

A Critical Look at Governance in the Water, Sanitation and Hygiene Sector in Madagascar

Water and Sanitation for All

This document was written for an examination organised by the Institute of Development Policy and Management (IOB) of the University of Antwerp, Belgium, for its former students.



Lovy Rasolofomanana

Former IOB Student

May 2012

Thanks

I would like to express my grateful thanks to:

- John Garret, Senior Policy Analyst Finance, WaterAid UK,
- Herivelo Rakotondrainibe, National Coordinator of Diorano-WASH,
- Lindlyn Moma, Regional Advocacy Manager, WaterAid in Southern Africa,
- Michèle Rasamison, Chairperson of the Global Sanitation Fund National Coordinating Mechanism,
- Didier Allély, Technical Officer Water, Sanitation, Hygiene & Health (WSH), Department for Public Health and Environment, World Health Organization,
- Amélie Hollebecque, Senior Programme Funding Officer, WaterAid UK ,
For agreeing to reread this document.

Warning

The contents of this work in no way express the position of WaterAid. The opinions expressed in this publication are those of the author.

Contents

| | |
|--|----|
| Acronyms | 3 |
| Introduction | 4 |
| I. Historical Context | 5 |
| - Institutional and Structural Reforms | 5 |
| - Main Actors in the Sector | 6 |
| I. Politico-legal Environment of the Sector | 8 |
| - Legal and Regulation Texts | 8 |
| - Decentralisation and Devolution | 10 |
| II. Governance of the Water and Sanitation Sector | 11 |
| - Study and Plan | 12 |
| - Procurement | 13 |
| - Investments | 14 |
| - Implementation | 16 |
| - Monitoring and Reporting | 16 |
| III. Funding Mechanism | 17 |
| - Evolution of Sector Funding | 18 |
| - Funding Blocks of the Sector | 19 |
| IV. Monitoring Progress and Challenges | 21 |
| - Development of Access to Services | 21 |
| - Issues | 23 |
| - Potential Solutions | 24 |
| Conclusions | 29 |
| Bibliographie | 30 |

Acronyms

| | |
|-----------|--|
| AEP | <i>Adduction d'Eau Potable</i> - Safe Water Supply |
| ANDEA | <i>Autorité Nationale de l'Eau et de l'Assainissement</i> - National Water and Sanitation Authority |
| BAD | <i>Banque Africaine de Développement</i> - African Development Bank |
| BDEA | <i>Base de Données de l'Eau et de l'Assainissement</i> |
| BPOR. | <i>Budget Programme par Objectifs par Région</i> - Objective based Regional Budget and Programme |
| CDMT | <i>Cadre de Dépenses à Moyen Terme</i> - Medium Term Expenditures Framework |
| CT | <i>Court Terme</i> - Short Term |
| CTD | <i>Collectivités Territoriales Décentralisées</i> - Decentralized Territorial Collectivities |
| EPM | <i>Enquête Périodique auprès des Ménages</i> - Periodic Household Survey |
| FNRE | <i>Fond National pour les Ressources en Eau</i> - National Fund for Water Resources |
| GIRE | <i>Gestion Intégrée des Ressources en Eau</i> - Integrated Water Resource Management |
| GLAAS | Global Analysis and Assessment of Sanitation and Drinking-Water |
| JICA | <i>Agence Japonaise de Coopération</i> - Japanese Aid Agency |
| JIRAMA | <i>Jiro sy Rano Malagasy</i> - National electricity and water company |
| JMP | Joint Monitoring Programme |
| LT | Long Term |
| MT | Medium Term |
| OMD / MDG | <i>Objectifs du Millénaire pour le Développement</i> - Millenium Development Goals |
| ONG / NGO | <i>Organisations Non Gouvernementales</i> - Non-governmental organizations |
| PAEAR | <i>Programme d'Alimentation en Eau Potable et Assainissement en milieu Rural</i> - Programme for Safe Water Supply and Sanitation in Rural Areas |
| PAEPAR | <i>Programme d'Adduction d'Eau Potable et Assainissement en milieu Rural</i> - Programme for Safe Water and Sanitation in Rural Areas |
| PCD | <i>Plan Communal de Développement</i> - Council Development Plan |
| PNAEPA | <i>Programme National d'Accès à l'Eau Potable et à l'Assainissement</i> - National Programme for Access to Safe Water and Sanitation |
| PRD | <i>Plan Régional de Développement</i> - Regional Development Plan |
| PSNA | <i>Politique et Stratégie Nationale de l'Assainissement</i> - National Sanitation Policy and Strategy |
| SADC | Southern Africa Development Community |
| SOREA | <i>Société de Régulation de l'Eau et de l'Assainissement</i> - Water and Sanitation Regulation Body |
| STD | <i>Services Territoriaux Déconcentrés</i> - Devolved territorial Services |
| TIG | <i>Transferts intergouvernementaux</i> - Intergovernmental Transfers |
| UNDP/PNUD | <i>Programme des nations unis pour le développement</i> - United Nations Development Programme |
| UNICEF | United Nations Children's Fund |
| USAID | United States Agency for International Development |
| WSSCC | Water Supply and Sanitation Collaborative Council |

Introduction

By 2015, the 7 Millennium Development Goals, target 7c of the United Nations System, aim to reduce by half the percentage of the population that does not have access in a sustainable manner to a safe water supply or to basic sanitation services. Progress realised in the water, sanitation and hygiene sector will contribute enormously to achieving the MDG 2, 4 and 5 linked to education, infant mortality and maternal health.

In Madagascar, the successive governments of the past ten years have recognized the importance of the safe water, sanitation and hygiene sector to reduce poverty. This study was based on the fact that there is a significant gap between the development and governance goals related to the water, sanitation and hygiene sector and realities in the field. All the figures available about the sector indicate that the governance dimension in the sector should definitely be revised. Not only does the acquired development need to be identified and / or documented, but the bottlenecks do, too.

Suggested solutions will be made after an in-depth analysis of the key elements of governance of safe water and sanitation services in Madagascar. The objectives of this study are:

- To map the governance situation of the water, sanitation and hygiene sector in Madagascar;
- To analyze the efficiency and the effectiveness, the accountability, the pro-activity and the supremacy of law in the sector ;
- Make recommendations for the present situation to be turned around.

This study on " The Governance of the Safe Water, Sanitation and Hygiene Sector in Madagascar " is a contribution to the dynamics of its development and the logic of implementing a qualifying step ahead for this sector. The finality is to set up an adequate accountability, transparency process with responsiveness of all the stakeholders at all levels.

As regards methodology, this study is in some ways a documentary research of literature available about the sector, enriched with information from personal archives.

This study has limitations concerning some details, particularly about funding of the sector at the local representation level of the Ministry for Water. This is due to some data and information being unavailable or difficult to access.

This study will produce (i) a diagnosis of the historical context and of the politico-legal environment of the sector, (ii) an analysis of the governance, the funding mechanism, and the progress and challenges of the sector, and (iii) specific recommendations.

I. Historical Context

This chapter includes a description of the historical evolution of the water, sanitation and hygiene sector in Madagascar, with emphasis on key events in this sector.

Institutional and Structural Reforms

In 1995 the water, sanitation and hygiene sector carried out the first sector reform which resulted in the official publication of the Sector Strategy and Action Plan. This strategy sought to define the global operational goals of the sector. It was the sector's contribution to the improvement of public health and to strengthen its role in the economic and social process¹. The Water Code (Law 98-029 dated December 19, 1998) promulgated January 27, 1999, which defines the contours of the strategic orientations of the sector, was built on this sector strategy. The Water Code governs (i) the public domain of water, (ii) the management, conservation, and the development of water resources, the organisation of public service safe water and collective sanitation for domestic waste and sewage water; (iii) water surveillance; funding of the water and sanitation sector; (iv) the organisation of the water and sanitation sector.

Although the Water Code addresses questions concerning water and sanitation, the sanitation was reduced into liquid rejects. The Water Code skipped everything concerning solid waste, the evacuation of excreta and hygiene promotion. The National Sanitation Policy and Strategy (PSNA, *Politique et Strategie Nationale de l'Assainissement*) Decree N° 2008 - 319, was published February 28, 2008, in order to fill this legal void. The PSNA aims to preserve the health of the population as well as to reduce the impact of pollution in the natural milieu. It covers distribution of responsibilities, institutional organisation, performance, funding methods, technologies, awareness of hygiene, public health surveillance, disease surveillance, prevention and assistance in case of crisis, and environmental control.

