

WATER SUPPLY AND SANITATION IN PRSP INITIATIVES

A Desk Review of Emerging Experience in Sub-Saharan Africa (SSA)

**Water and Sanitation Program, Africa
Nairobi
January 18, 2002**

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This paper reports on the current status of an evolving process. Its main aim is to provide an overview of the coverage of water supply and sanitation sector in the PRSP process in the Sub-Saharan African region through a desk review of documents for ten countries. These are the countries in which the Water and Sanitation Program - Africa is actively engaged in providing country level assistance. The author wishes to thank her WSP-AF colleagues, particularly Wambui Gichuri, Mukami Kariuki and Andrew Makokha for sharing their rich experience and insights on the WSS process in the region; Jean Doyen, Parameswaran Iyer and Barbara Evans for their feedback on an earlier draft; and Juliette Malenge and Brazille Musumba for production assistance. While these colleagues have helped to improve the report, responsibility for any errors remains with the author. The views expressed in the report are those of the author and do not necessarily reflect the opinions or policies of the Water and Sanitation Program-Africa or any of its affiliated organizations.

ABBREVIATIONS AND ACRONYMS

ADI	African D evelopment I ndicators
AMIZ	Association of M icro-finance I nstitutions in Z ambia
APL	A adjustable P rogram L oan
CAP	C ommunity A ction P lan
CAS	C ountry A ssistance S trategy
CBRDP	C ommunity- B ased R ural D evelopment P roject (Burkina Faso)
CDC	C ommunity D evelopment C ommittee (Rwanda)
CDF	C ommon D evelopment F und (Rwanda)
COBWAS	C ommunity-based W ater and S anitation P roject (Addis Ababa, Ethiopia)
COMWASH	C ommunity W ater, S anitation and H ygine P roject (Malawi)
CPC	C ommunity P lanning C ommittee
CRDA	C hristian R elief D evelopment A ssociation
CSA	C entral S tatistical A uthority
CSO	C ivil S ociety O rganizations
C-SWAP	C ountrywide and S ector- W ide A pproach
CU	C ommercial U tility
CWIQ	C are W elfare I ndicator Q uestionnaire
DAWASA	D ar es S alaam W ater and S ewerage A uthority (Tanzania)
DCMP	D ecentralized C ity M anagement P roject (Benin)
DHS	D emographic and H ealth S urvey (Rwanda)
DPPF	D istrict P lanning and F inancing P roject (Mozambique)
DPPC	D isaster P revention and P reparedness C ommission
DRA	D emand R esponsive A pproach
DWD	D irectorate of W ater D evelopment (Uganda)
DWST	D istrict W ater and S anitation T eam
EMRO	E conomic M anagement R eform O peration (Mozambique)
ERCP	E conomic R ecovery C redit P roject (Mozambique)
ESAC	E conomic and S ocial A justment C redit (Zambia)
ESP	E nvironmental S upport P roject
ESRDF	E thiopian S ocial R ehabilitation and D evelopment F und
EU	E uropean U ion
FIDP	F inancial I nstitutions D evelopment P roject (Tanzania)
FINNIDA	F innish I nternational D evelopment A gency
GNP	G ross N ational P roduct
GoE	G overnment of E thiopia
GoR	G overnment of R wanda
GoT	G overnment of T anzania
GoU	G overnment of U ganda
HH	H ousehold
HHICE	H ousehold I ncome C onsumption and E xpenditure S urvey
HIPC	H eavily I ndebted P oor C ountries
HLSS	H ousehold L iving S tandards S urvey
HRD	H uman R esource D evelopment
ICR	I mplementation completion report
IDF	I nstitution D evelopment F und
IDG	I nternational D evelopment G oals
IDP	I nstitutional D evelopment P roject (Malawi)
IMR	I nfant M ortality R ate
I-PRSP	I nterim P overty R eduction S trategy P aper
JSA	J oint S taff A ssessment
LATF	L ocal A uthority T ransfer F und (Kenya)
LDF	L ocal D evelopment F und
M&E	M onitoring and E valuation
MENR	M inistry of E nvironment and N atural R esources (Kenya)
MFI	M icro- F inance I nstitutions
MFRDP	M alawi F iscal R estructuring and D eregulation P roject (Malawi)
MMR	M aternal M ortality R ate
MOFPED	M inistry of F inance, P lanning and E conomic D evelopment (Uganda)
MOH	M inistry of H ealth
MOLG	M inistry of L ocal G overnment
MOWLE	M inistry of W ater, L ands and E nvironment (Uganda)
MTDP	M arket T owns D evelopment P roject (Ethiopia)
MTEF	M edium T erm E xpenditure F ramework
MWR	M inistry of W ater R esources

ABBREVIATIONS AND ACRONYMS

NGO	Non Governmental Organization
NPES	National Poverty Eradication Strategy (Tanzania)
NPRAP	National Poverty Reduction Action Plan (Zambia)
NRW	Non-Revenue Water
NWASCO	National Water Supply and Sanitation Council (Zambia)
NWCPC	National Water Conservation and Pipeline Corporation (Kenya)
NWDP	National Water Development Project (Mozambique)
NWSC	National Water Supply Corporation (Uganda)
O&M	Operations and Maintenance
OWSP	Ouagadougou Water Supply Project (Burkina Faso)
PAD	Project Appraisal Document
PADEAR	Programme d'Assistance au Développement du secteur de l'alimentation en Eau potable et de l'Assainissement du milieu Rural (Bénin)
PAF	Poverty Action Fund
PARPA	Plan for Reduction of Absolute Poverty (Mozambique)
PD	Preliminary Document
PEAP	Poverty Eradication Action Plan (Uganda)
PER	Public Expenditure Review
PERAC	Public Expenditure Reform Adjustment Credit (Benin)
PETS	Public Expenditure Tracking Survey
PID	Project Information Document
PIP	Public Investment Program
PPA	Participatory Poverty Assessment
PRS	Poverty Reduction Strategies
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PSACP	Programmatic Structural Adjustment Credit Project (Tanzania)
PSM	Public Sector Management
PSP	Private Sector Participation
PSR	Poverty Status Report
PTF	Participation Task Force (Rwanda)
PURP	Privatization and Utility Reform Project (Malawi)
PUSRP	Privatization and Utility Sector Reform Project (Uganda)
RMFSP	Rural and Micro Financial Services Project (Tanzania)
RWB	Regional Water Board
RWS	Rural Water Supply
RWSS	Rural Water Supply and Sanitation
RWSSP	Rural Water Supply and Sanitation Project (Benin)
SAFP	Social Action Fund Project (Tanzania)
SDP	Sector Development Program
SIF	Social Investment Fund
SIMS	Sector Information Management Systems
SNNPRS	Southern Nations Nationalities Peoples Regional State
SSA	Sub-Saharan Africa
SSIP	Small Scale Independent Providers
SWAP	Sector-Wide Approach
SWB	Scheme Water Board
TA	Technical Assistance
TAS	Tanzania Assistance Strategy (Tanzania)
TPO	Technical population office (Mozambique)
TRCHS	Tanzania Reproductive and Child Health Survey
TSED	Tanzania Socio-Economic database
TSU	Technical Support Unit (Uganda)
TWSU	Town Water Service Unit
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UPPAP	Uganda Participatory Poverty Assessment Project
UPPAR	Uganda Participatory Poverty Assessment Report
UWASNET	Uganda Water and Sanitation NGO network
UWS	Urban Water Supply
UWSS	Urban Water Supply and Sanitation
UWSU	Urban Water Service Unit
VWC	Village Water Committees
VWSC	Village Water and Sanitation Committee

ABBREVIATIONS AND ACRONYMS

WASHE	Water Sanitation and Hygiene Education (Zambia)
WB	World Bank
wb	water board
WBOED	World Bank Operations Evaluation Department
WDR	World Development Report
WES	Water and Environmental Sanitation (Rwanda)
WMS	Welfare Monitoring Survey
WRM	Water Resources Management
WSP	Water Supply and Sanitation Service Providers
WSP-AF	Water and Sanitation Program - Africa
WSS	Water Supply and Sanitation
WWO	Waste Water Outflows
ZAMSIF	Zambia Social Investment Fund
ZD	Zonal Departments

WATER SUPPLY AND SANITATION IN PRSP INITIATIVES
A Desk Review of Emerging Experience in Sub-Saharan Africa (SSA)
EXECUTIVE SUMMARY

New approaches to poverty reduction developed during the last decade are reflected in two new global initiatives - debt relief for the Highly Indebted Poor Countries (HIPC) and development of Poverty Reduction Strategy Papers (PRSPs). These initiatives are especially relevant in Sub-Saharan Africa (SSA) as 32 of the 41 countries initially identified for such support are in this region. This desk review, based on readily available secondary sources of information, provides the main findings for the water supply and sanitation (WSS) component in these Initiatives.

Objective of the Review. The main objective of this review is to identify directions for WSP-Africa support. It covers ten countries with extensive WSP-AF operations: Benin, Burkina Faso, Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia. Key areas of focus are: coverage of WSS sector in poverty diagnostic, strategies in PRSPs, financing issues, WSS sector M&E and the process of PRSP development and implementation.

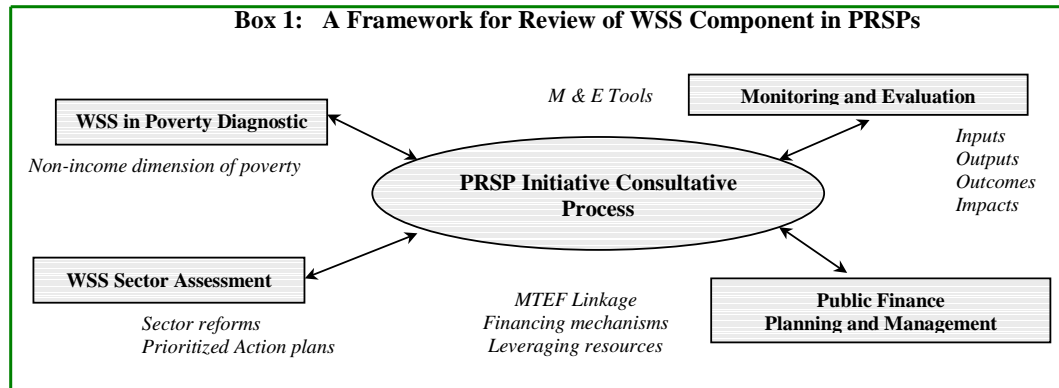
HIPC and PRSP Initiatives – Approach and Status. In response to widespread concerns over unsustainable debt affecting the ability of several poor countries to pursue sustainable development and reduce poverty, the World Bank and IMF launched the HIPC initiative in 1996. HIPC aims at reducing debts to sustainable levels for those poor countries with

‘unsustainable debt’ but are pursuing economic and social policy reforms. The freed resources are to be used to support poverty reduction strategies, developed with civil society participation. The development of PRSPs provides a country-owned framework to strengthen the impact of public action on poverty, and to promote progress towards the International Development Goals. Key underlying principles include: country ownership and commitment; results orientation; comprehensive strategy for different dimensions of poverty; partnerships with a range of stakeholders including: the international agencies, NGOs, academia and private sector organizations; and a medium to long-term perspective for strategies and external commitments.

It is envisaged that the PRSPs will help strengthen the links among poverty reduction, debt relief under HIPC, Bank and Fund lending, and provide a broad framework for all external assistance. All the ten countries reviewed have completed I-PRSPs and four have completed full PRSPs. It is expected that all full PRSPs will be prepared within a year. Uganda and Burkina Faso are well ahead in implementation and progress towards linking the PRSP process to financing arrangements and support for priority expenditure through the new programmatic instrument of Poverty Support Reduction Credit (PRSC).

Key Findings

- **Low Priority:** Despite the importance of WSS in participatory poverty assessments (PPAs), WSS has received inadequate and limited attention in the PRSP initiatives, barring the case of Uganda.
- **Inadequate coverage of WSS sector reforms:** Also, despite the significant ongoing work on sector reforms (in decentralization, RWSS and UWSS), their incorporation in the country PRSP initiatives requires considerable strengthening;
- **PRSP as an Opportunity to Scale-up:** PRSP and the linked MTEF processes provide an opportunity to move to a programmatic approach. This will also help enhance and streamline financing of the WSS sector to support fiscally sustainable strategies for countrywide scaling up of sector reforms. However, this requires greater sector preparedness and capacity building to move to a SWAP.
- **Towards a Sector-wide Approach (SWAP):** To enhance the WSS share in external (programmatic lending) and potential HIPC resources requires a focus on countrywide scaling up of reforms through SWAP - incorporating: institutional reforms, stakeholder capacity building, target-linked investments, financing strategies, and a strengthened sector level M&E system. Case of Uganda provides a regional good practice for SWAP.
- **Evolving Process:** PRSP is an ongoing reform, with opportunity to gradually evolve sector strategies and trigger policy audits. The case of Uganda is illustrative: as the WSS sector inputs have evolved from the full PRSP, the first annual poverty status-report, the ongoing PRSC and an evolving SWAP for WSS.
- **WSP-AF Support** to these initiatives to be through focused support at country level and opportunities for regional work and experience sharing.



A Case for WSS in Poverty Reduction.

Sustainable access to safe water is one of the key indicators of international development goals. WSS is important as a key basic service that generally has a high priority among poor communities. Its links with the non-income dimensions of poverty are derived from: improved living environment, impact on health status especially on women and children, possible impact on improved educational benefits, and reduction of ‘disproportionate burden’ on women. Income benefits may result from reduction in costs of health treatment, time saved from collecting water and more productive time due to decrease in illnesses. For Sub-Saharan Africa the situation is worse for ‘safe’ water access and child/maternal health in relation to education as compared to another poor region, South Asia. Equally, if not more importantly, in several participatory poverty assessments (PPAs), WSS generally emerges as a key priority for the poor (as for example in Uganda, Ethiopia and Kenya).

Review of WSS in PRSPs –Emerging Evidence from Ten Countries. Box 1 presents the framework used for this review, following the three key elements of PRSP:

- understanding the nature and locus of poverty* – by assessing water and sanitation in poverty diagnostic;
- choosing public actions that have the highest poverty impact* – identifying the key sector reforms required and related action plans, and the related issues for public finance; and
- selecting and tracking outcome indicators* – sector monitoring and evaluation systems for water and sanitation.

Findings show mixed results. While water supply is incorporated in most PRSP related documents, its treatment is not comprehensive and is often inconsistent. Detailed development of action plans in relation to the sector strategies adopted or being deliberated in the country, their costing, and development of a sector M&E system require extra attention. Key findings from the review are:

WSS in Poverty Diagnostic:

- Within poverty diagnostic, while “access to safe water” is an important indicator in several PRSPs as a non-income dimension of poverty, in general sanitation receives little or no attention. Even for water, information on regional variations, and quality and utilization of services is generally lacking.
- Findings from PPAs, when reported, generally highlight the priority for water.

WSS Sector Assessment in PRSPs:

- For RWS sector strategy and action plans, though all countries have embarked on *decentralization and demand responsive approaches (DRA) linked reforms for RWSS*, their implementation is weak and reflection in PRSPs needs to be strengthened. Particular weakness seems to be the lack of a clear countrywide strategy within a medium term (3 years) framework, converted to clear targets, action plans and related investment as well as institutional requirements.
- For UWS strategy and actions plans, only 2 of the 7 countries that have introduced reforms for *commercial utilities and private sector participation (PSP)* refer to these in their PRSPs. Particularly lacking is a specific emphasis on access for the poor, a more serious concern in urban areas. Another key area of tariff reforms for WSS is referred explicitly only in Rwanda.

- Sanitation is largely absent from PRSP strategy and action plans, with the exception of Rwanda and Uganda.
- Sector-wide approach with capacity building: Integration of WSS sector with PRSP and MTEF processes is evident in Uganda through the adoption of a sector wide approach (SWAP) and a countrywide approach in sector strategies for urban and rural water supply. Box 2 highlights the WSS-related measures adopted in Uganda within the broad framework of PRSP, MTEF and PRSC. One area that requires greater emphasis in these efforts is a focus on capacity building of sector institutions, local authorities and community organizations within the decentralization framework emerging in most countries.
- WSS priority evident in Uganda reflects both a better sector preparedness supported by WSS priority that emerged in PPAs. In Uganda, the share of Ministry of Water, Lands and Environment in total country-level development expenditure has increased from 11 to 13 percent, from 1999/00 to 2001/02. WSS allocation for 2001/02 is estimated to be about 9 percent of total development expenditure, more than a fifth of which is given directly to the district governments through the Poverty Action Fund (PAF).

Public Finance Issues:

- All the countries reviewed have initiated medium term expenditure framework (MTEF), with an aim to move gradually towards programmatic budget-based aid. However, effective integration of WSS in this process is at varying stages, resulting often in its low priority. Emphasis needs to be on converting broad WSS strategies to time-bound and costed action plans within a countrywide and medium term framework. This lacuna is possibly a reflection of the continued emphasis in WSS

sector on externally funded projects and inadequate sector emphasis on a programmatic and countrywide approach with outcome-linked policy reforms and investments.

- Development of an appropriate financing mechanism is essential to protect and efficiently utilize the priority sector expenditure. This is illustrated by the case of Kenya, where the low WSS share in development expenditure is further affected by inability to protect WSS share in the ‘bidding’ process and actual outturns being significantly lower than allocations. There is a need to review and assess some of the mechanisms used in this regard, such as: the Poverty Action Fund and conditional WSS district grants in Uganda, the ‘conditionality reformulation’ measure used in Burkina Faso, and the proposed Common Development Fund (CDF) in Rwanda. Such mechanisms along with a sector-wide approach will provide means to integrate donor commitments in a programmatic approach.
- While most PRSPs emphasize leveraging ‘other’ resources, these issues are not addressed within the WSS sector. Besides exploring private sector and micro-finance options, other potential measures include: enhancing WSS sub-projects in social investment funds through strengthening social intermediation support, tariff reforms and regulatory framework to make WSS more bankable, and sustainable guarantees to help create WSS related credit histories.

Monitoring and Evaluation:

- Initial emphasis in M&E systems suggested in PRSP documents is on impact monitoring. In this regard there is a need to review the WSS component in the planned/ongoing countrywide multi-sectoral surveys and analysis. Special emphasis on WSS is necessary in integrated household surveys, service delivery surveys and

Box 2: Uganda - Key Measures for WSS in PRSP

- Enhanced WSS allocation following results of Participatory Poverty Assessments
- Countrywide and sector-wide approach (SWAP) for WSS, backed by action plans and investment requirements, three year targets for policy reform, and action plans with linked allocations and monitoring (output and outcome) indicators
- Supporting institutional changes within decentralization framework – District Water and Sanitation Teams to take over WSS and central government to play a supportive role, and a private sector-based maintenance strategy
- WSS allocations made a part of priority investments under Poverty Action Fund (PAF) –protect allocations and enable rigorous monitoring through PAF monitoring committee
- Sector M&E for WSS increasingly integrated with overall M&E systems in the country
- WSS included as one of the three key sectors under PRSC along with education and health

PPAs.

- A key weakness appears to be the input, output and outcome monitoring in most countries, the only exception being Uganda where this is being introduced. In Uganda, emphasis is also being placed on enhancing transparency in monitoring, especially at the local / district levels. Importantly, M&E should not be confined only to an externally funded project, but developed in a sector-wide perspective.
- Uganda experience also highlights the importance of linking the M&E system with the overall PRSP and MTEF planning process as highlighted in Box 3.

