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An AMCOW Country Status Overview

Water Supply and Sanitation in the Democratic Republic of Congo

Turning Finance into Services for 2015 and Beyond



The first round of Country Status Overviews (CSO1) published in 2006 benchmarked the preparedness of sectors of 16 countries in Africa to meet the WSS MDGs based on their medium-term spending plans and a set of 'success factors' selected from regional experience. Combined with a process of national stakeholder consultation, this prompted countries to ask whether they had those 'success factors' in place and, if not, whether they should put them in place.

The second round of Country Status Overviews (CSO2) has built on both the method and the process developed in CSO1. The 'success factors' have been supplemented with additional factors drawn from country and regional analysis to develop the CSO2 scorecard. Together these reflect the essential steps, functions and results in translating finance into services through government systems—in line with Paris Principles for aid effectiveness. The data and summary assessments have been drawn from local data sources and compared with internationally reported data, and, wherever possible, the assessments have been subject to broad-based consultations with lead government agencies and country sector stakeholders, including donor institutions.

This second set of 32 Country Status Overviews (CSO2) on water supply and sanitation was commissioned by the African Ministers' Council on Water (AMCOW). Development of the CSO2 was led by the World Bank administered Water and Sanitation Program (WSP) in collaboration with the African Development Bank (AfDB), the United Nations Children's Fund (UNICEF), the World Bank and the World Health Organization (WHO).

This report was produced in collaboration with the Government of the Democratic Republic of Congo and other stakeholders during 2009/10. Some sources cited may be informal documents that are not readily available.

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Strategic Overview

The water and sanitation sector in the Democratic Republic of the Congo (DRC) suffered a great setback during the country's long political crisis through the 1990s and early 2000s. Since then, the sector has started to recover, albeit slowly. Basic water supply and sanitation needs are still immense. Today, an estimated 50 million Congolese—which is 75 percent of the population—do not have access to safe water, and approximately 80-90 percent do not have access to improved sanitation.

The key bottleneck that currently impedes progress in the DRC's water and sanitation sector is the limited implementation capacity. Even as more finance is becoming available, the sector struggles to absorb it efficiently, hindered by weak institutions, outdated sector policies, a dearth of qualified technicians and managers, remaining insecurity, and a lack of support infrastructure such as roads and electricity. Although recent coverage trends have crept upward, and notwithstanding the relatively successful mobilization of external funds, the Millennium Development Goal targets for water supply and sanitation as well as the much less ambitious national targets set by the DRC's first Growth and Poverty Reduction Strategy Paper (DSCR) for the year 2015, are out of reach.

New financial commitments to the sector over the period 2007–08 averaged around US\$170 million annually, funded almost entirely by donors, and have since risen further. The water supply and sanitation component of the ongoing Priority Action Program foresaw more than US\$420 million to be invested from 2009 onward. However, actual

disbursements have lagged well behind commitments. Annual investment spending for water supply and sanitation averaged only about US\$65 million over the period 2007–08 which is roughly US\$1 per capita. Most of this spending, about US\$55 million, was for water supply, with 95 percent funded by external aid.

At this stage, weak implementation capacity measured in terms of annual budget utilization rates is the prime factor limiting the pace of recovery and development of the DRC's water supply and sanitation sector. Going forward, the critical factors will be a renewed commitment to pursue institutional reform and to build capacities where needed to enable the ongoing decentralization of the sector. More resources will also have to be mobilized for provincial water supply and sanitation—programs directed at rural and peri-urban communities. Under the “maximum possible” scenario, which assumes progress on these fronts, the annual flow of actual expenditure could rise to about US\$180 million for water supply and about US\$25 million for household sanitation, thereby extending access to improved water to an additional 12 million Congolese by 2015, instead of only 6 million as estimated under the “status quo” or “business as usual” scenario. For sanitation the ‘maximum possible’ scenario could yield improved sanitation for up to 8 instead of only 2 million Congolese.

The present AMCOW Country Status Overview (CSO2) has been produced in collaboration with the Government of the DRC and other stakeholders.

Agreed priority actions to tackle these challenges, and ensure finance is effectively turned into services, are:

Sectorwide

- Improve implementation capacity and financial management across the sector.
- Complete the institutional reform, in particular:
 - Ratify the new Water Law (*Code de l'Eau*) and specify a new sector policy;
 - Rationalize the institutional framework at federal and provincial levels to achieve clear responsibilities within the new decentralized framework; and
 - Progressively transfer responsibilities for infrastructure to provinces and the decentralized territorial entities (ETDs).
- Introduce a more coherent, comprehensive, and detailed sector monitoring and evaluation framework.

Rural water supply

- Prepare provincial water programs combining investment and capacity building.
- Improve implementation capacity by:
 - Redefining the role of the National Service for Rural Water Supply (SNHR) and the Provincial Water and Sanitation Committees (CPAEAs) in the new decentralized framework; and
 - Promoting the training of local water technicians and enterprises.
- Ensure that increased resources are mobilized for investment in rural areas.
- Expand successful existing programs—in particular, the Autonomous Community-Based Water Systems project and the *Villages Assainis* program.
- Ensure that the SNHR borehole program builds up local capacity for operation and maintenance, drawing on the experience of the above-mentioned projects.
- Formalize the status of user associations and small autonomous systems in the regulatory framework.

Urban water supply

- Implement the recovery plan for the national water utility (*Programme de Redressement de la REGIDESO*).
- Revisit the choice of technologies to achieve better cost effectiveness.
- Recalibrate the geographic and social targeting of urban interventions to give greater priorities to secondary urban centers and basic service provision.

Rural sanitation and hygiene

- Develop a sector policy within the emerging decentralized institutional framework.
- Expand the *Villages Assainis* and *Écoles Assainies* programs implemented by the Ministry of Public Health in cooperation with UNICEF.
- Improve Aid and Investment Management Platform's (PGAI) monitoring by separating out tracking of rural sanitation funds.

Urban sanitation and hygiene

- Develop a sector policy within the emerging decentralized institutional framework.
- Improve the monitoring of the PGAI by separating out tracking of urban sanitation funds.



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Acronyms and Abbreviations

| | | | |
|--------|--|----------|---|
| AFD | French Development Agency (<i>Agence Française de Développement</i>) | OECD-DAC | Organisation for Economic Co-operation and Development – Development Assistance Committee |
| AfDB | African Development Bank | O&M | Operations and maintenance |
| AMCOW | African Ministers' Council on Water | OPEX | Operations expenditure |
| BTC | Belgian Technical Cooperation (<i>Coopération Technique Belge</i>) | PEASU | Semi Urban Water Supply and Sanitation Project (<i>Projet Eau et Assainissement en milieu Semi Urbain</i>) – African Development Bank |
| CAPEX | Capital expenditure | PAP | Priority Action Programs (<i>Programmes d'Actions Prioritaires</i>) |
| CNAEA | National Water and Sanitation Committee (<i>Comité National d'Action de l'Eau et de l'Assainissement</i>) | PEMU | Urban Water Supply Project (<i>Projet d'Alimentation en Eau potable en Milieu Urbain</i>) – World Bank |
| CPAEA | Provincial Water and Sanitation Committees (<i>Comités Provinciaux d'Action de l'Eau et l'Assainissement</i>) | PGAI | Aid and Investment Management Platform (<i>Plateforme de Gestion des Aides et des Investissements</i>) – Ministry of Planning |
| CSO(2) | Country Status Overviews (second round) | PNA | National Sanitation Program (<i>Programme National d'Assainissement</i>) – National Directorate of Hygiene |
| DHS | Demographic and Health Survey | REGIDESO | National Water Utility Company (<i>Regie de Distribution d'Eau</i>) |
| DFID | Department for International Development (UK) | RSH | Rural sanitation and hygiene |
| DRC | Democratic Republic of the Congo | RWS | Rural water supply |
| DSCRIP | Growth and Poverty Reduction Strategy Paper (<i>Document de la Stratégie de Croissance et de Réduction de la Pauvreté</i>) | SNHR | National Service for Rural Water Supply (<i>Service National de l'Hydraulique Rurale</i>) |
| ETD | Decentralized Territorial Entities (<i>Entités Territoriales Décentralisées</i>) | SWAp | Sector-Wide Approach |
| GTZ | <i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> , a German technical cooperation agency | UNICEF | United Nations Children's Fund |
| GDP | Gross domestic product | UPPE-SRP | Poverty Reduction Strategy Formulation Steering Unit (<i>Unité de Pilotage du Processus de l'Elaboration de la Stratégie de Réduction de la Pauvreté</i>) |
| GNI | Gross national income | USH | Urban sanitation and hygiene |
| JICA | Japanese International Cooperation Agency | UWS | Urban water supply |
| KFW | <i>Kreditanstalt für Wiederaufbau</i> (German Development Bank) | WASH | Water, Sanitation and Hygiene |
| JMP | Joint Monitoring Programme (UNICEF/WHO) | WHO | World Health Organization |
| M&E | Monitoring and evaluation | WSP | Water and Sanitation Program |
| MDG | Millennium Development Goal | | |
| MICS | Multiple-Indicator Cluster Survey (UNICEF) | | |
| NGO | Nongovernmental organization | | |
| ODV | Office of Roadways & Drainage (<i>Office des Voiries et Drainage</i>) | | |

Exchange rate: US\$1 = 906 Congolese Francs.¹

1. Introduction

The African Ministers' Council on Water (AMCOW) commissioned the production of a second round of Country Status Overviews (CSOs) to better understand what underpins progress in water supply and sanitation and what its member governments can do to accelerate that progress across countries in Sub-Saharan Africa (SSA).² AMCOW delegated this task to the World Bank's Water and Sanitation Program and the African Development Bank who are implementing it in close partnership with UNICEF and WHO in over 30 countries across SSA. This CSO2 report has been produced in collaboration with the Government of the Democratic Republic of the Congo (DRC) and other stakeholders during 2009/10.

The analysis aims to help countries assess their own service delivery pathways for turning finance into water supply and sanitation services in each of four subsectors: rural and urban water supply, and rural and urban sanitation and hygiene. The CSO2 analysis has three main components: a review of past coverage; a costing model to assess the adequacy of future investments; and a scorecard which allows diagnosis of particular bottlenecks along the service delivery pathway. The CSO2's contribution is to answer not only whether past trends and future finance are sufficient to meet sector targets, but what specific issues need to be addressed to ensure finance is effectively turned into accelerated coverage expansion in water supply and sanitation. In this spirit, specific priority actions have been identified through consultation with government and other sector stakeholders. A regional synthesis report, available separately, presents best practice and shared learning to help realize these priority actions.

