Strengthening local governance for improved water and sanitation services

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Contents

Acknowledgements

Introduction

It has been long recognised that good local governance is necessary for the achievement of sustainable water and sanitation services. It is also crucial for sustainable economic growth and development.

The challenge is to understand what good governance means at the local level for improved water, sanitation, and health (WASH) services, and how to achieve it.

Purpose of this theme

The purpose of this theme is to:

- introduce the topic of local governance in relation to WASH services
- illustrate how all the other themes in the package provide a framework for achieving good local governance for WASH services.

1 What is governance?

Governance is about the processes by which decisions are made and implemented. It is the result of interactions, relationships and networks between the different sectors (government, public sector, private sector and civil society) with the purpose of ensuring optimal services. It involves decisions, negotiation, and different power relations between stakeholders to determine who gets what, when and how.

Governance operates at different levels, from the national level to households within a community. The relationships between government and different sectors of society determine how things are done, and how services are provided. Governance is therefore much more than government or 'good government'. Governance shapes the way a service or set of services are planned, managed and regulated within a set of political social and economic systems to ensure sustainable services.

Many stakeholders are involved, not only government, but all those with a legitimate interest in the outcome of the decision-making process, including governmental organisations, service providers, capacity building organisations, contributors of finance, the users of services and organisations that support them. Governance emerges from the formal and informal relationships that exist between people, institutions and government.

In the water sector at national level, stakeholders include the national department of water, other national departments, international donors, national NGOs, finance institutions, local government associations, national skills training institutions, research institutes, educational bodies, etc. At local level, stakeholders include local government (councillors and officials), community based organisations, NGOs, water services

providers, community representatives, local associations, and possibly traditional leadership. Not least, stakeholders at local level include the users of services, who have a key role in planning and in monitoring the services they receive.

Systems of governance range from centralised, top down approaches to those that are more decentralised and participatory.

1.1 Good governance

People want water, sanitation and hygiene services that are sustainable, in which stakeholders, including the most vulnerable in society, have a say in key decisions and where access to the services is equitable and fair. This requires good governance.

Good governance involves constructive co-operation between the different sectors where the result is efficient use of resources, responsible use of power, and effective and sustainable service provision.

To achieve innovation, lesson sharing, and sustainability requires policy shifts and changes to legislation to allow more facilitative and responsive modes of governance. Such changes typically result in shifts in the way power is held and how society makes choices.

Good governance can only emerge when stakeholders engage and participate with each other in an inclusive, transparent and accountable manner to accomplish better services free of corruption and abuse, and within the rule of law. Although good governance is difficult to put into practice, it is important to work towards good or 'good enough' governance, in order to achieve sustainable services. The basic characteristics of good governance are met when:

- there is **participation** of all stakeholders

- decisions are taken in terms of rules and regulations in a **transparent manner**, with all information freely available and accessible to those who are affected by decisions

- there is **equity and inclusiveness** of all members of society in development, particularly the most marginalised, with an emphasis on ensuring that the interests of women and men are included

- **fair legislation** (rules) is implemented objectively with full protection of human rights

- services are **responsive** so that the needs of consumers are addressed within a reasonable time period

- broad **consensus** is achieved about what is in the best interests of the community, and how to achieve sustainable services

- the needs of society are met **efficiently and effectively**, with sustainable use of national resources where the institutions of government are capable

- there is **accountability** for decisions taken and implemented, so that stakeholders involved in decision-making are accountable to those affected by decisions.

Good governance ensures that all stakeholders, including the poor and disadvantaged have an opportunity to influence development decisions that affect their lives, to contribute to development, and to share the benefits and improve their livelihoods. The result of good governance is access to basic services on a sustainable basis.

It can take years to achieve good governance, because different stakeholders and groups in society need to negotiate how things are done and how resources are allocated. What works in one country may not work in another country. Countries need to create their own good governance frameworks, through locally led participatory processes.

> "Without 'good', or at least 'good enough', governance the fight against poverty cannot be won."[1]

2   What is local governance?

Local governance is the set of policy frameworks, structures, relationships and decision making that takes place at the *local level* to deliver a service or achieve an objective. Local governance varies from country to country depending on how government is constituted (structured), and on the policy and legislative framework. The greater the extent of decentralisation, the more developed and democratic local governance frameworks are likely to be.
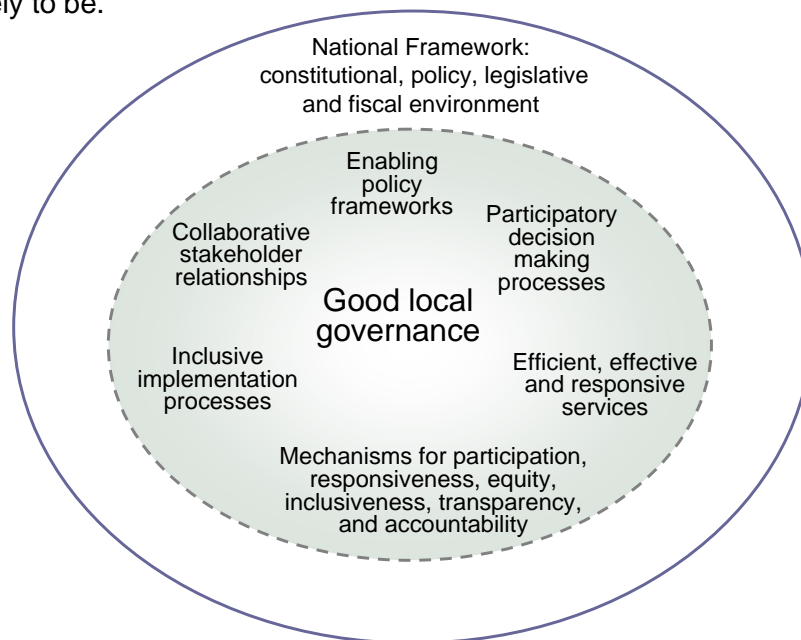