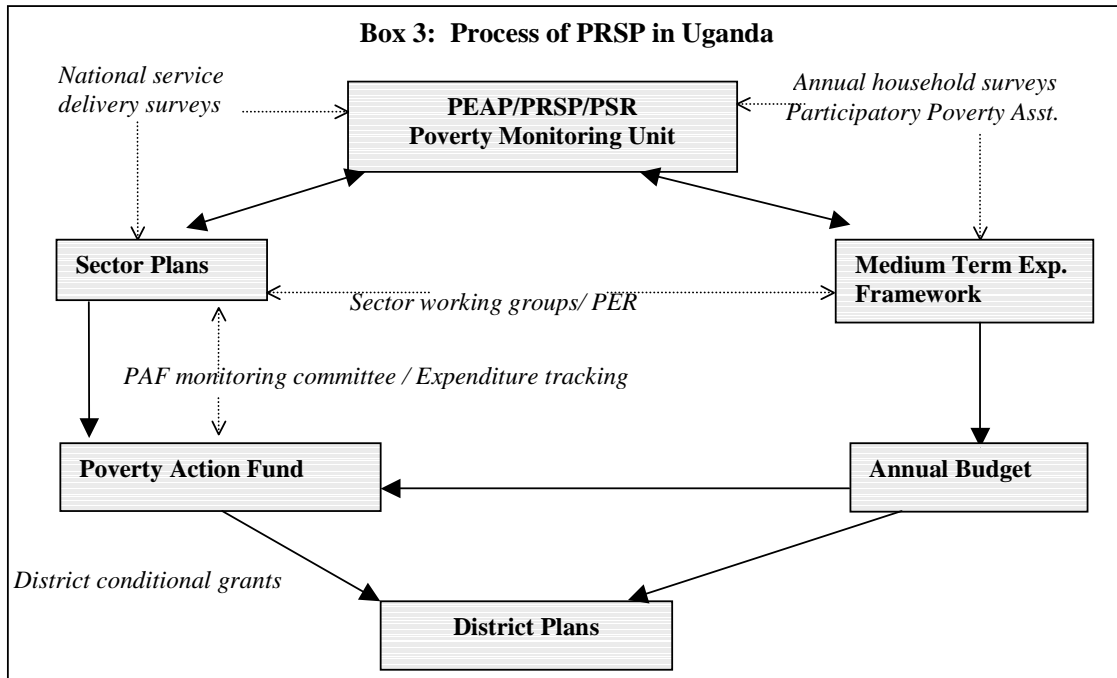
Process of PRSP Preparation

- The Ministry of Finance and Planning leads the PRSP process in all the countries. Related key arrangements are: a committee of ministers indicating the highest political commitment, a committee of permanent secretaries for macro-coordination, a technical committee to coordinate consultations and actual drafting,

and sectoral working group with wide stakeholder participation. Efforts to solicit civil society participation and deepening it to regional and local levels are also being made.

- Based on available documentation, it is difficult to assess the extent and role of consultations in WSS sector. In general, however, links between PRSP consultation process and sectoral planning process need to be strengthened, as in Uganda (Refer to Box 3). This requires a better institutional positioning of sector Ministry and a common platform for dialogue and coordination with the donor community.

- Within the WSS sector, however, attention needs to be on improved and sector wide input / output monitoring using expenditure tracking surveys, participatory service delivery surveys, as well as better sector capacity and preparation (within a SWAP framework) for effective integration with the PRSP and MTEF processes.



Exploring WSP-AF Support for WSS in PRSPs. The review highlights PRSP as an ongoing process with the possibility of continued improvement over different phases from the interim PRSP to PRSC. There is also a clear move towards programmatic and budget-based external aid that will require a clearer definition of countrywide strategies and related outcomes for the sector. WSP-AF is already active in these ten countries, and has been assisting the governments in developing WSS strategies for both rural and urban areas. Integrating WSS in the PRSP requires focusing this same support to enhance the WSS priority in the PRSP process. The critical actions in this regard are:

- Need to establish priority for WSS, with a focus on the poor – *make a case*;
 - A well prepared WSS strategy to fit with a countrywide and sector-wide approach (C-SWAP) including: a policy matrix for: institutional reforms and capacity building, related action plans and ‘prioritized’ investment requirements for the medium term, and a strengthened M&E system; and
 - WSS sector integration with wider PRSP, MTEF and poverty M&E processes.
- In this background, WSP-AF support will be through regional and country level activities:

Regional Support: to country level activities:

- *A case for WSS in poverty reduction:* through a comparative analysis of WSS and
-

other social indicators, observed priority given to WSS in different countries through PPAs, financial allocations and institutional emphasis;

- *Best practice documentation:* to document the process of WSS sector planning and integration as well as for specific elements such as monitoring tools, development and costing of action plans within a countrywide strategy for WSS, and MTEF coordination; and
- *Experience sharing:* through a regional meeting of water sector institutions, officials and other key stakeholders in the PRSP process from interested countries.

Country support: introduce ‘demand based’ integration of WSS in PRSP process as a part of the ongoing country level support in two or three countries over the next three years with a focus on:

- assessing the priority for WSS within poverty reduction in the country context;
- developing policy matrix, action plans, feasible targets and costs reflecting a countrywide strategy within medium term framework and SWAP;
- delineating the poverty linked WSS investments and reviewing related financing mechanisms;
- integrating WSS indicators in PRSP-linked impact monitoring surveys; and
- developing and implementing an ‘input, output and outcome’
- related WSS sector M&E strategy.

1.0 BACKGROUND

1. New approaches to poverty reduction developed during the last decade are reflected in two new global initiatives - debt relief through the Highly Indebted Poor Countries (HIPC) initiative and development of Poverty Reduction Strategy Papers (PRSPs). These are especially relevant in Sub-Saharan Africa (SSA) as 32 of the 41 countries initially identified for such support are in this region. This note provides the main findings of a preliminary desk review¹ of the water supply and sanitation (WSS) component in these exercises.

1.1 Objectives of the Review.

2. Main objectives of the review are to develop a framework for WSS integration within the PRSP process and identify key areas of focus and directions for possible support from the Water and Sanitation Program – Africa Region (WSP-AF) in this activity. Key areas of inquiry include: coverage of WSS sector in poverty diagnostic and priority strategies, inclusion of WSS in macro financial planning and overall M&E within the PRSP process. It covers ten countries with WSP-AF operations i.e. Benin, Burkina Faso, Ethiopia, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia. See detailed country briefs in Annex 1.

1.2 HIPC and PRSP Initiatives – Approach and Status.

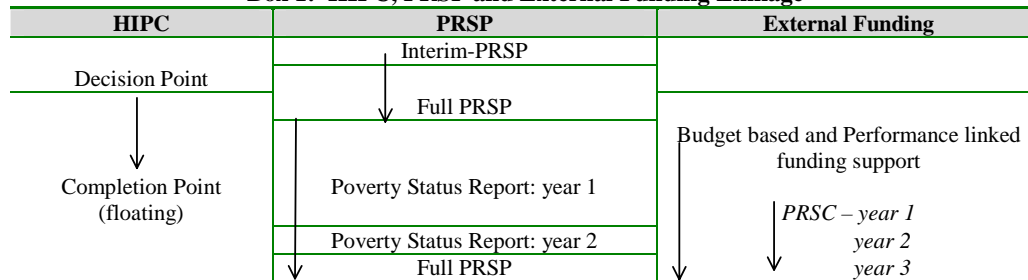
3. In response to widespread concerns over unsustainable debt affecting the ability of several poor countries to pursue sustainable development and reduce poverty, the World Bank and IMF launched the HIPC initiative in 1996. It envisages reducing debts to sustainable levels for those poor countries pursuing economic and social policy reforms, and where traditional debt relief measures will not be adequate. In 1999, a major review of the three-year experience, with a global consultative review with NGOs, churches and a wide spectrum of civil society, led to three key enhancements that provided for: deeper and broader debt relief, faster debt relief, and a stronger link between debt relief and poverty reduction. Freed resources are to be used to support poverty reduction strategies, developed with civil society participation. Under the enhanced HIPC initiative two stages are envisaged: i) Decision point, after the country has established economic and social reforms and policies for poverty reduction, with support from the World Bank, IMF and others, and the debt is assessed to be unsustainable, linked to the preparation of an Interim PRSP (I-PRSP); and ii) Completion point, for initiating assistance in response to actual implementation of policy triggers identified under the Decision Point.

4. The development of PRSPs provides a country-owned framework to strengthen the impact of public action on poverty, and to promote progress towards the International Development Goals (IDGs) and reducing poverty in its various dimensions. It is also linked to the country's access to debt relief under the enhanced HIPC initiative. The key principles underlying the PRSPs include: country ownership and commitment; results orientation; comprehensive strategy dealing with different dimensions of poverty; partnerships with a range of stakeholders including the international agencies, NGOs, academia and private sector organizations; and a medium to long-term perspective for strategies and external commitments.

5. While the specific PRSP will be country-driven and will evolve in the given country context, three key elements common to these efforts become apparent. These are: a) 'understanding the nature and locus of poverty' based on a multi-dimensional poverty diagnostic to enable a comprehensive exploration of poverty determinants; b) choosing public actions for the highest poverty impact, including both social sector programs, and, actions on macro-economic fronts and in other sectors; and c) 'selecting and tracking outcome indicators' for the chosen poverty reduction outcomes to support policy and program adjustment as needed.

¹ It is based on secondary sources of information, including country PRSP documentation, other PRSP studies / reviews, and available WSS sector reviews and project documents for different countries. The review covers PRSP developments in countries mainly till August 2001.

6. It is envisaged that the PRSPs will help strengthen the links among poverty reduction, debt relief under HIPC, and Bank and Fund concessional lending, and also provide a broad framework for all external assistance (Refer to Box 1). For this, PRSPs will also need to be linked to the development of a medium term expenditure framework (MTEF) under public sector management (PSM) reform. Participatory monitoring is a key element of the PRSP process, through annual progress reports on implementation and a suggested full participatory update every three years.

Box 1: HIPC, PRSP and External Funding Linkage

7. *Status of PRSP in Sub-Saharan Africa.* All ten countries have completed I-PRSPs and four have completed full PRSPs. It is expected that all full PRSPs will be prepared within a year. Poverty levels vary from 20 to 70 percent for the \$1 a day measure and from 35 to 75 percent for the headcount measure based on nationally defined poverty lines. Rural poverty is generally higher, though information on these differences is limited. Only Uganda has over the past decade managed to reduce the poverty levels to about 35 percent. Uganda and Burkina Faso seem to be well ahead in implementation and progress towards linking the PRSP process to financing arrangements and support for priority expenditure through the Poverty Support Reduction Credit (PRSCs). Several countries have initiated linking PRSPs to Public Expenditure Reviews (PERs), MTEFs and other PSM reform.

Table 1: Status of PRSPs in Selected Countries

Country	Status of PRSPs	Status under HIPC Initiative		Key Expected Milestones
		Dec Point	Com. Point	
1 Benin	I-PRSP completed	Jul '00	Floating	Full PRSP, PRSC,
2 Burkina Faso	Full PRSP completed	Jul '00	Floating	Annual status report, Completion point, Second PRSC,
3 Ethiopia	I-PRSP completed	Nov '01	N/A	Full PRSP
4 Kenya	I-PRSP completed	N/A	N/A	Full PRSP
5 Malawi	I-PRSP completed	Dec '00	Floating	Full PRSP
6 Mozambique	Full PRSP completed	Apr '00	Sep '01	Annual poverty status report
7 Rwanda	I-PRSP completed	Dec '00	Floating	Full PRSP
8 Tanzania	Full PRSP completed	Apr '00	Nov '01	Annual poverty status report
9 Uganda	Full PRSP completed First Status Report completed	Feb '00	May '00	Second PRSC, second annual status report
10 Zambia	I-PRSP completed	Dec '00	Floating	Full PRSP

Sources: Based on the latest available information from Bank's HIPC / PRSP websites, as of December, 2001

Notes: i) For the HIPC initiative, details are for the enhanced HIPC initiative; ii) next milestones are estimated on the basis of available information; iii) While Kenya is considered to have sustainable debt, it has also completed its I-PRSP and a full PRSP has already been tabled in the parliament, iii) Though Mozambique has completed the full PRSP, this desk review was done using only the I-PRSP for Mozambique.

Table 2: Population, Income and Poverty

Country	Population			Income		Poverty			
	Total 1998	Urban 1998	Urban Growth (%/annum) 1990-98	Per capita GNP (US\$)	Growth (%/annum) 1998-99	Population below \$1 a day	National Poverty line headcount (% of population below poverty line)		
							Total	Urban	Rural
1 Benin	5.9	40.7	5.1	380	5.1	N/A	34		
2 Burkina Faso	10.7	17.5	5.6	240	5.2	33.3	45	16	51
3 Ethiopia	61.3	16.7	5.1	100	7.4	31.3	45	33	47
4 Kenya	28.8	31.3	6.3	360	0.5	26.5	52	49	53
5 Malawi	10.5	22.3	9.5	190	N/A	N/A	60		
6 Mozambique	16.9	37.6	6.9	193	8.6	37.9	69	62	71
7 Rwanda	8.1	6.0	2.5	250	7.5	35.7	65		
8 Tanzania	32.1	30.5	8.0	240	5.6	19.9	51		
9 Uganda	20.9	13.5	5.6	320	7.7	36.7	35	10	39
10 Zambia	9.7	39.4	2.8	320	2.6	72.6	73	56	83

Sources: i) Population total, Urban % and Growth: World Bank (ADI-2001e- Table 13-4; ii) All income related: World Bank (WDR, 2000f); iii) Poverty: Population below \$1/day: World Bank (WDR, 2000f); National poverty line headcounts: Benin - Government of Benin (2000)- I-PRSP, p.2, Burkina Faso - Government of Burkina Faso (2000), PRSP, p. 7, Ethiopia - Government of Ethiopia (2000), I-PRSP, p. 3, Kenya - Government of Kenya (2001) - PRSP, p.12, Malawi - Republic of Malawi (2000) - I-PRSP, p. 11 (Malawi PD reports only 45% and ADI-2001 reports 54%), Mozambique - Republic of Mozambique (2000)- PARPA, p. 27, Rwanda - IDA (2000)- I-PRSP, p. 3, Tanzania - Government of Tanzania (2000) and World Bank (ADI-2001e), p. 309, Uganda for 2000 - Government of Uganda PSR, (2001b), p. 24, (corresponding estimates for 1992 are: 56, 28 and 60 and for 1997: 44, 17 and 49), Zambia, Government of Zambia (2000) I-PRSP, p.30, data for 1998. Total poverty in Zambia has increased from 69% in 1996, and urban poverty from 46% in 1996.

1.3 A Case for WSS in Poverty Reduction

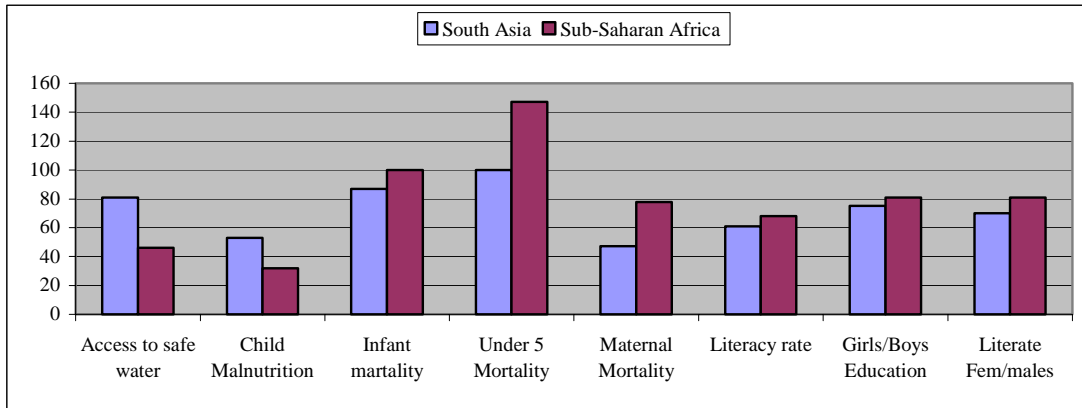
8. The strategic sectoral priorities in the PRSPs of each country are to be evolved in the given context through stakeholder consultation and participation. At the same time, this is also deemed to be within the framework of International Development Goals. Sustainable access to safe water is one of the key indicators of international development goals. WSS is an important component of PRSP for any country mainly as a key basic service that generally has a high priority among poor communities. Its links with the non-income dimensions of poverty are derived from: improved living environment, impact on health status, especially of women and children, possible impact on improved educational benefits and reduction of 'disproportionate burden' on women. Additional income benefits may also result from reduction in costs of health treatment, time saved from collecting water and more productive time due to decrease in illnesses.

9. To enable some of these benefits to flow towards poverty reduction, improved and sustainable access to safe water and sanitation become imperative. For Sub-Saharan Africa the situation is worse as regards 'safe' water access and child /maternal health than for education in comparison with another poor region, South Asia (Refer to Box 2). This would suggest the need for a priority for water and sanitation sector in SSA in general. This view is strengthened by a comparative analysis of status on social indicators in the ten countries reviewed here. This suggests similar results, that is a higher WSS priority required among social sectors for countries such as Kenya, Ethiopia, Rwanda, Tanzania and Zambia (Refer to Table A2a).

10. Equally, if not more importantly, in all participatory poverty assessments (PPAs), WSS has generally emerged as a key priority for the poor (as in Uganda, Zambia, Kenya, Ethiopia and Rwanda). This priority for WSS would need to be reflected in different ways, namely, by greater investment allocations, better institutional positioning within central ministries and inclusion of WSS in macro analysis related to PER, MTEF and impact monitoring. Interestingly, in the case of Uganda, although detailed findings of PPA are not reported, the 1999 PPA findings suggested that water was an important dimension for poor communities. These findings led to revising Uganda's first PEAP with greater emphasis on water and sanitation in public expenditure to be financed from the debt relief from the enhanced HIPC approved for Uganda in 2000 and the first PRSC that was recently approved (Mackinnon and Reinikka, 2001, p. 27). This is discussed further in the next section.

Box 2: Relative Performance of Sub-Saharan Africa on Social Indicators

Performance of the Sub-Saharan Africa region on some of the key social indicators highlights its relatively worse status regarding access to safe water as compared to other development indicators as education. While performance of Africa region appears better on access to sanitation facilities, benefits from these may not accrue fully with inadequate access to water. Relatively poor performance on selected health indicators as child and maternal health may also be linked to inadequate access to safe water. This clearly suggests the need for a greater emphasis on access to safe water. However, this is not reflected in most PRSPs in the Africa region.

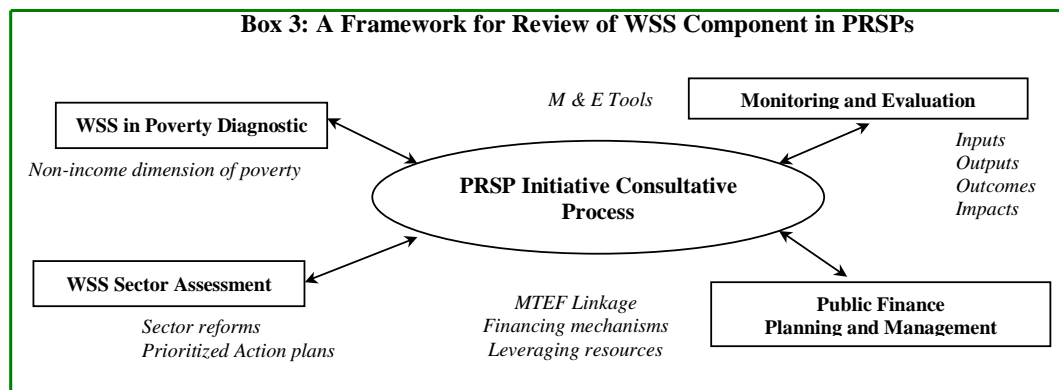


Source: Based on information on Indicators for International Development Goals (IDGs), refer to IDG (2001) and Table A2b for details.

2.0 REVIEW OF WSS IN PRSPS –EMERGING EVIDENCE.

11. Integration of WSS component within PRSPs is reviewed from the perspective of five key elements common to PRSP development as illustrated in Box 3:

- under *Poverty Diagnostic*, WSS coverage in overall poverty assessment is reviewed;
- under *Sector Assessment*, WSS coverage in sector reforms /action plans under PRSP strategy is reviewed;
- under *Financial Planning*, issues related to WSS integration in MTEF, type of financing mechanisms for priority expenditure and measures to leverage ‘other’ resources are reviewed;
- under *Monitoring and Evaluation* (M&E), WSS integration with overall M&E system and nature of indicators and tools for WSS are reviewed; and
- under *Process for PRSP Preparation*, the overall planning process is reviewed to assess the implications for the integration of the WSS component in the PRSP exercises.



2.1 WSS in Poverty Diagnostic.

12. Table 3 presents a broad overview of water and sanitation status in these countries, using the comparative information from African Development Indicators². Generally, in almost all countries, the urban situation is better than the rural. Interestingly however, access to sanitation is better than that for water in some of the countries. In general, access to water in the region is poor, as is evident in the comparison with South Asia (Refer to Box 2). This is especially apparent in Burkina Faso, Ethiopia, Uganda and Mozambique, all with less than 40 percent coverage. Conditions have clearly improved in Uganda under the implementation of action plans for rural water supply under the PRSP.