2. Sector Overview: Coverage and Finance Trends

Coverage: Assessing Past Progress

Between 1990 and the early 2000s, as the Democratic Republic of the Congo reached the low point of its long political crisis, access to safe water regressed from an estimated 34 percent of the population to only 22 percent. Investments dried up, sector institutions collapsed, and infrastructure was abandoned and destroyed, while the population grew by more than 30 percent and urbanization intensified.

Recent data suggest that the advent of relative stability since the mid-2000s has been associated with a halt, and even slight reversal, of this negative trend in the sector. Access rates to safe water are believed to have increased slightly to around 24 percent nationally in 2008, that is, from 12 percent to 17 percent in rural areas and from 37 percent to 38 percent in urban areas. These national access estimates, however, conceal large disparities between regions. Data on access to improved sanitation suggest stagnation at a very low level, with approximately 10–20 percent of people having access to hygienic feces disposal.

The rehabilitation and development of water supply services is one of the five priorities (*Cinq Chantiers*) to which the government committed itself; it is given priority in the 2006 Growth and Poverty Reduction Strategy Paper (DSCR I). Sector planners recognized that the Millennium Development Goal (MDG) target of halving the proportion of those with no access to basic services by 2015, relative to 1990 levels, was out of the DRC's reach and set lower targets. The current national targets specified in the DSCR I are indicated in Figure 1 and call for the following: (a) raising access to safe water from 22 percent in 2005 to 49 percent by 2015; and (b) raising access to improved sanitation from 9 percent to 45 percent. The MDG targets for water supply and sanitation are 70 percent and 55 percent, respectively.³

A word of caution regarding the use of water and sanitation access statistics in the DRC must be introduced at this point:

the access statistics adopted by DRC sector planners and stakeholders in the DSCR I and a 2008 UNDP report⁴ are based on extrapolations from known water service points and the judgment of sector experts. The calculations are generally seen as the best available within the sector, but suffer from major uncertainties resulting from an opaque method of compilation, incomplete underlying records, and the lack of a standardized definition of access to safe water in terms of distance to the source, daily volume per capita, reliability, and quality.

As Table 1 highlights, the DSCR I access statistics also differ considerably from the “coverage rates” found by recent nationally representative surveys (Multiple Indicator Cluster Survey—MICS2, Enquête 1-2-3, Demographic and Health Survey – DHS), which are used to calculate the figures of the global UNICEF/WHO Joint Monitoring Programme (JMP).⁵ Probable reasons for this discrepancy are outlined in Section 6 on Monitoring and Evaluation (M&E). In general, the more pessimistic DSCR I access statistics are considered more realistic, find wider acceptance among sector stakeholders, and are therefore primarily used in this report.

It should be noted, however, that in spite of the different level of access shown by sector-estimates and survey-statistics respectively, the trends they describe are very similar. Both show a collapse in safe water access after 1990, and a stabilization and slight recovery since the mid-2000s, and low-level stagnation or only minor improvement for access to improved sanitation. The post-1990 collapse is less apparent in the case of the JMP trend lines, which are derived using linear regression of multiple household surveys.

Figure 1 illustrates that current trends are insufficient to reach either the national targets for water or sanitation or the more ambitious MDGs. As this report will argue, however, if key reforms to improve implementation capacity are implemented, the DRC could come significantly closer to reaching its targets than past trends suggest (here referred to as the “maximum possible” scenario).

Table 1
Inventory extrapolation-based access rates compared to survey-based coverage rates

| | 1990 | | | 2004/05 | | | 2008 | | |
|---------------------------------|-------|-------|-------|---------|-------|-------|-------|-------|-------|
| | Urban | Rural | Total | Urban | Rural | Total | Urban | Rural | Total |
| Access rate (DSCR/UNDP) | | | | | | | | | |
| Safe water | 68% | 21% | 34% | 37% | 12% | 22% | 38% | 17% | 24% |
| Improved sanitation | 10% | 11% | 11% | 9% | 10% | 10% | 9% | 11% | 10% |
| Access rate (JMP, survey-based) | | | | | | | | | |
| Safe water | 90% | 27% | 45% | 82% | 28% | 45% | 80% | 28% | 46% |
| Improved sanitation | 23% | 4% | 9% | 23% | 19% | 20% | 23% | 23% | 23% |

Sources: DSCR/UNDP/JMP.

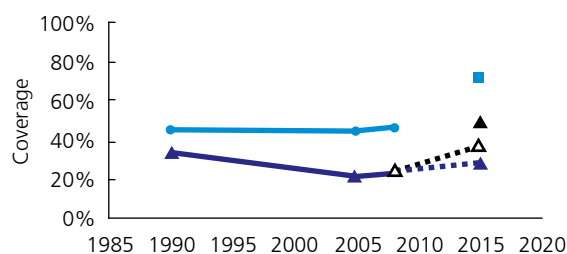
Investment Requirements: More Funds Necessary, but the Key Constraint is Implementation Capacity

The water and sanitation sector in the DRC has evolved to a point where direct financial constraints have given way to a lack of implementation capacity as the primary limiting factor for development. Large aid flows have been mobilized for the rehabilitation of water supply installations and services, but the effective utilization of investments has been slowed down by institutional and administrative dysfunction, weak capacity as well as the general lack of supporting infrastructure, logistics, and

economic services (banking, transport suppliers, and so on). The actual utilization of committed funds is generally less than 50 percent in public projects.⁶ Major ventures such as the World Bank’s Urban Water Supply Project (PEMU), supported by an International Development Association Grant of US\$190 million, have been held up and delayed by weak implementation capacity. While the drive for more funding will have to be sustained, finance cannot be turned into outputs as long as these implementation capacity constraints are not resolved. The slow pace of implementation will, in turn, affect resource mobilization as financing partners, pressed for evidence of results, assess the performance of their initial engagements.

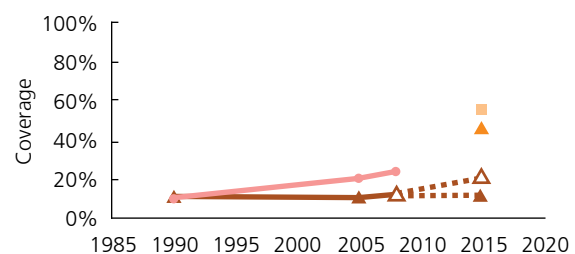
Figure 1
Progress in water supply and sanitation coverage, and projected and possible development

Water supply



- ▲— National estimates
- -▲- - Projection of historic trend (national estimates)
- ▲ National target
- -▲- - "Maximum possible" scenario
- JMP estimates
- MDG target

Sanitation



- ▲— National estimates
- -▲- - Projection of historic trend (national estimates)
- ▲ National target
- -▲- - "Maximum possible" scenario
- JMP estimates
- MDG target

Sources: DSCR/UNDP 2008 and JMP 2010 report.

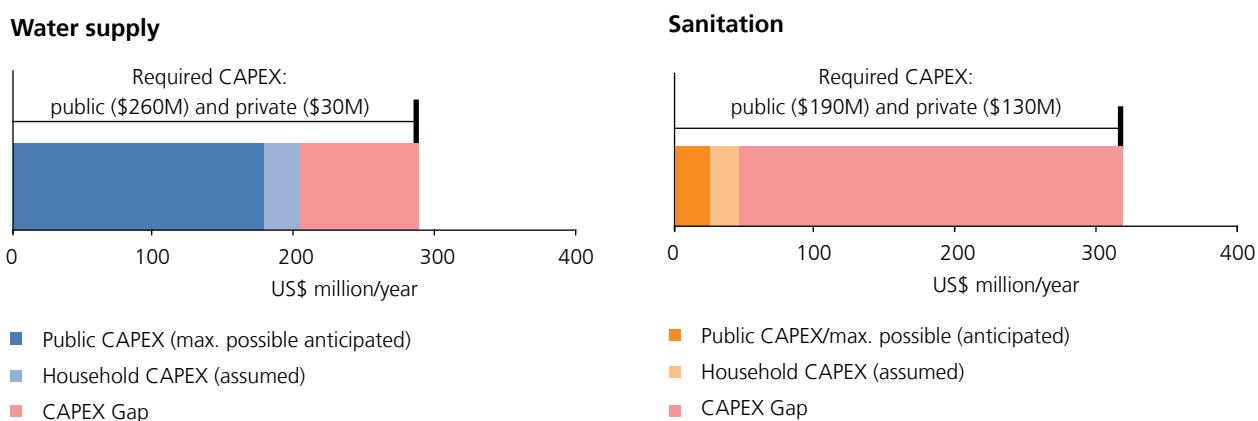
Although improving the capacity to absorb finance and realize infrastructure efficiently is currently the priority concern in the sector, the volume of finance will also have to rise further if the immense needs of the population of the DRC are to be met. Here, the CSO2 analysis provides estimates of the amount of funding that (a) can credibly be absorbed if key reforms are carried out, and (b) would be required to reach national targets. The CSO2 costing model estimates these finance requirements based on the best available per capita cost data for various water and sanitation technologies, matched with statistics on technology prevalence in the DRC and the number of additional persons to be served to reach national targets from current (DSCR) estimates of access. The absorptive capacity under the so-called “maximum possible” scenario has been judged based on past spending, and an analysis of existing institutional structures, possible reforms, and realistically achievable mobilization of funds. While the lack of comprehensive, reliable statistics in the DRC undermines the precision of financial estimates, it is possible to provide at least a picture of the order of magnitude of the challenges faced by the sector.

The annual public capital investment (that is, not counting private contributions) required to reach the ‘national targets’ is thus estimated as US\$260 million for water supply, of which US\$70 million is needed for the rural subsector and US\$190 million for the urban subsector; US\$190 million is needed for sanitation (US\$30 million for rural and US\$160 million for urban). While the capacity to

mobilize and effectively disburse these sums is currently out of reach for the DRC, the CSO2 estimates that key reforms and a concerted effort to mobilize funding could raise annual investments to around US\$180 million in the water sector, and US\$25 million for sanitation in the coming years. These “maximum possible” amounts, effectively implemented, would be well above investment flows in the recent past, as shown in Table 2 and discussed in greater detail in Section 5 on Financing. The “maximum possible” scenario also assumes that public investments will leverage user contributions, at different rates depending on subsector (Figure 2).⁷ If realized efficiently, this could extend access to safe water to an additional 12 million Congolese between 2010 and 2015, instead of only 6 million if current trends continued unchanged. For sanitation, the “maximum possible” scenario could yield improved sanitation for up to 8 instead of only 2 million Congolese by 2015.