Figure 1: Requirements for good local governance

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[1] UK Department for International Development (DFID), 2007: Governance, Development and Democratic Politics: DFID's work in building more effective states

3   What is water governance?

Water governance is the set of systems that controls decision-making with regard to water management and water service delivery; simply put, water governance is about who gets what water, when and how. There is a profoundly political element to water governance, particularly in areas where there is competition for limited water resources. As a result, systems of water governance usually reflect the political and cultural realities at national, provincial and local levels.

The global water crisis is a crisis of water governance. Mismanagement of water is often characterised by lack of adequate water institutions, conflicting and competing interests amongst water users and weak decision making structures, a fragmented management approach that deals with sectors in silos, lack of mechanisms for public participation, and poor implementation of water policies, laws and regulations. In a situation where the requirements for water are greater than the available water, there are no transparent strategies for water allocation to achieve equity and sustainable water development.

More effective water governance needs to start with good policy and legislative frameworks that protect water resources against over exploitation and ensure that there is water for social and economic development, as well as water for the future. Institutions for water management must facilitate participation by all water users in a climate of trust, where there is joint responsibility for protecting and controlling water resources in an open and transparent manner.

Water governance systems are critical to achieving sustainable development, particularly since water is key to development. Water governance needs to achieve a balance between socioeconomic development and ecological sustainability. This requires the right mix of stakeholders, informed decision making, and an environment where water laws and regulations are enforced.

4   What is local governance for water sanitation and hygiene (WASH)?

This package focuses on water, sanitation and hygiene (WASH) services, where governance primarily takes place at the local level or sphere. Governance of WASH is distinct from governance at river basin (catchment or aquifer) level to achieve integrated water resource management (IWRM). The Global Water Partnership defines[2] IWRM as "a process that promotes the co-ordinated development and management of water, land and related resources, in order to maximise the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital

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[2] Global Water Partnership. 2000. *Integrated Water Resources Management.* TAC background paper No 4.

ecosystems". Although WASH governance is distinct from IWRM, it shares this aim of environmental sustainability.
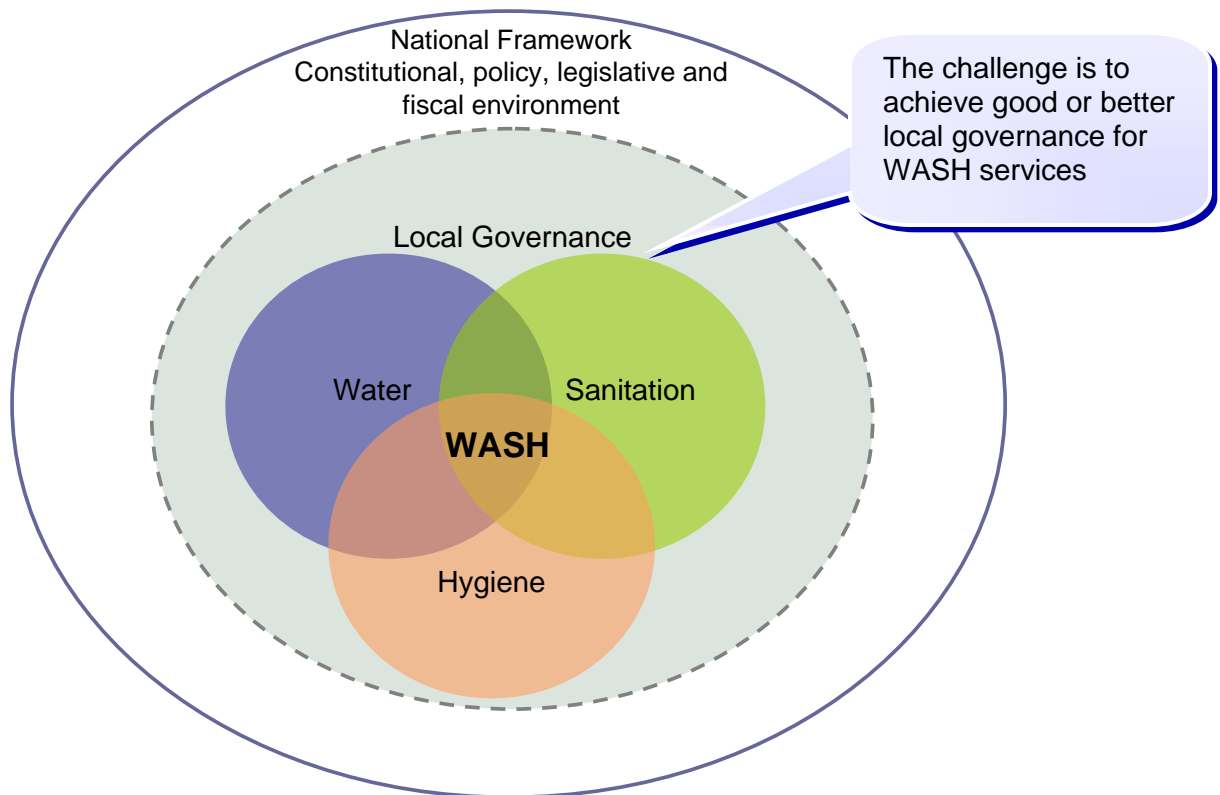
Figure 2: WASH as part of local governance