² A word of caution is needed on the information, as access may be defined differently across countries.

Table 3: Access to Water and Sanitation – Status and Reporting in PRSPs

	Country	Access to Safe Water Supply (% of population) 1993-99				Access to Sanitation Facilities (% of population) 1993-99			
		Total	Urban	Rural	PRSP?	Total	Urban	Rural	PRSP?
1	Benin	50	41	53		20	54	6	
		56	71	46	Y				
2	Burkina Faso	35			Y	18	78	11	Y
3	Ethiopia	27	90	20		8			
		30	70	28	Y				
4	Kenya	53	67	49	Y	77	69	81	Y
		57	81	34					
5	Malawi	45	52	44		53	70	51	
6	Mozambique	32	40	17		21	53	12	
				12	Y				
7	Rwanda			44					
		44			Y				
8	Tanzania	49	65	45		86	97	83	
				45	Y				
9	Uganda	34	47	32		57	75	55	Y
		51	60	50	Y				
10	Zambia	43	64	27	Y	23	40	10	
		55	87	37					

Sources: World Bank - African Development Indicators, (ADI 2001e), p. 316-7. For Burkina Faso, information for water is from World Bank (WDR-2000f), For PRSP related information: Benin- Government of Benin (2000) I-PRSP, p. 2, Ethiopia –Government of Ethiopia (2000) I-PRSP, p. 28, Kenya – Government of Kenya (2001) PRSP, p. 15, Mozambique -Republic of Mozambique (2000) I-PRSP, p.60, Rwanda- IDA (2000) I-PRSP, p. 4, Tanzania – Government of Tanzania (2000) I-PRSP, p.9, Uganda-Government of Uganda (20001c) PSR, p.41, Zambia- Government of Zambia (2000) I-PRSP, para 17. Note: Figures in shaded rows are those reported in the relevant PRSP documents. Information is for the latest available year.

13. A key issue in measuring sector performance is an appropriate definition of a ‘safe’ source for water. Most surveys and statistics define traditional sources as being unsafe and only piped systems or ‘protected’ springs and wells as being safe. It is possible that the traditional sources are safe but input in handling the water while collecting and transporting is required. Publicly provided ‘safe’ water on the other hand will not result in desired health benefits if issues of handling during collection and transportation are not adequately addressed. Adequacy of the source and level of service will also need to address the issues such as: ‘adequate’ consumption levels, time spent in collecting water, and functionality and reliability of a source. Such issues will need to be addressed for outcome monitoring for WSS within poverty M&E system³.

14. Tables 3 and A3 provide brief highlights of the WSS status and its coverage in the related poverty diagnostic in PRSP documents. Key findings from the review suggest:

- while “access to safe water” is an important indicator in several country PRSPs as a non-income dimension of poverty, in general sanitation receives little or no attention;
- even for water, information on status is not reported adequately, with only four countries reporting on full current status of rural/urban differences (Refer to Table 3). Information on the quality of services (functionality, reliability) and utilization of facilities is also almost completely lacking, the only exception being Uganda (Refer to Table A12). On the other hand, such information for education and health facilities is available in several PRSPs;
- potential links of WSS with improved performance in other sectors (Refer to Table A1) is recognized in qualitative terms in some PRSPs but never fully explored (Refer to Box 2);
- socio-economic and regional variations in WSS status within the country are generally not reported. Even when reported, full detailed information is not presented. Except for Kenya, no other country has reported relative WSS status for Peri-urban areas where WSS status is likely to be very different (Refer to Box 4);
- in most cases, there is no attempt made to compare the country status with regional and global performance across different dimensions of poverty in order to derive relative priority for different sectors (Refer to Box 2 for a comparison of SSA with South Asia); and

³ See Section 2.4 for further discussion on the M&E system.

- some countries have carried out participatory poverty assessments (PPAs), which generally reveal a WSS priority by the poor, whenever reported in the PRSPs.

Box 4: Some Highlights of Qualitative aspects of WSS and Poverty Reported in PRSPs/PPAs

Benin: Women more likely to suffer from a lack of access to safe water (Government of Benin, 2000, p. 3)

Kenya: “Access to water and sanitation varies by poverty status and locality. Two thirds of the rural poor do not have access to safe drinking water and 72.2 percent of the poor had no access to sanitary facilities” (p. 14), “In urban areas large populations living in informal settlements within the towns and cities have no access to safe water”. Both women and men identified lack of water as an important aspect of poverty. (Government of Kenya, 2001, Draft full PRSP, p. 11)

Tanzania: In rural areas, about 30 percent of the water supply facilities are not functioning properly. Those using unprotected water sources in urban areas are likely to be poorer. Outbreaks of cholera and waterborne diseases affect mostly low-income neighborhoods/households that have no access to piped water. Moreover, many poor families rely on water vendors who charge rather heavily for their service, or spend a substantial amount of their time fetching water (Government of Tanzania, 2000, p.9).

Zambia: As a result of the increase in unplanned settlements, urban access to clean water has marginally declined from 90 percent in 1991 to 87 percent in 1999 (Republic of Zambia, 2000, I-PRSP, para. 17).

Ethiopia: In rural areas, the number one problem leading to poverty and ill-being is drought, mostly caused by rain short-fall. Some of the effects of drought are that “rivers dry up and women have to travel for long hours to get a pot of water; cattle die due to the lack of water; backyard gardens that had been a major source of food security for many become useless. In urban communities, absence of vital services, including among others water and sanitation is the third most important problem identified by the poor (Rahmato and Kidanu, 1999, pp. 70-72).

Uganda: Under causes of poverty that require redress, the poor put emphasis “on limited access to safe water as the major cause of the high incidence of disease, which was accorded high priority in Community Action Programs (CAPs)” (Government of Uganda (UPPAR) 2000g, p.xiii). Inadequate access to clean water affects education and livelihoods through reduced time availability (p. 94). Priority problems across the 9 districts indicated that “lack of proximal sources of safe water” in rural and urban areas were ranked second only to lack of roads and poor transport in rural areas (p. 39). Effect of inadequate access to latrines and a lack of awareness were also recognized to affect quality of water (p. 96). Key barriers were identified as long distances, seasonal shortages and lack of awareness (p. 99).

15. *Directions for WSP-AF support:* Though the actual reporting of WSS status and its links with poverty is very limited in the PRSP documents, there is considerable emphasis being placed on monitoring outcome indicators for PRSPs. Most countries have a wide variety of socio-economic surveys being conducted either on a regular basis in the country or as a part of the PRSP process (refer to Annex Table A3 for details). It would be important to review the WSS component in these surveys in order to integrate WSS information as a part of the country’s ongoing surveys for poverty outcome indicators. Equally importantly, PPAs being carried out in countries on a periodic basis need to be reviewed for the WSS content. This is discussed further in the M&E section below. More specifically, the WSP-AF focus should be on:

- Reviewing WSS inclusion in country level outcome monitoring
- Developing a conceptual framework and evidence on WSS-poverty linkages
- Contributing to and ensuring WSS inclusion in ongoing participatory poverty assessments (PPAs) and identify main findings from the completed PPAs

2.2 WSS Sector Assessment.

16. The review of WSS coverage in PRSPs is done for the overall WSS strategy and three key areas of reform, namely decentralization; implementation of DRA for RWS; and commercialization and PSP for UWS (Refer to Tables A5 to A9 for brief highlights of their coverage in PRSP exercises for each of the ten countries). While reviewing these, a distinction needs to be made between I-PRSPs

that are essentially meant to demonstrate the government's commitment to poverty reduction and indicate a clear road map for a full PRSP, and full PRSPs, which spell out the priorities and detailed action plans. Some countries that have already been engaged in preparation of poverty reduction plans, even I-PRSPs provide considerable details of broad strategic approach. Inclusion or otherwise of WSS issues in I-PRSPs do provide an idea of the importance being given to the sector. Full PRSPs are expected to provide details of strategies and ensure links with the macro financial constraints through the MTEF exercises.

17. The review of experience in ten countries shows mixed results. While WSS is incorporated in most PRSP related documents, treatment is not comprehensive and often inconsistent across the same document. In general, compared to RWSS, UWSS seems to have received far less attention in most PRSPs. More detailed development of action plans in relation to the sector strategies adopted or being deliberated in the country and their costing, as well as development of appropriate monitoring indicators and their incorporation in the overall PRSP M&E system requires further attention.

18. **WSS Sector Policy and Strategy.** Many of the countries reviewed here have developed or have initiated development of an overall WSS policy at the national level and either overall or sub-sector or region specific WSS strategies. However, their reflection in the PRSPs is inadequate, with the only real exception being Uganda (Refer to Table A5 for details). This is of concern as the overall review suggests that a key weakness in the WSS component appears to be the lack of a countrywide strategy with related policy reforms, action plans and related investment requirements in a medium term framework.

19. It is important to recognize sector reform and appropriate institutional arrangements are critical to ensuring sustainability of WSS investments. Without this, there is sufficient evidence to show that facilities will not be maintained and operations will be inefficient and ineffective. Additional resource flows without the sector and institutional reforms will thus only yield negative results. Milestones for sector reforms need to be developed within a medium term framework with clear monitorable outcome targets (Refer to Annex Table A4 for an illustration of the Uganda policy matrix).

20. **Decentralization of Service Delivery.** Since early nineties, several SSA governments have initiated decentralization of responsibilities and related powers along with financial resources to lower levels of government in expectation of improved efficiency and effectiveness as well as increased local accountability. A major transfer of responsibility is for delivery of services, of which WSS is perhaps the most suited to local level planning and management. WSS reform implications within decentralization need to be assessed cautiously, as in some of the smaller countries where community management is already prevalent. For example, in Benin it may result in recentralization of privately managed small schemes and may not benefit the poor unless adequate measures are taken to ensure local accountability. However, if done properly, decentralization will provide the institutional setting for community driven development and private sector participation in delivery of WSS services. While decentralization has been introduced as a key development agenda in all the countries reviewed, its successful scaling up towards a coherent implementation strategy is at various stages of development. Broad reform and related capacity building support are essential in supporting the decentralization agenda. A number of issues need to be addressed in this regard, namely:

- transfer of WSS responsibility to local authorities along with transfer of staff,
- related reform/restructuring of water utilities or central/state level WSS organizations to enable them to play facilitating and enabling roles;
- fiscal aspects for a better match between expenditure assignments and local resources for local authorities,
- strengthening local authority finances and capacity to perform these new functions;
- incentives for the local authorities to ensure access of the poor to improved WSS delivery; and
- introduction of tariff reforms, and an independent framework for economic regulation.

21. Decentralization is an important governance agenda in all the countries under review. This is also generally reflected in the PRSPs and it is worth mentioning that seven of the ten countries have cited this under improved governance. However, there is inadequate clarity with regard to action plans, as

only five countries have articulated these in detail (Refer to Box 5 for details). Furthermore, details of the known aspects of decentralization such as functional and fiscal devolution and the constraint of local authority capacity, do not receive adequate emphasis in other countries. More importantly, the implication of decentralization on WSS sector reforms is not discussed in most PRSPs, with the exception of Uganda. Table A5 provides brief highlights of all 10 countries.

Box 5: Decentralization –Illustrative Examples of Action Plans in PRSPs

Tanzania:

- Annual review of local resources and transfers included to ensure viability of local finances
- Local government reform: capacity building and financial management systems for improved delivery of services – to cover all districts by end of 2002/3

Kenya:

- LATF and Oversight Board operationalized under I-PRSP and continued in the Draft PRSP
- Measures to improve local resource mobilization and financial management of local authorities

Uganda:

- Setting up district level water and sanitation teams (DWST) with support from technical support units (TSU) set up by Directorate of Water Development through institutional restructuring
- District conditional grants for water and sanitation provided under PAF

Benin:

- Adopt an action plan for implanting devolution policy
- Implement a monitoring system for local government budgets

Malawi:

- Review legislation in conflict with Local Government Act and determine fiscal decentralization
- Sector ministries to devolve functions to local assemblies

22. ***Demand Responsive Approach (DRA) in Rural WSS.*** Most countries in SSA have attempted to introduce DRA in rural WSS with a focus on community in planning, management and delivery of WSS services in rural areas. DRA would enable communities to make informed choices and requires them to contribute towards investment and meet full operational costs. It is envisaged that the DRA will inculcate a sense of ownership of facilities and with appropriate capacity building support will enhance sustainability of WSS services provided.

23. Within SSA, three models for DRA implementation are evident: a) a special externally funded project through a central sector agency as in Benin, b) through local governments within a decentralization framework as in Ethiopia, Kenya, Rwanda, Uganda and Tanzania, and c) through social investment funds as in Ethiopia, Tanzania, Zambia and Malawi. Recently, Ethiopia and Tanzania are also exploring special water investment funds. These models are not exclusive and often operate in parallel. There is an occasional emphasis on developing the private sector capacity especially for maintenance. More advanced versions of private sector participation with performance linked contracts have still not been explored for RWS in these countries⁴. However, for smaller towns, a variety of PSP models are being explored as in Uganda and Kenya.

24. While many pilot or region-focused projects have been taken up using the DRA approach in most countries, a key issue has been its countrywide scaling up. This is dependent on fiscal aspects (adequate resources possibly requiring a major reallocation of public expenditure and the need to leverage limited public resources) and capacity at the central and decentralized levels (to facilitate the DRA implementation process). Key issues in this regard are:

- appropriate forms and scale of community organizations;
- adequate support for capacity building and for informed choices by communities within a framework of rules defined in the context of available resources;
- assessment of investment requirements in relation to feasible countrywide targets;
- enhancing and maintaining expenditure priority for water supply and sanitation; and

⁴ Such a private sector approach is being explored in Paraguay for small town water supply (Bakalian and Drees, 2001). Similar approaches from telecom and roads have also been used in Latin America (refer to Cannock, 2001 and Liautaud, 2001).

- support to communities for meeting their contributions through appropriate financing strategies, including micro-finance or community based financing systems.

Box 6: Rural Water Supply in PRSPs – Illustrative Example from Uganda

Uganda's RWS component in the PRSP and PRSC comprise six interrelated factors to strengthen the planning and management systems for WSS in decentralized service delivery:

Clear coverage targets: to be achieved over the medium and long term in relation to capacity constraints and financial feasibility – sustainable coverage to reach 65% by 2005 and 100% by 2015.

Sector wide approach (SWAP): sector wide approach to be developed in coordination with donors and endorsed by all stakeholders

Institutional restructuring: With decentralization, all districts to have fully staffed District Water and Sanitation Teams (DWSTs) and MOWLE/DWD to be reorganized to support through fully staffed Technical Support Units (TSUs)

Private sector based maintenance strategy: Countrywide maintenance strategy to be developed with full cost recovery for O&M and private sector participation

District conditional grants for RWS: District conditional grants for RWS enhanced and routed through the Poverty Action Fund (PAF) to ensure priority allocation

Monitoring and evaluation: Clear monitorable targets for outputs and outcomes related to policy matrix as well as WSS coverage. Monitoring linked to support through PAF and PRSC.

Source: Government of Uganda (PEAP-2000c), Government of Uganda (PSR-2001c), World Bank (PRSC-2001c), and refer Annex Table A4.

25. Thus, within RWSS, there is a greater clarity of approach for pro-poor strategies and the emphasis needs to be on appropriate implementation strategies for countrywide scaling up. The review suggests that PRSP in tandem with MTEF would provide a good opportunity for countrywide scaling up of demand responsive approaches for rural water supply. However, with the exception of Uganda, no country has adequately elaborated the DRA framework for RWS in the PRSP. An attempt has been made for Kenya to articulate the policy reforms and action plans, though only for one year and not within a medium term framework of 3 years. This is despite the fact that in several countries, there is considerable progress in development of a demand responsive approach and overall development of the RWS strategy. Table A7 provides details for all 10 countries. Box 6 provides the key highlights for Uganda where an overall strategy is being developed and implemented for countrywide application of DRA to rural water supply.

26. **Commercialization and Private Sector Participation for Urban WSS.** Parallel to the DRA in RWS, is the development of commercial orientation of utilities for UWS. Several countries have initiated reforms in this regard and these include: Benin, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia. In most cases, the utilities are being reformed and supported for 'real commercialization' and eventual privatization. These reforms are mostly of recent origin and though independent utilities have been formed, introduction of measures to ensure commercial orientation are necessary. Often, reforms are confined only to the large cities, as is the case in Tanzania. A second aspect of UWS that is particularly relevant for PRSPs is the role played by the small-scale independent service providers (SSIPs) in WSS. A ten-city study on SSIPs suggests that they meet the water demand of 30 to 80 percent of the urban population and for sanitation over 60 to 90 percent, and serve most of the low-income communities in all cases (Collignon and Vezina, 2000). Issues to be addressed with regard to UWS reforms include:

- a regulatory framework at the country or province level which outlines the modalities and approaches for different forms of PSP;
- measures to enhance 'commercial orientation'; through initial capital base, appropriate incentives for consumer and commercial orientation through corporate governance and regulation;
- measures to ensure that the poor benefit under commercial utilities and PSP;
- support to build and strengthen capacities of private sector to participate effectively in WSS services, including for SSIPs and in utility management,
- appropriate mechanisms to ensure commercial access to finance for the private sector, and

- appropriate recognition of SSIPs and partnership with city level service providers.

27. For urban water supply, the general trend in these countries seems to be to focus on decentralization and capacity building of local authorities as well as development of independent utilities to be run on a commercial basis. As with RWS, UWS is also often mentioned in the PRSPs, but the nature of ongoing reform is generally not reflected in the proposals. Box 7 provides highlights for some countries and Table A8 provides details for all countries. Even in those countries where there is considerable progress on a commercial approach and private sector participation, these reforms and strategies are generally not reflected in the PRSP documents. Importantly, the economic disparities in access, which are more evident in the urban areas, are not reflected in PRSPs, and special strategies focusing on the poor in Peri-urban areas do not receive any specific emphasis. This probably also reflects the limited articulation of pro-poor strategies for UWSS by utilities in most African countries. While there are many examples of ‘good practices’ in this regard, moving these to scale has been limited and requires several parallel measures. For example, at a recent workshop the utilities themselves identified these as:

- “political will translated in a coherent policy;
- support from a reasonably well managed utility with some degree of financial autonomy;
- partnerships involving communities, small scale providers and municipal actors; adaptation of service standards and choice of options;
- strong communication, promotion and capacity building functions through an adequate provision on software; and
- reliable financial support relying to a large extent on internal cross-subsidies”⁵.

Box 7: Urban Water Supply in PRSPs – Illustrative Examples

Rwanda:

- Privatization of Electrogaz - the government utility providing water services in urban areas
- Establishment of a multi-utility regulatory authority
- Progressive system of user fees

Uganda:

- UWS not included in the PRSP/PEAP, but later added at the stage of PSR and PRSC
- Introduction of an improved management framework through private sector participation
- Development of transitional arrangements and regulatory framework for towns covered under the National Water and Sewerage Corporation (NWSC)
- Development of urban WSS policy framework and investment program
- Selection of private operator for NWSC and appropriate legal framework

Kenya:

- Expansion of water development and management by privatized arms of local authorities and other private entities

28. **Sanitation.** Possibly, the most neglected area is *sanitation*, which is completely left out in most PRSPs. The only exceptions to this are found in Rwanda, where urban sanitation has been indicated as a priority for the strategy, and Uganda, where the PRSC refers to the issue of poor hygiene and has planned to develop a strategy for national hygiene promotion, sanitation and communication.

29. **Directions for WSP-AF Support:** In the four countries that have reached the stage of full PRSP preparation, experience of WSS coverage differs considerably, with Uganda showing a clear improvement in WSS coverage as it moved from its first PEAP to PRSP and to the recently approved PRSC. However, such enhanced WSS coverage is not observed in the other three countries. This finding is of concern as the PRSP is envisaged as an ongoing process reflecting improvements over time. Some of the key lacunas seem to be in terms of inadequate reflection of sector strategies and approaches for decentralization, RWS, UWS and sanitation in the PRSPs. Importantly, development of policy reform measures with related milestones and detailed action plans within a medium term framework and linked to clear outcomes has not been forthcoming in most PRSPs with the only

⁵ WSPAF (2002).

exception of Uganda. This needs to be strengthened as it also reflects in poor linkages with the macro planning processes such as MTEF and weak M&E systems in the sector. Such measures will need to also recognize the weak institutional capacities, especially within the decentralization framework and provide for capacity building support. Thus, the WSP-AF support will need to focus on evolving a consensus on a WSS strategy and translating this into a policy matrix and action plans within a medium term framework. Uganda's experience can provide guidance in this approach (refer to Box 8).