The CSO2 estimates assume a considerable shift from expensive household connections to more cost effective and affordable standpipes (*bornes fontaines*) in urban areas, which are assumed to increase from around 10 percent to 30 percent of safe water access. A more general review of technology choices could help reduce operating costs and improve affordability, for instance by relying whenever possible on ground water and springs rather than on surface water that requires more treatment, which has generally been the solution of choice for REGIDESO, the national water utility company. Note that operation

Figure 2
Required vs. anticipated (public) and assumed (household) expenditure



Source: CSO2 costing.

Table 2
Coverage and investment figures⁸

| | Coverage | | National targets | CAPEX required (national targets) | | Actual expenditure 2007-2008 | Projected CAPEX in max. possible scenario | | Projected access in 2015 | |
|---------------------------|------------|------------|------------------|-----------------------------------|------------|------------------------------|---|-----------|--------------------------|---------------|
| | 1990 | 2008 | 2015 | Total | Public | | Public | Household | "Maximum possible" | Current trend |
| | % | % | % | US\$m/year | | | | | % | |
| Rural water supply | 21% | 17% | 36% | 80 | 70 | 25 | 60 | 10 | 30% | 23% |
| Urban water supply | 68% | 38% | 65% | 210 | 190 | 30 | 120 | 15 | 50% | 29% |
| Water supply total | 34% | 24% | 49% | 290 | 260 | 55 | 180 | 25 | 38% | 27% |
| Rural sanitation | 11% | 11% | 46% | 50 | 30 | 5 | 15 | 10 | 25% | 12% |
| Urban sanitation | 10% | 9% | 45% | 270 | 160 | 5 | 10 | 10 | 10% | 9% |
| Sanitation total | 11% | 10% | 45% | 320 | 190 | 10 | 25 | 20 | 20% | 11% |

Sources: DSCR and CSO2 costing.

and maintenance (O&M) costs are not captured by these estimates. O&M costs would have to be covered by user fees, but at present this is generally not achieved in the DRC.

As these issues underline, precise estimates of capital investment requirements and anticipated expenditure are difficult in the DRC, given the lack of comprehensive and reliable statistics about current coverage, unit costs, likely household contributions, actual cost recovery, current budgets, and technology choices. However, the basic estimates given here do at least indicate the order

of magnitude of the challenges, and distil a key message: mobilizing more finance is still necessary, especially for peri-urban and rural communities, but the key constraint is the lack of capacity to effectively disburse funds and implement projects at scale.

Bottlenecks can occur throughout the service delivery pathway—all the institutions, processes and actors that translate sector funding into sustainable services. The rest of this report evaluates the service delivery pathway in its entirety, locating the bottlenecks and presenting the agreed priority actions to help address them.

3. Reform Context: Introducing the CSO2 Scorecard

The water and sanitation sector in the DRC is now in the midst of fundamental reforms initiated by the new Constitution (2006), the laws for the reform of public enterprises and the disengagement of the state (2007), and the Decentralization Law (2008), which has moved responsibilities away from the central government. A comprehensive new Water Law has been in development since 2007. Its final draft was accepted in a broad stakeholder review in September 2010, to be tabled late 2010. Basic targets for the water and sanitation sector have been formulated in the DSCR P (2006), and two successive Priority Action Programs (PAP I & II) have undertaken first steps to attain these.

Going forward, the key reform objective will be to pass the proposed Water Law and then translate the new framework into reality by developing a clear sector policy and streamlining the institutional structure accordingly, as well as reinforcing capacity. So far, reform efforts have been focused on the national water utility REGIDESO, which is responsible for urban water supply and a natural target of reform efforts given its central importance in urban areas and its remaining capacity. The government has launched a comprehensive operational and financial reform program (*Programme de Redressement Opérationnel & Financier*) combining reform, commercialization, upgrading of management, and investments. While also affected by the broad reforms in the legal framework, the rural water sector, and sanitation in general, have received less systematic attention so far. These subsectors have seen a trend from ad hoc initiatives by the UN and aid agencies, in particular UNICEF and Belgian Technical Cooperation (BTC), toward more programmatic approaches addressing capacity and sustainability concerns. However, dedicated and empowered institutions and specific, comprehensive planning frameworks are still largely absent.

This basic overview puts the service delivery pathway in context, which can now be explored in detail using the CSO2 scorecard, an assessment tool providing a snapshot

of reform progress along the service delivery pathway. The CSO2 scorecard assesses the building blocks of service delivery in turn: three building blocks which relate to enabling services; three which relate to developing new services; and three which relate to sustaining services. Each building block is assessed against specific indicators and scored from 1 to 3 accordingly.⁹ The scorecards for each subsector are displayed in Sections 7 to 10 of this report, but key insights are summarized here. Analyzing the service delivery pathway of the DRC in this systematic way reveals a number of key points in greater detail.

The DSCR P I (2007–10) and associated PAPs provide a basic planning framework that will extend through 2010 until the rollout of DSCR P II (2011–15) and the related Five-Year Development Plan currently under preparation. At least in the urban water sector, institutional responsibility is clearly assigned to the national utility REGIDESO, which has its own planning tools. Yet, compared to a peer group of the poorest low-income African countries (with gross national income, GNI, below US\$500 per capita)¹⁰ the DRC's water supply and sanitation enabling environment is still lagging behind (Figure 3). There are a number of reasons for this.

First, even though the existing DSCR P and associated PAPs provide basic targets, key priorities, and some investment preparation, they do not yet amount to comprehensive, detailed, sectorwide planning. In particular, there is no nationwide policy or planning for rural water supply. This subsector is formally the responsibility of the National Service for Rural Water Supply (SNHR) within the Ministry of Rural Development, but its current capacity is weak. Sanitation and hygiene improvements are integrated in Water, Sanitation and Hygiene (WASH) programs targeting rural communities and schools, as is the case for the *Villages Assainis* and *Ecoles Assainies* programs implemented by the Ministry of Public Health with support from UNICEF. But these have yet to be scaled up and fully institutionalized. Urban sanitation has been the object of only limited ad hoc interventions. The absence of

policy and the fragmentation and dysfunction of central structures nominally in charge of urban sanitation remain major obstacles to any advances commensurate with the scale of the challenge.

A further factor that constrains the enabling environment in the DRC is the national budgeting process. Budgeted amounts are generally insufficient to meet stated targets; the budget process is opaque and largely irrelevant as it does not capture external flows which account for more than 95 percent of expenditure. Since 2005 the balance of the state contribution to the sector has been negative as the state failed to meet its water bills of about US\$30 million annually, and only made limited contribution to administrative expenses (about US\$1 million) and to REGIDESO investments (averaging about US\$4 million per year over 2006–08).

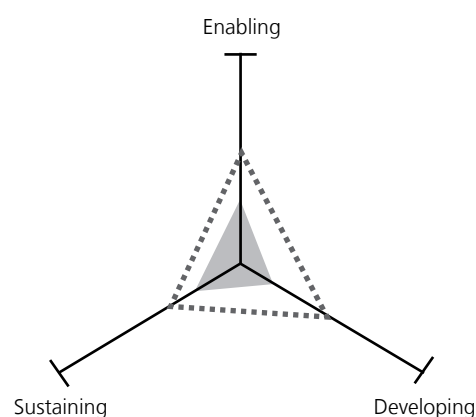
The key bottleneck in the service delivery pathway across subsectors concerns the development of new infrastructure, that is, the weak capacity of the DRC to effectively and equitably implement projects and achieve outcomes on the ground. Disbursement rates for funds committed across subsectors are generally below 50 percent. Procedures to systematically involve local stakeholders in planning and implementation are yet to be fully institutionalized and implemented. Current infrastructure development is off-track for reaching either the national, or the more ambitious MDG, targets. Water quality standards, where they exist, are generally not enforced. There are no set allocation criteria to achieve an equitable distribution of funds throughout the country or between subsectors.

To a considerable extent, the underlying reasons for these problems in developing new infrastructure relate to the general weakness of the state in the DRC, which is only slowly emerging from major armed conflict and political turbulence, with a vast, inaccessible and politically polarized territory, scarce human capital, and a lack of basic support infrastructure such as roads and electricity. More specifically, as Section 4 will outline, the institutional framework in the water and sanitation sector, which is meant to deliver these basic services, is fragmented and dysfunctional, and in the middle of a reform process that is yet to be fully realized.

An efficient service delivery pathway must also ensure that services, once developed, are sustainable. This requires ensuring the continuous functionality of infrastructure and uptake by the population; achieving cost recovery; allowing basic autonomy and business planning of operators; and monitoring sector development efficiently. Some steps to put these basic elements of sustainability in place have been taken, with basic monitoring through national household surveys (DHS, MICS, Enquête 1-2-3) taking place regularly, relatively autonomous business planning at least by the urban utility REGIDESO, and some success in ensuring sufficient uptake to at least keep up with population growth. However, in general, sustainability remains weak: functionality of infrastructure is mediocre at best, cost recovery is low, tariff reviews limited to some areas and not followed up on, and spare part markets are underdeveloped.

Overall, the CSO scorecard shows that the DRC still lags behind its economic peer group of African countries in all three sections of the service delivery pathway—enabling, developing, and sustaining. As highlighted earlier, the DRC’s water supply and sanitation sector is particularly lacking in its capacity to absorb and effectively disburse funds, implement projects, and thus develop new services on the ground (Figure 3).

Figure 3
Average scorecard results for enabling, developing, and sustaining service delivery, and peer-group comparison



■ Democratic Republic of the Congo average scores
 ::: Averages, LICs, GNI p.p. <=\$500

Source: CSO2 scorecard.

The subsequent Sections 4 to 6 highlight progress and challenges across three thematic areas—the institutional framework, finance, and M&E—benchmarking the DRC against its peer countries based on a grouping by gross

national income. The related indicators are extracted from the scorecard and presented in charts at the beginning of each section. The scorecards for each subsector are presented in their entirety in Sections 7 to 10.

Table 3
Key dates in the reform of the sector in the Democratic Republic of the Congo

| Year | Event |
|------|---|
| 2006 | New Constitution |
| 2006 | Growth and Poverty Reduction Strategy (DSCR) |
| 2007 | Laws on the reform of public enterprises and the disengagement of the state |
| 2008 | Law on Decentralization |
| 2010 | New Water Law endorsed by sector stakeholders and submitted to Parliament |

4. Institutional Framework

Priority actions for institutional framework

- Ratify the new Water Law (*Code de l'Eau*) and specify a new sector policy.
- Rationalize the institutional framework at federal and provincial level to achieve clear responsibilities within the new decentralized framework.
- Progressively transfer responsibilities for infrastructure to provinces and the decentralized territorial entities (ETDs).