Water, sanitation and hygiene are part of integrated development, and thus decisions about WASH services are linked to other development decisions. Decision making and implementation for WASH services involves not only water and sanitation sector stakeholders, but are also influenced by other development sectors within local government, such as electricity, health, transport, waste management, etc. WASH governance is therefore part of the governance for local integrated development.

As the primary consumer or customer of WASH services, the community is a key stakeholder in WASH governance at the local level.
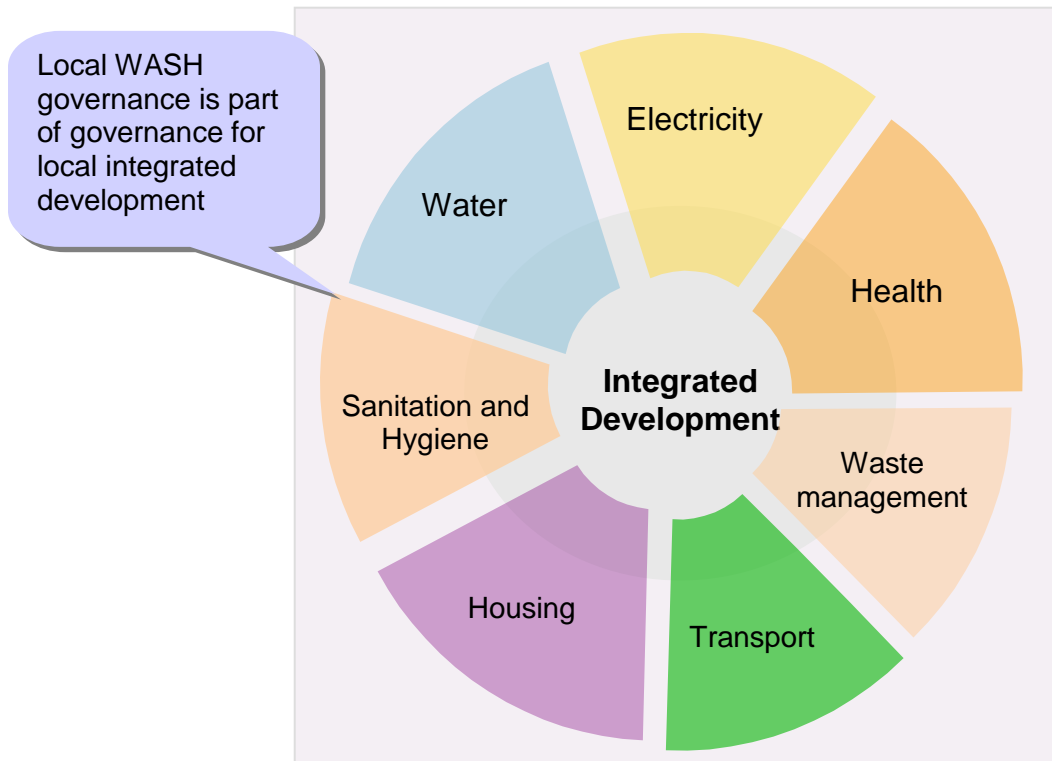
Figure 3: WASH as part of integrated development at local level

5   Good governance for sustainable WASH services

Governance for sustainable WASH services includes all the relationships, mechanisms, processes, and institutions through which stakeholders can mediate their interests, exercise their rights and obligations and make decisions for the delivery and provision of services. Good governance means improving the way that these processes function by paying attention to a number of specific areas for improvement, including:

■   **Advocacy and communication** to promote water, sanitation and hygiene services, to win support for change, to give communities information to express demand and make choices, to build partnerships and alliances

■   Structures for **participatory strategic planning** where all stakeholders come together to make informed decisions about **service** provision options, including infrastructure, costs, service levels and institutional arrangements, and where every stakeholder is empowered to put forward views and choices

■   Assembling, storing and sharing **knowledge and information** to empower local stakeholders to participate in problem solving, planning and strategic decision making and to improve their capacity to act

- **Financial mechanisms which include cost recovery and innovative methods of finance** where services are sustainable and users understand, support and can afford charges

- **Capacity building** so that the capabilities, expertise and skills in local WASH institutions are retained and developed to improve the delivery of services. As well as skills development and on-job training, capacity includes access to resources and to financial and specialist expertise to put the right policies, plans, systems, structures, and procedures in place to ensure sustainability.