Box 8: Uganda - Key Measures for WSS in PRSP

- Enhanced WSS allocation following results of Participatory Poverty Assessments
- Countrywide and sector-wide approach for WSS, including for RWS, UWSS and small towns, backed by three year targets for policy reform and action plans with linked allocations and monitoring (output and outcome) indicators
- Countrywide maintenance and hygiene promotion strategies, the two areas neglected in most countries
- Supporting institutional changes within decentralization framework – District Water and Sanitation Teams to take over WSS and central government to play a supportive role through Technical support units (TSUs)
- Institutional reform of NWSC through private sector participation and regulatory framework
- Improved management in small towns through PSP within the decentralization framework
- WSS allocations made a part of priority investments under Poverty Action Fund (PAF) – helps to protect the allocations and enable rigorous monitoring through PAF monitoring committee
- WSS increasingly integrated with overall M&E
- WSS included as one of the three key sectors under the recent PRSC along with education and health

2.3 Financing Issues for WSS Integration with PRSPs.

30. Implementation of any WSS actions plans identified in the PRSP process will also be critically linked to availability of financial resources for WSS as a key basic service. This requires attention to three aspects: a) priority for WSS and the linked expenditure ceilings emerging from the macro planning within the medium term expenditure framework (MTEF) being undertaken in several of the countries reviewed, b) developing an appropriate financing mechanism that protects the priority sector allocations and links to the decentralized services delivery mechanisms, and c) need for leveraging additional community and private sector resources.

31. **Linking WSS with MTEF, PER and PRSC:** Several countries in Sub-Saharan Africa, and all those in this review, have introduced the concept of MTEF to enable a better assessment of available public resources, their improved allocation for priority poverty measures and monitoring of actual expenditure outturns to ensure implementation of strategic priorities agreed in the PRSPs. For most countries, the MTEF process has been generally supported by regular public expenditure reviews (PERs). The MTEF process enables the sectoral priority process to take place within an aggregate fiscal discipline and clearly links the inputs in terms of resources to pre-defined outputs and outcomes. A properly implemented MTEF process would give considerable autonomy to the sector to determine its own internal priorities. However, to ensure continued sector priority within the macro MTEF and PRSP process, it would be essential to have a good assessment and monitoring of sector's performance in reducing poverty and to ensure its preparedness to develop and implement the activities within a countrywide and sector wide program. An appropriate link with MTEF will enable the sector to address the critical issues of 'fiscal consistency at scale' that implies that the WSS linked financing policies (for subsidies and cost recovery) would be viable to achieve country wide agreed targets within a reasonable and nationally agreed time frame.

32. In two countries, Uganda and Burkina Faso, the Bank has further supported the government efforts with credit for budgetary support for these countries' development programs and poverty reduction strategies through the new Poverty Reduction Support Credit (PRSC). In Benin and Zambia,

similar credits are ongoing and these may lead to PRSCs in the future.⁶ Gradually this is expected to lead to a more programmatic approach linking sector policy to costed actions plans and rigorous M&E of inputs, outputs and outcomes. This, however, will require preparedness for adequate transparency, accountability and a strong M&E capacity.

33. While several countries have placed an emphasis on linking the PRSP process to the macro-framework through PERs and MTEFs, incorporation of WSS in these macro initiatives seems to be limited. Attempts in this direction have been initiated in Uganda, Kenya, Burkina and Rwanda. Uganda's experience in particular, provides guidance for other countries in the process of developing their full PRSPs. Recently there have also been efforts to include WSS within country level PERs supported by the World Bank. Some of the key issues related to such macro financial linkage of WSS within the PRSP and MTEF framework are discussed below.

34. *From Broad Policy to Strategy and Costed Actions Plans:* While many of the PRSP exercises have attempted to identify some action plans for WSS, two lacuna in these efforts are evident: first, a clear logical link between the country level policy /strategy and more detailed action plans within a medium term framework have not been formulated in most cases, and secondly, the action plans (for the entire country) have not been costed to enable their prioritization within the resource ceilings suggested by the MTEF process. Development of such action plans will need to be within clear, feasible targets within a medium term framework. For effective countrywide scaling up and determining inter-regional priorities it is necessary to develop disaggregated expenditure requirements. Costing of water and sanitation action plans in a given country will need to resolve considerable conceptual problems and informational constraints. For appropriate cost estimates, adequate information on unit costs related to different technology and standards will be necessary. In a community based and demand driven approach, information constraints may relate to the likely patterns of community demand.

35. Development of action plans and investment requirements would also need to be within the absorptive capacity of the sector institutions, including especially those at the district and local levels. Thus, the targets set for the medium term will be those that are feasible to achieve within the framework of sector reforms and sector institutional capacity as enhanced by capacity building support. This requires a change in mindset that public resources may fund only hardware of 'pipes and pumps', and an emphasis on funding non-traditional software activities such as: capacity building, institutional reform, project development support, sector strategy development, sector monitoring and evaluation system and development of regulatory institutions. This would give a first scenario of investment requirements based on capacity constrained targets and related action plans. These would need to be further adjusted within the ceilings set by MTEF and sector priority in a given country.

36. *Priority for WSS:* Two issues are relevant here. First, to have WSS included explicitly as a priority sector within the priority areas and secondly to ensure adequate allocation based on the relative WSS status as compared to other social sectors and in accordance with the priorities emerging from PPAs. Based on the limited information in documents reviewed, it has been difficult to assess the actual priority given to WSS through budget allocations in these countries. However, based on the case of Kenya, despite the WSS priority in community perceptions as evident from the PPA, it receives lower expenditure priorities in the PRSP and the linked MTEF. This probably relates both to the lack of adequate documentation which highlights the community priorities to affect the budgetary allocations of public expenditures as well as the traditional lack of preparedness of WSS sector for integrating with the macro framework as compared to other social sectors such as education and health.

37. Uganda provides an example of how this can be overcome. Priority in public expenditure for WSS was enhanced significantly in Uganda following the clear priority for WSS indicated by communities in the UPPA project. For example, expenditure on WSS within the priority expenditure

⁶ For Benin, it is the ongoing Public Expenditure Reform Adjustment Credit (PERAC). For Zambia, it is the ongoing Economic and Social Adjustment Credit (ESAC). Under ESAC, Government of Zambia has committed to spend at least 36 percent of the total budget on the social sectors that include WSS along with education, health and safety net operations (Government of Zambia, 2000, I-PRSP, para 25).

under the poverty action fund was increased from 5 percent in 1999-00 to 8 percent of total PAF allocations in 2000-01. In this year, the estimated share of WSS in total development expenditure for the country was also fairly high at over 9 percent⁷. This was facilitated to a great extent by the sector's preparedness as reflected in: National Water Policy, 1999, Implementation Strategy and Investment Plan with detailed medium term cost estimates for rural and urban WSS by regions. Within the perspective of PRSPs, countrywide scaling-up remains an important agenda within the perspective of available resources in the MTEF process.

38. An important related issue is the extent of budget allocations for recurrent expenditures. Expenditure details for such analysis are available only for Uganda and Kenya. While the share of recurrent expenditure in the total WSS budget in Uganda was less than 5 percent, it was over 40 percent as planned and nearly 80 percent for actual outturns in Kenya⁸. Clearly, such a system would not be sustainable within a PRSP framework. Any increase in WSS priority would have no significant impact on poverty reduction.

39. ***Financing Mechanisms for Priority Expenditures.*** Within the PRSP framework, it is necessary to identify appropriate financing mechanisms which address the issues related to decentralized WSS service delivery, possibility of donor funding which is not integrated with overall MTEF framework and ensuring that allocations to WSS as a priority sector are protected in actual expenditure outturns.

40. ***Decentralization and Financing Mechanisms:*** In most countries under review, WSS is visualized to be the responsibility of local authorities under a decentralized regime. This gets linked to the wider issues of local authority finances with a focus on both intergovernmental transfers and measures to enhance own resources of local authorities. Unfortunately, none of the PRSP documents reviewed have presented these issues in any detail. In a true decentralized regime, with the WSS delivery transferred to local governments, its financing would also be the responsibility of local governments. However, in most cases with the tradition of meeting a very high share of capital costs through subsidies, this is not likely to be possible for new water supply investments. It would, however, be relevant for urban sanitation that is generally a local authority responsibility and for ensuring that the poor get access under commercial utilities and PSP.

41. The issue here is twofold: first of all, the local authority in most cases does not have adequate resources to meet water supply investment needs and secondly, even if this was resolved by transfers through untied block grants, local priorities would not always match with nationally determined priorities. This of course would cause tensions between local empowerment under decentralization and implementation of national priority for WSS. In Uganda the mechanism used is district conditional grants for RWS channeled through a Poverty Action Fund (PAF). PAF is only a virtual fund, and is fully integrated within the budget. It is used for all priority allocations for poverty reduction to protect their share (and even actual funding levels) in case of resource mobilization constraints. This enables the districts to do sector planning within the national policy and DRA, but WSS allocations are protected. Government of Rwanda has recently introduced a concept of Common Development Fund (CDF) that will be allocated 11.5 percent of total domestic revenues, of which 10 percent will be used only for development expenditure for priority areas, through decentralized systems. It is envisaged to be operationalized soon and will leverage more external resources.

42. The second issue relates to the widespread use of social investment fund (SIF) as a 'special fund' mechanism to channel resources on a 'demand responsive basis' for small development projects planned and managed by communities. Several of the SIFs in Africa provide resources for RWSS on a significant scale; for example, for Ethiopia an estimated 40 percent of total capital investments in the sector were made by the SIF⁹. Given their relative importance, SIFs need to be given due attention in public finance allocations for priority poverty expenditure, while attending to the possible issues related to sustainability and their effective links with sector institutions and local authorities.

⁷ Based on information in PEAP for Uganda, Government of Uganda (2000c), p. 53-67 and DWD and WSP-AF (2001), p. 5.

⁸ This analysis is based on information from MTEF as reported in PEAP for Uganda (Government of Uganda, 2000c), and from actual budget allocations and outturns as reported in information from the MENR in Kenya (MENR, 2000a).

⁹ Refer WSP-AF (2001).

43. *From Project to Budget-based Program Lending*: Another tension in financing WSS action plans is the issue of integrating donor commitments to the sector with the wider budgetary allocations. The review of these ten countries suggests a number of ongoing and planned projects (such as for WSS, decentralization and social funds) that will have implications for water and sanitation related investments. It is most likely that funding through projects will continue while more programmatic allocations also emerge¹⁰. Many donors are likely to prefer the project route till the local capacity is strengthened to move to full programmatic lending under a PRSC type of arrangement. However, several countries are engaged in such innovations, such as Uganda (PAF), Burkina Faso (Conditionality Reformulation), Tanzania (Multilateral Debt Fund) and Rwanda, where to some extent budget support has been initiated. To effectively integrate WSS with such efforts necessitates greater clarity in sector approach and action plans, good analysis of costs and a rigorous M&E system for inputs, outputs and outcomes.

44. *Protecting the Priority Sector Expenditures*: Appropriate mechanisms to protect the priority allocations for poverty reduction particularly for the social sectors are important. Two issues are involved here: firstly, the share and actual expenditure levels for priority allocations, and secondly, the actual outturns versus the budgeted allocations. For example, in Kenya the actual development expenditure outturns during 1999-00 were merely 16 percent of the planned, and from 1999-00 to 2000-01, the share of WSS fell in total allocations. This suggests that with resource constraints, WSS expenditures are likely to be adversely affected. This would require appropriate country-level mechanisms to protect priority expenditures as planned. One of the functions of the Ugandan PAF is essentially this. However, it is also necessary that such mechanisms be built into public sector management so that over time special mechanisms are not required.

45. *Leveraging Additional Resources for WSS*: In some countries, even if WSS priority is enhanced in relation to the absorption capacity and sector requirement, the public resources will simply not be sufficient to meet the requirements for countrywide scaling-up of WSS strategy. It is, therefore, necessary to leverage the limited public finance to mobilize community and private sector resource, especially with a focus on micro-finance, sustainable commercial financing systems. In general, several PRSPs have paid considerable attention to both private sector investments and strengthening micro-finance sector. However, the possible WSS integration within these has not received attention in most cases.

46. For a fuller attention to mobilizing private and community resources for the WSS sector, a framework for economic regulation and tariff reforms are required to make the WSS utilities commercially viable. Attention is also required to develop an appropriate regulatory framework and partnership arrangements with the small scale independent service providers and community managed systems to enable them to access micro-finance on a commercial basis. This also necessitates assessing the potential of viable WSS products for the micro-finance industry¹¹. Unfortunately, most PRSPs have not paid due emphasis to these issues.

47. In the context of Sub-Saharan Africa, another possibility would be to maximize the investments in WSS sub-projects through the social investment funds (SIFs) in several countries.¹² This requires attention to two important aspects: first, facilitation by sector institutions for necessary social intermediation to mobilize WSS investment resources from SIFs and secondly focusing on measures to enhance sub-project sustainability.

¹⁰ For example, even in Uganda, where the HIPC debt relief is already available and is being used for WSS, about two-thirds of the sector resources continue to come from externally funded projects (based on an analysis of MTEF allocations for the Ministry of Water Land and Environment as reported in the Uganda PEAP, Government of Uganda, 2000c).

¹¹ Micro-finance industry is well established in several countries in Sub-Saharan Africa countries. Of the 10 countries reviewed, at least 4 have MFI associations. WSP-AF is undertaking a study to assess such potential in three countries, Uganda, Zambia and Benin. This study will be developed in consultation with the national MFI association in each country.

¹² Of the 10 countries reviewed, at least six have SIFs. Though WSS is included in most of these, actual investments in WSS sub-projects can be further enhanced. A key constraint, however, for SIF investment seems to be inadequate emphasis on long-term sustainability of community based schemes. WSP-AF is undertaking a study to review the WSS component in SIFs in four countries in the region to identify such measures.

2.4 Monitoring and Evaluation Systems for WSS.

48. PRSPs and the linked programmatic budget-based aid envisage approaches to poverty reduction that are more outcome oriented. Within the WSS sector, the emphasis in the past has been solely on M&E linked to specific externally funded projects. The notion of a sector-wide M&E linked to the overall sector strategy and focusing both on physical facilities as well as the 'service' dimension has not emerged. The PRSP process necessities and thus provides an opportunity to introduce and develop such a mechanism. PRSP related M&E systems can be developed within a logical framework of input-output-outcome-impact monitoring, but require special emphasis on participatory techniques. Such systems will need to be integrated with the overall planning system. Such an approach to M&E would help improve planning of current and future activities "by requiring a detailed and explicit presentation of expected results and mechanisms and allowing to fine-tune future activities on the basis of past experience" (Coudouel, 2000). It will also enable promotion of accountability of those implementing policies and programs.

49. A desk review of PRSPs in Africa by Booth and Lucas (2001) suggests that most PRSPs have literally interpreted the emphasis on outcome linked poverty reduction strategy by focusing unduly on monitoring of poverty impacts, especially through household surveys and PPAs. On the other hand, there is inadequate attention on implementation monitoring (especially inputs, outputs and outcomes). To really measure strategy effectiveness emphasis is equally needed on the latter. This is also true to a great extent for WSS in these 10 countries, with possibly the sole exception of Uganda. Development of an effective M&E system for the WSS sector will need to be within this broad finding. Key issues to be addressed include:

50. **Implementation-linked M&E for WSS Sector:** Within WSS sector, the key emphasis needs to be on this aspect, through better development of the strategy and linked monitoring indicators within a medium term framework. Table 4 highlights the M&E instruments suggested / used in different PRSP processes and Table A12 highlights WSS indicators suggested in PRSPs reviewed. Clearly, a number of well-tested instruments already exist. However, their application in the WSS sector within a given country context will need to be developed. A recent initiative to introduce public expenditure tracking survey (PETS) for water in Uganda needs to be observed in this regard¹³. In this regard, the limited capacity, especially at the district and local government levels need to be recognized in the choice of indicators and instruments. The focus will need to be on the use of alternative simple and rapid tools and results widely disseminated to enhance transparency. Importantly, the M&E system will need to evolve as a sector-wide ongoing activity rather than linked only to specific ESA projects.

51. **Integrating WSS Impact Monitoring with Wider M&E Systems:** Review of the WSS component in poverty diagnostic in PRSPs suggests the need for a better assessment of the water and sanitation status as a key non-income dimension of poverty. However, unlike for implementation monitoring that needs to be developed within the sector, there is a potential to integrate outcome and impact monitoring with the wider country level efforts for impact monitoring. As most countries have existing or planned introduction of integrated household surveys and PPAs, the emphasis should be on ensuring that WSS component is added to these efforts. At the same time, WSS sector will need to make better analytical use of existing/planned data from HH surveys. For monitoring outcomes in terms of status as well as user benefits, relative to education and health sectors, coverage and analysis of WSS is weak and inadequate in national level poverty monitoring efforts. Similarly, WSS coverage needs to be enhanced in country level efforts for PERs, by the countries or the World Bank¹⁴.

¹³ PETSs have been used in education and health sectors with considerable benefits in Uganda and Rwanda.

¹⁴ This observation is based on experience in a few countries where WSP-AF has provided focused country support. While water is included in poverty analysis, its treatment is weak and sanitation is generally not included.

Table 4: Monitoring and Evaluation Systems within PRSP Framework

Level of Monitoring	Illustrative Examples for PRSP Process	
Inputs:		
<ul style="list-style-type: none"> Resources required to achieve suggested outputs on the policy matrix and sectoral actions plans 	<ul style="list-style-type: none"> Public expenditure tracking survey (PETS) for education in Uganda and Rwanda 	
Outputs:		
<ul style="list-style-type: none"> Policy milestones achieved as a result of implementation of policy matrix Goods and services generated as a result of action plans 	<ul style="list-style-type: none"> Monitoring of Poverty Action Fund (PAF) in Uganda with stakeholder participation Sector output monitoring – in coordination with district water and sanitation teams in Uganda 	<ul style="list-style-type: none"> Public Expenditure Reviews (PERs) (Zambia, Mozambique)
Outcomes:		
<ul style="list-style-type: none"> What policy outcomes are achieved Who benefits from the action plans – Access, Utilization and Satisfaction 	<p>Most countries:</p> <ul style="list-style-type: none"> Service delivery surveys Core welfare indicator questionnaire (CWIQ) Participatory poverty assessments (PPAs) 	<ul style="list-style-type: none"> Sector Review (Uganda)
Impacts:		
<ul style="list-style-type: none"> Impacts on living standards through improved water and sanitation services – health, income and empowerment 	<p>Most countries:</p> <ul style="list-style-type: none"> Integrated household surveys Health surveys 	<ul style="list-style-type: none"> National accounts Census

52. **Linking M&E to PRSP and Sector Planning:** For effective use of M&E systems, it is critical that these are linked effectively with the overall sector planning process, both internally to the sector and to wider macro planning. This necessitates that the M&E information is made available to key stakeholders at different levels in the planning process and adequate incentives exist for them to use it effectively and systematically. The Uganda case as highlighted in Figure 3 provides a good illustration of effective integration of M&E with the planning and implementation systems.

2.5 Process for PRSP Preparation and WSS Implications.

53. Findings from this desk review suggest that integration of WSS in the PRSPs has not been very effective, except in the case of Uganda. While to some extent this reflects a lack of sector preparedness, it may also be dependent on the process of PRSP preparation followed. This is partly reflective of the institutional positioning of the WSS sector and the lack of an institutionalized process for incorporating the findings / results of the consultative processes.