In the DRC, responsibilities for water supply and sanitation are currently parceled out among several central ministries and agencies; none of them are in the position to coordinate policies or take an overview of all ongoing programs. The multiplicity of public actors and the lack of a focal point that is able to project a coherent vision and to federate sector actors hamper the development of the sector. After the ratification of the new Water Law, the key priority relating to the institutional framework will be to rationalize it at federal and provincial levels to achieve clear responsibilities and empowered institutions in the new decentralized framework. At present, this is not yet the case:

Sectorwide institutions: The Ministry of Planning is responsible for the elaboration and monitoring of the DRC's Growth and Poverty Reduction Strategies: the DSCR I (2007–09), and the DSCR II (2010–13), which is currently under preparation. The specialized units of the Ministry of Planning include the Poverty Reduction Strategy Formulation Steering Unit (UPPE-SRP, responsible for planning and monitoring) and the Aid and Investment Management Platform (PGAI), which monitors aid flows. Besides its role in overall development planning, the Ministry of Planning is involved in the water supply and sanitation sector through its National Water and Sanitation Committee (CNAEA), which has a broad mandate for policy development, programming and monitoring, as well as coordination at the inter-ministerial level and with development partners. The latter function is organized through the so-called GT13 group, which is co-chaired by the Ministry of Environment and one of the partners active in the sector (rotating).

Urban water supply (UWS): In UWS, the national water utility REGIDESO remains the central actor and the

main depository of technical capacity on water supply matters. Currently, it is active in cities at a reduced scale and 20 percent of its networks, serving mostly secondary towns, are inactive. REGIDESO operates under the administrative and financial oversight of the Ministry of State Portfolio (*Ministre du Portfeuille*) and under the technical oversight of the Ministry of Energy, which is responsible for UWS policies. Under the ongoing reform of public enterprises, which is supported by the World Bank, REGIDESO is being transformed into a public enterprise with commercial statutes (see Section 8).

Rural water supply (RWS): The SNHR within the Ministry of Rural Development is nominally responsible for RWS. However, whatever capacity the SNHR had built in the 1980s in terms of equipment and installations, had been reduced to almost nothing by the mid-2000s due to obsolescence, war, and looting. Under the Constitution (2006) and the Decentralization Laws (2008) RWS will primarily be the responsibility of the provinces. The SNHR has indicated its intention to move away from implementation and management of RWS systems and to focus primarily on advocacy, planning, technical support, and monitoring while establishing closer relationships with the provinces. It is supported in this endeavor by the AfDB under the Semi Urban Water Supply and Sanitation Project (PEASU).¹¹ It is not clear whether the recently launched SNHR borehole program (see Section 5) follows this principle.

The Ministry of Public Health is also engaged in RWS through the *Villages Assainis* and *Écoles Assainies* programs. These benefit from the technical and financial support of UNICEF and are active in all 11 provinces, operating through the local Health Zones (*Zones de Santé*). Sanitation and hygiene education are integrated in both programs.

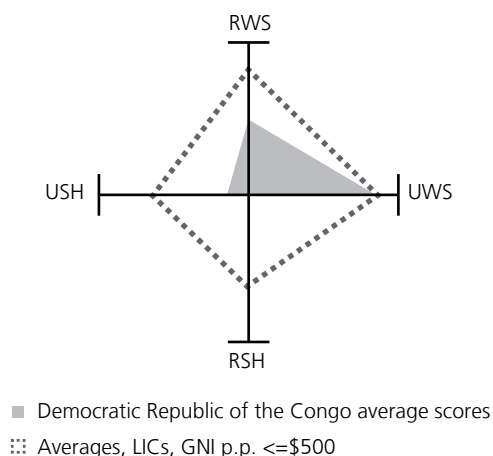
Another significant actor in RWS is a multi-donor program supporting community-based autonomous water supply systems (*Programme d'Appui aux Systèmes AEP Autonomes*). Executed by the BTC, this program is active in five provinces. It works with communities in rural and peri-urban areas to develop water supply systems. It is linked to the CNAEA at the center, as well as its provincial equivalents (CPAEAs). Going forward, the program will need to serve as an example for the necessary expansion of water supply and sanitation services under decentralized, provincial programs.

Rural and urban sanitation: Fragmentation and ineffectiveness of existing institutions is an even greater challenge in the sanitation subsector. There is no national sector policy beyond basic target setting in the DSCR. The two central institutional structures with a nominal mandate for sanitation interventions—the National Sanitation Program/National Directorate of Hygiene (PNA) within the Ministry of Environment, and the Office of Roadways and Drainage (OVD) within the Ministry of Infrastructure, Public Works and Reconstruction—are dysfunctional and severely resource constrained. The PNA is supposed to have a particular focus on vector control through local *brigades* at the municipal (*communes*) and district (*territoires*) levels, but its current reach is extremely limited.

In rural areas, the primary interventions are the sanitation components of the *Villages Assainis* and *Écoles Assainies* programs supported by the Ministry of Public Health and UNICEF. Interventions in urban areas are limited and ad hoc, such as the planned construction of 1,154 institutional latrines (222 in Kasangulu, 262 in Lisala, and 670 in Tshikapa) under the AfDB-supported PEASU project. The responsibilities for sanitation will eventually be anchored in municipal and local authorities with some role at the center for norm setting, overall policies, and resource mobilization and monitoring. At present, however, capacities and resources are limited and the institutional framework ill defined.

Institutional reforms: The implementation of decentralization is the major institutional challenge facing the water supply and sanitation sector over the coming decade. The DRC's Constitution (2006) and the subsequent Laws on Decentralization (2008) put water and sanitation services under the primary responsibility of the provinces

Figure 4
Scorecard indicator scores relating to institutional framework compared to peer group (see endnotes)¹²



Source: CSO2 scorecard.

and municipal authorities, within a framework of national policies and regulations defined at the center. The transition from the current jumble of central institutions to a streamlined decentralized framework will require a well thought-out strategy founded on a shared vision of the new institutional architecture, with clear definition of roles and responsibilities at the level of the provinces and the center. Related reform programs will have to deal with the rationalization of central institutions and the build-up of capacity at all levels.

The proposed Water Law would streamline the legal and institutional framework for the management and development of water resources. The proposed Law regroups responsibilities for water under two ministerial dockets: water resource management, and public water supply services. Key concerns for the latter include: (a) delegation of O&M to operators, public or private; (b) local recovery of at least O&M costs; and (c) recognition of the role of users' associations.

The adoption of the proposed Water Law will set the stage for the development of a water services policy in 2011. It will have as its main objective the drawing up of the institutional framework for decentralization, and defining and rationalizing roles and responsibilities at all levels. This will be a crucial step to address the current weaknesses in the service delivery pathway.

5. Financing and Implementation: Absorption Capacity is the Key Constraint

Priority actions for financing and implementation capacity

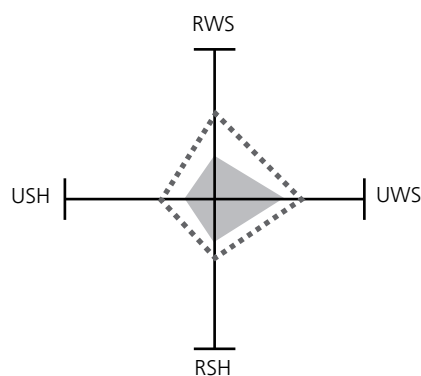
- Improve implementation capacity to raise disbursement rates.
- Continue mobilization of new funding to close remaining financing gap.
- Improve equity of funding distribution: between urban and rural areas, between Kinshasa and the provinces, and between water and sanitation subsectors.

Since the resumption of international cooperation in the early 2000s, the DRC's water supply and sanitation sector has attracted considerable external support, initially directed at emergency and straightforward rehabilitation interventions, but now increasingly evolving towards multiyear programs with institutional components.

In the years 2007–08, the annual pace of public expenditure for the water and sanitation sector amounted to about US\$65 million per year, of which US\$62 million, that is, 95 percent, was provided by external aid. The vast majority of these funds went to the water sector, although a precise tracking of funds is difficult as will be outlined in the next section. The water and sanitation sector thus accounted

for about 2.3 percent of total public expenditures including aid flows in these years, that is, approximately 0.6 percent of the gross domestic product (GDP) and roughly US\$1 per capita per annum. The direct contributions from the state have been limited and on balance negative due to the failure of public institutions to pay their water bills.¹⁴ Since 2009, the World Bank and the AfDB have helped to cover these bills as part of the drive to keep REGIDESO afloat and to restore its finances. Projects by the BTC and the Ministry of Public Health have pioneered substantial community contributions to water systems and latrines (generally between 10–40 percent), but beyond that, private finance currently plays no significant role in the DRC.

Figure 5
Scorecard indicator scores relating to financing, compared to peer group¹³



■ Democratic Republic of the Congo average scores
 :::: Averages, LICs, GNI p.p. <=\$500

Source: CSO2 scorecard.

The key finance related priority in the DRC's water and sanitation sector at present is to address the capacity constraints that hinder the effective disbursement of finance and realization of projects. While the CSO2 calculations (Table 2, and Figures 1 and 2) show that additional finance is necessary if national targets are to be reached, even adequate capital acquisition will not be sufficient if a matching capacity to implement is not developed.

New commitments over 2007–08 were estimated at about US\$342 million by PGAI, that is, an annual average of about US\$170 million, and have since risen further. The PAP II for the water and sanitation sector foresaw more than US\$420 million to be invested from 2009 onward. An inventory of all commitments for currently ongoing urban projects in the period up to 2013 has yielded a figure of approximately US\$500 million, 90 percent of which is provided by four donors: the World Bank (43 percent), the AfDB (23

percent), the Japanese International Cooperation Agency (JICA, 12 percent) and the Kreditanstalt für Wiederaufbau (German Development Bank) (KfW, 12 percent). The wide gap between commitments and disbursements reflects the rapid build-up of assistance, but also the substantial capacity constraints which inhibit the sector's ability to make full and effective use of the available finance. Across the water and sanitation subsectors, disbursement rates are often below 50 percent, as the CSO2 scorecard analysis indicates. As Figure 5 illustrates, the DRC's low disbursement rates, remaining financial gaps, and opaque, noncomprehensive sector investment planning process mean that it lags among a group of low income peers in this respect.

For UWS, steps to address the crucial issue of implementation capacity are planned under REGIDESO's reform program (*Programme de Redressement Opérationnel & Financier*) which combines upgrading of management and investments, as described in greater detail in Section 8 on UWS. However, the launch of this program has been hampered by delays and dysfunction of its reform aspects as well as the investment components.