- Mechanisms to ensure access to **transparent**, **gender sensitive, and equitable** services

- Ensuring an **enabling environment for service provision**, so that, in particular service providers (such as community based organisations), have **access to support,** such as specialist / technical expertise, local supply chains, and resources such as systems, tools and guidelines, and that everyone understands and abides by by-laws and regulations "the rules of the game"

- Systems and procedures for **accountability, monitoring, evaluation and reporting,** including information about the quality of services and gaps in services so that follow-up action is taken.

> *Each theme in this package is a step towards making local governance for WASH services work. The themes aim to build a deeper understanding of what makes governance 'good' in the WASH sector.*

Themes to achieve good governance for WASH services

Participatory and strategic approach to local governance

Advocacy and communication

Financing and cost recovery

Monitoring and evaluation

Sector knowledge sharing and learning

Good governance for WASH services

Support to community institutions

Sanitation, school sanitation and hygiene

Transparency gender and equity
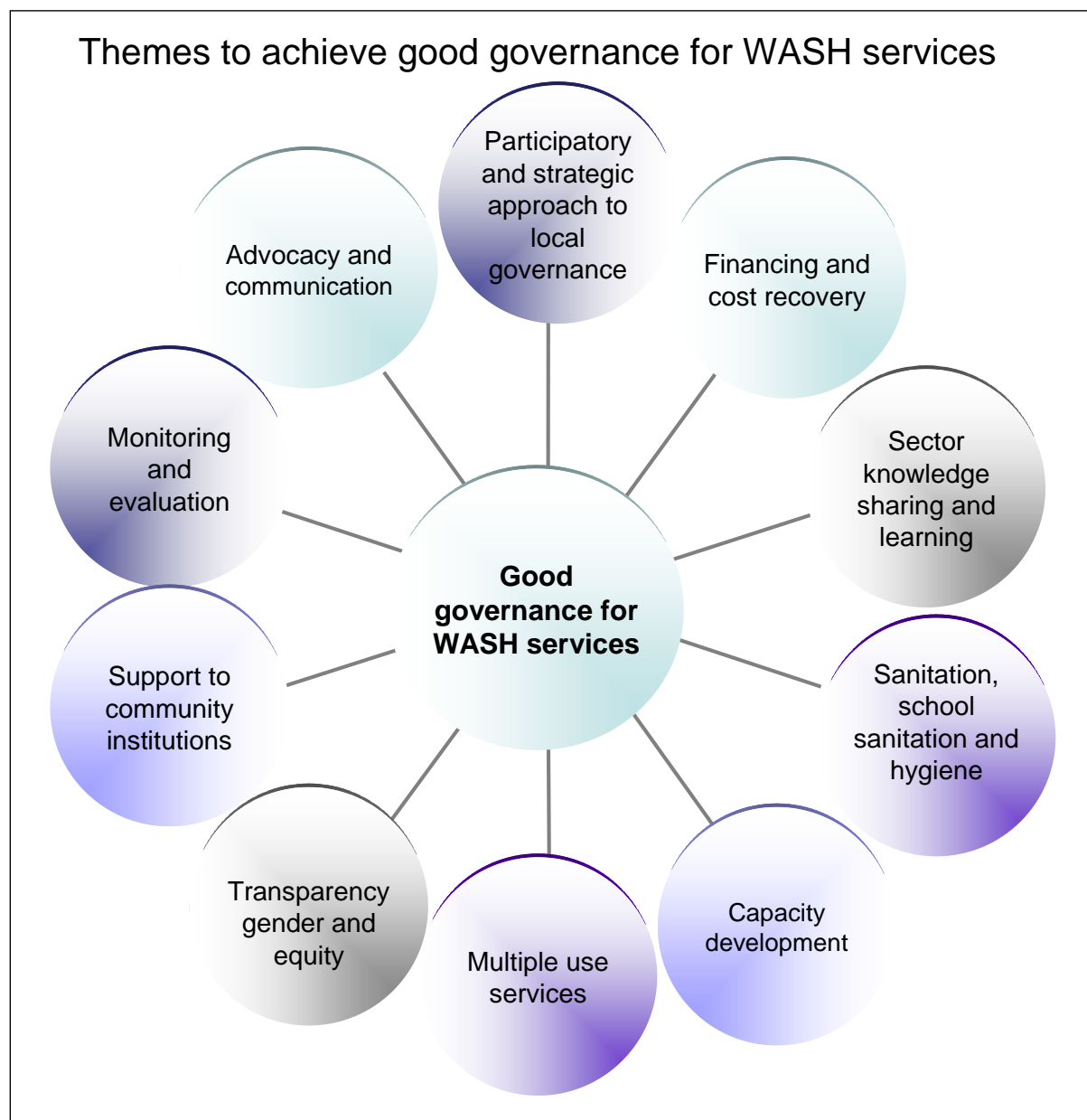
Multiple use services

Capacity development

Figure 4: Achieving good governance for WASH.

