacity to manage projects, inappropriate or inadequate operation and maintenance capacity, inadequate skills on the part of the public sector to facilitate rather than implement community initiatives and the patronizing attitude of politicians towards community development.

In view of the magnitude of the challenges, participants identified the urgent need to create an environment to:

- i) strengthen institutions, improve leadership and organization skills and upgrade technical skills at the community level.
- ii) re-orient the public sector to manage and facilitate community initiated projects
- iii) sensitize national leaders, politicians and policy makers on DRA, and
- iv) develop capacity at the local government level

#### The Way Forward

The seventy participants including senior Government officials, representatives of external support agencies and NGOs from ten African countries that participated in the workshop on Demand Responsive Approaches (DRA) in Mangochi from June 23rd to 26th, 1997 resolved that the Way Forward for the DRA was to:

- i) Target interventions at community and policy levels at the same time. At community level, carry out pilot projects that demonstrate the principle and its advantages. At policy level, carry out awareness cam-

paigns starting from the highest levels in order to involve policy makers in the promotion of DRA.

- ii) Develop a set of common implementation rules using regional and country project experiences. This involves preparation and implementation of a learning agenda built on current interventions and commitment to regular information exchange.

The workshop mandated the organizing agencies to convey the findings and recommendations of this workshop to the Water Supply and Sanitation Collaborative Council through the Africa Working Group for dissemination to policy makers, external support agencies and other sector professionals.

#### Planning the Transition

Recognizing that implementation of Demand Responsive Approaches promoted in the National Policy would not be possible within the existing institutional and policy framework, the Government of Mozambique developed a priority action plan to effect the transition process. Building on the Mozambique experience, workshop participants noted that DRA requires a carefully designed and implemented transitional program comprising:

- policy and program coordination to ensure that DRA are applied within a programmatic approach.
- phased institutional reforms to re-orient support agencies to DRA,
- capacity building, learning, sharing of experiences, demonstration projects and regular monitoring and evaluation,
- modification of on-going projects and programs to accommodate DRA,
- development and wide dissemination of common rules that are simple, transparent, coherent, broad-based and create the right incentives for communities and intermediaries,
- communication and awareness campaigns at all levels - communities, local governments, politicians - to gain more acceptability through improved understanding of its benefits.

#### References:

Proceedings from the Regional Workshop on Demand Responsive Approaches to Community Water Supply, Club Makokola, Mangochi, June 23-26, 1997

*This note was prepared by Wambui Gichuri and adapted by Mukami Kariuki. The Mangochi Statement was prepared by several workshop subcommittees and adopted by the workshop participants at the conclusion of the meeting.*

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