In rural water, the SNHR has been working with donors such as UNICEF and the AfDB to improve its capacity, but its reach into rural areas is still extremely patchy, and its institutional status and implementation responsibility uncertain under ongoing decentralization. The SNHR has recently embarked on a countrywide borehole program with scant planning and with limited capacity to ensure efficient use of its more than 60 drilling rigs, and to mobilize and train communities for the sustainable use of the resulting water supply systems. The lack of clear, comprehensive institutional responsibility has limited capacity building to a few major projects, such as the *Villages Assainis* implemented by the Ministry of Public Health with support from UNICEF in rural areas. Once the proposed Water Law is passed, a new National Water Policy is expected to define institutional responsibilities and raise capacities in the new decentralized framework.

Moving forward, a related key issue will be to find a formula (and the administrative capacity) to distribute funds more equitably. Currently, UWS takes up the lion's share: about 85 percent of commitments for the water supply and sanitation sector under the current PAP II. Moreover, funding allocation is heavily skewed towards Kinshasa, which would absorb about 40 percent of current commitments for ongoing projects targeting specific cities or provinces.¹⁵ The division of funds among the other provinces is unequal ranging from around 10 to 15 percent (Western Kasai, Bas-Congo, and Katanga) to less than 1 percent for the Eastern provinces (the two Kivus, Maniema, and Orientale). The share of commitments directed at rural water supply and sanitation under PAP II is estimated at no more than US\$60 million, that is, less than 15 percent of the total, and it was less than 50 percent of actual spending in 2007–08, although the rural population will still constitute over 60 percent of the total in 2015, and an even larger percentage of those without access.

Explanatory factors include continuing insecurity in the aftermath of the war as well as the "proximity bias" resulting from the fact that decision makers on both sides—government and donors—are located in Kinshasa. In the absence of a comprehensive sector investment plan it is not possible to gain an overview and identify steps to correct imbalances over time. Getting a better balance will require a sectoral planning framework structured on the basis of provincial programs.

Stepping up the annual utilization rates and improving the distribution of funding across subsectors, regions and socioeconomic categories will require an added measure of political leadership to unblock administrative constraints and to upgrade the performance of project implementation units. Over the medium term, unless the pace of implementation quickens and the reforms needed to step up service delivery start to show results, funding partners may withhold further commitments.

6. Sector Monitoring and Evaluation

Priority actions for sector monitoring and evaluation

- Introduce a coherent and comprehensive sector monitoring and evaluation framework, in particular:
 - Agree on a national definition of improved water and sanitation services;
 - Harmonize inventory-based access statistics with household survey-based coverage figures; and
 - Improve the PGAI’s monitoring of aid flows by distinguishing funds by different agencies, as well as by water and sanitation subsectors.

At this stage there is no coherent planning and monitoring framework to plan and track investments and sector performance in the DRC. Individual projects or agencies may generate progress reports and periodic reviews, but these are not comprehensive, institutionalized or integrated in a sectorwide framework.

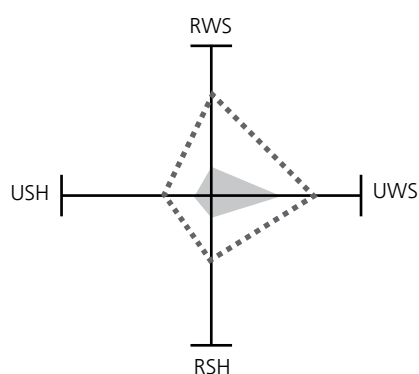
The development of such a framework would, in particular, involve the adoption of standard definitions of level of services for water supply and for household sanitation. It would also require the harmonization of protocols for surveys covering access to water and sanitation.

At the national level, three types of household surveys have been carried out in recent years—MICS2 (2001), Enquête 1-2-3 (2004/5), and DHS/EDS (2007). These provide basic monitoring data on drinking water and latrine use with internationally standardized questions. However, as pointed out in Section 2, Table 1, the coverage rates’ figures found in these surveys are generally much higher than access figures based on infrastructure inventories. The divergence between these two sets of data may be partly explained by the fact that the household survey-based coverage rates capture unregistered private sources, substandard or overused sources, whereas the sector statistics are based on assumed users per known service points only.

Considerable uncertainty surrounds both datasets: the inventory computation method is imprecise and the original computations underlying the widely cited figures cannot be traced anymore. Household surveys, on the other hand, struggle with the difficulty of obtaining a representative sample given remaining insecurity and the sheer size and remoteness of much of the DRC’s territory. More clarity may be obtained with the release of the most recent MICS4 survey figures in late 2010. Until further clarification, the inventory-based sector access statistics are generally judged more accurate estimates of safe water and improved sanitation coverage.

M&E of national commitments and spending on the water and sanitation sector is complicated by an opaque national budget process, which does not capture domestic and external spending comprehensively, and

Figure 6
Scorecard indicator scores relating to sector M&E, compared to peer group¹⁶



■ Democratic Republic of Congo average scores
 :: Averages, LICs, GNI p.p. <=\$500

Source: CSO2 scorecard.

is still not clearly linked to sector planning tools such as the DSCR and the associated PAPs. The planned shift towards a Five-Year Development Plan (2011–15) based on DSCR II may include steps to remedy the latter issue. While the PGAI unit of the Ministry of Planning stores and analyzes information on commitments and disbursements based on data volunteered by donors, it relies on the Organisation for Economic Co-operation and Development – Development Assistance Committee (OECD-DAC) typology which broadly distinguishes urban and rural interventions, but does not separate water from sanitation funding, nor clearly identify the individual donor and disbursement agencies. Actions on these points (for example, a separation of water and sanitation) are under

way and would greatly enhance the value of the PGAI database. In the urban water sector, the utility REGIDESO provides yearly audited financial reports.

Civil society initiatives and consumer groups, which have been piloted in other countries such as Kenya and Uganda to put pressure on operators and government through consumer voice mechanisms, are currently largely absent and not institutionalized in the DRC.

Strengthening the M&E framework in the DRC will be crucial to improve planning and accountability, and to measure the impact of the fundamental reforms currently being implemented.

7. Subsector: Rural Water Supply

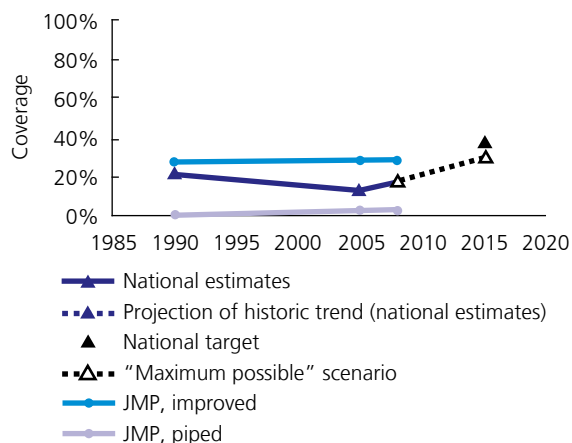
Priority actions for rural water supply

- Prepare provincial water programs combining investment and capacity building.
- Improve implementation capacity by:
 - Redefining the SNHR and the CPAEAs in the new decentralized framework; and
 - Promoting the training of local water technicians and enterprises.
- Ensure that increased resources are mobilized for investment in rural areas.
- Expand successful existing programs—in particular, the ‘Autonomous community-based water systems’ project and the *Villages Assainis* program.
- Ensure that the SNHR borehole program builds up local capacity for operation and maintenance, drawing on the experience of the above-mentioned projects.
- Formalize the status of user associations and small autonomous systems in the regulatory framework.

Access to safe water in rural areas of the DRC has declined during the country’s long political crisis between 1990 and the mid-2000s—from above 20 percent to approximately 12 percent, according to national access statistics based on extrapolations from known water points (DSCR/UNDP). Access has since recovered slightly to around 17 percent. Alternative household survey-

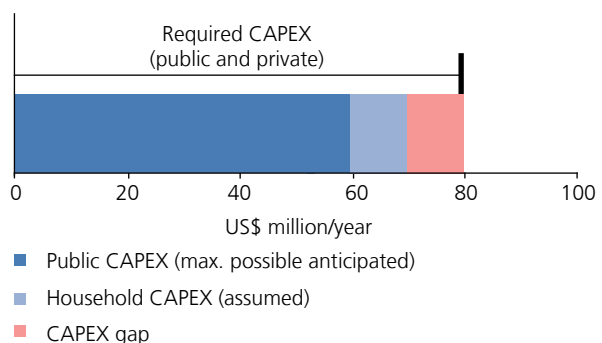
based JMP coverage statistics indicate stagnation just below the 30 percent mark (Figure 7 and Table 1). In general, sector stakeholders in the DRC judge the more pessimistic national access figures to be more realistic, even though the precise method by which the inventory-based extrapolation was carried out cannot be traced anymore.

Figure 7
Rural water supply coverage



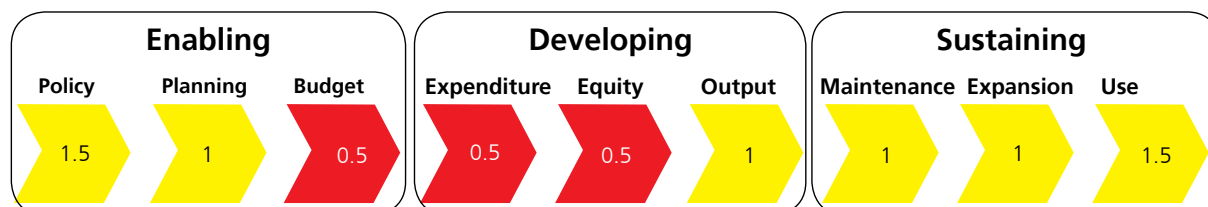
Sources: DSCR/UNDP/JMP.

Figure 8
Rural water investment requirements



Source: CSO2 costing.

Figure 9
Rural water supply scorecard



Source: CSO2 scorecard.

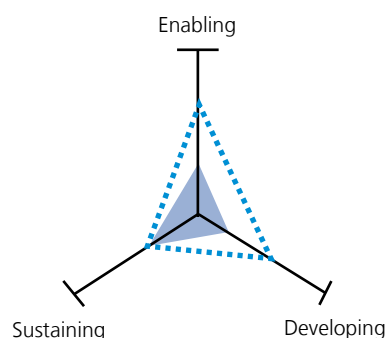
The DRC’s rural water access statistics should thus be seen only as an approximation of the true situation which, in addition, varies greatly between provinces. However, from the available statistical evidence and sector expert judgment, it is clear that the DRC is currently not on track to meet its DSCRП rural safe water target. The underperformance of the rural water sector is particularly problematic because even by 2015, a vast majority of the population will still be rural.