Sanitation and hygiene are included as a separate strand of good governance, because they often do not receive sufficient attention, and WASH services cannot be integrated if key elements are omitted. Water coverage has expanded more quickly than sanitation, but water services cannot become sustainable unless sanitation problems are tackled.

5.1 How is good governance applied to WASH services?

Each of the areas of good governance needs to be applied to the overall provision of WASH services.

What does this mean in practice?

Good governance cannot be applied in a vacuum. It has to be applied to the different elements of delivering a service.

In practice it means applying good governance mechanisms, processes, approaches, systems, and relationships to *each element* in delivering a service: from policy through to planning, to financing and implementation, to provision and regulation of the service.

6 Key elements to deliver water, sanitation and hygiene services

As with any service, there are key elements that are required to deliver water, sanitation and hygiene services. These elements include:

- an enabling environment which at the local level includes the policies and by-laws within which water, sanitation and hygiene services must be delivered

- planning services (for the municipal / district / local area)

- finance

- infrastructure (development)

- institutional arrangements for the ongoing provision of the services (a water service provider)

- regulating the service to ensure that it is provided according to the policy and by-laws.
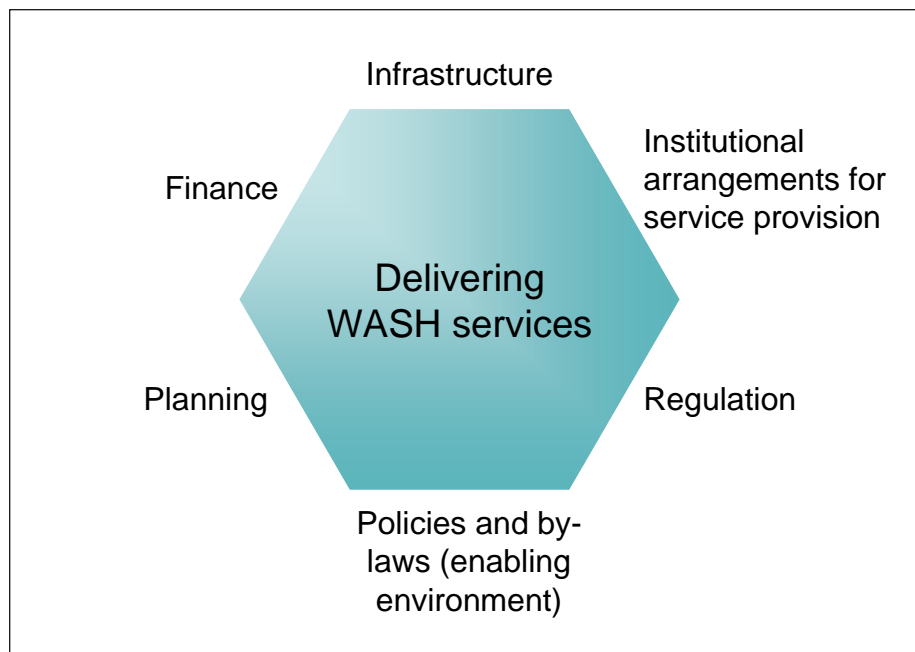
Infrastructure

Institutional arrangements for service provision

Finance

Delivering
WASH services

Planning

Regulation

Policies and by-laws (enabling environment)

Figure 5: Key elements to deliver WASH services

6.1   Policies and by-laws

■ All countries have a national policy and legislation to guide the provision of water and sanitation services. However not all local governments have developed *local policies and by-laws* for the local provision of services within the national framework. Policies and by-laws create an enabling environment for the provision of WASH services.

■ By-laws are the 'rules of the game' and specify, for example, how new water projects are prioritised, how tariffs are determined and what happens when customers do not pay. They provide the framework within which services are regulated. By-laws cover the standard of services, technical conditions of supply, how tariffs are determined and structured, the payment and collection of funds for services, conditions under which services will be discontinued (for example if a customer does not pay), how the services will be installed, operated, protected and inspected, and issues such as preventing illegal connections and wasteful use of water. It is very important that councillors who are the key decision makers within local *government* and who are the interface between local government and citizens review the by-laws and ensure that they are equal to the service challenges, while delivering on equity and human rights.

6.2   Planning

■ Water and sanitation services need to be planned for a local area as part of integrated development. The planning process must assist stakeholders to make informed decisions about water, sanitation and hygiene services, particularly in terms of identifying and providing services to those communities who do not have access. Planning includes data collection and analysis, stakeholder participation, strategic decision making, project identification and prioritisation, and allocation of resources to implement plans.