The Water Code and the PSNA constitute the legal foundation of the water, sanitation and hygiene sector in Madagascar, and all regulation and legal texts are based on these two documents.

The 13 decrees for application of the Water Code were validated by the Government Cabinet in 2003. Setting up the ANDEA (*l'Autorité Nationale de l'Eau et de l'Assainissement*) in 2004 was the first work carried out within the framework of implementing the Water Code by the Malagasy Government with the assistance of the UN Development Programme and the African Development Bank. Although the name does not make it obvious, it is ANDEA's responsibility to implement integrated management of water resources and to ensure rational development of the water and sanitation sector. ANDEA, which was made dormant in 2008, came up against problems of funding sustainability, tutoring, and confusion regarding the roles and responsibilities assigned to the Inter-ministerial Committee responsible for sanitation.

¹ Report N° 38687 - MG, Madagascar, *Revue de Dépenses Publiques, Réalisation du Madagascar Action Plan: Analyse pour des Résultats, Partie IV: eau et assainissement, (Review of Public Expenditures, Realisation of Madagascar Action Plan : Analysis of Results, Part IV, Water and Sanitation)*, World Bank, May 2007.

The three watershed agencies and the 22 regional watershed committees set up by ANDEA did not last long. In fact, the Water Code provided for setting up the National Fund for Water Resources (FNRE, *Fonds National pour les ressources en Eau*), which was to be funded by revenue from water and discharge of sewage and waste water. It was not set up due to the reticence of industrial, agricultural and tourism operators as well as the electricity and safe water sectors, to conform to the application decree of the Water Code. Yet, in the long term, the monetary rights imposed by the FNRE, constitute the main resources of ANDEA.

Prior to July 25, 2008, the water, sanitation and hygiene sector was under the responsibility of the Ministry of Energy and Mines. From 1990 to 2008, the sector was gradually handed over to a department and a management before being placed under a general management, the third hierarchical level in a ministry, after the General Secretariat and the Minister's Cabinet. Given the importance of the electricity and mines sectors in the economy of the country, the water, sanitation and hygiene sector was somehow not properly developed. A long and difficult advocacy carried out by the technical and financial partners of the sector resulted in the creation of the Ministry for Water in 2008. The Ministry for Water designs and implements the sector policy, and plans, programmes and coordinates all the sector activities. As the tutor of the sector, this ministry is responsible for the coordination, the programming and the budgeting, as well as the monitoring and assessment of the sector. Even so, the Water Code provided for a regulation organism called SOREA to be set up, to ensure regulation of the sector. This organ does not yet exist, and the Ministry carries out this function by default. In parallel, the Ministry of Water is the delegated contracting authority for water and sanitation services at Commune level until the Commune in question is empowered.

The inter-ministerial PSNA committee is the most recent addition to the sector; set up in September 2011 by inter-ministerial law N° 26538/2011 dated September 5, 2011. The main objective of this committee is to coordinate the implementation of the National Sanitation Policy and Strategy in order for this implementation to be both efficient and fast ⁱⁱ.

Main Actors in the Sector

Historically, the safe water supply in Madagascar was the prerogative of the JIRAMA (*Jiro sy Rano Malagasy*), the National Water and Electricity Company which has changed names three times since colonization. The company exclusively targeted the urban milieu. Madagascar's participation in the World Water Decade during Eighties changed all of this. The Water Network, composed of four organisations, i.e., FIKRIFAMA, Taratra, SAF/FJKM and Caritas, financially and technically assisted by the Swiss Inter-Cooperation, radically changed sector practices and began working in the rural milieu. JIRAMA favoured surface water treatment and supplying treated water through a network to individual connections and water fountains, the four members of the Water Network promoted gravity flow safe water supply systems, boreholes and wells equipped with manual pumps.

ⁱⁱ *Politique et Stratégie Nationale de l'Assainissement*, Malagasy Government, November 2008 (National Sanitation Policy and Strategy).

Since the Eighties, there is a tacit division of the safe water supply between JIRAMA, NGOs and the private sector. JIRAMA presently has 69 urban centres so works in the urban milieu, whilst the other actors work in the rural milieu. Peri-urban zones constitute an exception which confirms the rule as regards this division of the work.

The United Nations System, through UNICEF and the UN Development Fund, also invested in the water, sanitation and hygiene sector in response to requests related to the World Water Decade. In the middle of the Nineties, UNICEF set up a programme called Sanitation, Safe Water and Primary Environmental Care in collaboration with the Madagascar Government. Even if this programme was better-known through installation of 150 boreholes in the semi-arid region of Southern Madagascar, the word "primary environmental care" suggested "sanitation" and "hygiene". The programme also placed emphasis on the school milieu, whereas usually the sector actors worked more at the population level. In parallel, the JICA (Japanese Cooperation Agency) carried out its safe water supply programme in Southern Madagascar, and strengthened its programme by extending it to the Menabe region at the beginning of the 2000 years.

The arrival of WaterAid in Madagascar at the end of the Nineties brought a new dimension to this sector as this organisation advocated systematic integration of water, sanitation and hygiene. Since then, these three elements have become inseparable for any intervention in the sector.

The UNDP was putting the accent on Integrated Management of Water Resources (GIRE) during the Nineties by using the Southern watershed as a laboratory. This experience supplied and informed all the IMWR policies in Madagascar during the years 2000 and beyond.

The World Bank was not looking on, and set up its Safe Water Supply and Sanitation Programme in the rural milieu for the 2004 - 2007 period, of which 500 boreholes were the culminating point. Besides this, the Bank continued to support the establishment and the strengthening of good governance in the sector. The African Development Bank drew inspiration from this experience to conceive its own Safe Water Supply and Sanitation in the Rural Milieu Programme, which spread over the 2008 - 2012 period, and covers the eight regions of Madagascar. It should be noted that AfDB provides the majority of funding for the sector in Madagascar.

The years 2000 were marked by the start of interventions by actors such as the United States Agency for International Development (USAID), the European Union and the Water Supply and Sanitation Collaborative Council (WSSCC), which are among the biggest funding bodies of the sector. WSSCC is the only funding body present in Madagascar which has a fund that is exclusively dedicated to sanitation.

Apart from this, the Diorano-WASH Coalition which was set up in September 2002, is the only entity of the sector which has succeeded in federating all the stakeholders in one platform (government, donors, decentralized territorial collectivities, devolved territorial services, civil society, the private sector, media, basic communities). The different partnerships within this platform are based on synergetic

interaction, creative cooperation and mutual engagement of which the finality is to respond to the needs and to the challenges of the safe water, sanitation and hygiene sector. Diorano-WASH was one of the artisans of all the major changes that the sector underwent.

II. Politico-legal Environment of the Sector

This chapter deals with the legal and regulation framework of the sector and the context of decentralisation and devolution in Madagascar, by focusing on their impact on the governance of the water, sanitation and hygiene sector.

Legal and Regulation Texts

Despite the Government's efforts to set up a legal and regulation framework, this remains to be improved upon. The Water Code contains incoherencies and some of its provisions are no longer in phase with the present context. Consequently, part of the code is obsolete or null and void. The Water Code was drawn up when the sector was under the responsibility of a department in the Ministry of Energy and Mines. The creation of the Ministry for Water to head all that concerned the supply of safe water, basic sanitation and part of collective sanitation and the management of water resources, created overlapping in governance of the sector. For example, ANDEA and the Ministry for Water are supposed to manage water resources, and thus, the FNRE. Whereas, the holistic management of water by ANDEA includes agriculture, electricity, industry, tourism and domestic water sectors, today it is an organ that is attached to the Ministry for Water instead of being under the Prime Minister's Office. For this reason, these sectors refuse to conform to the application decree concerning the levy of monetary rights on water discharge and supply.

Ministerial decrees stipulating the details of the implementation of the 13 framework decrees of the Water Code have not yet been drawn up, and this handicaps application of this Code. This is:

- The principles for calculation of the water tariffs;
- The criteria to empower the urban communes, targeting efficient and sufficient capacity for the control of the delegated managers of the water and sanitation systems, and for sustainable planning and monitoring of investments,
- The FNRE, or the National Water Resources Fund,
- The Heritage Company and restructuring of JIRAMA ⁱⁱⁱ.