With the current institutional structures weakened and fragmented, and the decentralization focused reforms yet to be fully implemented (see Section 4), the “maximum possible” scenario would see approximately US\$60 million per annum effectively disbursed in the rural water sector in the years up to 2015.

This would be a substantial improvement over the US\$25–30 million disbursed in 2007–08. Given the relatively modest national DSCRП target (36 percent), and the cost effectiveness of rural safe water technologies such as spring protections, effectively realizing projects at this rate would bring the DRC close to reaching its national goal by 2015, for which the CSO2 estimates a total capital investment requirement of approximately US\$80 million per year, not counting O&M needs. However, this optimal scenario assumes that the service delivery bottlenecks highlighted in the scorecard (Figure 9) are addressed, and strong, capacitated provincial programs launched to give a broad impulse to sector development as envisaged by the decentralization reforms.

The scorecard, which shows the results for the rural water supply service delivery pathway, uses a simple color code to indicate: building blocks that are largely in place, acting as a driver on service delivery (score >2, green); building

Figure 10
Average RWS scorecard scores for enabling, developing, and sustaining service delivery, and peer-group comparison



■ Democratic Republic of Congo average scores
 ■ Averages, LICs, GNI p.p. ≤\$500

Source: CSO2 scorecard.

blocks that are a drag on service delivery and require attention (score 1–2, yellow); and building blocks that are inadequate, constituting a barrier to service delivery and a priority for reform (score <1, red).

The chief bottlenecks concern the **budget, expenditure, and equity** building blocks, as Figure 9 illustrates. Budget scores low because DRC budgets do not comprehensively capture all external and internal investments. They are also opaque, in the sense that spending on rural water does not have its own budget line and is thus difficult to separate from other water and sanitation funding. Moreover, current financial commitments still fall considerably short of what is needed, even though the gap is somewhat less pronounced than in the other subsectors in the DRC.

Expenditure and equity scores result from very low disbursement rates, generally of under 50 percent, the lack of clear and comprehensive reporting on expenditure, and the absence of formal criteria to distribute spending equitable across rural communities.

The capacity of the rural water service delivery pathway to sustain services is slightly stronger than the subsector's ability to develop new infrastructure but, even so, the **maintenance, expansion, and use** indicators are barely at the average of the peer group of the poorest low-income African countries (Figure 10). There are no regular exhaustive infrastructure inventories to ascertain which systems are still functional. With the exception of a number of exemplary systems under the BTC autonomous systems program, rural water networks generally do not raise enough tariffs to cover operational costs, much less expansion. Supply chains for spare parts are underdeveloped in the often-remote rural zones, and use is hindered by the fact that existing water points are, on average, relatively far from households.

All these issues are, in turn, a reflection of the weak institutional structure as outlined in Section 4 of this report, as well as the general underdevelopment of the DRC. Going forward, the key priorities will be to flesh out the ongoing reform by preparing detailed provincial investment and capacity building plans, as well as clearly defining the new role of the federal level SNHR and the provincial water and sanitation committees (CPAEAs).

Beyond government structures, lack of local construction, and management capacity in the private sector is also a hindrance to large-scale implementation, and should be systematically addressed. This may take the form of training 'universities' organized as part of the *Village/Ecole Assainis* project of the Ministry of Public Health and UNICEF, or through contracting local masons and firms wherever possible.

There are currently two major ongoing rural water projects that can serve as examples going forward. On the one hand, the Ministry of Public Health, in partnership with UNICEF, is implementing spring protections as part of the broader *Village/Ecole Assainis* and has thereby extended access to drinking water to over 300,000 people in 2009. The program works closely with the communities who contribute labor and some of the materials. The other significant rural water program is the community-based autonomous water supply systems project implemented by the BTC in five provinces. It works with communities in rural and peri-urban areas to develop basic piped water supply systems. This program is linked to the CNAEA at the center and to the local CPAEA in the provinces. The program has been successful in putting in place basic piped water supplies and transferring management responsibility to the communities in question. This concept of community autonomy in running water systems, however, could be strengthened in current regulation to clarify the status of community water schemes and protect them against interference.

8. Subsector: Urban Water Supply

Priority actions for urban water supply

- Implement the recovery plan for the national water utility (*Programme de Redressement de la REGIDESO*).
- Revisit the choice of technologies to achieve better cost effectiveness.
- Recalibrate the geographic and social targeting of urban interventions to give greater priorities to secondary urban centers and basic service provision.

Access to safe water in the DRC’s urban areas has dramatically fallen since 1990. Government statistics, based on extrapolations from known connections and water points, show a fall from almost 70 percent in 1990 to below 40 percent by the mid-2000s (see Figure 11 and Table 1). Since then, the negative trend has been halted, but gains in access have been limited to around 1 percent.

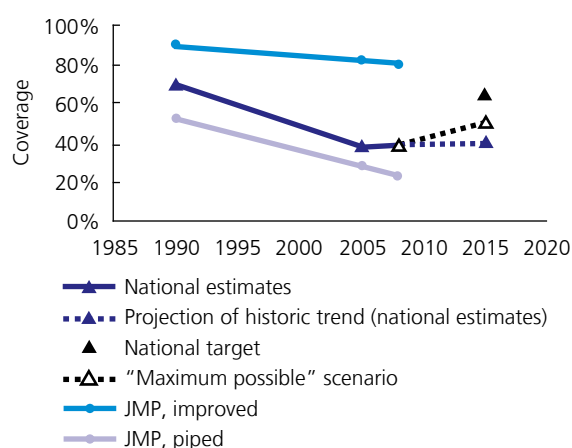
JMP statistics, based on household surveys, show the same negative trend since 1990, albeit at a higher level given that surveys capture a broader array of improved water users (for example, those with access to private, unregistered sources). JMP statistics do not capture the recovery since the mid-2000s, but this is likely related to

the JMP methodology which computes a best-fit line that does not allow for inflection points.

Sector stakeholders in the DRC tend to prefer the government statistics, which are more pessimistic overall, but suggest a recent trend-change. According to these, however, the DRC is not currently on track to reach its national DSCR target for urban water supply.

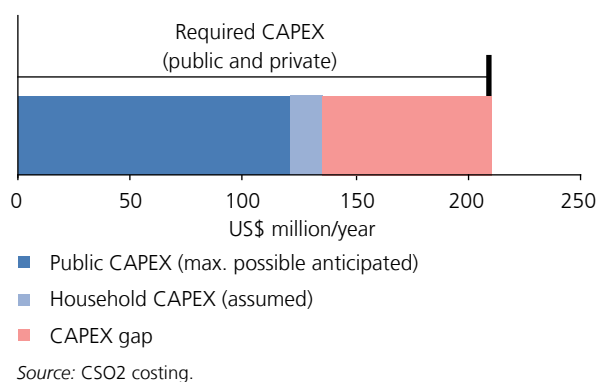
Given a relatively ambitious national urban safe water target of 65 percent and the high costs of urban water infrastructure, the CSO2 analysis estimates an annual CAPEX investment requirement of US\$210 million, of which at least US\$190 million would have to be funded from public sources.

Figure 11
Urban water supply coverage



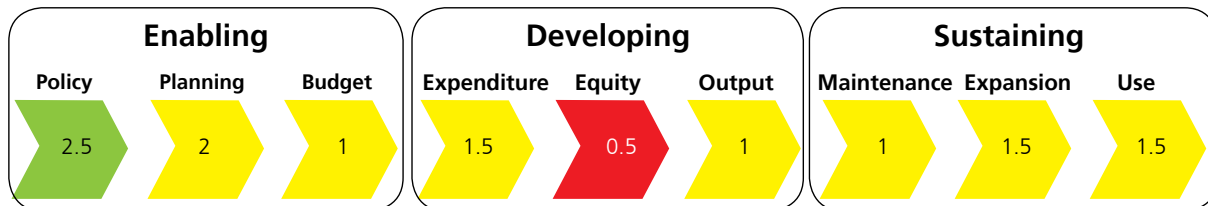
Sources: DSCR/UNDP/JMP.

Figure 12
Urban water investment requirements



Source: CSO2 costing.

Figure 13
Urban water supply scorecard



Source: CSO2 scorecard.

Actual disbursements in the years 2007–08 have been approximately US\$30 million (PGAI). Over the next years, a successful implementation of ongoing sector reforms could allow annual realizations of up to US\$120 million in public CAPEX (Figure 12): the “maximum possible” scenario. Even though this would still fall short of targets, it would be an achievement that would lead to millions more urban Congolese having access to safe water than would otherwise be the case.

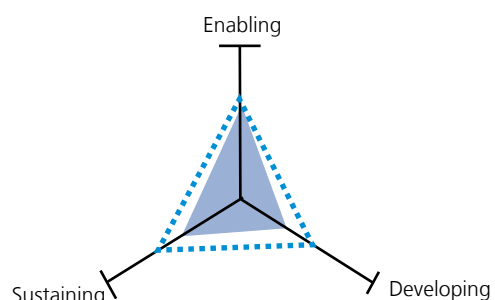
The DRC has been relatively successful in mobilizing funds for the urban sector, with US\$353 million out of US\$420 planned for the urban water sector under the PAP II in 2009 and beyond. As the urban water sector scorecard (Figure 13) highlights, the **policy** and **planning** environment is relatively well developed, with clearly defined institutional responsibility for the urban sector by the national water utility REGIDESO, and a basic sector policy, basic targets and planning through the DSCR and associated PAPs.

Despite the relatively good fund-raising and formal enabling framework, actual development of new infrastructure is severely constrained due to a lack of implementation capacity. REGIDESO developed steadily in the 1970s and 1980s and had, over time, extended its operations to 94 centers including all cities and a raft of secondary towns. While it has retained some of its previous technical capacity, its operational performance has deteriorated and its finances are in disarray. The low **expenditure** score is due to lagging implementation, with total disbursements only around US\$30 million in 2007–08. **Equity** scores especially poorly because there are currently no formal rules for the distribution of funds among urban centers, and pro-poor actions are limited and not institutionalized. Going forward, a greater focus on basic services for the urban poor will be crucial to reach broader sections of the population. The geographic distribution of funds is heavily

centered on Kinshasa. According to statistics provided by REGIDESO, almost 40 percent of funds for currently ongoing projects in specific provinces go to Kinshasa. Consequently overall **output**, that is, realizations of infrastructure, have been insufficient to attain sector targets.