■ Planning for WASH services should address the following:

- the number of consumers, where they are located, and what their WASH requirements are

- especially identify and prioritise the number of people currently without access to adequate WASH services

- existing WASH services, including existing infrastructure and current water services providers

- water resources and other physical features of the area

- proposed water infrastructure and water resources to be used

- approximate capital and operating costs of the WASH services

- targets (timeframes) for new water and sanitation infrastructure and services for different communities

- financial arrangements for new infrastructure and operations (including tariff structures)

- operation and maintenance arrangements for existing and future infrastructure

- a time frame and actions for implementation of the plan (including list of projects)

- arrangements for monitoring and evaluating services, especially to enable consumers to give feedback on quality issues and service providers to act on the feedback.
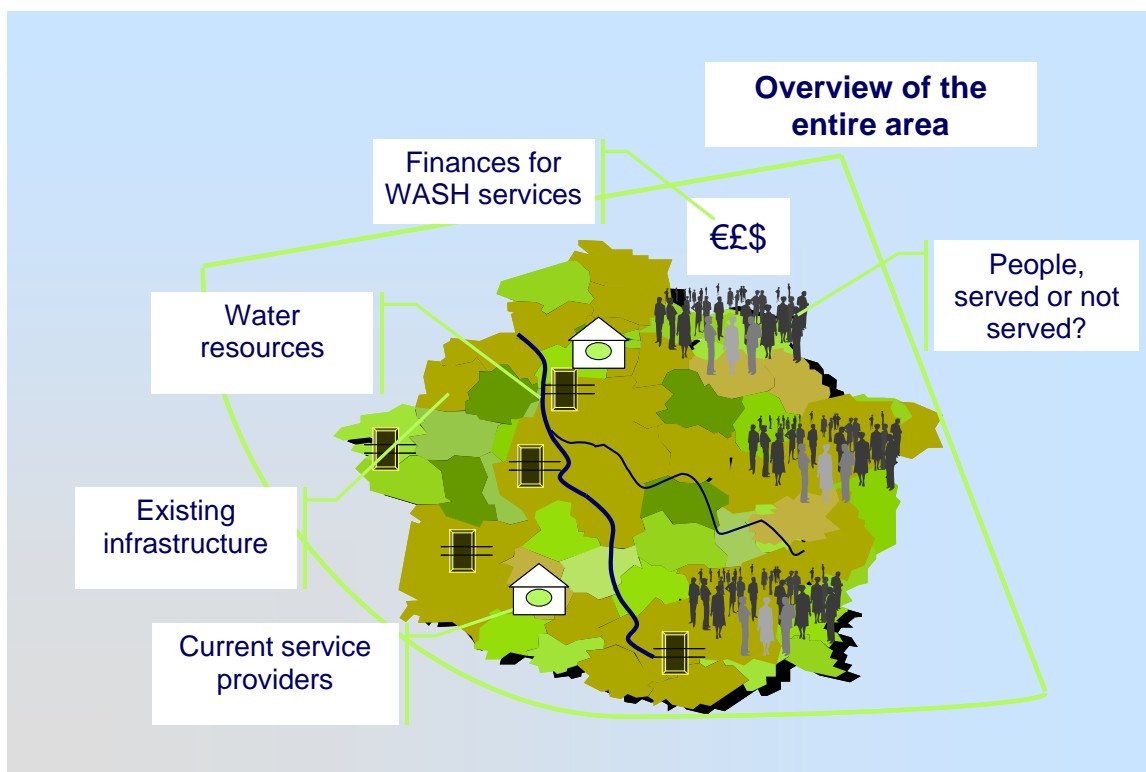

Figure 6: Planning WASH services for a local area

6.3   Finance

■ Adequate investments need to be made in water and sanitation infrastructure to ensure access to services by all. Water and sanitation planning for the municipal / district / governorate / local area should prioritise infrastructure targets, such as the Millennium Development Goals (MDGs), and promote sustainable and affordable water and sanitation services.

■ Local government together with key stakeholders need to design appropriate financial instruments to ensure an adequate income to support proposed investments in infrastructure. Financial planning should also allocate sufficient capital funds for preventative maintenance and rehabilitation of assets (infrastructure) to ensure that they are sustained in good working order and can be replaced or expanded when necessary.

■ The provision of water and sanitation services (including operation and maintenance, staff costs and overheads) needs to be financially viable. Mechanisms and decisions that influence financial viability include: the tariff structure, subsidies, investment choices, credit and debit control policies, and revenue management. If local government commissions an organisation or institution to provide services, the service contract will state the financial obligations and conditions.

■ These important financial decisions to ensure the sustainability of water and sanitation services are ultimately reflected in a water and sanitation financial plan for the area, which illustrates both capital and operational budgets.