54. **Institutional Structure.** Process of PRSP preparation has been led in all the countries by the Ministry of Finance and Planning. While the specific arrangements vary in different countries, these generally comprise some combination of:

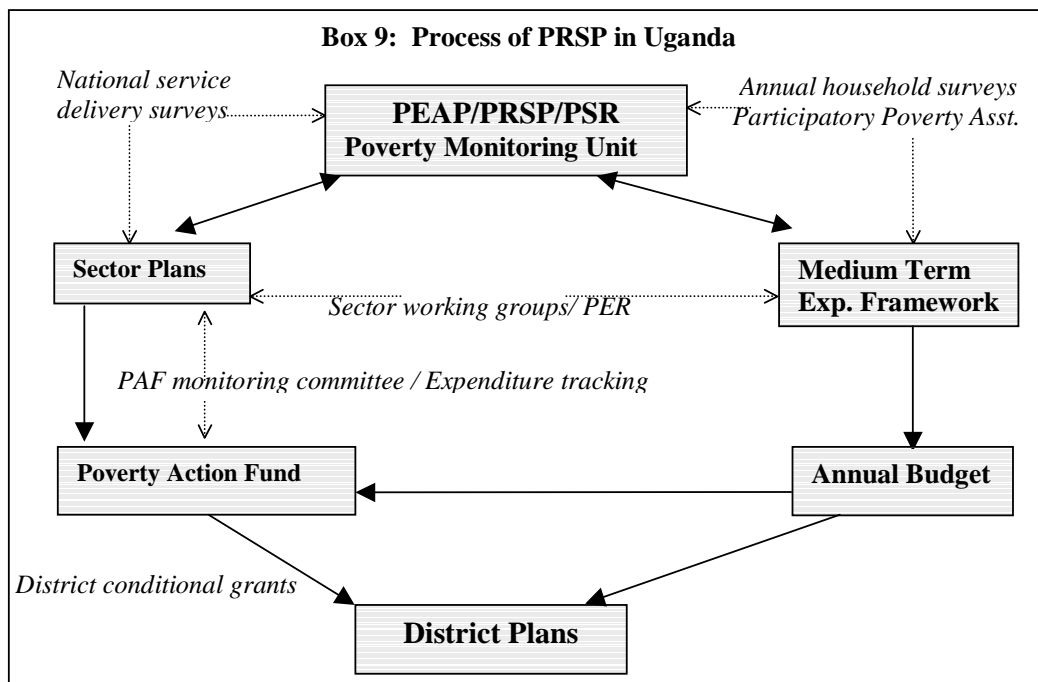
- Committee of Ministers – for overall policy direction and political commitment
- Committee of Permanent Secretaries – for macro coordination and review of progress
- Technical Committee – to coordinate consultation, sector inputs, prepare PRSP documents, links with M&E
- Sector Working Groups – to suggest sectoral priorities and strategies with stakeholder participation from: NGOs, CSOs, government, business, academia and service users
- Poverty M&E Unit – generally for poverty impact monitoring housed with the country's statistical office

55. A constraint for the WSS sector is likely to be its weak links with the overall planning process and budgeting as WSS financing in most Sub-Saharan African countries has largely come from external funding sources. Especially as compared to the education and health sectors, WSS has a low recurrent budget provision that further enhances the weak links. The past institutional positioning of the WSS sector also suggests that in many countries there have been frequent changes of the water portfolio

across ministries with a resultant undermining of its importance (Abrams, 1996, p. 12). Thus, a priority for WSS would also necessitate strengthening the sector's institutional positioning in the country.

56. **Consultations for PRSPs.** An important element of PRSPs that especially distinguishes them from the earlier poverty eradication strategies is the emphasis on the wide-ranging consultations with a range of stakeholders, including civil society organizations (CSOs). Consultations are essential to reflect the priorities of the poor and for country ownership of the process and suggested priorities. The review of consultations as carried out and as per the plans reported in the I-PRSPs, suggests that though the initial consultations may have been limited to government agencies and a few academic institutions and leading NGOs, gradually they have included a wider variety of civil society associations and have been deepened to regional and local levels. Available limited information suggests that the costs of such consultations have probably been high¹⁵, and local capacity for consultations needs to be strengthened. Unfortunately, results of these consultations are reported only to a limited extent in the full PRSP documents. An adequate qualitative understanding of consultation process would require more in-depth insights into the processes. Important considerations in the consultation process that may impact the WSS sector are: the groups consulted, nature and content of consultation and efforts made to incorporate feedback from different regions and local communities.

57. **Institutionalizing and Integrating PRSP Preparation with Macro Planning.** A key aspect of the PRSP preparation process is the need to view it as an ongoing activity from I-PRSP to a full PRSP, annual Poverty Status Report and a revised full PRSP every three years. It also needs to be integrated with the overall macro planning process, MTEF, annual budget, implementation and an ongoing M&E process. Several countries have initiated such linkages, though the extent of effective WSS integration in this is not possible to assess at this stage. One country where this has been attempted successfully over almost a decade is Uganda, where the WSS component has also been effectively integrated. Box 9 highlights the well-integrated process for Uganda.



¹⁵ In some countries, such as Kenya, there has been some popular questioning of spending high amounts for a consultative process (see for example, Akumu, 2001 and Odhiambo, 2000).

3.0 EXPLORING WSP-AF SUPPORT FOR WSS IN PRSPS.

58. Overall findings of the desk review suggest that though some good practices are found, such as those identified in Uganda, in general the water and sanitation sector is not effectively integrated in the PRSP process. This is despite the generally high priority placed on water and sanitation by the poor, and well-developed sector reform approach and agenda in these countries. However, WSS has often lacked a strong institutional national positioning and not been as well integrated with the macro planning and the emerging MTEF approached as the education and health sectors. Sector has also lacked a countrywide approach and despite successes in pilot operations, sustainable scaling up has been difficult. While detailed information was not possible in this review, earlier reviews suggest that allocations to the WSS sector have not received priority. A particular lacuna has been weak or almost non-existent sector level M&E systems for WSS.

59. The review highlights PRSP as an ongoing process with the possibility of continued improvement over different phases illustrated above in Figure 1. There is also a clear move towards programmatic and budget-based external aid that will require a clearer definition of countrywide strategies and related outcomes for the sector. Thus, the PRSP process provides an opportunity for and makes it imperative for the sector to take on activities that have been recognized as critical for countrywide scaling up. It will also help to force the sector institutions to engage in policy audit, wider public expenditure reviews and tracking studies, and improve its capacity to monitor performance.

60. WSP-AF is already active in these ten countries, and has been assisting the governments in developing WSS sector reform and strategies for both rural and urban areas. Integrating WSS in the PRSP requires focusing this same support to enhance the WSS priority in the PRSP process, as appropriate. Table 5 provides highlights of nature of support that would enable a better integration of WSS in the PRSP process in the five substantive areas reviewed above. From these, the critical actions required for a better integration of the WSS sector within the PRSP process are:

- Need to establish priority for WSS, with a focus on the poor – make a case!
- Well prepared WSS strategy to fit with a sector-wide and countrywide approach – policy matrix, action plans and ‘prioritized’ investment requirements for the medium term
- WSS sector integration with wider MTEF and M&E processes.

Table 5: WSS Sector Support for Integration with the PRSP Process

Area of Support	Nature of Support
WSS in Poverty Diagnostic	<ul style="list-style-type: none"> • Review WSS in outcome monitoring / PPAs • Develop conceptual framework and evidence on WSS-poverty linkages
WSS Sector Reform and Action Plans	<ul style="list-style-type: none"> • Develop a detailed review of comparative experience in WSS sector reform and development of action plans • Develop reform linked detailed action plans and their costing for selected countries through country support
WSS financing requirements and mechanisms	<ul style="list-style-type: none"> • Assess scenarios for WSS financing requirement within MTEF & comparative allocations for WSS • Review and develop financing mechanisms for debt relief linked / priority expenditure to account for decentralization in WSS • Review potential of ‘other’ sources of finance
WSS in PRSP M&E	<ul style="list-style-type: none"> • Develop and test tools for sector level input and output monitoring • Integrate WSS in ongoing outcome and impact tools within the PRSP linked M&E systems
Preparation and Consultation Process	<ul style="list-style-type: none"> • Integrate WSS with the overall consultation process, especially focusing on regional and local consultations • Ensure adequate sector consultations at regional and local levels • Ensure incorporation of WSS in linked activities such as PER, PTEF and PRSC

61. Within this background, WSP-AF support may be organized under regional or country level activities:

62. **Regional Support:** to country level activities though:

- Building a case for WSS in poverty reduction: through a comparative analysis of WSS and other social indicators, observed priority given to WSS in different countries through financial allocations and institutional emphasis;
- Developing 'good practice' documentation: to document the process of WSS sector planning and integration as well as for elements such as monitoring tools, development and costing of action plans within a countrywide strategy for WSS, and MTEF coordination; and
- Opportunities for experience sharing: through a regional meeting of water sector institutions, officials and other stakeholders from interested countries.

63. **Country support:** introduce integration of WSS in PRSP process as part of the ongoing country support with focus on:

- assessing the priority for WSS within poverty reduction in the country context;
- developing action plans and costs reflecting a countrywide strategy within medium term framework and SWAP;
- delineating the poverty linked WSS investments and reviewing related financing mechanisms;
- strengthening WSS indicators/analysis in impact monitoring surveys and PERs; and
- developing and implementing an 'input, output and outcome' related M&E strategy for the WSS sector.

64. Country support will always be demand-driven and will be based on a request from the country government. Nature of support may take a variety of forms, ranging from assistance in preparation of the sector inputs for the country's full PRSP to a more limited support in terms of feedback to the prepared inputs or development of a particular component such as the M&E system or development of a financing strategy.

ANNEX TABLES

Table A1: Potential Linkages between Poverty and Water and Sanitation

Poverty dimensions	Key Effects
	Improved Service Delivery through Community / Market based Systems
Health	<u>Improved service delivery</u> <ul style="list-style-type: none"> • reduction in water and sanitation related illnesses • reduction in stunting from diarrhea-caused malnutrition • reduction in women's illnesses due to lack of private sanitation facilities • increased life expectancy
Education	<u>Improved service delivery</u> <ul style="list-style-type: none"> • increased school attendance by children (especially girls) due to lack of available sanitation, or due to water collection duties
Gender and social inclusion	<u>Improved service delivery</u> <ul style="list-style-type: none"> • reduction in disproportionate burden by women, improving their entry into the cash economy
	<u>Community based systems:</u> <ul style="list-style-type: none"> • improved management capacity of women • improved community level organizations
Income/consumption	<u>Improved service delivery</u> <ul style="list-style-type: none"> • reduction in proportion of household budget used on water and health related expenditure • increased income earning potentials due to improved health, less time spent on collecting water and opportunity for businesses requiring water inputs • reduced consumption risk due to seasonal or other factors
	<u>Market based systems:</u> <ul style="list-style-type: none"> • increased economic opportunity as small scale service providers

Source: Adapted from Chapter on "Water, Sanitation and poverty" in PRSP Sourcebook, World Bank, August, 2000a.

Table A2a: Comparative Performance of Countries in Sub-Saharan Africa on Selected Social Indicators

	Country	Access to Safe Water	Access to Sanitation	Adult Illiteracy		Net Enrollment Primary	Malnutrition	Infant Mortality Rate	Under-5 mortality	Maternal Mortality Rate
				Male	Fem.					
1	Benin	50	20	62	46	63	29	87	140	500
2	Burkina F	35	18	78	68	31	33	104	210	930
3	Ethiopia	27	8	64	58	32	48	107	173	1400
4	Kenya	53	77	20	12	65	23	76	124	590
5	Malawi	45	53	42	27	103	20	134	229	620
6	Mozambique	32	21	58	42	40	26	134	213	1500
7	Rwanda	44*	N/A	36	29	N/A	29	123	205	1300
8	Tanzania	49	86	26	17	48	31	85	136	530
9	Uganda	51	57	35	24	N/A	26	101	170	510
10	Zambia	43	23	24	16	75	24	114	192	650
	SSA	46	N/A	32	32	55	33	92	151	778

Table A2b: Comparative Performance of Sub-Saharan Africa and South Asia on Selected Social Indicators

Region	Access to safe water	Child Malnutrition	Infant mortality	Under 5 Mortality	Maternal Mortality	Literacy rate (15-24 yrs)	Girls/Boys Education	Literate Fem/males
South Asia	81	53	75	89	474	61	75	70
Sub-Saharan Africa	46	32	92	151	778	68	81	81
World - Total	70	32	54	75	303	82	89	89

Details of Indicators and Sources of Information:

Access to safe water: Share of population with reasonable access (distance/time) to an adequate amount (20 lpcd) of safe water (World Bank ADI-2001e, p. 317). 1993-97 or the latest available year. For Rwanda: information is for rural water supply and from IDA (2000)I-PRSP, p. 4. *For Water for Uganda, based on Government of Uganda(PSR, 2001b)* For Table 2b: IDG (2001), p. 20, for 1990.

Access to sanitation facilities: Percentage of population with access to sanitation facilities (World Bank ADI-2001e, p. 316). 1993-97 or the latest available year.

Adult Illiteracy Rate: Percentage of population 15 and above who are illiterate (World Bank, WDR, 2000f, p. 276). For 1998.

Literacy Rate of 15 to 24 years old: For Table A2b: Population aged 15 to 24 who are literate (IDG (2001), p.11). For 1990.

Net enrollment – primary: Ratio of no. of children enrolled to no. of children of official school age in population (UNESCO data) – 1990-94 or the latest available year. For SSA – IDG (2001), p. 9, for 1990.

Girls / Boys Education: Ratio of the combined primary and secondary gross enrollment ratio for girls as a % of ratio for boys (IDG (2001), p. 12). For 1990.

Malnutrition: Percentage children under five years of age suffering from moderate to severe underweight (ADI, p. 315) – 1990-97 or the latest available year. For Table A2b: IDG, p. 8 for 1990.

Infant Mortality Rate (IMR): Number of children who have died between birth and first birthday expressed per 1000 live births (IDG (2001), p. 14). For 1998. For Table A2b: World Bank WDR, 2000f, p. 286 for 1998.

Under-5 mortality rate: No. of deaths of children under 5 yrs of age per 1000 live births in a given year. World Bank (ADI-2001e), p. 313, for 1998. For Table A2b: World Bank (WDR- 2000f), p.277, 1998.

Maternal Mortality Rate (MMR): Per 1000,000 live births (World Bank (ADI-2001e), p. 313 for 1999). For table A2b: IDG (2001), p. 16, for 1996.

Literate female/Male: Female adult literacy rate as a % of adult male literacy rate in age 15-24 yrs. IDG (2001), p. 13, for 1990.

Table A3: WSS in Poverty Diagnostics /Assessments in PRSPs

	Country	WSS Coverage		Description
		Water	Sanitation	
1	Benin	Yes	No	<ul style="list-style-type: none"> • Access to safe drinking water with urban / rural differences • A reference made to women more likely to suffer from a lack of access to safe water
2	Burkina Faso	Yes	Yes	<ul style="list-style-type: none"> • Discussion on access to drinking water across urban / rural and across regions, and by sources. However, only summary information given. • For education and health very detailed analysis across urban / rural and economic groups, as well as utilization of services
3	Ethiopia	Yes	No	<ul style="list-style-type: none"> • Reference to information available through welfare monitoring surveys, but no details given • Status on “Access to clean water” given as a part of M&E indicators and targets
4	Kenya	Yes	Yes	<ul style="list-style-type: none"> • I-PRSP: For access to safe drinking water, broad discussion across rural/urban and regions, but full details not given • Draft Full PRSP: Access to safe water and sanitation included under characteristics of the poor. Details given separately for the poor in rural and urban areas
5	Malawi	No	No	
6	Mozambique	Yes	No	<ul style="list-style-type: none"> • Under profile of poverty - access to basic social services: only qualitatively discussed as differences between the poor-and non-poor (pp. 29-30)
7	Rwanda	Yes	No	<ul style="list-style-type: none"> • Included as a social indicator, however, no discussion as done for education and health (p. 4)
8	Tanzania	Yes	No	<ul style="list-style-type: none"> • Included under Non-income Poverty, with some qualitative discussion on differences in access between the poor and non-poor
9	Uganda	Yes	No	<ul style="list-style-type: none"> • Given as a part of M&E as clear targets set for coverage in relation to distance • Some reference also to functionality of water points
10	Zambia	Yes		<ul style="list-style-type: none"> • Access to “clean water” with details of temporal changes over the decade

Source: Relevant latest PRSP documents, as available. See the References.

Table A4: Policy Matrix: Government's Reform Strategies (Objectives And Actions), Progress Indicators (Outcomes And Outputs) and Quantitative Monitoring Indicators and Outcome Targets

SUB-OBJECTIVES/ ACTION AREAS	ACTIONS AND OUTPUT TARGETS				OUTCOMES
	ISSUE	PRSC I MARCH 2001	PRSC II MARCH 2002	PRSC III MARCH 2003	
C3: IMPROVE ACCESS AND EQUITY IN WATER AND SANITATION		Overall outcomes (verification): 1. Increased satisfaction with WSS services (annual service delivery surveys and periodic participatory poverty assessments). 2. Increased access and usage of WSS services (annual service delivery surveys and household, surveys).			
Access to Rural Water Supply and Sanitation (WSS)	Planning and management systems in WSS function poorly for decentralized service delivery.	GOU has established an inter-ministerial committee to develop objectives and principles for a sector-wide approach in WSS.	GOU and donors complete the first joint WSS sector review and agree on coordinated support.	Key stakeholders endorse WSS sector-wide approach.	Framework for WSS sector-wide approach operational.
		At least half of districts have set up a fully staffed district water and sanitation teams (DWST) with support from DWD.	DWD finalizes district WSS operational manual and implementation guidelines.	All districts have set up fully staffed and trained DWSTs with support from DWD.	DWSTs integrated into district establishment.
			MOWLE/DWD completes re-organization and establishes fully staffed technical support units (TSU).	DWD completes an external institutional and service delivery audit of all DWSTs	
Access to WSS in Small Towns	WSS services are unsustainable.	MOWLE/DWD has initiated review of maintenance and cost recovery arrangements for WSS facilities.	MOWLE/DWD develop a nationwide maintenance strategy for WSS facilities.	WD initiate support program to private sector in maintenance services	Private sector based maintenance strategy and cost recovery policy operational in most districts.
Access to WSS in Urban Areas	Low utilization of WSS services and poor hygiene.	MOWLE and MOH have agreed on institutional responsibilities for sanitation	MOWLE and/or MOH prepare a strategy for national hygiene promotion, sanitation and communication.	MOWLE/DWD and MOH/EHD implement training program for community extension workers in districts and sub-counties.	Improved utilization of WSS services and hygiene.
	Inappropriate management framework for sustainable WSS services.	MOWLE/DWD adopts interim management strategy for small town WSS.	MOWLE/DWD adopts a long-term management strategy for small town WSS.	MOWLE/DWD reviews the management strategy.	Improved management framework for small town WSS
	Inadequate regulatory framework for improved commercial operations.	National Water and Sewerage Corporation (NWSC) has signed a performance contract with M0FPED and MOWLE.	MOWLE and M0FPED initiate selection of private operator for NWSC and prepare legal framework.	M0FPED and MOWLE establish an asset-holding authority, privatize WSS operations and appoint regulator.	Transitional arrangements and regulatory framework for private sector participation in place.