According to Article 41 of the Water Code, the Communes are responsible for taking decisions related to investments for the safe water supply systems in their territory, as well as for consultation about the development programmes of the safe water and sanitation public services which concern them. As the contractor of a public water service, a Commune must ensure development of a safe water supply system, sanitation for sewage and household waters within its territory. From a practical point of view, a Commune may delegate a public service under a tenancy

ⁱⁱⁱ *L'urbanisation ou le nouveau défi malgache*, World Bank, March 2011. (*Urbanisation or the New Malagasy Challenge*)

lease, concession, or a management contract ^{iv}. Despite this, few Communes are empowered to ensure the role of contractor, and in which case, according to the Water Code, this role is exercised by the Ministry for Water. For the moment, the sector does not have clear provisions for the transfer of jurisdiction to the Communes. This situation has repercussions on the installation of local governance.

The other challenge concerns the delay in setting up the structures provided for in the Water Code: " The two principal organisations with a preponderant role in the development of the sector are not yet operational. One is SOREA, the Regulator Body, whose absence raised the problem of the security of the private sector investment, and the question of tariff policy, and particularly of the readjustment of the tariff in line with the cost of living. The other is the Heritage Society which should constitute the contracting authority for future operators in the sector" ^v. In principle, at the start, the Heritage Society is composed of all the Communes that have a safe water system that is operated by JIRAMA, and of all the "chefs-lieux" of the District which have a safe water system. But the Heritage Society and SOREA not having been set up, there is confusion of roles and responsibilities between the Ministry for Water, JIRAMA, the operators and the Communes. No one knows who should ensure regulation, control standards and quality, operate water resources, and set prices.

For sanitation, although the PSNA stipulates a clear separation of the roles of responsibility between all the institutions in charge of this sector, the situation in the field reveals overlapping and duplication. The various ministerial departments, i.e., water, country development, healthcare, and environment, continue to take care of the different components of sanitation (excreta evacuation, promotion of hygiene, management of household waste, management of hospital and industrial waste, management of rainwater and sewage, disease and environmental control), without a charter of responsibility being set up between them. The PSNA provided for the elaboration of a Sanitation Code that brings together current texts concerning sanitation. The absence of this Code is blocking better coordination and investment in this sector.

The capacity criteria which the Communes must adhere to (Article 26 of the Framework Decree):

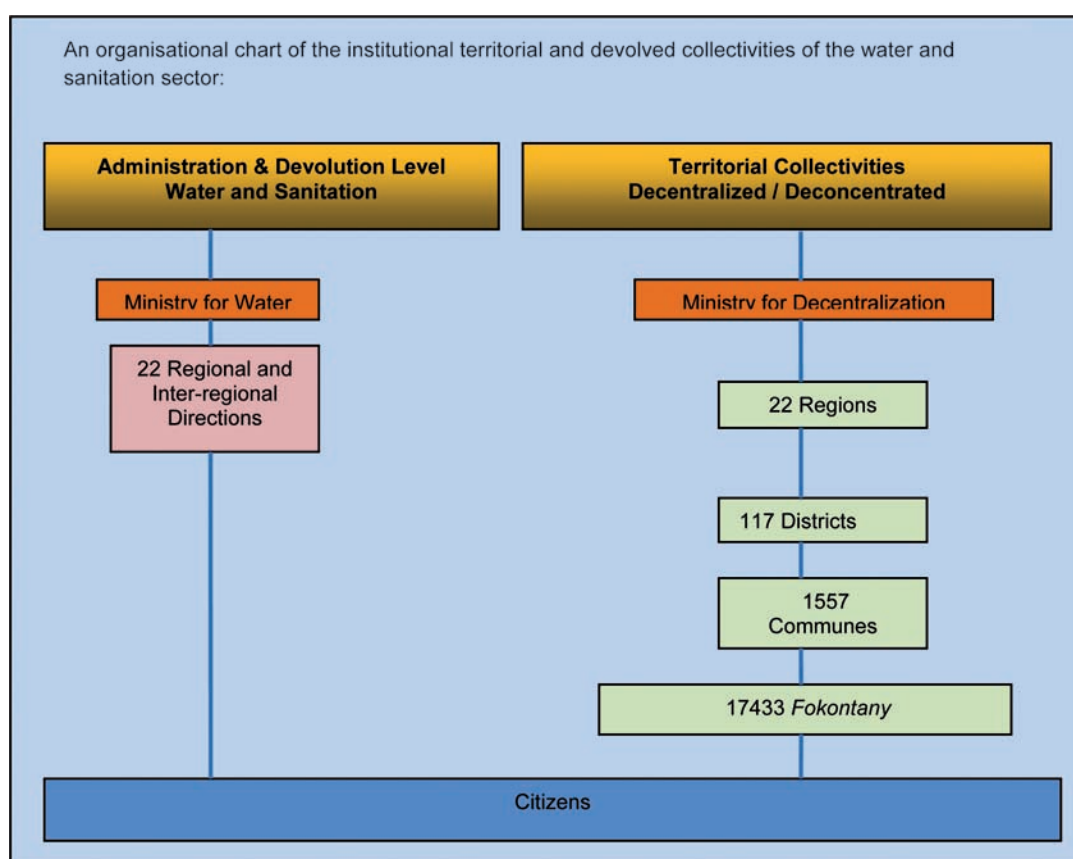
1. Respect all the administrative, financial, budgetary and accounting obligations that are part of the laws and regulations that govern the Communes;
2. Have the appropriate services available to be able to exercise all the responsibilities of Contractor;
3. Have drawn up a development plan for the Water Service which includes an investment plan to be carried out over a period of five years at least, as well as its funding mode ;
4. Have drawn up in collaboration with the State, represented by the Heritage Society, an inventory of the goods of the Water System and of the debts contracted to fund it. If there is no agreement between the Heritage Society and the Commune on the contents of this inventory, another inventory shall be obligatorily drawn up by the regulating Organism, which shall be a binding decision.
5. To agree, through an agreement signed with the Heritage Society, to settle all its debts vis-à-vis the said Heritage Society and to show its capacity to ensure the financial balance of the Public Water Service, taking into account this commitment.

^{iv} *Pour un financement local efficace des services d'eau et d'assainissement*, Lovy Rasolofomanana, 2007 ; (" In Support of Efficient Local Funding of Water and Sanitation Services ").

^v *Madagascar : vers un agenda de relance économique*, World Bank, Patrice Rakotoniaina, June 2010. ; (" Madagascar : Looking at an Agenda for Economic Recovery ").

Decentralisation and Devolution

As a former French colony, Madagascar adopted a system that allied decentralisation and devolution. Since independence in 1960, several models have been used without local government being effectively installed. "The lack of administrative and budgetary decentralisation in Madagascar contrasts with the relatively fragmented political division which exists in the country." ^{vi} . Although the country has 6 Provinces, 22 Regions, 117 Districts, 1557 Communes, and 17443 " *fokontany* " (an executive committee which represents the people, an arm of local or community government. The head of which is named by the mayor), 95% of public expenditure is still controlled by the central administration. The level of budgetary decentralisation at Commune level is less than 1.5% of the national budget. As for water and sanitation, "expenditures are just above US\$6 per inhabitant, and some countries - Madagascar and Bangladesh- do not spend more than 50 cents per habitant per year (for water and sanitation) at decentralised level ^{vii} . The means available to the Communes are very limited, yet a Commune can cover an average surface area of 250Km², and manages villages located sometimes 20 or 30 Km from the "chef lieu".



^{vi} *Madagascar : vers un agenda de relance économique*, World Bank, Jacques Moriset, June 2010 ; (*Madagascar : Looking at an Agenda for Economic Recovery*).

^{vii} *Penser local, agir local*, WaterAid, March 2008 ; (Think Local, Act Local).

A rural Commune's own resources being very limited, these budgets are essentially funded with State subsidies ^{viii} .

As for devolution, the Ministry for Water presently has 19 regional directions throughout national territory, which is composed of 22 regions. The Government has gone to a lot of effort in terms of human resources, as the Ministry for Water went from 120 to more than 400 personnel between 2008 and 2012. Half of this staff is assigned to the devolution level, with an average of ten people per direction. In the absence of the Communes being empowered as contractors, the regional directions ensure the role of delegated contractor in principle. In other words, it ensures monitoring the sector activities and provides necessary aid to the Communes. The size of their mission is huge, as on average a region is composed of 70 Communes. As most of these directions are deprived of any means of locomotion, accomplishing this mission is practically impossible. The operating funds made available to these directions are very limited, and those for investment are practically inexistent.

