AGENDA FOR CHANGE

Strengthening water, sanitation, and hygiene systems together.

RANO WASH's systems strengthening work contributed to improved water services in Atsinanana region, Madagascar

Control and verification of infrastructure on Ivato Centre, Amoron'i Mania region, including the managing company and investor, representatives of the municipality, RANO WASH teams and the project manager (RANO WASH/Dahery RAZAKA).

In the eastern region of Atsinanana, Madagascar, the Rural Access to New Opportunities in Water, Sanitation and Hygiene (RANO WASH) project **has contributed to improved water services for nearly 66,000 people to date**. Over a six-year period (2017–2023), RANO WASH completed a range of activities at national and sub-national levels to increase the number and diversity of service delivery management models for rural water services, provide information and training on how to manage such contracts, and advocated for increased private investment through a 'co-invest, build, and operate' model.

Full case study here

Through these interventions, RANO WASH has demonstrated that working simultaneously at national, sub-national, and local (operational) levels is feasible and delivers results. Although the intended scale of changes was widely met, some challenges remain in the ownership and resilience of behavior changes, potentially threatening the long term sustainability of some of the changes.

KEY FINDINGS

1 From 2017 until now, the RANO WASH project has demonstrated that improving key factors in the WASH system with local actors **has contributed to improved water service delivery for nearly 66,000 people in the Atsinanana region.**

2 As a result of updated national contracting and targeted advocacy, sub-national governments tendered for private operators to implement the new management model of 'co-invest, build, and operate'.

66,000 PEOPLE
IMPACTED BY IMPROVED WATER SERVICE

3 Due to an increase in information about the feasibility of privately operated water schemes and growing awareness among private companies, selected private water operators began limited investments in rural water infrastructure.

4 Taken together, these performance improvements across management models, skills, and finance have contributed to key behavior changes at the service delivery level, ultimately leading to more people accessing improved water services.

CASE STUDY FOCUS

According to baseline data, 13.5% of people had access to basic drinking water sources in Atsinanana, with just under 1% having access to safely managed services. To increase the number of households using basic and safely managed water services, RANO WASH carried out a range of activities with public officials at national and sub-national levels to implement the management model of 'co-invest, build, and operate'.

For this case, a team of consultants analysed systems changes across two types of related changes: behaviour and performance changes. Behaviour changes are highlighted in the blue boxes and describe changes to who did what, and how they did it. Performance changes are highlighted in the yellow boxes to describe what changed and how much it changed (see Figure 1).

FIGURE 1: THEORY OF CHANGE

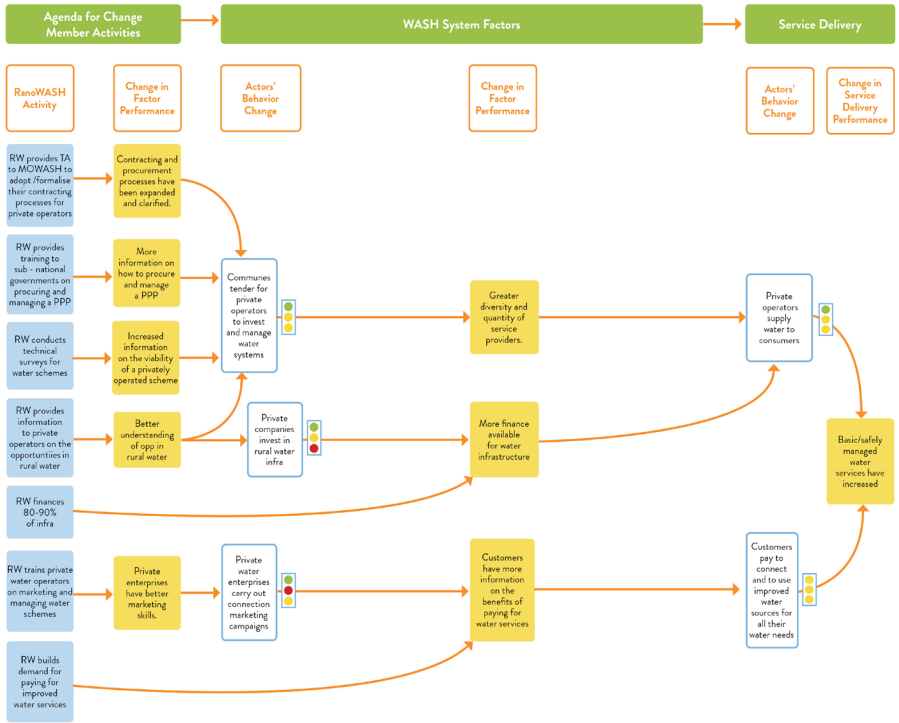
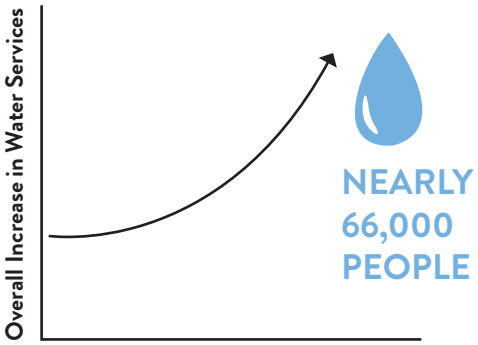