■ Financial management includes a range of activities including:

- Investment planning

- Raising grant and loan funds

- Budgeting

- Raising income: billing and revenue collection

- Banking

- Maintaining accounts

- Financial reporting

6.4   Infrastructure

■ One of the biggest challenges facing local government is how to maintain and extend existing water and sanitation infrastructure. This includes:

- Planning and investment

- Identifying new infrastructure projects (capital projects)

- Implementing infrastructure projects through the project cycle with the necessary attention to institutional, financial, environmental, hygiene and other social issues

- Asset management, including the replacement of assets at the end of their life

- Preventative maintenance to ensure that existing infrastructure is kept in good working order

■ Infrastructure is often dealt with as a 'project' rather than as part of a programme to deliver an ongoing service. However, planning for sustainability demands not only technical competence, but also community participation in identifying, prioritising and planning new infrastructure projects.
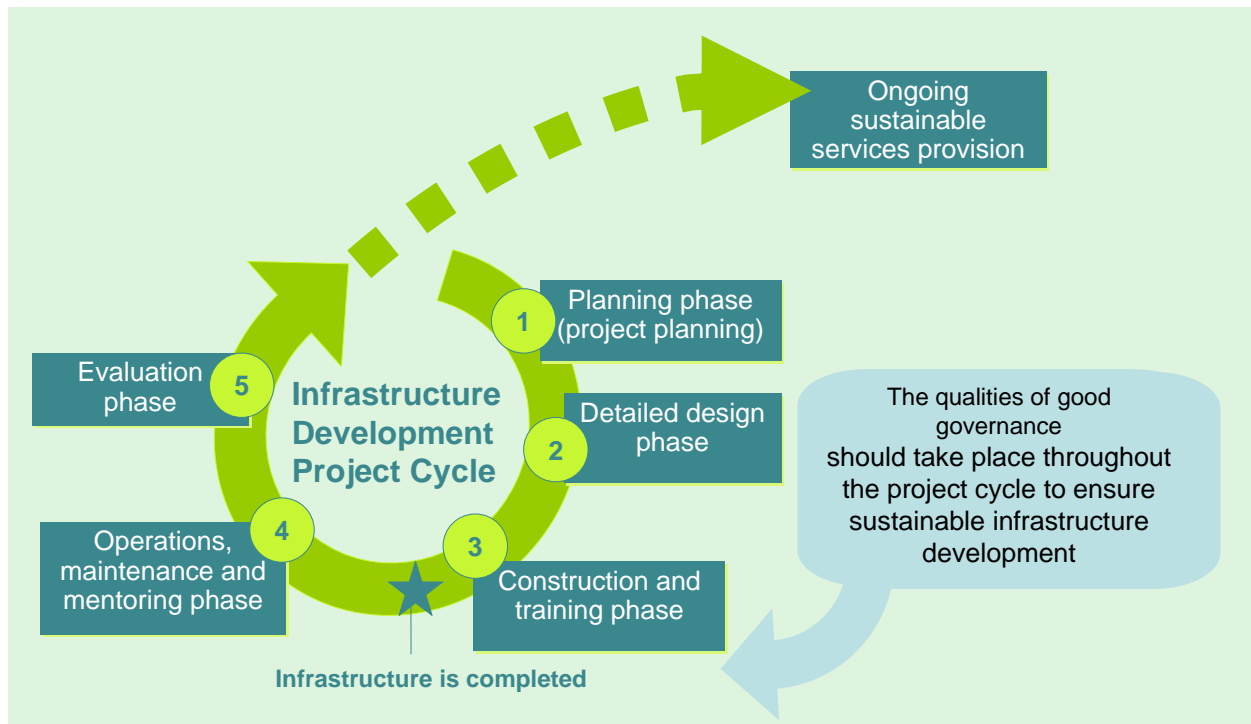

Figure 7: Project cycle through to sustainable WASH services

6.5   Institutional arrangements for service provision

■ Water, sanitation and hygiene services can be provided by a range of entities depending upon a country's policy and legislative framework. These include local government itself, a community based organisation (CBO), a large or small private entity, a utility, a water board, a state owned water company, an NGO, or a combination of these. The entity that provides the service is typically called a service provider, or water service provider.

■ Increasingly local governments are recognising that they need to make use of other entities, particularly where they do not have the capacity to provide efficient, effective and sustainable services, such as in remote rural areas.

■ Deciding which entity should provide WASH services in a particular area is one of the most important governance decisions. The location and size of the area to be served, the number of consumers, the type of technology to be operated, and the financial arrangements will influence the type of service provider that is most

appropriate to provide the services. For example, in remote rural areas, a CBO is usually required since other entities do not have easy access to the infrastructure.

6.6   Regulation

In order to ensure good performance, transparency and accountability, local water services should be provided by means of a clear contract, which meets local regulations and against which performance is monitored.

The purpose of regulation is to protect consumers and to ensure that services comply with minimum national standards and with local government's policies and by-laws, so that water, sanitation and hygiene services are efficient, effective, affordable and sustainable.

As WASH services are increasingly decentralised, local government becomes accountable to communities for the effective delivery of services. Local government is responsible for ensuring compliance with by-laws, and for monitoring the quality, quantity and overall delivery of the services. These by-laws set out the general rights, duties and responsibilities of the water services provider, and of the consumers / customers.