The responsibilities of the delegated contractor as defined by the Framework Decree (Articles 14, 15 and 16):

1. The organisation and the continuity of the public service, specifically universal water service.
2. The protection of the public domain placed under his responsibility.
3. Make Calls for Tender to Delegate management of a public service, negotiate and conclude all contracts of Management delegation as well as their amendments, including those by mutual agreement.
4. The control of management of a public service within a delegation of management contract.
5. Draw up investment, research and allocation of State funding granted to carry out investments which are the responsibility of the contracting authority, start procedures for devolution of survey and work contracts, engagement of corresponding markets and payment orders for these markets.
6. The approval of investment plans for the water systems, for which funding and realisation is the responsibility of the delegated Managers.
7. The management of the connection funds.
8. The guarantee of a balanced budget.

III. Governance of the Water and Sanitation Sector

This chapter emphasises programming, implementation and investments, monitoring and reporting in the sector, in order to identify the problems.

Evaluation and Planning

The Government acquired some programme and budgetary tools and instruments. There is the National Programme for Access to Safe Water and Sanitation (PNAEPA, Programme National d'Accès à l'Eau Potable et à l'Assainissement), the General Policy of the Government and of the Budget Programme by Goals by Region (BPOR, *Budget Programme par Objectifs par Région*). The first version of the PNAEPA, which dates from 2005, was designed according to the Medium-Term

^{viii} *Renforcement des capacités décentralisées et déconcentrées dans le secteur alimentation en eau potable et assainissement*, ICEA-SOMEAH, December 2004 ; (Strengthening the Decentralised and Deconcentrated Capacities of the Safe Water Supply and Sanitation Sector).

Expenditures Framework approach (CDMT, *Cadre de Dépenses à Moyen Terme*) of the World Bank. In collaboration with key actors, the Ministry for Energy and Mining diagnosed the institutional and structural aspects, as well as the evolution of its allocation of resources. The 2005 - 2008 PNAEPA and that of 2008 - 2012 included the political and development framework, results indicators, an evaluation estimate of needs, a table recapitulating follow-up. PNAEPA was updated in 2008 and with a few exceptions used the same approach as that of 2005 - 2008. The only difference is that the 2005 PNAEPA was based on the Strategy For Reduction of Poverty Document (*le Document de Stratégie de Réduction de la Pauvreté*), whereas the 2008 PNAEPA was drawn from the Madagascar Action Plan, which was the framework document for reduction of poverty and for economic growth at that time. These two versions of the PNAEPA did not have a real blueprint providing the follow-up of expenditures, indicators of geographic credit distribution and the targeting of vulnerable groups, recommendations on strengthening the national capacities in management of public resources. The aim was to ensure coherence between budgetary distribution and sector goals. The "Budget and Programme by Goals by Region" was developed by the Governance and Institutional Development Programme funded by the World Bank in 2007. The process was refined by the Ministry for Water in collaboration with WaterAid from 2008 to 2011.

This process aims to accurately list what exists, the needs, the water and sanitation stakeholders of each Commune in each Region, in order to define with the mayors the priorities for responding to needs and to assess the solutions the most adapted for implementation. A BPOR document is also a tool to mobilise technical and financial partners in the hands of the Commune. For the moment, the BPOR cannot yet be used for national programming as it was realized in only 5 out of 22 regions.

BPOR has comparative advantages :

- ◆ A lighter structure at the central level and the Decentralised Territorial Collectivities, Devolved Territorial Services, and basic actors, are made responsible ;
- ◆ The promotion of true leadership of the sector at the national level ;
- ◆ Basic data used in the programming is more reliable and accurate ;
- ◆ Local actors appropriate the programme ;
- ◆ A monitoring system involving local actors is operational, which is a prerequisite for accountability of the Government at the central and decentralised levels ;
- ◆ The assurance of equal chance between the 22 regions in terms of programming whilst maintaining the MAP goals ;
- ◆ The promotion of the technical response that is most adapted to each context.

Although the BPOR process was carried out in a participatory and inclusive framework (presence of the mayors at the BPOR workshops held in the "chefs-lieux" and the Districts), the information provided by the mayors was not 100%

reliable. As an iterative exercise, the BPOR should supply the Communal priorities provided for in the Commune Development Plan (PCD, *Plan Communal de Développement*), and the regional priorities in the Regional Plan for Development (PRD, *Plan Régional de Développement*).

Calculations of PNAEPA and BPOR needs are based on the up-dated unit costs included in the " Water for All " document. The Ministry for Water can also use the General State Policy which serves as the Annual Work and Budget Plan. It is an annual outlook of the PNAEPA. The Ministry relies on the PGE to defend its cause during the Budget conference of all the sectors, organized by the Ministry of Finance and Budget. The PGE should be strengthened, particularly as regards programmes or projects that are part of budget support, such as PAEAR funded by the AfDB.

The Joint Sector Review also constitutes one of the programming and monitoring tools that is in the hands of the sector. The Joint Sector Review is a forum that enables presentation of the sector situation, to describe priority reforms and to plan the priority measures to be taken, to mobilise resources to support the activities and reforms, and to attract new partners. The Joint Sector Review, organised annually since 2005 by the Ministry for Water and its key partners (World Bank, AFD, UNICEF and WaterAid) has a triple objective, i.e.: (i) to assess the progress of interventions in the sector, (ii) to elaborate rational programming of interventions, and (iii) to make recommendations for the development of the sector.

The Urban Master Plan also constitutes a planning instrument in the towns, and the seven major towns of Madagascar have this Plan. It determines the strategic orientations of an agglomeration for which the development will be the subject of a global study including the inter-dependence of its different spatial components for economic, social and environmental plans. The urban plan is a management tool for urban growth and space development. The water, sanitation and hygiene sector being a transversal sector, it will need to be integrated in this development plan to maximise its impact on improving the living conditions of the population.

Public Procurement ^{ix}

Public procurement managed by the Ministry for Water mainly concerns water and sanitation works, particularly supply of safe water through a gravity scheme system (AEGP), the construction of an office building and the construction of a series of wells. The Ministry for Water has a department for public procurement (*Unité de Gestion de la Passation des Marchés Publics*, UGPMP) which is under the supervision of the Person Responsible for Public Procurement (*Personne Responsable des Marchés Publics*, PRMP) who ensures the conception of the Calls for Tender, the attribution and even execution of the procurement. The PRMP determines the need to realise the works, material needs, the realisation of services, intellectual services including delegated contractor contracts, contracts for carrying out the operation, and contracts for general contracting, and the computer

^{ix} <http://www.mineau.gov.mg/index2.php?p=index-4.html>

assistance services of the Ministry. It refers to the different follow-ups and track record of the works carried out to conceive new procurement offers attributed to public collectivities and / or to interested public or private persons, in a contractual way. The national calls to tender, depending on the type of procurement, cover the whole territory. "No matter what their amount, public procurement respects the principles of freedom of access to public procurement, equality of treatment of the entities submitting a tender, and transparency of procedures. These principles enable efficiency of public procurement and good use of public money. They require prior definition of the needs of the public purchaser, rigorous planning of competitive operations, respect of publicity obligations and of competition, and selection of the offer assessed as the lowest tender, or of the offer assessed to be the most advantageous. These general principles are implemented in conformity with the rules laid down by this Code" ^X.

Investments

The list of the main donors and programmes which support the sanitation and safe water efforts according to Global Analysis and Assessment of Sanitation and Drinking-Water (GLAAS) 2012.

| Foreign donor | Project or programme name | Type of aid (subsidy, public development aid, loan without preferential conditions) | Total amount of the budget in thousands of Dollars | Amount of payments (disbursements) (2010) in thousands of Dollars |
|---------------|--|---|--|---|
| FAD | PAEAR | loan | 78 000 | 16 400 |
| ETAT | APIPA | RPI | 122 | 122 |
| ETAT | SAMVA | RPI | 195 | 195 |
| FAD | AEPAFAD | loan | 12 130 | 12 130 |
| UNICEF | UNICEF | Subsidy | 2 859 | 112 |
| FAD | ANDEA | subsidy | 614 | 122 |
| FONDEM | | loan | 4 413 | 53 |
| BADEA | AEP Ambalavao Manjakandriana | loan | 156 | 0 |
| BEI | Extension of the AEP system to include the agglomeration of Antananarivo | loan subsidy | 2 011 | 69 |
| JAPON | JAPON | loan | 6 416 | 7 |
| ILO/NORWAY | Latrine Construction | subsidy | | 302 |

