Presentation of the Preliminary Results of the Action-Research on Sustainable Rural Water Service Delivery Models through Public Private Partnerships in Burkina Faso

Authors: Mougabe Koslengar, UNICEF WASH Specialist, Ouagadougou, Burkina Faso; Dr Christelle Pezon, WASH Expert, Hydroconseil

In 2015, UNICEF launched an action-research project to test whether delegating management to the private sector, when combined with monitoring and accountability, can guarantee sustainable access to good quality water in rural areas with low to medium population density. There is a particularly high proportion of non-functional handpumps in the rural areas of developing countries, where between 30 and 40% of water supply schemes are out of service at any given time (Rural Water Supply Network, 2010). It is essential to eliminate service interruptions caused by breakdowns on these systems and to provide people with sustainable water supply and sanitation services in order to both consolidate the progress made on coverage and to achieve the target of universal access set out in the Sustainable Development Goals (SDGs). Various studies have shown that there are two prerequisites for making rural water supply services sustainable: switching to improved service delivery methods that involve the private sector (Lockwood, H. and Smits, S., 2011) and placing greater emphasis on governance and accountability (UNDP/SIWI/UNICEF Water Governance Facility, 2015). Governments are constantly forced to spend millions of dollars on rehabilitating existing water points rather than on constructing new infrastructure that would help increase access to drinking water. These cycles of rehabilitating old water points undermine governments' efforts to achieve their goals of providing drinking water to the rural population.
The shift in approach towards different service delivery methods can involve introducing public-private partnerships as part of efforts to integrate the various aspects of the value chain, such as maintenance, repairs, pump replacements and management (preventive maintenance, supplies of spare parts, real-time monitoring of the service's technical and financial performances, point-of-sale and customer relations management).
Although public-private partnerships are already well-established in urban areas and many countries have piloted private water supply scheme management in semi-urban settings, there has been very little focus on private sector management of dispersed water points in rural areas (particularly handpumps) (SIWI, 2014). In addition, the pilot projects that have been implemented in rural areas have not paid sufficient attention to governance and stakeholder accountability.

In this action-research, Burkina Faso's partners are working with the support of researchers to test a service model that consolidates the service value chain (installation, management, maintenance, rehabilitation, demand creation, water sales) by recruiting a private operator and using innovative technical approaches (SMART chips, online platform, etc.) to strengthen lines of accountability between the main stakeholders (local/national government, the private operator and the users).

This action-research initiated by UNICEF and supported by the Burkina Faso Ministry of Water and Sanitation seeks to expand the private sector service delivery model currently being used for small-piped water scheme management to areas of medium to low population density where people use dispersed water points (villages and the outskirts of small towns). The general assumption is that the success of a model such as this, which aims to provide universal access to water supply services, is dependent on balancing the financial sustainability of the operator and accountability mechanisms. The key variables, such as the price of water, payment methods, the scale of service delivery, opening hours, water quality, and the solidarity mechanism were discussed at length with local stakeholders in order to draw up a viable business plan and requirements that cover safety, affordability and the accountability of the rights holders.

The activities completed under the action-research project to date include: a literature review (on water service delivery management models in Africa, changes in service demand/its quality in Burkina Faso); a baseline assessment of existing water services in the three target communes at the start of the project (collecting and analysing data on service delivery, handpump functionality and management, the demand for water, the number of people using the handpumps, alternative water sources and users' financial contributions); discussions with the target communities (to determine their expectations in terms of repair times, payment methods, tariffs, opening hours, etc.); designing financial models (conducting forecast operating account simulations to identify the water tariff required to cover the operator's costs); household and pilot surveys to test a range of tools (pre-paid cards, records of registered users and card sales, water point manager training and the monitoring of volumes of water consumed, registered users, income and expenditure); and an impact evaluation of the model. The financial sustainability modelling assumptions are currently being revised to supplement the lessons to be drawn from the research.

The above-mentioned activities have produced a number of interesting lessons learned, particularly in relation to: the scale of service delivery, pricing levels, the cost recovery model, demand creation and accountability mechanisms. The main lessons learned include: (1) the key role played by demand creation in maintaining the sustainability of the service delivery model; (2) the importance of regularly sharing information and defining clear performance indicators for stimulating buy-in to and highlighting the value of the service; (3) the proven value of using a pre-paid card system to simplify payment

collection; (4) the motivation of the water point managers; and (5) the importance of monitoring for improving and revising tariffs to promote universal access to an affordable service.

Some of the challenges encountered include difficulties in: marketing the water supply service in rural areas where it has traditionally been considered a social service; determining the exact number of registered users and the number of people overlooked by such a delivery model; identifying a standard water point manager profile and making the role attractive; finding a suitable technology for consolidating the accountability mechanisms. Nevertheless, we anticipate that the evidence and findings obtained can be adapted and replicated in other countries and thus be used to guide the development of partnership policies for improving water delivery services and help achieve SDG 6.