In **regulating the service provider**, key performance indicators need to be set against which to measure performance. These include drinking water quality, quality of wastewater discharged, and how often the service is interrupted. A good **monitoring and reporting system** is needed to monitor standards against the contract and the regulations There also needs to be a dynamic relationship between local government and the community to ensure that the community is satisfied with the services they are receiving. Mainstreaming gender issues into these relationships will ensure that the voices of women and men are heard.
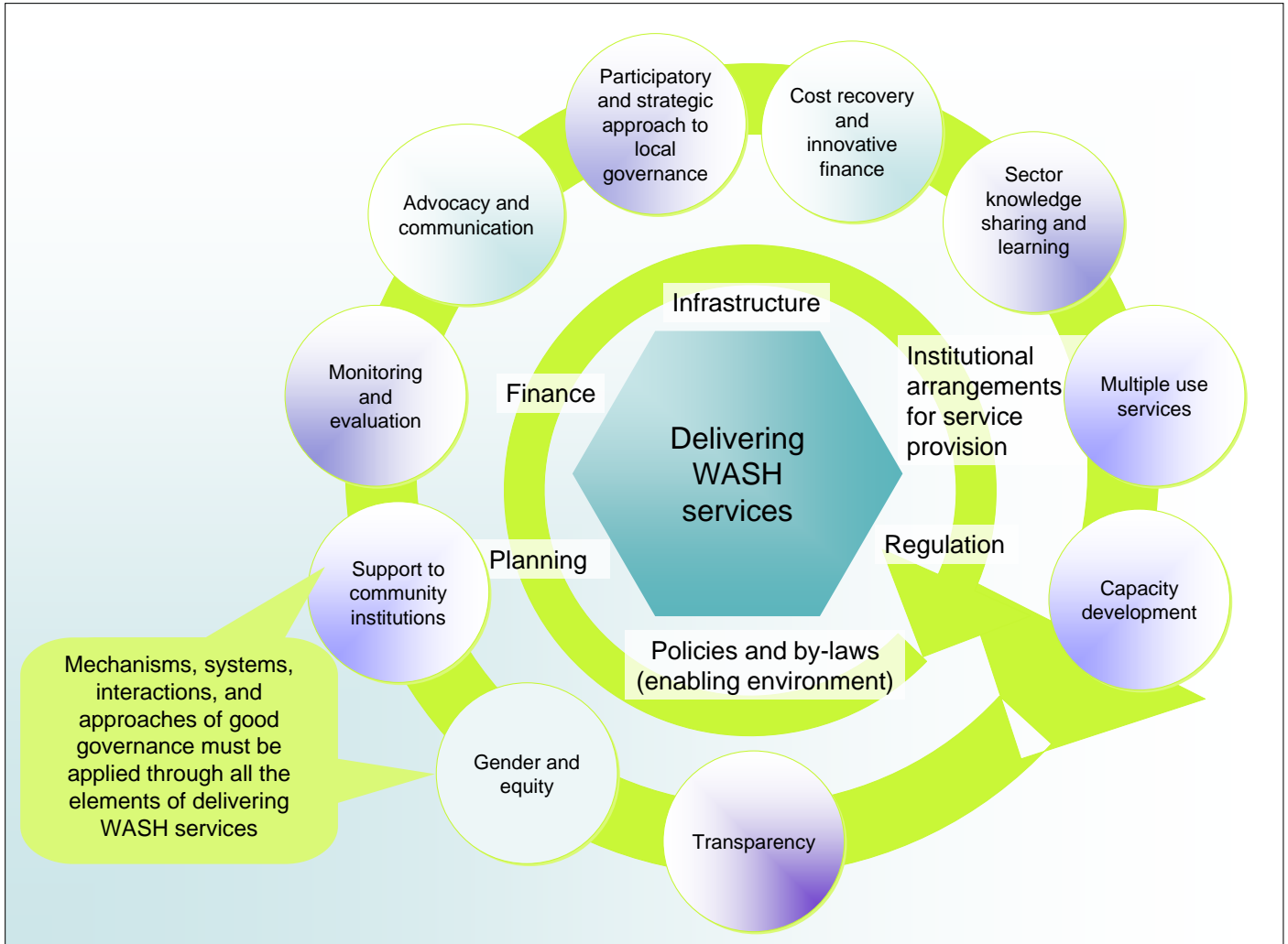
Figure 8: Good governance applied to each of the elements of WASH services

7 Why governance support is needed

Institutions responsible for WASH, such as municipalities, governorates, districts, community based organisations and so on, often lack the necessary capacity, skills and resources to fulfil their governance responsibilities effectively. Responsibilities are often devolved without the necessary matching resources and support.

The need for support is evident in the poor performance of local government in both the delivery of infrastructure and in the provision of water services where too often decisions are taken without participation of all the necessary stakeholders.

Local level bodies should not be left to work through these problems alone. Identifying the causes of the problems and sources of support both in terms of building skills, and in

establishing mechanisms by which stakeholders can become effectively engaged in decision making is one of the key challenges of decentralisation.

Local governance for improved WASH services requires transformation at local level with the active support of institutions and policy makers at regional / provincial and national level. This includes the establishment of an enabling and supportive framework with resources and responsibilities devolved to local government so that it has the authority and the capacity to provide sustainable services.   With stakeholder participation at local level and support from the broader water and sanitation sector, decentralised WASH services stand a fighting chance of success.