^X Article 4, Law N° 2004 - 009 dated June 24, 2004, concerning the Code of public procurement

| | | | | |
|-----------------------------------|---|---------|----------------|-------|
| World Bank | Latrine Construction | subsidy | 27 | 19 |
| GSF/WSCC | FAA | subsidy | 5 000 | 190 |
| WATERAID | | subsidy | 2 560 | 2 560 |
| EUROPEAN UNION | PROTOS project & its partners | subsidy | 88 | 92 |
| BELGIAN GOV'T | PROTOS project & its partners | subsidy | 205 | 210 |
| FLEMISH GOV'T | PROTOS project & its partners | subsidy | 59 | 63 |
| AFD | | subsidy | 161 | 161 |
| AESN | | subsidy | 109 | 109 |
| AEAP | | subsidy | 40 | 40 |
| Gordon Moore and Betty Foundation | | subsidy | 6 | 6 |
| USAID | Project RANO HP | subsidy | 7 980 | 5 000 |
| | Project RANON'ALA | | | |
| | Project WSUP, | subsidy | 6 820 | |
| | Project SANTENET/WASH | subsidy | 750 | |
| | Project PSI Sur'eau | subsidy | 750 | |
| | Project 3 Projets PHE | subsidy | 300 | |
| | Project MAHEFA | | | |
| | Project WASHplus | subsidy | 700 | |
| | | subsidy | 2 000 | |
| | | | 700 | |
| | | subsidy | Total : 20 000 | |
| UNDP | Sustainable subsistence means and fight against poverty – water section | subsidy | 1 458 | 335 |

Implementation

The Procedures Manual contains all the steps related to the conception and the execution of the project, and specifies the roles of the different interested and affected parties (public authority, decentralised territorial collectivities, NGOs and associations, beneficiaries of the project, etc.). According to present law, the Communes are responsible for taking decisions related to investments concerning the safe water supply systems on their territory and for consultation about development programmes of public safe water supply and sanitation concerning them. As the commissioner of a public water service, a Commune is obliged to ensure the development of a safe water supply system and sanitation for sewage and household waste water on its territory. From a practical point of view, a Commune can delegate a public service through a leasing, a concession, contract, or a management contract. In the rural milieu the water supply systems are almost all under community management. The delegation of safe water supply systems in the rural milieu to a third party, usually a private company or a non-profit making association, will come up against the lack of interested operators. In any case, the feasibility studies, setting up infrastructures and maintenance of the safe water supply systems in the rural milieu are often undertaken by NGOs. Even if direct management of the system is forbidden by the Water Code, it continues to be practised by some second category urban communes or first category rural communes where JIRAMA (*Jiro Sy Rano Malagasy* - Malagasy water and electricity company), does not provide any service. Direct management supposes the realisation and / or the management and the maintenance of a water service directly by the Commune or through the intermediary of an administrative department of the latter. In other words, a Commune that practises direct management needs more human, material and financial resources, to take responsibility for the investment costs, the daily operating expenses, as well as the cost of rehabilitating and extending safe water supply networks.

Monitoring and Reporting

The Ministry for Water works with the Basic Data Service for Water and Sanitation (BDEA, *Service Base de Données de l'Eau et de l'Assainissement*), which constitutes the official source of information for the sector. BDEA manages the inventories and directories, which contain detailed information on the physical, geological, hydraulic and hydro-geological, chemical and organic, characteristics, as well as the Laborde coordinates geo-reference locations on the topographic map 1/100 000) of the water resources (streams, lakes, marshes, marshland, sources) and the water points (wells and boreholes) ^{XI}.

For a safe water supply system, BDEA provides the following information :

- ♦ he geographical location of the province, region, district, commune, localities, coordinates X , Y, Z ;
- ♦ Type and nature of the supply source;

^{XI} Note by Mr. Herivelo RAKOTONDRAINIBE, National Coordinator, Diorano-WASH, September 2010.

- ◆ Physical characteristics, works and equipment, lithology section;
- ◆ Hydro-geological context, flow, total depth, static level, transmissibility, permeability, storage co-efficiency;
- ◆ Physico-chemical characteristics;

The following information is provided for latrines:

- ◆ Geographical location, the same as the water system;
- ◆ Technology, type of management and pricing.

The BDEA can be consulted directly on the 1/500 000 geological bases and the 1/100 000 topographical bases. Groundwater is filed by hydro-geological zone. The database holds the descriptions of water points and latrines. It is linked to the INSTAT (*Institut National de la Statistique* - National Institute of Statistics), particularly the data of the Periodic Household Survey (EPM, *Enquête Périodique auprès des Ménages*) and uses the sector nomenclatures.

Despite all of this, the Government is having much difficulty in monitoring sector progress. Several monitoring methods and systems coexist, be it monitoring infrastructures, services, or the use of the infrastructures through household surveys and census^{xii}. To ensure their complementariness and harmonisation, the actors who intervene in monitoring water and sanitation access, i.e., the Ministry for Water, the Ministry for Health, INSTAT, WaterAid and the Diorano-WASH Coalition, carried out reconciliation of the water and sanitation infrastructures, and examined and adopted a new harmonised nomenclature for water and sanitation infrastructures based on the national policies and strategies in place. This exercise, carried out in collaboration with the WHO/UNICEF Common Programme of Monitoring water supply and sanitation (JMP), also enabled a correspondence to be established between this new nomenclature and that used by the JMP for monitoring at the international level. The water sector in Madagascar is also the subject of the GLAAS commissioned by WHO/UNICEF.

An inventory of the monitoring system of the sector, carried out in 2011, concluded that:

- ◆ Present information circuits are too complex and do not ensure comprehensive data;
- ◆ National data collection, processing and reporting is neither centralised nor harmonised, resulting in a lack of visibility of the sector;
- ◆ Feedback is lacking.

IV. Funding Mechanisms

This chapter focuses on all the aspects of funding the water, sanitation and hygiene sector in Madagascar.

^{xii} Livret AEP-Latrine, Ministry for Water et al, 2011.

Evolution of sector funding

| Table recapitulating the evolution of resources allocated to the water and sanitation sector in Madagascar from 2000 to 2012 in millions of US \$ | | | | | | | | | | | | | |
|---|------|------|------|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|
| Designation | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Allocated Budgets | 3,60 | 9,02 | 5,63 | 11,59 | 10,91 | 15,91 | 19,73 | 14,94 | 37,20 | 0,00 | 43,42 | 34,04 | 17,57 |
| Domestic Budgets | 1,14 | 3,44 | 1,96 | 1,52 | 4,28 | 6,91 | 7,73 | 5,17 | 16,80 | 0,00 | 10,30 | 26,03 | 3,88 |
| Foreign | 2,50 | 5,58 | 3,67 | 10,07 | 6,63 | 9,00 | 12,00 | 9,77 | 20,40 | 0,00 | 33,13 | 8,01 | 13,69 |

The financial resources allocated to the safe water and sanitation sector grew continuously between 2000 and 2012. On average, 60% of this budget comes from foreign funding. According to the Budget, the amount affected to the Ministry for Water went from 3.6 to 17.57 million US\$ during this period. The level of funding decreased in 2003, 2007, 2009 and 2011 due to the closure of several projects, and a considerable reduction of domestic funding, and to the on-going political crisis. The increases registered in 2003 and 2008 resulted from over-programming of activities on foreign funding led to an increase in the budget and the programming of two projects under ADB and European Investment Bank funding^{xiii}. Amounts affected by the Budget remain very theoretical.

Madagascar would need 198 million US\$ a year on average to achieve the MDG, funding available in 2008 was 37.2 million US \$, would need to be increased fourfold. Yet, of the funding obtained, the Ministry only spent 11 million US \$, which corresponds to a very low level of spending, 30%. It is therefore an absolute necessity to increase the capacity to mobilise funding and to ensure effective use of mobilised funds^{xiv}.

Table 4. Budgets Allocated and Spent (millions of US\$)

| Designation | 2006 | 2007 | 2008 |
|--------------------------|------|------|------|
| Budgets allocated | 19,7 | 12,8 | 37,2 |
| Budgets spent | 12,1 | 6,5 | 11,1 |

Source: Financial Table Ministry for Water / Ministry of Finance

^{xiii} Madagascar : vers un agenda de relance économique, World Bank, Patrice Rakotoniaina, June 2010. (" Madagascar : Looking at an Agenda for Economic Recovery ").

^{xiv} Country Status Overview, Water and Sanitation Programme, 2010.

The Different Funding Blocks of the Sector

In Madagascar there are four possibilities of funding for the sector, i.e., the funds of water and sanitation projects, inter-governmental transfers, off-budget funding, as well as the Commune's own funds and users' contributions.