The preliminary lessons learned from project implementation are as follows:

DEMAND CREATION is crucial and often under-estimated:

- The water delivery service will only sell if it is accompanied by a marketing programme;
- Demand creation and marketing form an extremely important part of the value chain creation process as they encourage consumption and stimulate willingness-to-pay for an improved service;
- There is competition from alternative sources (particularly in Kyon, Dassa) and standpipes in Fourkoura that needs to be overcome;
- The use of CLTS-type tools has had mixed results. Communities' levels of engagement vary depending on their culture, lifestyles and experience of previous development projects;
- The private operator had a limited range of techniques/tools. Support from the IMS NGOs was a critical factor.

Commentaire [NB1]: Not sure what this stands for...

Perception of the value of the service was increased by:

- Discussing and explaining the KEY PERFORMANCE INDICATORS (repair lead times);
- Introducing a clear mechanism for registering breakdowns and complaints;
- Comparing current payments / tariffs and the current service level.

Collecting INCOME is easy when:

- The payment methods have been discussed and agreed beforehand (e.g. pre-paid cards);
- It is still possible to pay in CASH;
- Men get into the habit of contributing to buying water for the household (Fourkoura)?
- Use of the card (monetary value) reinforces adults' commitment to collecting water;
- People from towns pay? (Idem telephone transfers).

Motivation of the water point manager:

- The manager's remuneration is not attractive when there is insufficient demand;
- The profile of the standpipe assistant needs to be adapted in line with the monitoring tools and payment methods used (level of education);
- Find older and motivated people;
- Identify people who have fewer responsibilities and/or family/community constraints;
- Identify people able to develop an income-generating activity around the water point that earns them 500 CFA Francs/day.

The FINANCIAL SUSTAINABILITY OF THE MODEL can be improved over time:

- The initial tariffs are based on a range of consumption assumptions (by pump and by user) and on service and maintenance costs;
- SMART pumps make it possible to collect meter readings on volumes of water distributed at the handpumps;
- Demand creation will lead to increased consumption over time;
- Sustainability of the model is highly dependent on the water point managers' salary/commission (20% of income). A flat-rate payment system could make it possible to keep the pumps open 24 hours a day without the need for a manager and using remote breakdown monitoring (micro-chip?)

Actual size of the handpump market

- The target of 120 handpumps has not been reached due to the lack of buy-in in certain villages (Niankorodougou);
- The high volumes of water withdrawn from the handpumps correspond to the estimated volumes used to create the forecast operating accounts;
- These volumes fall when the model is implemented (pilot sites) except where there are alternative sources available (wells and standpipes);

- Introducing payment for water from the handpumps results in an increase in the number of standpipe users in places where both of these options are available;
- There is sufficient capacity-to-pay in place.

CHALLENGES

- OUTCOME (increased access to a safe and reliable water supply service for all);
- Persistence of traditional beliefs: the water service should be free;
- We do not know who has potentially been overlooked;
- Providing support to municipalities to develop solidarity mechanisms (for the most vulnerable);
- Providing support to operators and involving the community in managing water safety-related risks;
- Encouraging rural communities to use the breakdown and complaint reporting mechanisms (text messages).

Conclusions and Recommendations

The development of this action-research project has opened up dialogue with stakeholders, and enabled the rapid dissemination of lessons learned and incorporation of feedback. This has also encouraged innovation. This approach is seen as a safe implementation method as, rather than identifying why the models have failed as is usually the case, it uses research to test and verify the assumptions to ensure the models are a success. Although the pilots are still ongoing, it has already been established that:

- Involving the private sector in managing water services in small communities can provide an alternative to community-based management and increase the chances of success and sustainability of rural water service delivery.
- Consulting the users / communities and local authorities at an early stage in the process, particularly on key aspects such as the tariff, service level and accountability mechanism, can help increase buy-in to the proposed water sales model.
- It is vitally important to highlight the underlying tension between opposing interests (financial sustainability versus affordability) and to openly discuss the most critical aspects of the model.
- Defining clear performance indicators and clear lines of accountability, both in legal instruments and in accountability agreements is crucial for building trust between partners.
- Linking the real-time monitoring platform to tangible activities all along the lines of accountability provides a better method of monitoring activities.
- Discussing service delivery and access monitoring mechanisms for communities' most vulnerable groups will ensure nobody is overlooked by the service.
- Ensuring that local authorities (e.g. the municipality) understand the need to integrate a water management business plan into their local development plan will help consolidate the sustainability of both the partnership and the service.