



Aide Memoire

Water Supply, Sanitation and Hygiene Multi-Stakeholder Forum 11-13 October 2006, Addis Ababa

EU Water Initiative Ethiopian Country Dialogue

1. Background to the Multi-Stakeholder Forum

A Multi-Stakeholder Forum (MSF), organised as part of the Ethiopia Country Dialogue of the European Union Water Initiative (EUWI) focusing on water supply, sanitation and hygiene was held at the Hilton Hotel, Addis Ababa from 11th to 13th October 2006. The purpose of the Forum was to bring together all sector stakeholders, to reflect on progress in water and sanitation delivery in Ethiopia to date, and to find the means of consolidating and accelerating the achievement of common sector goals. Over 200 participants, from national and regional governments, UN agencies, NGOs, the private sector, academia, and the donor community took part in the meeting. A field visit to water and sanitation projects in Oromia took place on the day before the MSF, to substantiate evidence at the community level and to bring the views and concerns of water users to the discussion.

A Sector Review Report, prepared by three working groups comprising government at all levels, civil society, the private sector and donors, was presented and discussed at the forum. The report provided an overview of the water and sanitation sector in Ethiopia, and an assessment of sector performance against a number of performance measures: policy; governance; planning; financing; implementation; information, monitoring and evaluation; and coordination. A draft sector financing strategy, communication conceptual framework, private sector study and DAG-WTWG action plan were also presented.

Participants had the chance to discuss issues raised by the various reports in both plenary and group sessions, and were tasked with identifying and prioritising key undertakings to be committed to by all parties and acted upon in the year ahead. Participants at the MSF very much welcomed the opportunity to discuss water and sanitation related policy issues in this open forum and recommended that a Joint Annual Sector Review (JASR) be held in 2007 to assess progress towards achieving these key undertakings.

2. Issues Arising From the Multi-Stakeholder Forum

2.1 Overall Sector Progress

Lack of access to water and sanitation facilities and poor hygiene practices are identified as major causes of morbidity and mortality in Ethiopia, and significantly hinder the achievement of the Millennium Development Goals. Commitment to increasing water, sanitation and hygiene services has been

made in the Government of Ethiopia's Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and, despite the enormous challenge of achieving universal access, impressive improvements have already been made. Water and sanitation coverage on average across Ethiopia currently stand at around 47% and 30% respectively. The valuable contribution of NGOs, the private sector and the government's community extension workers in this effort is highly appreciated.

The Sector Review Report provides an assessment of progress against a set of 'golden' performance indicators: rural and urban access; latrine coverage; system functionality; MIS and M&E systems; handwashing; unaccounted for water; school water and sanitation. These indicators should form the basis of sector performance evaluation in future, though efforts are needed to refine definitions and improve the quality and reliability of sector data.

The MSF field visit has demonstrated that communities are able to construct, manage and maintain water and sanitation systems, when empowered to do so. Simple sand filtration and fluoride removal technologies were seen in use, and a large community managed gravity scheme has been successfully providing water to the population of Hitosa for the past 10 years. Ways of promoting and scaling up these successful models are needed across the sector. Meanwhile, environmental and financial sustainability needs to be given due attention in project design and implementation.

2.2 Policy and Regulation

Policies and strategies, encompassing modern principles of sustainable water and sanitation resource management, are generally in place in Ethiopia, although there is still a specific need for an urban hygiene and sanitation policy to complement the national health policy. The recently signed inter-ministerial WASH MoU is seen as a major step forward, though it is too early to tell what effect it has had.

Implementation of policy is seen as less effective. A major effort is needed to popularise and disseminate the policies throughout the regions. Regulations, standards and guidelines, along with mechanisms to ensure accountability for policy compliance, also need to be developed. A specific requirement is for regions to create legal instruments for water user committees. Gender mainstreaming also needs to be given greater attention.

High staff turnover and poor coordination are seen as impediments to the successful application of policies. More effort is required to train and retain government field staff. There is a key role for Universities and Technical Vocational Training Colleges in this process.

Concerns that increasing environmental degradation, due to poor water resource management and waste disposal, were expressed. Environmental protection, e.g. through watershed management, needs to become an integral part of all water and sanitation interventions.

2.3 Implementation and Coordination

The Universal Access Program (UAP) has now been adopted by the government and has been integrated into the PASDEP. Achieving 100%

coverage by 2012 at a cost of around \$2 billion (for the rural areas alone) is recognised as a major challenge, particularly given high population growth.