Project Funds from the Sector

Project funds from the water and sanitation sector provide the major share of funding for the sector. They are allocated by the Ministry of Finance to the Ministry for Water annually through the Budget. The amount allocated to the Ministry for Water for a fiscal year is spread out between wages (salaries), operation (indemnities, goods and services, transfers), and investments using domestic and foreign funds. The Ministry for Water at the central level directly manages almost all of the investment budgets of the sector, and budgetary devolution applies to part of the wages and the operating budget at regional level.

| Budget allocated to the Ministry for Water | | | | | | | | | In US \$ |
|--|---------|-------------|------------------|-----------|---------|------------|-----------|------------|------------|
| Year | Wages | Operating | | | | Investment | | | Total |
| | | Indemnities | Goods & services | Transfers | S/total | Foreign | Domestic | S/total | |
| 2011 | 741 023 | 195 448 | 456 396 | 337 250 | 989 094 | 26 028 290 | 6 278 777 | 32 307 066 | 34 037 182 |
| 2012 | 833 366 | 173 98 | 235 690 | 337 250 | 746 920 | 13 686 090 | 2 301 835 | 15 987 925 | 17 568 211 |

Even if the budget of the Ministry for Water is constantly evolving, it is quite obvious that the share of the water and sanitation sector in the national budget continues to regress: 2.77% of the national budget in 2010 to 1.33% in 2012. For FY2008, sanitation received only 5% of the public funds granted to the water and sanitation supply sector ^{XV}.

Off Budget Funding

Off budget funding is in second place in terms of volume as regards the budget allocated for the sector. Off budget resources were 80 billion Ariary (about US\$40 million) for the 2005 - 2009 period, according to information collected from eleven sector partners ^{XVI}. This represents more than 20% of total funding of the sector. With a few exceptions, funding from NGOs is not included in the State budget. Off budget funds are directly invested at sites of intervention in the villages and communes for construction of safe water and basic sanitation installations, and to fund actions to strengthen the capacities of participants, particularly collectivities and the private sector, carrying out studies and realisations of safe water and sanitation infrastructures.

^{XV} *Gros plan sur l'Assainissement - Madagascar*, Manifesto for the Ministry for Water and Sanitation, WaterAid, January 2009; "Focus on Sanitation - Madagascar".

^{XVI} Study on Budgetary Monitoring in the Atsinanana Region, WaterAid, December 2010.

Intergovernmental Transfers

Presently under the responsibility of the Vice Prime Minister's Office for Territorial Development and the Ministry for Decentralisation, intergovernmental transfers for communes represent less than 5% of general State expenses, according to the 2012 Budget. Although intergovernmental transfers could ultimately be one of the most important funding sources of the sector, for the moment this contribution is insignificant.

These intergovernmental transfers are subdivided into four categories, i.e., operation, complementary, specific, and exceptional subsidies. Originally, each existing commune in Madagascar benefited from an operating subsidy of about 6,000,000 Ariary (3.000 US \$) a year. If a commune has more than 7000 inhabitants, it receives a complementary subsidy of 62.80 Ariary per inhabitant for healthcare centres, 68.60 Ariary per inhabitant for subsidies related to public primary schools, and 80.40 Ariary for subsidies related to vital records of the civil registry. It should be noted that the population of a commune can vary from less than 2 000 to more than a million in Madagascar.

The Vice Prime Minister for Territorial Development holds the Local Development Fund which allocates 9 million Ariary annually to the communes. This allocation is based on specific criteria. Since allocation of this subsidy corresponds to the priorities of the communes, the water and sanitation sector rarely benefits from these funds.

The establishment of new taxes on water and sanitation, authorised by law, but little known to the people in charge in the communes, could improve the financial resources situation for water and sanitation at decentralised level.

Users' Contribution

Recovery of costs also involves users' contribution in one way or another. In the rural milieu, this contribution takes the shape of providing material or labour for establishing water and sanitation infrastructures. The safe water system with community management generally sets up a village cashbox funded by household dues to ensure upkeep and maintenance of the system.

In the main urban centres where JIRAMA is present, clients pay monthly bills which cover the costs related to operating the system, upkeep and any rehabilitation. The price of water ^{xvii} is determined by JIRAMA on the basis of consumption levels and various production, distribution and marketing costs. In principle, the tariff code is under a ministerial order of the Ministry for Water. The tariff code is composed of a set part and a variable part that is in proportion to water consumption. The price of water includes a social segment with a threshold set by the regulating body (but the latter does not yet exist, and this role is filled by the Ministry for Water). The price is adjusted according to the economic context.

^{xvii} "Price of water" or "price" is used here to describe the price paid either to the Commune or to JIRAMA for water services. The water "tax" is a tax levied by the Commune on the price of these services.

Commune Taxes on Water and Sanitation

The level of taxation on water and sanitation is determined individually by each Commune, and the tax is then applied as a percentage of the water price. In principle, Commune taxes on water and sanitation are reinvested in the water and sanitation sector. The rate of this tax is determined by the Commune Council, up to 10%. It is collected by JIRAMA or the Commune, depending on the system of water supply set up in each commune. All revenue goes into the Commune budget^{xviii}. They constitute a sustainable source of funding if used properly. This is not usually the case in the field.

V. Monitoring Progress and Challenges

This chapter covers progress registered in the water and sanitation domain, then describes the challenges which it faces, and the possible solutions.

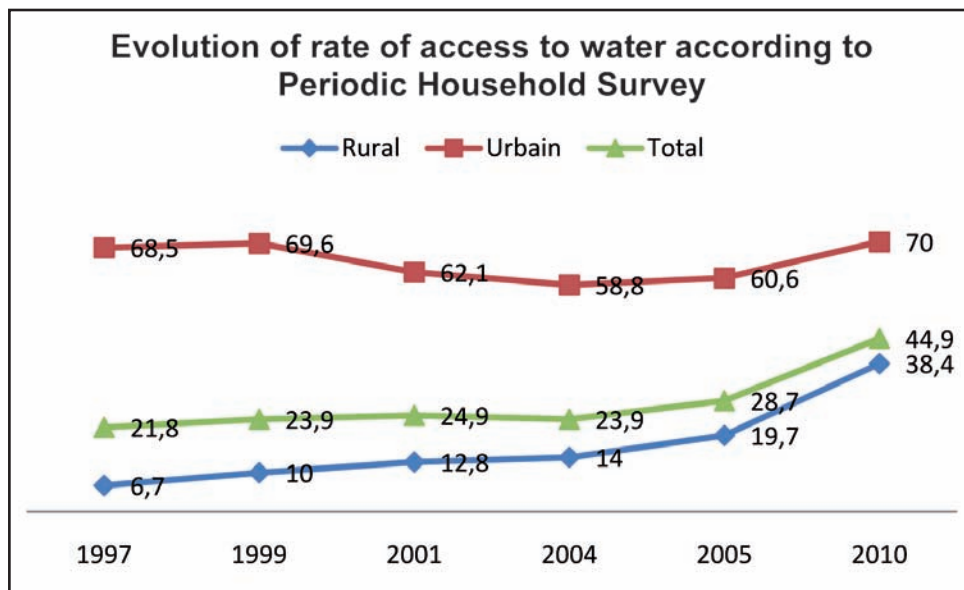
Evolution of Access to Water and Sanitation Services

Like all the other members of the United Nations System, Madagascar subscribed to the Millennium Declaration which is an international roadmap to reduce poverty. Regarding water and sanitation, and according to the figures of the WHO / UNICEF Joint Monitoring Programme, the Millennium Goals for Development (MDG), target 7c to achieve in 2015, are 68% for safe water, and 54% for sanitation, respectively, for the whole country^{xix}.

Access to safe water in Madagascar is in constant evolution according to the Periodic Household Survey, with an average growth rhythm of 1.77% from 1997 to 2010. Access to water was 44.9% in 2010, and according to the Periodic Household Survey, Madagascar will not achieve the MDG for water if the present rhythm continues.