Figure 1. RANO WASH theory of change with traffic light assessments of scale (top), ownership (middle), and resilience (bottom).

KEY FINDINGS - OVERALL

From 2017 until now, the RANO WASH project has demonstrated that improving key factors in the WASH system with local actors **has contributed to improved water service delivery for nearly 66,000 people in the Atsinanana region.**



Settling pond in Ambatomarina, Amoron'i Mania region (RANO WASH/Dahery RAZAKA).

FINDINGS - MANAGEMENT MODELS FOR SERVICE DELIVERY, INFORMATION, AND FINANCE

From 2018 – 2021, RANO WASH conducted several activities related to management models for service delivery, information, and finance:

- Provided technical assistance to the national WASH Ministry (MOWASH) to adopt and formalize the contracting processes to be used by local governments, for private operators who provide partial investment in water schemes.
- Conducted trainings for national, regional, and commune level governments and technical staff on the 'co- invest, build, and operate' model and how to procure and manage a contract with a private operator.
- Conducted trainings and awareness campaigns for communities on the 'co-invest, build, and operate' model, the accounting mechanisms available to obtain feedback, and the roles of the municipality, private operator, and users in ensuring the quality and sustainability of water services.

Reforestation near the catchment area for watershed protection, organized by the village savings and credit associations Andrainjato, Haute Matsiatra (RANO WASH/Dahery RAZAKA).

- Completed feasibility studies and water scheme design studies for sites that were prioritized by MOWASH as possible sites for delegated management.
- Provided information to private water operators on the business opportunities in the water sector and the legal frameworks that demonstrate the public sector's commitment to supporting private investment and operations.
- Financed 80–90% of the infrastructure.
- Mentored selected private companies on how to market and extend connections.

As a result of updated contracting procedures at the national level, better informed regional and commune governments, more information about the feasibility of privately operated water schemes, and a growing awareness among private companies of the opportunities, a series of subsequent behavior changes occurred.

Sub-national governments tendered for private water operators to invest and manage water systems.

SCALE

At the end of fiscal year 2021, 8[1] communes in Atsinanana (of 90 total in the region) had tendered for a private water operator. There are several examples of other communes replicating the concept as documented elsewhere.

OWNERSHIP

The Malagasy water sector has not fully decentralized in practice and regional governments play a key role in the entire delegation process, suggesting it may not be economically or politically feasible for communes to manage entire processes themselves.

RESILIENCE

The key threat to the resilience of the sub-national governments to tender and manage delegated contracts is the high turnover of government staff at all levels. From a systems perspective, the key question is how this re-training will occur in the future, since it is likely that government turnover will continue.

Selected private water operators invested in rural water infrastructure.