Targeting lower service standards, more appropriate for the Ethiopian context, is one way of attaining the UAP targets, though water quality standards need to be protected. To ensure future sustainability of project interventions, a greater focus on research and assessment is needed, e.g. ground water mapping and monitoring. More effective links between emergency responses and long term development of water resources will improve sector efficiency. Actively promoting more cost effective technologies, that can be managed by communities, is the backbone of the UAP strategy.

It is important to provide capacity building as part of the decentralisation process, e.g through Woreda Support Groups. Supporting health extension workers to implement the health extension service package is necessary for implementing the WASH MoU. The UAP will not be achievable without increased involvement of the private sector in construction and service delivery, including spare parts provision.

Efforts to improve harmonisation through the DAG Water Technical Working Group and the EUWI Ethiopia Country Dialogue are appreciated and seen as important in reducing transaction costs. The inter-ministerial WASH MoU is a crucial coordination instrument.

2.4 Financing, Planning, Information and M&E

Paucity of reliable data, particularly regarding financial expenditure and performance, is one of the main constraints facing the sector. A detailed analysis of data gaps and improvement in the quality of data used for planning and reporting is considered a priority. There is also a need to improve information flows and reporting mechanisms between the woredas, regions and federal administrations and to better coordinate NGO and private sector planning at the woreda level.

Developing a programmatic sector approach and strengthening M&E systems should be a priority focus for the year ahead. Engaging with MoFED led processes such as the Public Expenditure Review, and institutionalising a Joint Annual Sector Review process is essential. Additional resources will be needed to adequately carry out sector M&E functions. Strengthening the ongoing DAG-WTWG and GoE dialogue process should be pursued through the adoption of a framework agreement for harmonisation and financing.

The draft financing strategy is seen as an important tool, not just for mobilising additional resources, but also to ensure the effective, efficient and transparent allocation and use of funds, on a sustainable basis. The strategy highlights the large discrepancy between the UAP financing needs, the commitments made by donors and the actual expenditure each year. Rural sanitation financing needs are relatively modest compared with water, the emphasis being on software activities such as advocacy, promotion, training of artisans and equipping health extension workers. However, the sanitation sub-sector is currently under-funded. A public consultation on an appropriate urban strategy, with a focus on ecological sanitation solutions is the next step to be taken.

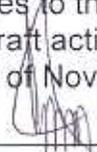
There is a need to harmonise and strengthen existing financial mechanisms, initially through the development of a pooled funding system for capacity building. Strengthening the WRDF and developing innovative instruments such as an urban sanitation challenge fund should also be considered. In the medium term, there should be a gradual increase in funds channelled to the sector as budget support. At the same time the sector needs to undertake reforms to enable the utilisation of microfinance credit and savings schemes (e.g the Community Development Fund (CDF) approach in Amhara) and Build Operate Transfer (BOT) approaches through the private sector. Striking the right balance between public capital investment and recurrent expenditure will be necessary, so that rehabilitation and replacement costs can be covered in future.

3. Agreed Undertakings for 2006/07

The following nine undertakings were adopted by the MSF:

- **Popularise and operationalise the Universal Access Plan.**
- **Disseminate and communicate Water, Sanitation and Hygiene sector policies.**
- **Implement policy and regulatory measures to increase private sector participation.**
- **Establish and improve regulations for community management in the sector.**
- **Enhance and harmonise financing mechanisms.**
- **Implement M&E system for water, sanitation and hygiene.**
- **Plan, budget and scale up existing Human Resource Development activities.**
- **Implement and monitor the WASH MOU.**
- **Establish Supply Chain outlets.**

All parties to the MSF agree to implement the nine undertakings, as outlined in the draft action plans in Annex 1. Final Action Plans will be completed by the end of November.



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(Minister of Water)



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(State Minister of Health)



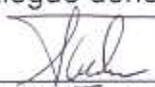
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ANNEX 1: UNDERTAKINGS AND DRAFT ACTION PLANS

1. Popularise and operationalise the Universal Access Plan.

- Government implements at least 80% of the annual Universal Access Plan targets for 1999 EC within available finances, other stakeholders will support the government efforts in line with increasing dialogue and consultation.
- Dialogue/consultations between (i) MoWR/MoH/MoE and regions (ii) MoWR, MoH, MoFED and development partners.
- Focus of Communication Strategy to popularise UAP (as rationalising the UAP rests largely on the shoulders of the regions and financing partly on the shoulders of dev't partners); (by MoWR, MoH, UNICEF and EUWI).