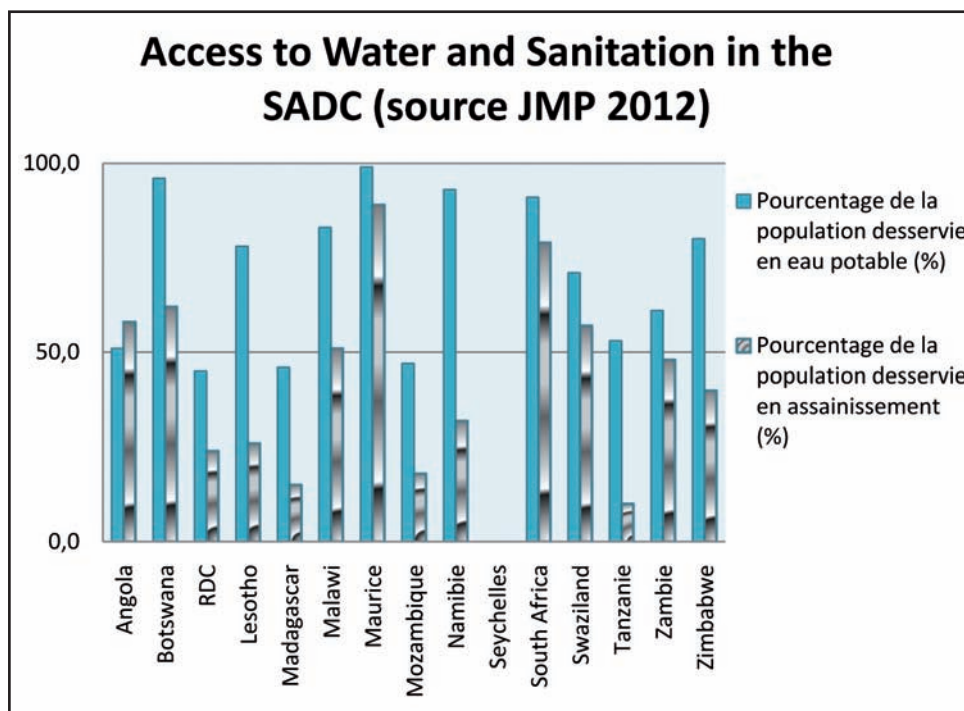
^{xviii} *Etude politique et fiscale pour l'accès à l'eau et l'assainissement*, Aaron Dibner-Dunlap Nadia Hussaini, Dahlia Morched Neda Sobhani Hyungjoo Son & Victor Vazquez of the School of International and Public Affairs of Columbia University ; (Political and Fiscal Study for Access to Water & sanitation).

^{xix} Country Status Overview (CSO2) commissioned by the African Council of Ministers responsible for Water (AMCOW) and realised by the Water & Sanitation Programme (WSP) of the World Bank, in collaboration with the African Development Bank, UNICEF, the World Bank and the World Health Organisation in 2010.



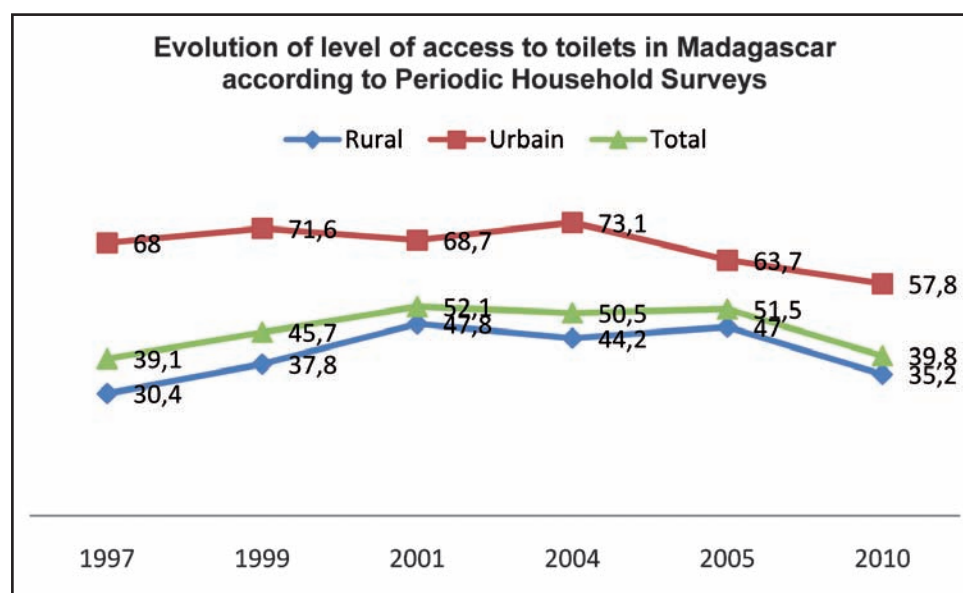
Inequalities persist between the regions in Madagascar: the level of access to safe water varies from 11.9% in the Atsimo Atsinanana region (one of the poorest regions) to 83.4% in the DIANA region (the richest region) ^{XX}.

According to the WHO - UNICEF 2012 Joint Monitoring Programme, compared to its neighbours of the Southern Africa Development Community, Madagascar is lagging behind in terms of access to safe water. Madagascar and the Democratic Republic of Congo are at the bottom of the table with access at 46% and 45%, respectively, whereas Mauritius is prancing ahead with 99%. On average the rate of access in the region is 66.26%.



^{XX} National Report on Monitoring MDG-2010

In sanitation, the Periodic Household Surveys reveal a deterioration of the situation for access to toilets in Madagascar. The percentage of the Malagasy population that defecates in the open went from 48.9% in 2001 to 51.2% in 2010. Nevertheless, the number of people who have access to improved latrines considerably increased between 2005 and 2010.



According to the JMP 2012 Report which mentions a level of access to improved latrines of 15% for Madagascar, the sanitation situation is far from bright. Madagascar is situated with Mozambique on the last two rungs in southern Africa in terms of access to sanitation.

Bottlenecks

The water, sanitation and hygiene sector in Madagascar is faced with factors that prevent it from ensuring efficiency, efficacy and transparency. Below are some examples of these factors:

- The legal and regulation framework presents incoherencies and omissions, and it is too complex to be implemented;
- Delay in establishing sector structures such as SOREA, the Heritage Society and the FNRE, constitutes a blockage for good operation in the sector and creates confusion and overlapping of roles and responsibilities;
- The imbalance between water, sanitation and hygiene, particularly in terms of programming and budgeting;
- Clarification of the roles and responsibilities of all the interested and affected parties, including the redefining of the State's mission (the latter is present in all domains, political and regulation, assessment and planning, operation and exploitation, control and regulation and funding);
- The postponement of decentralisation and of devolution does not enable Decentralised Territorial Collectivises and the Devolved Territorial Services to be equipped to access the means required to set up and operate water and sanitation services ;

- The lack of a clear strategy and of political will to empower the Communes as contracting authorities;
- Insufficient capacities of the private sector, of civil society and of users to operate the water and sanitation services and to advocate for the sector;
- Programming and budgeting do not take into account the poverty and vulnerability dimensions;
- The monitoring system does not have the appropriate means to collect, process and distribute information;
- Insufficient funding constitutes a major obstacle to achieving the MDG for water and sanitation;
- The sector does not have solid arguments to defend its cause during Budget meetings;
- The inexistence of an off-budget funding inventory distorts visibility in the sector;
- The sector has a problem in terms of absorption capacities and this has an impact on sector performance.

Potential Solutions

The following table resumes solutions that could be explored to improve the situation in the sector:

| The Basic Elements | Issues in the sector | Options for the Future | Short, medium, and long term |
|--|---|---|------------------------------|
| 1. Institutional and political reforms | 1.1 Incoherencies and omissions at the legal and regulation framework level | 1.1.1 Critical analysis and inventory of the Water Code and the PSNA. | ST |
| | | 1.1.2 Inventory of modifications and amendments to be made to these two texts. | MT |
| | | 1.1.3 Proposition of an amended version of the Water Code. | LT |
| | | 1.1.4 Proposition of a Sanitation Code project. | LT |
| | 1.2 Delay in setting up sector structures | 1.2.1 Setting up a light SOREA structure. | ST |
| | | 1.2.2 Elaboration of specification Work Plan for SOREA and the Heritage society, including a Business Plan and phasing of the evolution of their size as regards needs. | MT |
| | 1.3 Imbalance between water, sanitation and hygiene, particularly in terms of programming and budgeting | 1.3.1 Making the PSNA inter-ministerial committee operational, composed of key sanitation departments and of technical and financial partners. | ST |
| | | 1.3.2 Elaboration of a Sanitation Action Plan including its three components. | ST |
| | | 1.3.3 Advocate for a specific sanitation budget line in the PGE and the Budget. | MT & LT |
| | 1.4 Not empowering the Commune in its role as contracting authority | 1.4.1 Setting up at national level a thematic commission about contracting authority. | ST |
| | | 1.4.2 Setting up a skills pool, distribution and harmonisation of tools to accompany the contracting process in all the on-going programmes and projects. | MT |
| | | 1.4.3 Accompany the process to improve local taxation. | LT |
| | | 1.4.4 Strengthen capacities and specific processes, such as FDL. | MT |
| | | 1.4.5 Develop various forms of delegation of management. | LT |
| 1.4.6 Elaborate Urban Master Plans for main towns. | | | |