These weaknesses reflect systematic issues within the national water utility REGIDESO, which have limited the impact of past rehabilitation efforts and still constrain infrastructure development: poor leadership, weak governance, lagging operational performance (40 percent nonrevenue water) and aging distribution networks as well as depleted finances (a collection ratio of only 50 percent approximately) due largely to nonpayment of water bills by the state. A large proportion of accounts are classified as inactive either because they are not supplied

Figure 14
Average UWS scorecard scores for enabling, developing and sustaining service delivery, and peer-group comparison



■ Democratic Republic of the Congo average scores
 ⋯ Averages, LICs, GNI p.p. <=\$500

Source: CSO2 scorecard.

or because impoverished households can no longer afford piped services.

To address these deficiencies of REGIDESO, the government has launched a comprehensive *Programme de Redressement Opérationnel & Financier* combining reform, upgrading of management, and investments. This program is supported by the PEMU project with a World Bank grant of US\$190 million. It rests on a number of reforms to address the following objectives: (a) to ensure better control and regular payment of state water bills; (b) to optimize the workforce; (c) to restructure REGIDESO's balance sheet; and (d) to achieve its transformation into a commercial public company. The program provides for the recruitment of a professional operator to strengthen and modernize management. The overall objective is to lift REGIDESO's operational performance and restore its financial viability by 2014.

Given REGIDESO's visibility and central position in the urban water sector, its rehabilitation is a critical objective of the government. The strategy underlying the reform program is to rehabilitate the organization ahead of its possible decentralization into autonomous regional or provincial affiliates under an institutional framework yet to be defined. This strategy is meant to ensure that weaker and less viable centers benefit from the upgrading

of management before being hived off. The launch of the program has been hampered by the lack of response from operators to the call for proposals for the management contract. The ministries responsible—Energy and State Enterprise (*Portefeuille*)—have moved in to review the contract with the objective of getting the operator in place by mid-2011 at the latest.

The REGIDESO rehabilitation program will unfold over the period 2010 to 2014 and will be accompanied by increased investments funded by the World Bank, ADB, KfW, JICA, and other donors. The investments included under PEMU are focused on REGIDESO's three main centers: Kinshasa, Lubumbashi, and Matadi, which account for about 70 percent of sales and 80 percent of active connections. Other major cities and a number of secondary centers are included in parallel projects funded by other partners.

Besides the need to address capacity and regulatory constraints, it is also necessary to review technology choices for urban water supply services to identify lower cost alternatives, for instance, by moving from surface water to less treatment intensive underground sources, and by supporting a greater use of standpipes instead of private connections. This would allow lowering unit costs, thus reaching more people with the funding at hand.

9. Subsector: Rural Sanitation and Hygiene

Priority actions for rural sanitation and hygiene

- Develop a sector policy within the emerging decentralized institutional framework.
- Build on the *Villages Assainis* and *Ecoles Assainies* programs implemented by the Ministry of Public Health in cooperation with UNICEF.
- Improve the PGAI's monitoring by separating tracking of rural sanitation funds.

According to government statistics (DSCR/UNDP), access to improved sanitation in rural areas of the DRC has stagnated at a low level of around 10 percent since 1990. Household survey-based estimates by the JMP paint a slightly different picture, showing an increase from around 5 percent in 1990 to a still low, but considerably higher 23 percent in 2008 (see Figure 15 and Table 1).

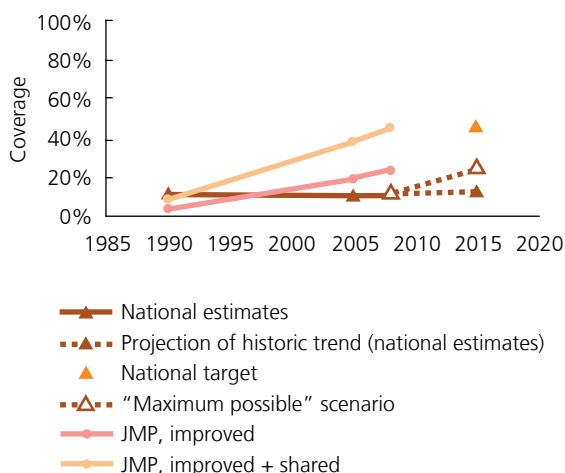
The reason for this difference in level and trend of measured access is difficult to judge: surveys were conducted in the midst of armed conflict and political upheaval and their accuracy is likely compromised; in turn, the method by which the DSCR statistics were computed is opaque and details cannot be traced anymore. In general, sector

stakeholders in the DRC judge the more pessimistic access figures more realistic.

The DRC's nationwide rural sanitation statistics should thus be seen as an approximation of the true situation, which further varies greatly across the country. Sector experts agree, however, that the current level of coverage increase is less than what is needed to achieve national targets.

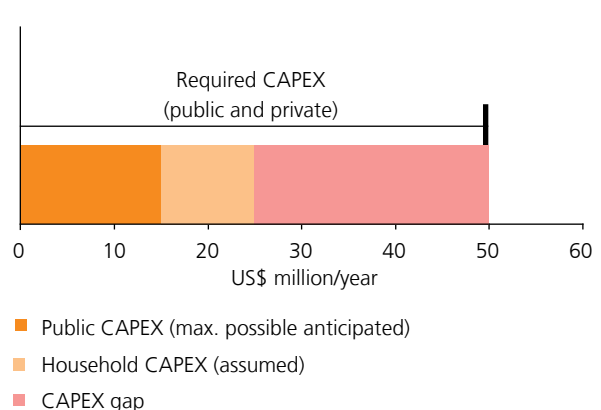
In theory, improved sanitation in rural settings can be relatively cheap, especially if local communities contribute to the costs of latrines, as has been achieved in the *Villages Assainis* project in which basic improved latrines have been realized for less than US\$10 per capita.

Figure 15
Rural sanitation coverage



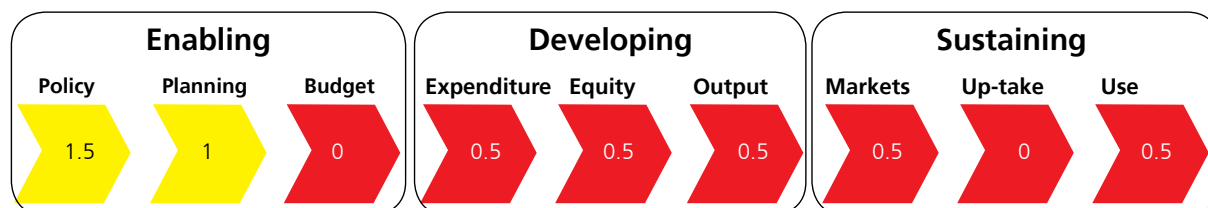
Sources: DSCR/UNDP/JMP.

Figure 16
Rural sanitation investment requirements



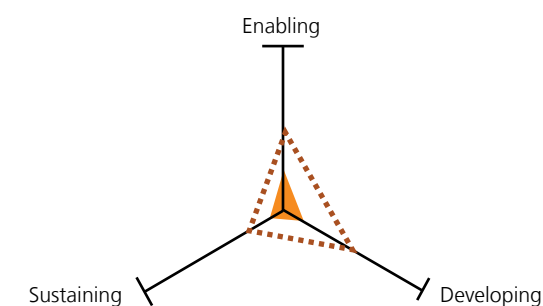
Source: CSO2 costing.

Figure 17
Rural sanitation and hygiene scorecard



Source: CSO2 scorecard.

Figure 18
Average RSH scorecard scores for enabling, developing, and sustaining service delivery, and peer-group comparison



■ Democratic Republic of the Congo average scores
 ⋯ Averages, LICs, GNI p.p. ≤ \$500

Source: CSO2 scorecard.

Annual CAPEX investment requirements to reach the national DSCR target are thus estimated at US\$50 million, of which at least \$30 million would have to be from public sources. In practice, however, the dispersion and inaccessibility of many rural communities poses enormous logistical problems which the weak institutional structure is not yet equipped to deal with. Actual disbursements in 2007–08 were probably not more than US\$5 million, although some uncertainty surrounds this figure due to the weak M&E at the national level which does not allow the separation of water from sanitation funding, and rural from urban disbursements.

The CSO2 analysis suggests that in the “maximum possible” scenario, disbursements could at least be raised to US\$15 million annually in the coming years. However, this would require addressing the weak service delivery pathway for rural sanitation (Figure 17), in particular the

feeble capacities to develop and sustain services, in which the DRC lags considerably even relative to a peer group of the poorest low-income African countries (Figure 18).

The lack of proper budgeting (**budget** indicator in the scorecard), efficient and equitable disbursement (**expenditure** and **equity**) and resulting insufficient service provision (**output**) result from the fragmented and largely nonexistent institutional and regulatory structure which was outlined in Section 4, whereas the lack of **markets** for spare parts and latrine construction services is more related to the DRC’s general economic underdevelopment.

Most of the current activity in rural sanitation is thus concentrated in the *Villages Assainis* and *Écoles Assainies* programs implemented by the Ministry of Public Health with support from UNICEF. The program is operating in all 11 provinces and has helped extend access to improved sanitation to up to 350,000 additional Congolese in 2009.¹⁷ This is, however, still only a fraction of the population that will need to be covered to reach national targets.

Stepping up the pace of development for rural sanitation would depend on movement on three fronts: (a) first and foremost, the initiation of decentralized programs anchored in the provinces; these programs would capitalize on ongoing projects such as *Villages Assainis* and build capacity in the provinces; (b) institutional reform and coordinated capacity-building programs to develop a focal point for rural sanitation (and water) within provincial structures and to redefine the roles of central actors concerned; and (c) resource mobilization to step up the pace of public investments towards the necessary US\$30 million annually. At this stage, however, the lack of concrete action to clarify the institutional framework for rural water and sanitation under decentralization is hampering the preparation of further programs.

10. Subsector: Urban Sanitation and Hygiene

Priority actions for urban sanitation and hygiene

- Develop a sector policy within the emerging decentralized institutional framework.
- Improve the PGAI’s monitoring by separating tracking of urban sanitation funds.