2. Disseminate and communicate Water, Sanitation and Hygiene sector policies.

- Develop policy implementation guidelines (by sector professionals and legal experts).
- Roll out through workshops, conferences, universities, media.
- Led by Federal Ministries (ie MoWR, MoH, MoE, EPA) - in support of regional bureaus.
- Report back on the Action Plan at 6-monthly mini-MSF and to next MSF.
- Supported by MoWR, MoH, UNICEF (Comm'n Strategy), EUWI WG1.

3. Implement policy and regulatory measures to increase private sector participation.

- Promote public-private partnerships for WASH services (developing incentives for private sector investment (treat as other kinds of investment) and address SoE share of market).
- PPP promotion campaign (recognise different scales of PSP activity, engage with MoFED on tax issues, design exit strategies for SoEs, tender conditions, reduction of collateral requirements, innovative forms of working capital, involve financial institutions).
- MoWR with the PS Forum.
- Report back on the Action Plan to next MSF.
- Supported by MoWR, PS Forum (UNICEF, WaterAid, SUDEA, media).

4. Establish and improve regulations for community management in the sector.

- Regional legislation in place.
- Draft region-specific legislation.
- Regional councils supported by MoWR Task Force.
- By next MSF.
- Supported by MoWR, Plan Int'l, WaterAid, Intermon-Oxfam, RWBs.

5. Enhance and harmonise financing mechanisms.

- SWAP training for GoE and development partners (Italy, November).
- Diagnostic assessment of different financing mechanisms - development partners, including GOE internal mechanisms "off-setting, channels, block grants etc" (GOE/DAG Water or EUWI TF, start November).
- Finalise Financing Strategy; update and refine in subsequent years (EUWI TF, starts in July).
- Development of draft finance framework agreement; including development of concept/frameworks for joint financing arrangements (urban innovation challenge fund, strengthening of Water Resources Development Fund. (GOE and EUWI TF, start in November).
- Round-table consultation with all stakeholders (MoFED, EUWI TF, January).
- Show progress towards improved alignment/harmonisation of financing arrangements (for example, reducing # of special accounts (review next MSF).

6. Implement M&E system for water, sanitation and hygiene.

- Refine and adopt sector wide golden indicators (by MoWR, MoH and MoFED, starting November and finalised by June).
- Develop framework for M&E; two levels: programme (projects) and sector; including JBAR, PER, VFM studies, tracking studies, audits) – by MoWR, MoH and MoFED, start by November and finish by next MSF.
- Communication strategy to support M&E (by MoWR, MoH and UNICEF).
- Implement a tracking study and a VFM study by next MSF.
- Institutionalise Annual (sub-sector) Multi Stakeholder Forum / Joint Annual Sector Review (with semi-annual progress reviews).

7. Plan, budget and scale up existing Human Resource Development activities.

- Plan, budget and scale up existing capacity building activities which further empowers public, private and NGO implementers from kebele to regional levels and that is informed local stakeholder knowledge by Sept 07.
- Establish 250 Woreda WASH Strategic Plans (up from 106 in 2006).
- Inventory of and establish transportation and office equipment needs in regions.

8. Implement and monitor the WASH MOU.

- Strengthen and establish the MOU at federal, regional and woreda levels to ensure harmonious and integrated implementation of all water, sanitation and hygiene activities.
- Popularize, translate (3 languages) and simplify the MOU for dissemination in all regions.
- Establish and assign government staff to units at all levels.
- Ministries (Water, Health, Education, Finance) to meet 4 times/ year, at Joint Annual Sector Review and Joint Annual Technical Review to review implementation of MOU.
- All remaining regions to sign an MOU and 15% of woredas.

9. Establish Supply Chain outlets.

- Institutionalize the supply of spare parts by establishing water and sanitation supply chain outlets in at least 4 regions, and ensuring that for each hand pump type in each region have at least 10 area pump mechanics.
- Ensure adequate number of water quality testing kits per region.
- Establish route maps per pump type.
- Ensure there are trained pump mechanics for each type of hand pump that exist in all regions.
- Standardize handpump types (Afridev, Indian mark II).