| | | | |
|--|--|--|---|
| | <p>1.5 Clarification of the roles and responsibilities of all the interested & affected parties including redefinition of the State's mission, the latter being present in all domains (political and regulation, assessment and planning, operation and exploitation, control and regulation, funding).</p> | <p>1.5.1 Finalisation and validation of the Sector's Charter of Responsibilities. 1.5.2 Update the sector strategy, including a central and a decentralised operating method.</p> | ST MT |
| | <p>1.6 Insufficient capacities of the private sector, users, to operate water and sanitation services.</p> | <p>1.6.1 Implement the Development Strategy of the private sector in water and sanitation domains. 1.6.2 Integration of micro-finance into the sector, and setting up guarantee funds. 1.6.3 Implement Objective- Based Aid.</p> | M.T L.T L.T |
| | <p>1.7 Programming and budgeting do not take into account poverty and vulnerability.</p> | <p>1.7.1 Definition of poverty and vulnerability criteria. 1.7.2 Integration of these criteria into central and decentralised programming and budgeting. 1.7.3 Monitor these criteria being taken into account in the implementation.</p> | |
| <p>2. Sector-based Coordination: sector-based approach in development planning, harmonisation of donors, frameworks which bring together multiple actors to enable large participation of non-State actors at different levels.</p> | <p>2.1 Slowness in setting up decentralisation and devolution in terms of programming, budgeting and monitoring.</p> | <p>2.1.1 Strengthening capacities of regional and inter-regional directions. 2.1.2 Implementation of the PND2 (National Plan of Action for Decentralisation and Devolution). 2.1.3 Good governance including accountability of the authorities vis-à-vis citizens, rigorous control of legality and total transparency in Commune management through balanced powers between the executive organ and the deliberative organ. 2.1.4 Bigger increase of State transfers (equipment and subsidies) to Communes. 2.1.5 Elaboration and update of urban plans which constitute the first step for local development in an urban milieu. 2.1.6 Accompany the BPOR process in the 17 regions. 2.1.7 Implement the operating method of the sector.</p> | M.T L.T L.T L.T L.T MT MT |

| | | | |
|---|--|---|--------------------------------------|
| | 2.2 The monitoring system does not have the necessary means for collection, processing and distribution of information. | 2.2.1 Establishment of a new monitoring operating method including an information circuit involving the decentralised level. 2.2.2 Strengthen and improve existing tools. 2.2.3 Set up a committee to monitor the operating method. | M.T M.T L.T |
| 3.Funding the sector : | 3.1 Insufficient funding (present level of funding to be increased fourfold in order to achieve MDG) and delay in setting up or release of new funds | 3.1.1 Elaboration of a medium term strategy for mobilisation of funding. 3.1.2 Creation of a Fund mobilisation unit in the Ministry for Water. 3.1.3 Facilitate the Coordination Unit of the sector and the round tables of donors. 3.1.4 Strengthen the capacities of the Ministry for Water during the budget process.. 3.1.5 Set up a framework for exploitation of the AEPA infrastructures which would enable recovery of costs in order to ensure financial balance of management of the systems, whilst taking into account the intention and the ability of the users to pay. 3.1.6 Set up good circulation of information about funding the sector. | M.T M.T M.T M.T ST MT |
| | 3.2 Inexistence of mapping of off-budget funding | 3.2.1 Carry out a study to inventory all off-budget funding (which could be included in the Examination of Public Expenditures.) | L.T |
| | 3.3 Problem in terms of absorption capacity of the Ministry for Water and sector performance. | 3.3.1 Application of the operating method. 3.3.2 Accompany the public procurement process at Government level. | L.T M.T |
| 4. Institutional capacities and arrangements | 4.1 Insufficient capacities of the private sector, of civil society and of users to operate water and sanitation and to advocate for the sector | 4.1.1 Improve the business climate of the sector so that it can be more favourable towards the private sector. 4.1.2 Elaboration of a strategy to professionalize the water profession. 4.1.3 The Human and Technical Resources Centre of the sector becomes operational. 4.1.4 Structuring civil society at Commune level. | L.T MT MT L.T |

Conclusions

The results of this study about a critical look at the safe water, sanitation and hygiene sector in Madagascar have enabled some lessons to be drawn about the context, the potential, the blockages and the arrangements that the sector could make.

Opportunities and / or potential

a. **The sector disposes of a very solid legal foundation based on the Water Code and the PSNA.** The enactment of these two legal and regulation texts has enabled all provisions and restrictions concerning the water and sanitation sector to be consolidated. These texts are also covered in decrees and application acts;

b. **Tools for planning, budgeting, monitoring and assessment and operation are available in the sector.** These tools are used by all the stakeholders to install good governance in the sector ;

c. **Territorial division is strong in Madagascar.** It is an important marker to implement local governance and close development policy ;

d. **The law governing public procurement is well drawn up in Madagascar, and the Ministry for Water has moved ahead in setting up arrangements recommended in the legal and regulation texts.**

Constraints and Obstacles

- a. Lack of funding constitutes a very serious problem for the sector and prevents it from achieving the Millennium Development Goals ;
- b. The inexistence of the regulation and coordination structures (SOREA) of safe water services in urban milieu (Heritage Society) create confusion and a situation where the actors tread on other peoples' territory;
- c. The neglect of sanitation does not favour the reduction of water-borne disease ;
- d. The disadvantaged and the vulnerable are left to themselves, not included in programming and budgeting;
- e. The actors, particularly private operators and civil society do not dispose of all the skills required for the sector to work properly ;
- f. The lack of a clear vision concerning transfer of skills to the Communes slows down their empowerment as contracting authority.

Recommandations

The water, sanitation sector should make all the arrangements related to good governance, i.e., efficiency, transparency, accountability, equality, and sustainability, in order to remove the above-mentioned obstacles.

Bibliography

1. Report N°38687 - MG, Madagascar, *Examination of Public Expenditures, Realisation of the Madagascar Action Plan: Analysis for Results, Part IV: water and sanitation*, World Bank, May 2007.
2. National Sanitation Policy and Strategy, Government of Madagascar, November 2008.
Urbanisation or the New Malagasy Challenge, World Bank, March 2011.
3. *Pour un financement local efficace des services d'eau et d'assainissement*, Lovy Rasolofomanana, 2007. (For Efficient Local Funding of Water and Sanitation Services).
4. *Madagascar : vers un agenda de relance économique*, World Bank, Author Patrice Rakotoniaina, June 2010. (Madagascar : Looking at an Agenda for Economic Recovery).
5. *Madagascar : vers un agenda de relance économique*, World Bank, Author Jacques Moriset, June 2010.
6. *Penser local, agir local*, WaterAid, March 2008 ; (Think Local, Act Local).
7. *Renforcement des capacités décentralisées et déconcentrées dans le secteur alimentation en eau potable et assainissement*, ICEA-SOMEAH, December 2004 ; Strengthening decentralised and deconcentrated capacities in the safe water and sanitation supply sector.).
8. <http://www.mineau.gov.mg>
9. Law N° 2004 - 009 dated 24 June 2004 governing the Code of Public procurement.
10. Note by Mr Herivelo RAKOTONDRAINIBE, National Coordinator, Diorano-WASH, September 2010.
11. Livret AEP-Latrine, Ministry for Water et al, 2011.
12. Country Status Overview (CSO2) commissioned by the Council of African Ministers for Water (AMCOW) and realised by the Water and Sanitation Programme (WSP) of the World Bank, in collaboration with the African Development Bank, UNICEF, the World Bank and the World Health Organisation in 2010.
13. Focus on Sanitation - Madagascar, Manifesto for the Ministry for Water and Sanitation, WaterAid January 2009.
14. Study of Budget Monitoring in the Atsinanana Region, WaterAid, December 2010.
15. Political and Fiscal Study for Access to Water and Sanitation, Aaron Dibner-Dunlap Nadia Hussaini, Dahlia Morched Neda Sobhani Hyungjoo Son and Victor Vazquez of the School of International and Public Affairs of Columbia University.
16. National Report of MDG Monitoring - 2010, Government of Madagascar and the United Nations System, 2012.



**For further information, please contact
Lovy Rasolofomanana at the following
e-mail: ralovy@yahoo.fr**