SCALE

All eight private water operators have invested in each of the water schemes they are contracted to operate in Atsinanana.[2]

OWNERSHIP

RANO WASH data at the end of fiscal year 2021[3] confirms that the range of investment by private water operators was between six and twenty percent of total investment costs. This represents a small, but increasing amount of private finance allocated to water services.

RESILIENCE

There is a high dependency on the finance provided by RANO WASH to unlock this co-investment by private water operators.[4] A sustainable sector financing strategy does not exist, highlighting the challenges of securing co-investment from public sources or other private investors for such a model moving forward.

Visit of the water supply systems in Anosibe Ifody, Alaotra Mangoro region, by a potential investor, the company nexta, with a delegation from RANO WASH (Dahery Razaka Rafenomanana).

Private water operators promote connections.

SCALE
All eight water providers have developed and implemented marketing strategies, such as spreading the costs of connection over time, to increase consumer connections. All reported offering financing plans that allow households to pay in installments with some offering a discounted connection fee as well.

OWNERSHIP
The internal midterm review found that "Despite a robust pre- and post-construction training and support plan, private operators still face challenges in increasing their customer base due to a lack of robust marketing, affordability, and knowledge of payment options, as well as lags between receiving connection requests and installing connections ."

RESILIENCE
Since many households struggle to finance their entire connection cost upfront, water providers have offered installment plans, but have had difficulties assuming the costs needed to offer connections that are paid for over time.

FINDINGS – SERVICE DELIVERY LEVEL BEHAVIOR AND PERFORMANCE CHANGES

Performance changes in management models, skills, and finance have all contributed to key behavior changes at the service delivery level, namely: more private operators suppling water services and more customers in the Atsinanana region using basic or improved water services for all their water needs.

Private water operators supply water to consumers.

SCALE
The percentage of private operators in Atsinanana managing water services has nearly doubled, from 10 to 18%, with an additional eight enterprises currently contracted or in the process of receiving their final contract.

OWNERSHIP
A finding in the internal midterm review noted that "although [Public Private Partnerships] are functional, Water Service Providers (WSPs) require support to grow their customer base and diversify revenue streams. WSPs are still not successfully tracking profits"[6] which suggests that their overall profitability may remain questionable in some circumstances.

RESILIENCE
Generally, for a private operator to sustain services over time, there must be customers who are willing to pay for the services, a capable operator, a service authority who is able to oversee the contract, access to technical support / information for the private operator, and a supportive national framework for the sector.

A mother finishes her registration in the offices of AπR, on Ivato Centre, Amoron'i Mania region for a particular connection to benefit from drinking water (RANO WASH/Dahery RAZAKA).

Consumers pay to connect and to use improved sources for all their water needs.

SCALE
At the time of analysis, 1,531 household and social connections have been installed, with nearly 75% being private connections and another 25% of connections to date being social connections. Requests for an additional 385 connections had been received by service providers but were in the process of connecting at the time of analysis.

OWNERSHIP
Across all six regions, RANO WASH is experiencing challenges with two scenarios: 1) people within the service area of private operators who have not yet connected to the newly constructed water supply scheme; and 2); people with access to private water supplies do not use them for all their water needs.

RESILIENCE
Persuading people to shift from a strong social perception that water should be 'free' requires intensive communication and marketing of the benefits. Underpriced water in cities and a legacy of development projects that have created dependencies further complicate this shift.

ABOUT THE CASE STUDY

Agenda for Change supports its members to deliver systems change and document and share their experiences in the water, sanitation, and hygiene (WASH) sectors. As part of that overall effort, the Global Hub contracted a team from the Springfield Centre and Aguaconsult to test and apply an approach to three cases involving Agenda for Change members. RANO WASH in Madagascar is the third and final case. Further guidance on how to apply the approach, and a summary of lessons learned from the process, will be forthcoming.

You can read the full RANO WASH case study here.

Authors: Kate Fogelberg (Springfield Centre) and Harold Lockwood (Aguaconsult)

[1] Ibid.
[2] Suivi Water System Construction. RANO WASH internal document, 2022.
[3] Ibid
[4] TetraTech, 2021.
[5] CARE International Madagascar, 2021.
[6] CARE International Madagascar, 2021.