SUB-OBJECTIVES/ ACTION AREAS	ACTIONS AND OUTPUT TARGETS				OUTCOMES
	ISSUE	PRSC I	PRSC II	PRSC III	
		MARCH 2001	MARCH 2002	MARCH 2003	
		MOFPED has settled Ush 5 billion debt owed by GOU agencies to NWSC.	MOWLE finalizes urban WSS policy framework and investment program.	MOWLE completes detailed designs of urban WSS systems, including sewerage master plan for Kampala and other large towns.	
	WSS services are not financially sustainable.	NWSC has simplified connection policy.	MOFPED settles the remaining debt owed to NWSC.	MOWLE and MOFPED resolve NWSC long-term debt.	NWSC operations on strong financial footing for transfer to private sector management.
			NWSC simplifies water tariff structure and reviews tariffs annually to allow for inflation.		
Quantitative Targets for Rural WSS		1,500 new water supplies serving 350,000 people. 450 new public, school and institutional sanitation systems.	3,500 new water systems serving 820,000 people. 900 new public, school and institutional sanitation systems.	3,700 new water systems serving 950,000 people. 900 new public, school and institutional sanitation systems.	Increased access to safe water and sanitation from 50% to 55%. 80% WSS systems functioning. Value for money: average investment cost per beneficiary \$50
Quantitative Targets for Small Towns WSS		MOWLE/DWD has gazetted 15 urban WSS authorities and has initiated the appointment of private sector contractors to manage the authorities	MOWLE/DWD gazettes 30 urban WSS authorities and appoints private sector management contractors to manage them.	DWD gazettes 20 urban WSS authorities and appoints private sector management contractors to manage them.	All small town systems private sector management contracts.
Quantitative Targets for Urban WSS		3,100 new connections (of which 930 connections for poor households). 75 new sewerage connections. 24 NWSC staff/1000 connections. 5% internal cash generation to capital investments.	6,300 new connections (of 1,800 connections for poor households). 700 new sewerage connections. 14 NWSC staff/1000 connections. 22% internal cash generation to capital investments.	7,000 new connections (of which 2,100 connections for poor households). 700 new sewerage connections. 11 NWSC staff/1000 connections. 21% internal cash generation to capital investments.	Increased access to safe water and sanitation from 50% to 65%. Value for money: average investment cost per beneficiary \$150

Source: World Bank (2001c), p. 11-13

Table A5: Status and Coverage of Overall WSS Strategy in PRSPs

Country	Description
Benin	
Status	<ul style="list-style-type: none"> A country level PADEAR strategy developed in 1991-92, which is planned to be revised.
PRSP Coverage	<ul style="list-style-type: none"> Access to safe water in rural and environmental sanitation, under Social Policies PADEAR strategy not referred in the I-PRSP In the policy matrix a reference is made to pricing policy for water to be announced by end 2000 (p.18)
Burkina Faso	
Status	<ul style="list-style-type: none">
PRSP Coverage	<ul style="list-style-type: none"> Water referred under "access for the poor to basic social services" Drinking water also considered as one of the four priority sectors for poverty reduction along with education, health and agriculture Overall emphasis on rural poverty reduction
Ethiopia	
Status	<ul style="list-style-type: none"> A Federal Water Policy and Water Code are in place (1998) Water Sector Development Program is under preparation and expected by September, 2001 A federal WSS strategy recently drafted (2001) with guidelines for rural and small towns for 4 regions A WSS Fund being considered
PRSP Coverage	<ul style="list-style-type: none"> WSS included under "Infrastructure" in sector development programs No reference to the federal Water Policy or WSS strategy in I-PRSP
Kenya	
Status	<ul style="list-style-type: none"> A National Policy on Water (MWR, 1999) recently published, a Draft Water Bill (MENR, 2000b) recently prepared and is being reviewed and on-going preparation of a WSS sector strategy paper
PRSP Coverage	<ul style="list-style-type: none"> Water included under physical infrastructure and not under HRD I-PRSP included a number of reform measures related to the ongoing WSS sector reform. However, the PRSP does not report on their implementation as it does for other policy reforms In the PRSP measures for sector reforms, included only in the Implementation Matrix Capacity building for improved water services gives no reference to the type of capacity building needs with CBOs, local authorities or private sector
Malawi	
Status	<ul style="list-style-type: none"> Community based management and Peri-urban strategies for WSS are planned
PRSP Coverage	<ul style="list-style-type: none"> No mention or reference to WSS in I-PRSP
Mozambique	
Status	<ul style="list-style-type: none">
PRSP Coverage	<ul style="list-style-type: none"> WSS, both for rural and urban referred in objectives under the linked PARPA. However, objectives stated differently in different sections of PARPA (pp. 43, 46, 59-60, 79)
Rwanda	
Status	<ul style="list-style-type: none"> A National Water Policy and a WSS strategy developed for Rwanda
PRSP Coverage	<ul style="list-style-type: none"> RWSS and UWSS under Human resource development and improving quality of life; Electrogaz also under privatization of state enterprises Overall WSS policy and strategy not referred in the I-PRSP
Tanzania	
Status	<ul style="list-style-type: none"> Rural water policy in 1997/98
PRSP Coverage	<ul style="list-style-type: none"> Not mentioned
Uganda	
Status	<ul style="list-style-type: none"> Overall strategy for water and sanitation developed as a part of the PRSP process itself with an emphasis on a sector wide approach (SWAP)
PRSP Coverage	<ul style="list-style-type: none"> Water is included under "directly increasing the quality of life of the poor" along with education and health, in the PSR, 2001 and in the PRSC The PRSC envisages the sector wide approach (SWAP) for WSS sector, a maintenance strategy, hygiene promotion strategy and a long term management strategy for UWS
Zambia	
Status	<ul style="list-style-type: none"> Water Sector Reform Support Unit set up to support WESS sector reforms
PRSP Coverage	<ul style="list-style-type: none"> WSS not covered in the Structural Policy matrix in I-PRSP No clear action plans in I-PRSP in relation to ongoing sector reforms in Zambia

Source: Relevant latest PRSP documents, as available. See the References.

Table A6: Status and Coverage of Decentralization in PRSPs

	Country	Description
1	Benin	
	Status	<ul style="list-style-type: none"> Process of decentralization initiated – but not evolved for WSS so far
	PRSP Coverage	<ul style="list-style-type: none"> Clear reference to decentralization, with some details and milestones for devolution policy given in the policy matrix (p. 17)
2	Burkina Faso	
	Status	<ul style="list-style-type: none"> Initiated in Burkina since 1998
	PRSP Coverage	<ul style="list-style-type: none"> In the PRSP, decentralization is included under “promote good governance” Detailed mention of need for and nature of decentralization (p. 48), but no action plans or policy milestones indicated clearly
3	Ethiopia	
	Status	<ul style="list-style-type: none"> Major policy emphasis in Ethiopia is on decentralization and empowerment. Transfer of powers to local / regional governments includes water supply, so far with a greater emphasis on rural / small town systems. Municipal authorities being formed. Major issue is inadequate local capacities
	PRSP Coverage	<ul style="list-style-type: none"> I-PRSP refers to both decentralization and ESRDF, though no clear action plans are identified
4	Kenya	
	Status	<ul style="list-style-type: none"> A general emphasis but little progress on overall decentralization in Kenya WSS sector is centralized with national ministry and a public utility (NWCPC)
	PRSP Coverage	<ul style="list-style-type: none"> Under I-PRSP implementation, a local authority transfer fund (LATF) and a Local authority oversight board were operationalized, and several other measures initiated. These are envisaged to continue in the PRSP (p. 8). This is reflected the PRSP Implementation matrix with mid-term action plans under the Ministry of Local Government (MOLG) which also includes measures for improved resource mobilization and financial management for local authorities (p. 110-111).
5	Malawi	
	Status	<ul style="list-style-type: none"> Decentralization initiated by Government of Malawi which gives greater roles and decision making autonomy to local governments– but progress not known Limited institutional capacity and weak coordination mechanisms within governments at all levels
	PRSP Coverage	<ul style="list-style-type: none"> Reference in I-PRSP policy matrix for political, functional and fiscal decentralization, with strategies and measures related to legislation, implementation of devolution and capacity building support, for a five-year period.
6	Mozambique	
	Status	<ul style="list-style-type: none"> Decentralization in Mozambique is well advanced for urban (not known for rural).
	PRSP Coverage	<ul style="list-style-type: none"> In the I-PRSP, only a brief reference made to decentralization (p. 16), without any details provided.
7	Rwanda	
	Status	<ul style="list-style-type: none"> Decentralization, under overall framework of governance: reference to political, function and fiscal aspects of decentralization with capacity building support Decentralization at an early stage with rapid introduction of legislation for transfer of powers to districts and communes. Legislation passed for a Common Development Fund to support development expenditures at local levels within a decentralized framework. In WSS, from 1997-98, greater commitment to decentralization, with plans for an enhanced role of communes through the Community Development Committee, with administrative and financial autonomy
	PRSP Coverage	<ul style="list-style-type: none"> Action plans related to political decentralization, and related capacity building programs to empower the local communities Reference to introduction of legislation to transfer power to prefectures and then to communes
8	Tanzania	
	Status	<ul style="list-style-type: none"> Ongoing Local Government Reform Program, recent sector work by the Bank with a potential Bank project in the near future
	PRSP Coverage	<ul style="list-style-type: none"> HIPC completion point condition: Establishment of a regulatory authority for utilities – however, this is not referred in the PRSP To ensure viability of local government finances annual review of local resources and transfers included (p. 18) Local government reform, including capacity building and financial management systems for improved delivery of services – to cover all districts by end of 2002/3
9	Uganda	
	Status	<ul style="list-style-type: none"> Decentralization in Uganda initiated in 1993, gradually enhanced to include administrative and fiscal measures. Decentralization aimed at delivery of health, education, water and agricultural extension. Issues relate to capacities and incentives for local governments.

	Country	Description
	PRSP Coverage	<ul style="list-style-type: none"> • Considered important and included under good governance and security to improve service delivery on the ground • Detailed action plans indicated neither in PEAP nor later. Expected to be done by each Ministry separately (p. 31-PEAP)
10	Zambia	
	Status	<ul style="list-style-type: none"> • Under the WSS Act of 1997, WSS responsibility is decentralized to district level. • NWASCO has been formed for licensing and economic regulation for tariffs. • Extent and effectiveness of decentralization need to be assessed. (review the Africa study)
	PRSP Coverage	<ul style="list-style-type: none"> • No reference made in the I-PRSP

Source: Relevant latest PRSP documents, as available. See the References.

Table A7: Status and Coverage of Rural Water Supply in PRSPs

	Country	Description
1	Benin	
	Status	<ul style="list-style-type: none"> • DRA approach introduced and implemented in the recently completed RWSS project
	PRSP Coverage	<ul style="list-style-type: none"> • Included as a key objective with broad strategies including: inventory, improved management, accelerating programs, pricing policy and public awareness campaign (p. 10). However, no clear reflection of the DRA approach as being followed in the recently completed RWSS project
2	Burkina Faso	
	Status	<ul style="list-style-type: none"> •
	PRSP Coverage	<ul style="list-style-type: none"> • Emphasis in PRSPs on reducing regional disparities • Reference to community management, but not overall DRA approach
3	Ethiopia	
	Status	<ul style="list-style-type: none"> • Developed under the overall decentralization framework • Significant funding under the social investment fund for community based RWSS sub-projects • Synergy expected between the planned second projects for the Social Fund and Water Supply
	PRSP Coverage	<ul style="list-style-type: none"> • Referred in the I-PRSP, but no action plans suggested
4	Kenya	
	Status	<ul style="list-style-type: none"> • Under the ongoing Sector Strategy efforts to be initiated to hand over RWS schemes for community management
	PRSP Coverage	<ul style="list-style-type: none"> • Compared to the I-PRSP, PRSP has less reference to overall WSS strategy. • Detailed action plans given in the PRSP Implementation matrix within the framework of DRA (p. 99-100). However, the plans and related costing are only annual and not for medium term
5	Malawi	
	Status	<ul style="list-style-type: none"> • Government aims to raise the level of community management of RWS. • Ongoing preparation of a DRA implementation manual • Social Investment Fund finances community managed RWS schemes
	PRSP Coverage	<ul style="list-style-type: none"> • No mention or reference in I-PRSP
6	Mozambique	
	Status	<ul style="list-style-type: none"> • Ongoing reform of RWSS within DRA framework under the Bank's NWD Project I. • DRA based implementation manual prepared and is being tested • RWS transition plan developed and being implemented
	PRSP Coverage	<ul style="list-style-type: none"> • No reference is made in the PRSP/PARPA to the ongoing reform
7	Rwanda	
	Status	<ul style="list-style-type: none"> • For RWSS, strengthening demand led community participation for management and maintenance of rural water systems
	PRSP Coverage	<ul style="list-style-type: none"> • Reference to community led approach for RWS made in the I-PRSP • No reference to larger regional rural water schemes being managed by Electrogaz
8	Tanzania	
	Status	<ul style="list-style-type: none"> • Rural water policy in 1997/8 • Semi-autonomous regional water boards set up in 1997-8 • World Bank funded sector investment credit planned
	PRSP Coverage	<ul style="list-style-type: none"> • Detailed actions for RWS specified in the logical framework (p. 43), especially focusing on rehabilitation, needs assessment and monitoring systems. However, there is no clear reference to an overall reform agenda or sector strategy
9	Uganda	
	Status	<ul style="list-style-type: none"> • RWS strategy envisages i) gradual decentralization with district water and sanitation teams which are to be integrated with district establishment over time, ii) support to DWSTs through technical support units with the DWD, iii) full cost recovery for O&M by community, iv) development of a nationwide maintenance strategy, and v) utilization of private sector in O&M.
	PRSP Coverage	<ul style="list-style-type: none"> • Strategy developed in parallel with the PRSP process
10	Zambia	
	Status	<ul style="list-style-type: none"> • Application of DRA under the WASHE concept • Community RWSS strategy is under preparation • ZAMSIF has been providing grants for RWS projects
	PRSP Coverage	<ul style="list-style-type: none"> • In I-PRSP, a reference made to NPRAP, which, however, does not refer to WASHE, DRA or the ZAMSIF experience

Source: Relevant latest PRSP documents, as available. See the References.

Table A8: Status and Coverage of Urban Water Supply in PRSPs

	Country	Description
1.	Benin	
	Status	<ul style="list-style-type: none"> Major initiative in Benin for UWS is the privatization of the public water utility SBEE, with the need to link the utility to small scale service providers
	PRSP Coverage	<ul style="list-style-type: none"> Policy matrix refers to reform of the water sector and divestiture through selection of a private sector partner through bidding (p. 19) No reference to SSIPs and the access for the poor and potential role of SSIPs
2.	Burkina Faso	
	Status	<ul style="list-style-type: none">
	PRSP Coverage	<ul style="list-style-type: none"> Brief reference made to target poorest neighbourhoods for urban water, but no action plans indicated
3.	Ethiopia	
	Status	<ul style="list-style-type: none"> Urban water supply within the decentralization framework with water boards at zonal level and water bureau or departments at regional level
	PRSP Coverage	<ul style="list-style-type: none"> Referred in the I-PRSP, but no action plans suggested
4.	Kenya	
	Status	<ul style="list-style-type: none"> PSP options currently being studied or planned for 2 or more large urban centers including Nairobi and Mombasa
	PRSP Coverage	<ul style="list-style-type: none"> A reference made to “expansion of water development and management by privatized arms of local authorities and other private entities” in the PRSP (p. 44). However, the action plans not developed for medium term in response to these (p. 99-100). NWCPC is neither included in privatization of parastatals, though many other infrastructure sectors (power, telecom, ports and railways) nor is there a clear reform agenda of transfers to local authorities / independent commercial utilities set out
5.	Malawi	
	Status	<ul style="list-style-type: none"> In some of the urban areas, WSS is provided by 5 regional water boards to be run on “commercially viable” basis Ongoing studies for utility-SSIP partnership and a national peri-urban strategy
	PRSP Coverage	<ul style="list-style-type: none"> No mention or reference in I-PRSP to UWS
6.	Mozambique	
	Status	<ul style="list-style-type: none"> Major PSP and institutional reform initiatives for five cities, Establishment of sector regulatory agency: Council for the Regulation of Water Supply, Introduction of water tariff reforms
	PRSP Coverage	<ul style="list-style-type: none"> No reference is made in the PRSP/PARPA to the major PSP and institutional reform
7.	Rwanda	
	Status	<ul style="list-style-type: none"> Privatization of Electrogaz planned
	PRSP Coverage	<ul style="list-style-type: none"> For UWS, privatization of Electrogaz, establishment of a multi-sector regulatory authority (p. 15), and progressive system of user fees (policy matrix, p. 61) No plans mentioned for access of the poor and un-served (over 50%) under privatization
8.	Tanzania	
	Status	<ul style="list-style-type: none"> UWSS initiatives essentially linked to decentralization and municipal capacity building For DAWASA the process of introducing PSP was initiated in 1998. An investment project is planned.
	PRSP Coverage	<ul style="list-style-type: none"> HIPC Completion point condition includes privatization of DAWASA, but there is no reference to this in the full PRSP There is no other reference to UWS in the PRSP although urban poverty issues have since been incorporated into the first PRSP progress report.
9.	Uganda	
	Status	<ul style="list-style-type: none"> UWS reforms have been developed to have commercial orientation through professionally constituted urban WSS authorities for small urban WSS systems or dedicated asset holding authorities in larger towns, all to be contracted to professional private operators through i) local government management in small urban systems and ii) those under NWSC, to be brought under performance improvement and a planned privatization of NWSC
	PRSP Coverage	<ul style="list-style-type: none"> PEAP did not refer to UWS. However, subsequently in the PSR 2001 and in the PRSC (MOP), UWS reforms have been included.
10.	Zambia	
	Status	<ul style="list-style-type: none"> Formation of commercial utilities (CUs) completed in several provinces, but operations still not fully commercial “Peri-urban WSS strategy” developed
	PRSP Coverage	<ul style="list-style-type: none"> No reference to CUs and their links to Peri-urban communities In I-PRSP, a reference made to NPRAP, which, however, does not refer to CUs and Peri-urban strategy at all Despite emphasis on privatization of public enterprises, no details for water

Source: Relevant latest PRSP documents, as available. See the References.

Table A9: Status and Coverage of Sanitation in PRSPs

	Country	Description
1	Benin	
	Status	<ul style="list-style-type: none"> National Sanitation strategy planned
	PRSP Coverage	<ul style="list-style-type: none"> No reference to sanitation at all in I-PRSP
2	Burkina Faso	
	Status	<ul style="list-style-type: none"> Program for scaling up the pilot sanitation activities to a national sanitation program
	PRSP Coverage	<ul style="list-style-type: none"> No mention of sanitation in PRSP
3	Ethiopia	
	Status	<ul style="list-style-type: none"> A community based approach to urban sanitation being developed in Ethiopia through a EU funded project.
	PRSP Coverage	<ul style="list-style-type: none"> No specific reference made in I-PRSP
4	Kenya	
	Status	<ul style="list-style-type: none"> National Environmental Sanitation Strategy under preparation and links are made to the Water Supply and Sanitation Strategy.
	PRSP Coverage	<ul style="list-style-type: none"> Some action plans given for rural sanitation
5	Malawi	
	Status	<ul style="list-style-type: none">
	PRSP Coverage	<ul style="list-style-type: none"> No mention or reference in I-PRSP to sanitation
6	Mozambique	
	Status	<ul style="list-style-type: none"> Decentralization for urban sanitation is fairly well advanced for devolution of authority and resources, though weak institutional capacity (NWDP II, PAD, p. 5) National Sanitation Strategy planned
	PRSP Coverage	<ul style="list-style-type: none"> No reference made in the I-PRSP to sanitation
7	Rwanda	
	Status	<ul style="list-style-type: none">
	PRSP Coverage	<ul style="list-style-type: none"> For urban sanitation, institutional capacity building of urban local authorities
8	Tanzania	
	Status	<ul style="list-style-type: none"> Urban sanitation to be included in an upgrading project
	PRSP Coverage	<ul style="list-style-type: none"> No reference made in the I-PRSP to sanitation
9	Uganda	
	Status	<ul style="list-style-type: none"> Strategy being developed in parallel with the PRSP process
	PRSP Coverage	<ul style="list-style-type: none"> No reference in PEAP, but the PRSC envisages development and implementation of a “National Hygiene promotion, Sanitation and Communication Strategy”
10	Zambia	
	Status	<ul style="list-style-type: none"> “National Sanitation Strategy for Peri-urban and rural areas” has been developed
	PRSP Coverage	<ul style="list-style-type: none"> No reference to sanitation made in the I-PRSP

Source: Relevant latest PRSP documents, as available. See the References.