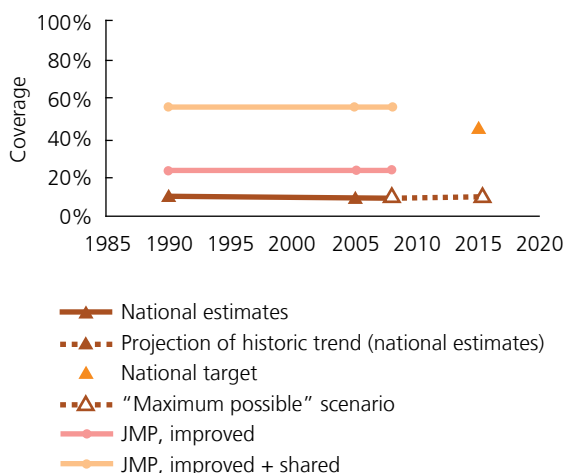
National statistics for urban improved sanitation in the DRC indicate stagnation of coverage at a very low level of around 10 percent since 1990. Household survey-based estimates by the JMP show the same stagnating trend line, albeit at a slightly higher level of 23 percent (Figure 19). In general, sector stakeholders in the DRC tend to prefer the more pessimistic access figures. However, as discussed earlier, these should be seen as an approximation of the true situation only, which further varies greatly between different provinces and urban centers.

Despite this qualification, it is clear from the available statistics, as well as feedback from sector experts, that the urban sanitation sector is in disarray. The few historic wastewater networks in cities have not been maintained

and do not work anymore, with virtually all treatment plants out of service. To the extent that improved sanitation is available in cities, this is primarily due to private initiative, without public control or planning, and generally very rudimentary technology. Current trends are insufficient for the DRC to attain either its national DSCRIP goal or its overall MDG sanitation target.

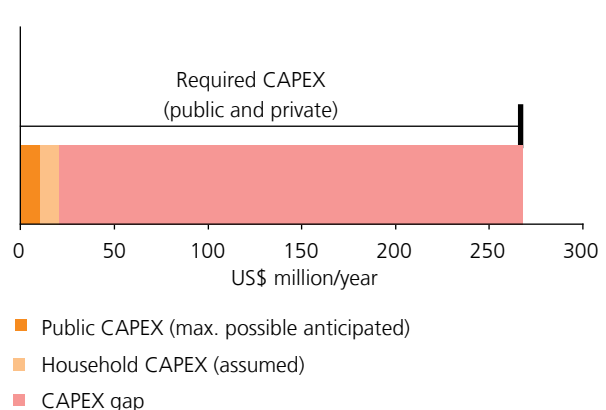
Given the limited capacities in the urban sanitation sector at present (see Section 4 and Figure 21), it is unlikely that more than approximately US\$10 million per annum could be effectively absorbed, even if additional funds were available. Needs, however, are enormous: the CSO2 calculations show that if the institutional capacity to implement urban sanitation programs at scale was in

Figure 19
Urban sanitation coverage



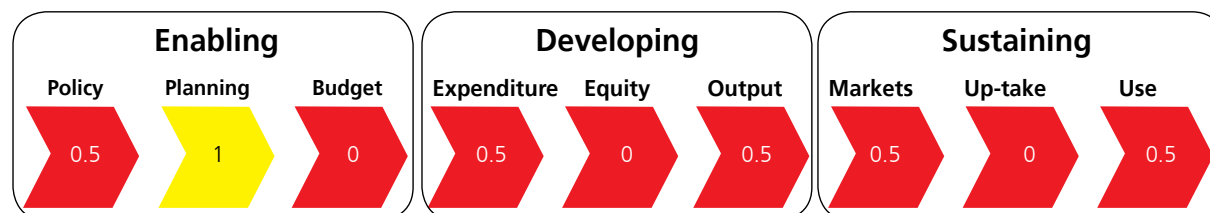
Sources: DSCRIP/UNDP/JMP.

Figure 20
Urban sanitation investment requirements



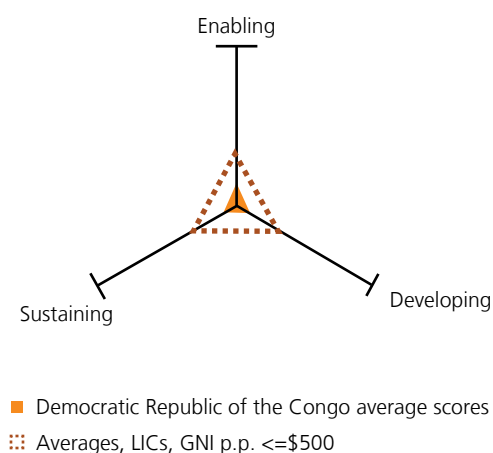
Source: CSO2 costing.

Figure 21
Urban sanitation and hygiene scorecard



Source: CSO2 scorecard.

Figure 22
Average USH scorecard scores for enabling, developing, and sustaining service delivery, and peer-group comparison



Source: CSO2 scorecard.

place, then public investment needs would be US\$160 million per annum to reach the national DSCR targets, even assuming private contributions of up to 40 percent of capital investments (US\$270 million annually with private requirements). Moreover, this does not include additional O&M needs, which may be funded publicly as well if they cannot be met through user contributions.

Mobilizing these funds needs to go hand in hand with fixing the DRC's service delivery pathway for urban sanitation, which is currently a series of bottlenecks (Figure 21) that prevent available finance from being turned into sustainable services on the ground in an efficient and equitable manner.

As outlined in Sections 4 to 6, **policy, planning** and **budgeting** for urban sanitation are largely absent at the national level, or to the extent they exist, fragmented, opaque, and dysfunctional. Basic planning documents are limited to certain localities and, even there, yet to be implemented (for example, the Kinshasa sanitation master plan), limited to basic target setting and overall priorities (DSCR), or costing estimates that are not tied to concrete investment plans (as for instance a 2008 UNDP study¹⁸).

The developing and sustaining aspects of the service delivery pathway are even weaker: disbursement rates are generally below 50 percent, reflected in the low **expenditure** score. **Equity** is low because neither procedures for local participation, nor clear formulas for distributing funds equitably across urban communities are institutionalized. **Output** scores low since national and MDG targets are out of reach if current trends continue, and even though sanitation behavior change tools have been developed in the course of the *Villages Assainies* and *Écoles Assainies* programs, they are yet to be adapted and implemented at national scale in an urban context. The limited nature of sanitation spare part supply chains and private sector capacity to build improved latrines explain the low **markets** score. Studies on handwashing behavior and surveys on latrine use suggest that **up-take** is limited and insufficient for sector targets to be reached.

For all these reasons, the DRC scores relatively weakly across the urban sanitation sector in a scorecard peer group comparison with other low-income African countries, as Figure 22 illustrates. While problems relating to the DRC's general underdevelopment will plague the subsector for some time, the key goal will have to be to optimize performance within these broader constraints of a post-conflict state. Thus, the priority will be the elaboration of a clear sector policy and efficient institutions within the emerging decentralized framework.

Notes and References

- ¹ World Bank, Global Economic Monitor. 2010 average.
- ² The first round of CSOs was carried out in 2006 covering 16 countries and is summarized in the report, 'Getting Africa On-Track to Meet the MDGs on Water and Sanitation'.
- ³ In the case of water supply, the quoted MDG target, as recognized in DRC itself, differs slightly from the target as defined in relation to the Joint Monitoring Programme's estimate of coverage in 1990, which is the internationally standardized practice: this JMP-derived MDG target is 73 percent—UNICEF and WHO Joint Monitoring Programme for Water Supply and Sanitation. 2010. *Progress on Sanitation and Drinking Water: 2010 Update*.
- ⁴ DSCR: Document Stratégie de Croissance & de Réduction de la Pauvreté; Ministry of Planning 2007. Note that the statistics for 2008 are based on a similar calculation that was carried out for a 2008 UNDP report: Democratic Republic of the Congo/United Nations Development Programme. 2008. *Evaluation des besoins de financement pour l'atteinte des OMD dans le secteur de l'eau et de l'assainissement en république démocratique du Congo*.
- ⁵ UNICEF and WHO Joint Monitoring Programme for Water Supply and Sanitation. 2010. *Progress on Sanitation and Drinking Water: 2010 Update*.
- ⁶ Data provided in CSO2 scorecard, collected by national consultants.
- ⁷ User contributions are assumed to be 10 percent in rural and urban water supply (source: BTC Projects) and around 40 percent in rural and urban sanitation (UNICEF).
- ⁸ Due to rounding, component figures may not sum to totals. The sanitation interventions considered in these estimations relate only to measures aimed at attaining basic improved sanitation directly at household level.
- Rural sanitation interventions are integrated with water sector projects and include a strong hygiene promotion component.
- All estimates are rounded. The estimations assume a depreciation rate of 3 percent (raising the total costs) and a user contribution (reducing total public costs).
- ⁹ The CSO2 scorecard methodology and conceptual framework are discussed in detail in the synthesis report.
- ¹⁰ World Bank Atlas method.
- ¹¹ PEASU: Projet d'Approvisionnement en Eau Potable et Assainissement en milieu Semi-Urbain (US\$100 million equivalent; 2008).
- ¹² Indicators relating to the institutional framework section are: All subsectors: targets in national development plans/ PRSP; subsector policy agreed and approved (gazetted as part of national policy or as standalone policy); RWS/ UWS: institutional roles defined; RSH/USH: institutional lead appointed.
- ¹³ Indicators relating to the section on financing and its implementation are: All subsectors: programmatic Sector-Wide Approach; investment program based on MDG needs assessment; sufficient finance to meet MDG (subsidy policy for sanitation); percentage of official donor commitments utilized; percentage of domestic commitments utilized.
- ¹⁴ The so-called IO (*Instances Officielles*) and AD (*Ayant-Droits*).
- ¹⁵ That is, not including funds destined to undertakings of national import: planning, capacity building, reform, and so on.
- ¹⁶ Indicators relating to the sector M&E section are: All subsectors: annual review setting new undertakings; subsector spend identifiable in budget (UWS: inc. recurrent subsidies); budget comprehensively covers domestic/donor finance; RWS, RSH, and USH: domestic/donor expenditure reported; UWS: audited accounts and

balance sheets from utilities; RWS, RSH, and USH: periodic analysis of equity criteria by CSOs and government; UWS: pro-poor plans developed and implemented by utilities; RWS/UWS: nationally consolidated reporting of output; RSH/USH: monitoring of quantity and quality of uptake relative to promotion and subsidy efforts; All subsectors: questions and choice options in household surveys consistent with MDG definitions.

¹⁷ Ministry of Public Health and Ministry of Primary, Secondary and Professional Education. 2010. *ATLAS 2009: Programme national village et ecole assainis*.

¹⁸ Democratic Republic of the Congo/United Nations Development Programme. 2008. *Evaluation des besoins de financement pour l'atteinte des OMD dans le secteur de l'eau et de l'assainissement en république démocratique du Congo*.





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