Table A 10: Status of WSS Related Reforms and Coverage in PRSPs

	Country	Decentralization			Rural Water			Urban Water		
		Initiated	PRSP Coverage		DRA Initiated	PRSP Coverage		Commercial Utilities (CU) Initiated	PRSP Coverage	
			Action Plans	Decent Mentioned		DRA Action Plans	RWS mentioned		CUs Action Plans	UWS Mentioned
1	Benin	Y	Y	Y	Y	N	Y	Y	N	Y
2	Burkina Faso	Y		Y	N/K	N	Y			Y
3	Ethiopia	Y		Y	Y	N	Y			Y
4	Kenya	Y	Y	Y	Y	Y	Y	Y	N	Y
5	Malawi	Y		Y	Y			Y	N	
6	Mozambique	Y			Y	N	Y	Y	N	Y
7	Rwanda	Y	Y		Y	N	Y	Y	Y	Y
8	Tanzania	Y	Y	Y	N/K		Y	Y	N	
9	Uganda	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Zambia	Y			Y	N	Y	Y	N	

Source: Based on a review of PRSP documents and other country level reports as given in the references. Refer Annex Table A3 for country details. N/K= not known

Table A11: WSS in Macro-Financing and PRSPs

	Country	Macro-Finance Linkage			Description
		MTEF Initiated	WSS integrated with MTEF	Detailed Costing for WSS	
1	Benin	Y	N	N	<ul style="list-style-type: none"> Budgetary reforms (similar to MTEF) launched in 1999 (para 34) with social sector allocation in line with PRSP proposals. Ongoing PERAC
2	Burkina Faso	Y	P	P	<ul style="list-style-type: none"> Medium term budget preparation with all ministries in 1998. Links with PRSP not clear. Detailed 5-year budget for WSS indicated, link with action plans and MTEF process not clear.
3	Ethiopia	Y	N	N	<ul style="list-style-type: none"> First MTEF initiated, expected by mid-2001. WSS not integrated so far
4	Kenya	Y	Y	P	<ul style="list-style-type: none"> MTEF initiated and links with PRSP and budget established WSS also possibly linked through the budget process
5	Malawi	Y	Nk	Nk	<ul style="list-style-type: none"> Malawi MTEF considered as 'best practice', latest PER done in 2000 WSS inclusion not known
6	Mozam	Y	Nk	Nk	<ul style="list-style-type: none"> MTEF since 1995, however effectiveness not known WSS inclusion not known
7	Rwanda	Y	Nk	P	<ul style="list-style-type: none"> MTEF since 1998, plans to move to budget support TA reports available for WSS, its actual inclusion in MTEF not known
8	Tanzania	Y	P	N?	<ul style="list-style-type: none"> MTEF ongoing for last 3 years, supported by PER Water is included in ongoing PER, links with MTEF not known
9	Uganda	Y	Y	Y	<ul style="list-style-type: none"> MTEF since 1992-93, with close links to PEAP/PRSP Followed by a recent PRSC WSS included as a priority expenditure under PAF and PRSC
10	Zambia	Y	Nk	Nk	<ul style="list-style-type: none"> Ongoing participatory PER Inclusion of WSS not known

Source: Based related on PRSP and available MTEF / PER documentation.

Table A12: WSS Indicators in the PRSPs

Country	Indicators related to water and Sanitation Country PRSPs
1 Benin	No indicators given
2 Burkina Faso	Not given. However, some details of criteria used to arrive at targets are: i) Water point per number of inhabitants - 300, ii) carrying distance of 300 m, iii) supply: rural -20 lpcd, secondary centers -30 lpcd, and medium and large towns – 50 to 60 lpcd. (p. 26)
3 Ethiopia	Specified for outcomes only: <ul style="list-style-type: none"> • % people with access to clean water specified separately for urban, rural and total • Share of total budget (public expenditure) for clean water – no actual target specified – though this is specified for all other sectors, including education, health, agriculture and roads.. • Targets by 2002/3: T-36, U-90, R-40
4 Kenya	A large number of 'target outputs' envisaged including: For RWSS: <ul style="list-style-type: none"> • handing over and management of schemes, • increased coverage, • access for the poor to improved services, • reduction of time spent by women on fetching water, • number of schemes constructed or rehabilitated, water points constructed, • women entrepreneurs for water related economic activities For UWSS: <ul style="list-style-type: none"> • management of schemes by other service providers, • access of peri-urban population to improved services (%), • number of water supply schemes, dams rehabilitated / constructed, boreholes constructed / equipped, access for the poor to improved services • improvement of water flow
5 Malawi	Not mentioned in the detailed policy matrix at all.
6 Mozambique	<ul style="list-style-type: none"> • Objective is stated as: "To ensure that the population has access to clean water, specially the rural population", with outcome indicators (p. 46): <ul style="list-style-type: none"> ○ To ensure that 50% of the urban population has access to water supplies ○ To ensure that 40% of the rural population has access to water supplies ○ To increase low cost sanitation coverage in urban areas to 50% • Annual output indicators for water related action plans (p. 79): <ul style="list-style-type: none"> ○ Number of wells and boreholes reopened ○ % of people supplied with piped water (rural and urban)
7 Rwanda	<ul style="list-style-type: none"> • % access to safe water • % access to latrines
8 Tanzania	<ul style="list-style-type: none"> • population in rural areas with access to adequate, safe and clean water – enhance coverage from 48.5 percent to 85 percent by 2010.
9 Uganda	<p><u>Under PRSP:</u> Target for water: 100 percent or maximum feasible access to safe water by 2015. Monitoring Indicators: Access to improved water source (<0.5 km), Forms of sanitation used by households (facility and practices), sanitary facilities in schools and markets, and quality of water resources.</p> <p><u>Under PSR:</u> Targets and monitoring – for rural areas related to:</p> <ul style="list-style-type: none"> • safe water coverage (percent), • new water systems, • number of new public school or institutional sanitation systems and • functionality rate; <p>for urban areas related to:</p> <ul style="list-style-type: none"> • safe water coverage (percent), • number of new water connections (of which for the poor), • number of sewerage connections • number of NWSC staff / 1000 connections • internal cash generation <p><u>Added under PRSC:</u> Annual output and outcome targets within a medium term (3 year) framework – Refer to Table A4.</p>
10 Zambia	Not developed.

Source: Relevant latest PRSP documents, as available. See the References.

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Annex 1: PRSP and Related Status – Country Briefs

1. Benin

-
- a. **Population:** 5.9 million
- b. **Status of PRSP:** I-PRSP prepared in June 2000. Full PRSP expected by end, 2001. Earlier poverty reduction initiatives included: National Program for Social Dimensions of Development Strategy, National Community Development Program, Local Development Support Program and National Employment Program.
- c. **Institutional arrangements for PRSP preparation:** Not known. For future, a National Development and Anti-Poverty Commission suggested comprising: public administration, specialized agencies, NGOs and civil society representatives. Its main role is to manage the consultation process. Responsibility for coordination and drafting of PRSP not clear.
- d. **Consultation process for PRSP:** Full details are not available. At local level, 12 regional workshops held and at central level, issue-based consultations, formal meetings, seminars and workshops and technical meetings held. Sectoral poverty reduction strategies expected.
- e. **Financial planning and management– PER, MTEF:** Budgetary reforms launched in 1999 (para 34) that seem similar to MTEF, and emphasize the social sector allocation in line with PRSP proposals. Ongoing Public Expenditure Reform Adjustment Credit (PERAC).
- f. **Basic structure of PRSP:**
- Poverty assessment,
 - Poverty reduction policies and strategies – Macro-economic framework, social policies (water mentioned here),
 - Strategic approach – Poverty reduction goals (WSS not mentioned), participation and M&E, strategy preparation.
- g. **Proposed M&E system:** No M&E system suggested. A detailed policy matrix with a time schedule given as an attachment.
Indicators for WSS monitoring: No indicators given.
- h. **Bank and other projects.**
Bank Projects:
- Decentralized City Management Project (DCMP) – 1999-2003
 - Rural Savings and Loan Cooperatives Rehabilitation Project – 1993-2000
 - Rural Water Supply and Sanitation Project – 1994-2000
 - Public Expenditure Reform Adjustment Credit (PERAC) – 2001
- Other Projects:
- i. Available Documents.
I-PRSP, PERAC (PID), RWSSP (ICR), DCMP (PAD)
-

2. Burkina Faso

- a. **Population:** 10.7 million
 - b. **Status of PRSP:** Full PRSP prepared in May 2000, and decision point reached in July 2000. Completion point expected in end, 2001. The first PRSC is ongoing. Letter of Intent for Sustainable Human Development prepared earlier followed in PRSP.
 - c. **Institutional arrangements for PRSP preparation:** Not known as to how the first PRSP was formulated. For the future: an inter-ministerial committee is suggested, need for linking priorities to state and sector budgets highlighted, and link with “Conditionality Reformulation” exercise with donors. Though institutionalization and coordination of PRSP process with budgeting are emphasized, no measures are given.
 - d. **Consultation process for PRSP:** It is indicated that Burkina has a tradition of consultation process with NGOs, their associations, and self-help organizations. For the future, greater emphasis envisaged on decentralized systems, local communities and on dissemination of information.
 - e. **Financial planning – PER, MTEF:** Medium term budget preparation sessions with all ministries starting in 1998. Links with PRSP not clear.
 - f. **Basic structure of PRSP:**
 - Poverty characteristics (rural poverty predominant, drinking water included),
 - Development objectives – vision, medium and long term objectives (drinking water included along with education, health and agriculture),
 - Poverty reduction strategy - a) accelerate equity based growth, b) Access to social services, c) opportunities for employment and income for poor (including WRM), d) promote good governance (including decentralization),
 - Costing and financing the strategy – with detailed additional costs of poverty reduction measures in the priority sectors (including drinking water, but its share is limited to less than 0.1 to 0.3 % of total additional costs required), and
 - Monitoring and assessment of poverty (WSS not included)
 - g. **Proposed M&E system:** Included as an important item, with an emphasis on development of indicators, collection of information and stakeholder participation.
Indicators for WSS monitoring: Not given. However, some details of criteria used to arrive at targets are: i) Water point per number of inhabitants - 300, ii) carrying distance of 300 m, iii) supply: rural -20 lpcd, secondary centers -30 lpcd, and medium and large towns – 50 to 60 lpcd. (p. 26)
 - h. **Bank and Other Projects.**
 - Bank Projects:
 - PRSC-I - 2001
 - Ouagadougou Water Supply Engineering Credit Project – 1993-1998
 - Urban Environment Project – 1995-2002
 - Second Urban Project – 1994-?
 - Community Based Rural Development Project (CBRDP) – 2000-2006
 - Ouagadougou Water Supply Project (OWSP) – 2001-2007
 - Other Projects:
 - i. **Available Documents.**
 - PRSP, Decision Point Document, PRSC-I(PID), CBRDP (PID, PAD)
-

3. Ethiopia

- a. **Population:** 61.3 million
- b. **Status of PRSP:** I-PRSP prepared in November 2000. Decision point expected by August 2001 and full PRSP by end, 2001.
- c. **Institutional arrangements for PRSP preparation:** Possibility of a Steering Committee to oversee the preparation of PRSP. No further details given.
- d. **Consultation process for PRSP:** I-PRSP draws on the Second National Development Plan (NDP) that was discussed at all levels of government, private sector and all political parties. I-PRSP discussed with government agencies and donors. GoE intends to deepen the process of consultation during PRSP preparation, including with civil society (NGOs, women groups, cooperatives, civil servants and elected officials at district level, private sector urban communities at regional level and professional associations and trade unions at the federal level
- e. **Financial planning – PER, MTEF:** PER was done in 1999. First MTEF has been initiated and is expected by mid-2001. The link with the PRSP process is not known.
- f. **Basic structure of PRSP:**
- Poverty characteristics,
 - Economic reform and ADLI strategy,
 - Poverty reduction strategy – (including decentralization),
 - Sector development programs (agriculture, social sectors, infrastructure, SIF, etc. rural water supply mentioned under infrastructure and under SIF),
 - Macroeconomic setting,
 - Basic indicator and targets (water included here and both urban and rural water mentioned),
 - Policy matrix (water not mentioned here, only service delivery mentioned under civil service reform).
- g. **Proposed M&E system:** I-PRSP does not specify in detail the monitoring framework and strategy. A policy matrix is given.
- h. **Bank and Other Projects.**
Bank Projects:
- Social Rehabilitation and Development Fund Project – ongoing and second planned
 - Water Supply Development and Rehabilitation Project – ongoing and second planned
 - Market Towns Development project (MTDP) – 1990-1997
 - Urban sector project planned
- Other Projects:
- EU funded Community Based Water and Sanitation Program for Addis Ababa (COBWAS) – 2001-?
- j. **Available Documents.**
- I-PRSP, JSA, PER, MTDP (ICR), Consultations with the Poor (2000), WSS Development Strategy for Ethiopia (2001)
-

4. Kenya

- a. **Population:** 28.8 million
 - b. **Status of PRSP:** I-PRSP prepared in June 2000. Draft Full PRSP was circulated for feedback in June 2001. Kenya is included in the original list of HIPC, but its debt is found to be sustainable.
 - c. **Institutional arrangements for PRSP preparation:** PRSP process was led and coordinated by the Technical Secretariat in the Ministry of Finance. Technical Secretariat comprised professional from government, civil society, private sector and technical advisors from the donor community. A National Steering Committee comprising chairpersons of sector working groups, sector permanent secretaries, selected NGOs and representatives of civil society and private sector provided policy guidance.
 - d. **Consultation process for PRSP:** Consultation process for the full PRSP was launched through a National Stakeholders Forum and was followed with consultations at national, regional, district and divisional levels. Stakeholder categories included besides government, civil society and vulnerable groups and private sector. Sector and thematic working groups were also formed. Participatory poverty assessments were conducted in 10 districts.
 - e. **Financial planning – PER, MTEF:** The MTEF process was initiated in Kenya from the financial year 2001-02. It is expected that gradually it will be linked to the PRSP process.
 - f. **Basic structure of PRSP:**
 - Review of implementation of I-PRSP
 - Poverty dimensions
 - Macro-economic Framework
 - Key national issues and challenges
 - Sector priorities
 - M&E of poverty reduction
 - PRSP implementation matrix
 - g. **Proposed M&E system:** Draft PRSP describes the main objectives of the M&E system. It is envisaged to incorporate a continuous tracking and feedback mechanism with an institutional framework at national, district and community levels. The M&E process is to be guided by a National Technical Taskforce under the Central Bureau of Statistics in the Ministry of Finance and Planning. No details of sector level M&E process are given.
 - h. **Bank and Other Projects:**

Bank Projects:

 - Finance and Management Control Board Project – 2000-2001

Other Projects:
 - i. **Available Documents.**
I-PRSP, PRSP,
-

5. Malawi

- a. **Population:** 10.5 million
- b. **Status of PRSP:** I-PRSP prepared in August 2000. HIPC Decision point reached in December 2000. Full PRSP expected by July 2001. Work done under “Vision 2020”, “Policy Analysis Initiative”, “Policy Framework for Poverty Alleviation”, and by the task Force on SIPs and SWAPs for different line ministries.
- c. **Institutional arrangements for PRSP preparation:** Minister of Finance and Economic Planning to have overall responsibility with several committees: i) National Steering Committee chaired by Minister of Finance and Economic Planning and include Governor of Reserve Bank of Malawi, Director General of National Economic Council, and Ministers of Education, Health, Agriculture, Transport and Public Works; ii) Committee of Principal Secretaries to report to the Cabinet Committee on the Economy and to oversee the work of the Technical Committee, to be chaired by Secretary to the Treasury and will include: General Manager (Economic services) of the Reserve Bank, for Secretaries to the National Economic Council, Agriculture, Health, Transport and Public Works; iv) Technical Committee drawn from the National Economic Council, MFEP and Reserve Bank of Malawi, and to co-opt members from sectoral ministries as needed. Technical committee led by the National Economic Council will carry out consultations, analysis and development of strategies. (I-PRSP, p. 26)
- d. **Consultation process for PRSP:** Annex 2 of the I-PRSP describes in detail the process planned for preparation of full PRSP. It envisages building broad ownership and consensus along with donor ‘buy-in’ and donor requirements for participatory processes. The iterative process includes: a) mobilization of key stakeholders, b) preparation of strategy with thematic groups contributions and later drafting with technical assistance, and c) validating the draft strategy through a National Symposium. A detailed plan and timetable have been developed.
- e. **Financial planning – PER, MTEF:** PER has been done under the MFRDP II/III. MTEF has also been prepared under the WB’s IDP II, and is considered as best practice. MTEF initiated in 1995-96 and first completed in 1997. PER also planned for 2000.
- f. **Basic structure of PRSP:**
- A review of economic performance and reforms;
 - Poverty assessment – information on poverty, studies to be done, and review of current and past programs; Sectoral analysis of options for poverty reduction – super sectoral issues (IV AIDS), social sectors, and sustainable economic growth, (sectoral priorities to be updated in full PRSP);
 - Road map for preparation of PRSP; and
 - Detailed policy matrix with time frame.
- g. **Proposed M&E system:** M&E Division of the National Economic Council to be responsible for M&E of PRSP implementation. Surveys planned or recently completed include: i) Malawi Poverty and Human Resources Poverty Profile (1996), ii) Demographic and Health Survey (1996), iii) Accelerating Malawi’s Growth (1997), iv) Malawi Knowledge and Attitudes to Health (1997), and v) Malawi Social Indicators Survey (1997).
- h. **Bank and Other Projects.**
- Bank Projects:
- National Water Development Project – 1995-2003
 - Institutional Development Project – 1994-2001
 - Privatization and Utility Reform Project (for regulatory aspects) – 2000-2004
 - Malawi Fiscal Restructuring and Deregulation Program II and III (for PERs) – 2000-2003
 - Local Government Development Project – 1992-2001
 - Rural Financial Service Project – 1993-1999
 - Social Action Fund Project 1 – 1996-2001
 - Social Action Fund Project 2 – 1998-2003
- Other Projects:
- Local Governance and Development Program funded by UNCDF and UNDP. COMWASH Project (?)
- i. **Available Documents.**
I-PRSP, Report on PRSP in Malawi by Malawi Economic Justice Network (2001), Social Action Fund Project (SAR-1996), Social Action Fund Project 2 (PID, PAD, 1998), PURP (PID, PAD, 2000), MFRDP III (PID, 2000)
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6. Mozambique

- a. **Population:** 16.9 million
- b. **Status of PRSP:** I-PRSP completed in February 2000. HIPC Decision point reached in April 2000. Full PRSP and HIPC completion point expected by mid-200. GoM Prepared an Action Plan for the Reduction of Absolute Poverty (PARPA) in 1999, which has been merged with the I-PRSP. PARPA was based on the “Action Guidelines for the Eradication of Absolute Poverty” 1999 approved by the Council of Ministers and the report “Poverty and Welfare in Mozambique: First National Evaluation” in 1998. Poverty eradication initiated in Strategy for Poverty Reduction in 1995, and priorities were reflected in the Five Year Program from 1995-1999.
- c. **Institutional arrangements for PRSP preparation:** Only brief details of institutional arrangements for PRSP preparation given. Technical Population Office (TPO), an inter-ministerial and intersectoral forum, with responsibilities for: inter-sectoral coordination, harmonizing specific actions plans and regular M&E. Recommendations made for provincial forums. (p. 76-77)
- d. **Consultation process for PRSP:** Consultation process was for PARPA with government agencies at central and provincial levels, and with academia. The plan was later presented to civil servants and NGO / civil society representatives at a training program. For PRSP, the plan is to extend the consultations to civil society, trade unions, NGOs and religious groups
- e. **Financial planning – PER, MTEF:** MTEF first introduced in 1995, and also planned under the ongoing Economic management Reform Operation approved in December 1998. PARPA highlights the need for coordination with MTEF and annual budgets. However, the total requirements shown under PARPA far exceed the macro-economic possibilities indicated through MTEF. Also, under PD, WSS is not mentioned in an analysis of trends in social expenditure (p. 13).
- f. **Basic structure of PRSP:** I-PRSP gives:
- A brief outline of poverty and its determinants (WSS not shown separately);
 - Global objective for the decade and specific objectives (WSS mentioned as a specific objective under “To develop human capital through investments in education, health, access to safe water and sanitation”);
 - Process of preparation of PRSP, iv) dissemination and consultation;
 - M&E; and
 - A timeline for PRSP preparation.
- Structure of PARPA that is attached as a part of I-PRSP:
- Poverty assessment and target groups (water and sanitation referred under profile of poverty, p. 29) and global decadal objective (access to clean water and environmental sanitation mentioned under development of human capital),
 - Demographics and macro-economic context,
 - Objectives of the action plan,
 - Sectoral objectives and targets (WSS under Infrastructure; under general objectives both WSS included; but only “access to clean water” included under specific objective and targets),
 - Coordination and M&E
- g. **Proposed M&E system:** M&E strategy being evolved and an initial list of indicators in PARPA. WSS indicators not included in main five-year indicators, but included in the annual indicators.
- h. **Bank and Other Projects:**
- Bank Projects:
- National Water Development Project I (1998-2003), II (1999-2005)
 - Local Government Reform and Engineering Project (closed) – 1993-1999
 - Institutional Capacity Strengthening Project (closed) – 1997-1999
 - Building Capacity to Guide and Coordinate Public Service Reform Project – 1999-2001
 - Economic Management Reform Operation - 1998
 - Economic Recovery Credit Project – 1997-1998
- Other projects:
- UNCDF -District Planning and Financing project (DPFP), LDF in one province as a pilot
- i. **Available Documents:**
I-PRSP, ERCP (PID), EMRO (PID), Consultant report for MTEF, PD,
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7. Rwanda

- a. **Population:** 8.1 million
- b. **Status of PRSP:** I-PRSP completed in November 2000. HIPC Decision point reached in December 2000. Full PRSP and HIPC completion point expected by end-2001.
- c. **Institutional arrangements for PRSP preparation:** Three structures: i) Inter-ministerial committee for policy coordination chaired by the Prime Minister, ii) Steering Committee for monitoring and evaluation the PRSP progress and process, and iii) Technical Committee responsible for drafting the paper, organization consultations, working with sectoral ministries to review action plans and costing of priority programs (Para 164-5, p. 43).
- d. **Consultation process for PRSP:** I-PRSP was based on consultations with government (including local authorities), religious groups, NGO and community associations, focus groups at prefecture level. At the local level Community Development Committees (CDCs) helped to implement the consultation process, especially for community feedback and priorities. "Access to potable water was identified by both rural and urban dwellers as the highest priority public service" (PD, p. 20).
- e. **Financial planning – PER, MTEF:**
- MTEF initiated in 1998 with considerable donor TA support (I-PRSP, p. 40-41). GoR plans to move from an ad-hoc project approach to a programmatic approach through the MTEF. PRSC planned by December 2001 (JSA). Medium term costing has been done for education, health and water supply as a part of the PER process – expected to be refined as a part of the PRSP process (Para 162-3, p. 42). Though this has been difficult especially for development expenditure, as input costs are not very clear.
 - I-PRSP mentions the possibility of a Poverty Action Fund similar to the one in Uganda
 - The latest budget has increased the share of social sectors in the budget
 - Micro-finance: legal regulatory framework, dev. of Banques Populaires (I-PRSP, p. 10).
- f. **Basic structure of I-PRSP:**
- Poverty characteristics (access to water mentioned as an indicator), constraints and opportunities, review of existing approaches (need for local initiatives and resources emphasized)
 - Building an enabling environment (Under Infrastructure – RWSS with community participation, privatization of Electrogaz for urban water and local institutional capacity for urban sanitation)
 - Economic growth and transformation for poverty reduction
 - Sectoral policies for growth and poverty reduction (i) Enabling poor households to increase incomes, ii) Improving the quality of life – water and sanitation mentioned as a key area)
 - Costing and prioritizing actions for poverty reduction (prioritization through MTEF – rural water supply mentioned one of the priority areas under Infrastructure)
 - Institutional framework for preparing and implementing the PRSP
 - Follow-up and monitoring
 - Policy matrix and timeline (decentralization; Urban: privatization of Electrogaz, progressive system of user fees, sanitation; RWS: rehabilitation and strengthening of community management)
- g. **Proposed M&E system:** I-PRSP envisages establishment of a Poverty Observatory to coordinate the monitoring. The system envisages: input indicators with Budget department, output indicators with sectoral line ministries and outcome and impact with the Poverty Observatory under the National Program for Poverty Reduction. For M&E Surveys: Ongoing: Participatory Poverty Assessment, Demographic and Health Survey (DHS) and Household Living Standards Survey (HLSS); Planned: population census 2002, Public Expenditure Tracking Survey (PETS).
- h. **Bank and Other Projects:**
- Bank Projects:
- Rural Water and Sanitation Project (RWSP) – 2001-2006
 - Food Security and Social Action Project – 1992-2000
 - Community Reintegration and Development Project (CRDP) – 1998-2002
 - Private Sector Development Project – 1993-2000
- Other Projects:
- AfDB project for micro-finance and community infrastructure (p. 10),
 - Umutara Community Resource and Infrastructure Development project –by IFAD and OPEC
 - UNICEF Water and Environment Sanitation Program - completed
- i. **Available Documents:**
- I-PRSP, JSA, PD, RWSP – PAD, RSSP – PID, CRDP (PID, PAD) Groom S. (1999), and GOR and UNICEF (2001)
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8. Tanzania

- a. **Population:** 32.1 million
- b. **Status of PRSP:** I-PRSP completed in April 2000. HIPC Decision point reached in April 2000. Full PRSP completed in November 2000. HIPC completion point expected by mid-2001. GoT developed the National Poverty Eradication Strategy (NPES) in 1997. Also, a “Vision 2025” document and a participatory Tanzania Assistance Strategy (TAS) developed.
- c. **Institutional arrangements for PRSP preparation:** A high level Cabinet Committee to guide the process of preparation of PRSP established; a Technical Committee headed by a Deputy PS of MoF and representing relevant ministries coordinates the structures set up for TAS. Its mandate includes integrating its work with macro-economic sub-committee of the TAS. It will also coordinate consultations with stakeholders – donors, NGOs, business community, and academics.
- d. **Consultation process for PRSP:** NPES was developed in a broad based participatory process involving consultations with regional and district authorities, NGOs, private sector, donors and subjected to intense scrutiny in the parliament. Pp. 4-5 of I-PRSP give the planned process. Bank and Fund staff have provided TA support to GoT
- e. **Financial planning – PER, MTEF:** MTEF ongoing for the three years, and annual PERs.
- A Multilateral Debt Fund (MDF) established in 1998 to which seven donor countries have contributed. MDF services the external debt of GoT and the savings are used to increase expenditures on priority sectors. TAS is meant to guide the external aid to improve ownership, partnership and effectiveness of aid.
 - Bank’s rural and micro-financial services project – need to assess progress
 - Social action fund project just initiated a year ago
 - Review Financial Institutions Development Project
- f. **Basic structure of PRSP:**
- Status of poverty (dated information on income poverty, clean and safe drinking water described under Non-income dimensions of poverty, p. 9)
 - Poverty reduction: perspectives of various stakeholders (development of water resources mentioned as a priority concern by about one-third of groups at zonal workshops, after education, agriculture health, governance, gender, culture and roads)
 - Strategy for poverty reduction (i) Income poverty, ii) human capabilities, survival and well-being – service delivery and decentralization (local government reform program) referred – but WSS not independently, though education, health etc. are)
 - Financing poverty reduction programme (PER and MTEF exercises also mention water – while some details are given for water, action plans are not very clear, and expenditures proposed are low for recurrent, but reasonable for development)
 - M&E (water mentioned as a key cluster of information)
- g. **Proposed M&E system:** Institutionally, overall responsibility with the Vice-President’s office to coordinate different efforts. Stakeholders will include: relevant line departments, local communities, National Bureau of Statistics, academic and research institutions. These will also be organized into committees. PRSP has description of nature of information, roles etc., but only in the form of ideas and no concrete proposals.
- Surveys / databases planned include: i) Tanzania socio-economic database (TSED), ii) a household budget survey, labor force survey, and a school mapping exercise to be implemented during 2000, iii) Tanzania Reproductive and Child Health Survey (TRCHS) in 1999 as an interim DHS, iv) participatory poverty assessment (PPA) by the World Bank in 1995, envisaged to be conducted ‘regularly’, and v)
- h. **Bank and Other Projects:**
- Bank Projects - Ongoing:
- Financial Institutions Development Project 2 (FIDP) – 1999-2003
 - Social Action Fund Project (SAFP) – 2000-2005
 - Rural and Micro Financial Services Project (RMFSP) – 1999-2002
 - Programmatic Structural Adjustment Credit Project (PSACP) – 2002-2007
 - Rural Water Supply (Under Preparation)
 - Local Government Support Program (Under Preparation)
- i. **Available Documents:** I-PRSP, JSA, PRSP, JSA, PD, SAFP (PID, PAD), FIDP (PAD, PID), PSACP (PID), RMFSP (PAD, PID)
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9. Uganda

- a. **Population:** 20.9 million
- b. **Status of PRSP:** Full PRSP completed in March 2000. HIPC Decision point reached in February 2000. First Annual Progress report prepared in March 2001. HIPC completion point reached in May 2000. First PRSC approved in May 2001.
- Full PRSP is the same as “Poverty Eradication Action Plan” – the first was prepared in 1997. This draws on i) development of sector wide approaches, ii) Uganda Participatory Poverty Assessment Project (UPPAP), iii) Poverty Status Report, iv) development of costing of public actions and v) monitorable indicators in key, poverty oriented sectors.
- c. **Institutional arrangements for PRSP preparation:** Process is led by the Ministry of Finance and Development with inputs by each priority sector Ministry through sector working groups, Importantly, within the decentralization framework inputs from districts through district plans district MTEFs are also incorporated. The process is not visualized as a one-time activity, but is being institutionalized with efforts at strengthening capacity of sector institutions.
- d. **Consultation process for PRSP:** The overall consultative and planning processes in Uganda have been closely linked with an emphasis on participatory processes. Thus, the full PRSP built onto this process and the initial discussion draft were widely circulated to stimulate dialogue and debate. Consultations included: general consultative workshops, regional meetings for district officials, donor consultations, political consultations, feedback mechanisms to receive written responses and discussions in a number of sector working groups.
- e. **Financial planning – PER, MTEF:** MTEF introduced in 1992/93 at a time of fiscal crisis.
- Design of comprehensive expenditure allocations by broad sector and by Ministry since 1995/96. Since, 1997 PEAP and MTEF have been closely linked.
 - PAF set up more recently as a vehicle within MTEF for targeting earmarked funds into poverty specific parts of the budget. WSS is included as a priority area within PAF.
 - For micro-finance, GOU has withdrawn from provision of capital for credit and will focus on a new regulatory and supervisory structure (PEAP p. 16)
- f. **Basic structure of PRSP – Poverty Status Report:**
- Uganda’s Planning Framework
 - National vision and overall goals
 - Poverty eradication strategy
 - Creating a framework for economic growth and transformation
 - Ensuring good governance and security
 - Directly increasing the ability of the poor to raise their income
 - Directly increasing the quality of the life of the poor (including water and sanitation)
 - Macro-economic stability and implications of the PEAP (including the PAF and MTEF)
 - The monitoring strategy
- g. **Proposed M&E system:** M&E strategy is developed to provide continuous feedback to all stakeholders and to build accountability. It involves agencies such as: poverty monitoring unit in MFDEP, Uganda Bureau of Statistics, and Uganda PPAP. Besides the common household surveys, and sector ministries are encouraged to commission special studies of trends and determinants of service delivery among the poor. Sector ministries develop monitoring indicators. Annual Poverty Status Report inform on the overall process. Some measures include:
- Detailed planning for inputs, outputs and outcome monitoring is being developed and is linked the overall planning and implementation processes
 - Use of media for publishing amounts disbursed to districts by sectors
 - Education budget allocations posted on school notice boards
 - PPAs used extensively – initial results resulted in emphasis on the water and sanitation sectors
 - M&E system focuses on effectiveness of budget execution and public service delivery – A detailed M&E strategy is being developed
- h. **Bank and Other Projects:**
- Bank Projects:
- PRSC 2001-2003
 - Local Government Development Program Project – 1999-2003
 - Privatization and Utility Sector Reform Project (PUSRP) – 2000-2006
 - Participatory Poverty Assessment Project (PPAP) – 1999-2001
- i. **Available Documents:** PRSP, PSR, Uganda PPA Report, PRSC (PID, PR), PUSRP (PAD), Strengthening capacity for M&E in Uganda: ECD Working Paper Series, WBOED, 2001.
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10. Zambia

- a. **Population:** 9.7 million
 - b. **Status of PRSP:** I-PRSP completed in July 2000. HIPC Decision point reached in December 2000. Full PRSP and HIPC completion point expected by end-2001. Fiscal sustainability credit is expected by end-2001. Fiscal Sustainability Credit expected by End 2001. A draft National Poverty Reduction Action Plan (NPRAP) was prepared in 1998.
 - c. **Institutional arrangements for PRSP preparation:** Process of managing the PRSP through i) PRSP steering committee, ii) PRSP technical committee, iii) PRSP technical secretariat, and iv) PRSP focal points. The steps in preparation include a nationwide consultation process followed by the actual drafting by the Technical Group. Draft PRSP will be presented at a national workshop. Final PRSP will be presented to the Cabinet, and after approval to the Bretton Wood Institutions. The participatory process will be linked to preparation of a public expenditure review (PER) and supported through donor funding.
 - d. **Consultation process for PRSP:** Very limited for I-PRSP with only government agencies, none for WSS. However, considerable consultations for preparation of NPRAP (with government, civil society and donor agencies) as well as for WSS sector reform in the past 4 to 5 years.
 - e. **Financial planning – PER, MTEF:**
 - Ongoing (or recently completed) participatory PER through IDF funding.
 - NPRAP identified total resources required, but these were not linked to a macro medium term expenditure framework and exceeded the national investment capacity
 - ZAMSIF, a social fund has been recently set up, with possible WSS component
 - Several MFIs with also an association of Micro-finance Institutions in Zambia (AMIZ)
 - f. **Basic structure of PRSP:**
 - Nature of extent of poverty (access to clean water and sanitation explicitly referred)
 - Government's poverty reduction strategies (reference to priorities in NPRAP, where RWSS referred under HRD as "Increase access to clean and safe water and sanitation in rural areas")
 - Preparation of PRSP for Zambia
 - Structural Policy Matrix (WSS not included)
 - g. **Proposed M&E system:** Only briefly covered. Need for external assistance stated. However, considerable support is expected under the IDF grant for PER/PRSP preparation. Some of the surveys include: national baseline service delivery survey and participatory resource monitoring and assessment.
 - h. **Bank and Other Projects:**
 - Bank Projects:
 - Social Recovery Project (1995-2000) and ZAMSIF Project – 2000-2005
 - Urban Restructuring and WS Project 1995-2001
 - Mine Township Services Project – 2000-2004
 - Other Projects:
 - i. **Available Documents:**
 - I-PRSP, JSA, PD
 - ZAMSIF (PID, PAD)
 - National Poverty Reduction Action Plan (NPRAP), 1998
 - National Water Policy, 1994
 - Water Supply and Sanitation Act, 1997
 - Report on Governance
 - Draft Peri-Urban Strategy
 - Environmental Sanitation Strategy
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Annex 2: Selected Terminology Related to the PRSP Process

Term	Explanation
Decision / Completion Point	<p>In the HIPC initiative, during the first stage a HIPC country works in coordination with, and the support of, the World Bank and IMF to establish a record of implementing economic reforms and poverty reducing policies. Particular focus is placed on developing a comprehensive poverty reduction strategy prepared by the government with support from the Bank, Fund and others. At the end of this period, the country reaches its <i>Decision Point</i>, where it is determined whether its debt level is sustainable. For those countries whose debt burden remains unsustainable, a package of debt relief is prepared and committed to by creditors.</p> <p>While interim debt relief by the Paris Club and some multilaterals such as the World Bank is provided between the decision point and completion point, a country receives their full package of debt relief once it has implemented a set of key, pre-defined structural reforms. This approach—called a "<i>Floating Completion Point</i>"—replaces the fixed three-year performance period of the original framework, and will enable countries to meet ambitious policy targets early and accelerate the release of debt relief.</p>
HIPC	<p>The <i>Heavily Indebted Poor Country</i> (HIPC) Initiative is an agreement among official creditors designed to help the poorest, most heavily indebted countries escape from unsustainable debt. It enables poor countries to focus their energies on building the policy and institutional foundation for sustainable development and poverty reduction. The Initiative is designed to reduce debts to sustainable levels for poor countries that pursue economic and social policy reforms, and is used specifically in cases where traditional debt relief mechanisms will not be enough to help countries exit from the rescheduling process.</p>
I-PRSP	<p><i>Interim PRSPs</i> (I-PRSP) were introduced to avoid delays in receiving assistance under the HIPC initiative. I-PRSPs must include a stock-take of a country's current poverty reduction strategy and lay out a road-map of how the country is going to develop its full PRSP.</p>
JSA	<p><i>Joint Staff Assessments</i> (JSA) evaluate the soundness of PRSPs and I-PRSPs and thereby assist the Boards of the Bank and Fund in judging whether an I-PRSP or PRSP provides a sound basis on which to proceed with assistance and debt relief.</p>
MTEF	<p><i>Medium Term Expenditure Framework</i> (MTEF) is a transparent planning and budget formulation process within which the Cabinet and central agencies establish credible contracts for allocating public resources to their strategic priorities while ensuring overall fiscal discipline. The process entails two main objectives: the first aims at setting fiscal targets, the second aims at allocating resources to strategic priorities within these targets.</p> <p>"Allocation to strategic priorities" requires determination of government wide priorities by the Cabinet collectively and portfolio-wide priorities by Ministries individually. Transparency requires that the priorities of the Cabinet are explained in a Budget Policy Statement whereas the priorities of individual ministries are explained in their Corporate Plans.</p>
PER	<p><i>Public Expenditure Reviews</i> (PERs) are essentially comprehensive macro reports with a mandate to focus on the efficiency and efficacy of resource allocation. They are undertaken by the World Bank generally in coordination with the country government. Topics include--but are not restricted to--analysis and projection of revenue, determination of the level and composition of public spending, inter- and intra-sectoral analysis, financial and non-financial public sector enterprises, structure of governance, and the functioning and efficacy of public institutions. A good PER would particularly include: analysis of an appropriate public-private mix of goods and service provision, assessment of revenue potential and sustainability of fiscal deficits, Evaluation of public expenditure priorities, examination of the link between expenditure inputs and outcomes as possible, suggestions to reform incentives and institutions that are needed to improve the efficacy of public spending. Some PERs are sector specific and include for that sector: analysis of the client country's development problems, existing policies, expenditure priorities and management, and public institutions.</p> <p>While there is no unique prescription for the level or the composition of public spending, PER outlines some broad principles, but the design and implementation of public spending programs are complex and requiring detailed assessment and careful tailoring for a given country.</p>

Term	Explanation
PPA	<i>Participatory Poverty Assessment</i> (PPA) aims to bring the perspectives of the poor into national and district policy formulation, planning and implementation. In this process local people are consulted extensively to identify the perceptions and priorities of the poor. Different approaches and methods may be used in countries, though an emphasis on direct consultations is common. Insights and responses from the local people consulted are analysed and presented for influencing policy processes.
PRSC	A <i>Poverty Reduction Support Credit</i> (PRSC) is provided by the Bank to IDA countries to support implementation of a PRSP and their associated social and structural reforms. PRSCs represent programmatic adjustment lending and are designed as a series of annual credits within a medium-term framework drawing on and elaborating a government's poverty reduction strategy. They are phased in line with the borrowing government's annual budget and planning cycle. Each PRSC in the series will be based on up-front priority public actions that demonstrate satisfactory progress in social and structural reforms in support of poverty reduction and towards defined poverty related outcomes.
PRSP	<i>Poverty Reduction Strategy Papers</i> (PRSPs) describe a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. PRSPs are prepared by governments through a participatory process involving civil society and development partners. PRSPs provide the basis for assistance from the Bank and the Fund as well as debt relief under the HIPC initiative . Over time it is expected that all /most external assistance will be within this framework. PRSPs should be country-driven, comprehensive in scope, partnership-oriented, and participatory. A PRSP is prepared every three years and to its content may be made using an Annual Poverty Status Report.
PSR	Governments prepare Annual <i>Poverty Status Reports</i> (PSR) within 12 months after preparation of a PRSP in order to assess progress toward PRS goals and intended policy/program reforms. These reports also allow governments to make adjustments to PRSPs in response to changing macroeconomic conditions, local priorities, etc.
SWAP	<i>Sector Wide Approach</i> (SWAP) is a mechanism where Government and development partners agree on strategy to achieve improvement in sector performance, increased resource flows, more effective use of resources through programs rather than projects. It is always a consultative process to ensure that all stakeholders fully participate in the development of the approach. Key mechanisms comprising SWAP are: sector investment plan, funding modalities, a participatory review process, a framework for common countrywide strategy for the sector, a defined institutional framework for participation of all stakeholders, and improved monitoring, transparency and reporting.

Source: Based on related descriptions on several World Bank websites.