

WaterAid Timor Leste O&M programme to support the service delivery approach *Summary Report*



Association of Water Management Groups, Liquiça District, Timor Leste

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Background

WaterAid has been working in Timor-Leste since 2005, starting implementation in Liquiça district in 2007 and gradually strengthening its approaches with local partner NGOs and expanded into Manufahi district in 2011. WaterAid has also been engaged in the development of WASH sector policies and strategies, along with the AusAID RWWSP/BESIK programme and government's National Directorate for Rural Water Supply and Sanitation (DNSA) of the Ministry of Public Works.

As its programme has evolved and with coverage levels increasing, WaterAid Timor-Leste (WATL) has recognised the pressing challenge of maintaining service levels in those communities who have gained first time access to water supply. The high frequency of system breakdowns and non-functionality is well documented in Timor-Leste and has become an issue which is now *'too big to ignore'*. In conjunction with the government ministry and other sector stakeholders, WATL is now in the process of developing a strategy to focus on sustainability and long-term service delivery development, whilst at the same time continuing to implement new construction of systems with local partners, albeit at a somewhat reduced level.

BESIK's 'pathway to sustainability' programme

The DNSA is now committed to making the transition from a conventional *'business as usual'* approach to rural water supply to a more service-delivery orientated approach. This new direction, with significant financial and technical support from BESIK, has an emphasis on long-term institutional support models to bolster and develop the capacity of existing community water management groups (*Grupo Manajamento Facilidade* or GMF), which have proven to be problematic in terms of sustaining service levels. Over the next three to five years BESIK proposes to carry out interventions for improving long-term management, repairs and maintenance of rural systems. The programme – now referred to as the *"pathway to sustainable services"* is intended to test different models at scale (i.e. at district level) with the intention of replicating the more promising approaches nation-wide.

BESIK, together with DNSA at national and district and sub-district levels, will conduct this form of 'action research', by trying out a number of O&M arrangements, comparing experiences, documenting lessons, and moving by stages towards national scale implementation of the new management systems and monitoring and financing arrangements. To date BESIK has identified two promising alternative models based on an NGO and private sector entity respectively.

WaterAid Timor Leste: a credible partner with added value

It is clear from meetings held with national level entities and in the district where its long-running programme has been operational that WATL is seen as a credible and valued partner in the WASH sector. It already engages closely with national level stakeholders and processes, whilst at the same time continuing to play an important advocacy role and is respected as a 'critical friend' of the Ministry of Public Works. At district level (specifically Liquiça), WATL has built up very strong and positive working relations with the District Administration (local government) as well as the deconcentrated office of the DNSA (District Water Supply, or DAA and sub-district staff, SDF), suco government and local implementing partners.

However, it is the formation of an association of GMFs that is one of the more innovative and interesting aspects of WATL's work at district level and which is a promising approach for long-term direct support to water committees. The association was formed some three years ago and is staffed by volunteers with an obvious enthusiasm for their role, but still faces many capacity challenges and is in a 'fragile' state, with no formal legal registration to date.

During the course of the consultant's visit to Timor Leste it was agreed with DNSA and BESIK that WATL's experience of the association, with its network of some 126 GMF members, will be considered alongside the two other management model arrangements under the pathway to sustainability programme. This has obvious strategic and resource implications for WATL, but these are considered to be worthwhile investments to test this fledgling model in a more robust and systematic way. There is an inherent risk that if this is seen to 'fail' as compared to the other models, that the association approach may be discredited, however given the reality of rural Timor Leste, there is every reason to believe that it will prove to be a cost-effective and qualitatively different solution to NGOs or the private sector.

Timor Leste context: significant opportunities, but with remaining challenges and a changing institutional landscape

Compared with many countries at similar levels of socio-economic development, Timor Leste presents a favourable case in terms of rural water supply: steady progress is being made in first time access and it is likely to meet the MDG target by 2015. The state has significant resources in terms of oil revenue and although the rural sector still receives significant external aid, as a whole there is the potential for substantial public investment. More importantly senior sector leaders in DNSA and elsewhere are open to, and appear to be convinced by, the need to make the shift towards a service delivery approach with all the implications this holds for re-balancing capital and recurrent expenditures and other resource inputs. However, a number of critical challenges remain which will influence both DNSA/BESIK and WATL in the coming years as the pathway to sustainability is started out, including:

- The need to clarify policy, and if necessary legislation, regarding asset ownership and the legal status of the GMFs¹. The soon to be finalised rural water policy should help in this regard;
- An evolving, and at times fast moving, process of decentralisation which has started with a 'pre-deconcentration' phase and the establishment of new municipalities (three of which will be piloted from July 2014, including Liquiça) and greater funding flows through the public administration ministry (ESTATAL) to local levels, promoting an enhanced role for suco-level government in planning and implementation, as well as O&M;
- Linked to the above, a changing role for DNSA's deconcentrated offices and a likely retrenchment to core functions to focus on monitoring, facilitation and technical advice;

¹ BESIK has prepared a well documented paper on the options for legalisation of GMFs; 'Institutionalisation of the Water Management Groups (GMFs) Options Paper, January 2014, Whalen, M.)

- There is a human resource capacity deficit in the rural water space (and more broadly) in Timor Leste, particularly for skilled technicians and planners, which will be a drag on any long-term solutions for sustaining improved service levels;
- Even though significant public funding is available, current resources flows and budgeting frameworks are all biased towards capital expenditure programmes; work and advocacy efforts, including with the Ministry of Finance, are needed to find ways of opening funding channels that can support long-term recurrent expenditures to subsidize service provision.

WaterAid Timor Leste O&M programme: proposed framework

The above issues and processes will influence the roll out and execution of the new and expanded WATL programme of activities in the area of long-term support for community managed rural water services². The consultant set out a series of recommendations with WATL senior management, as well as briefing all programme staff, based around three core components or elements:

1. WaterAid Timor Leste strategic planning:

Commitment to this expanded programme will require the re-balancing of resources and effort on the part of WATL, as well as willingness to ‘think big’ and stay the course over a period of at least three to five years. It will also require transparency around costs and the development of an exit strategy from the association model to show that this is a viable long-term option and not merely an unsustainable NGO ‘experiment’;

2. National level policy and coordination:

Given the emerging partnership with BESIK under the pathway to sustainability and the evolving issues outlined above at national level, it is essential that WATL remains engaged and informed. It also has valuable evidence from the field and can offer ‘ground-truthing’ for the dialogue and policy development that is in process. Lastly, it has a critical role in advocacy at national level, particularly around the need for balancing public sector spending away from only capital expenditure.

3. Operational level :

WATL has achieved much with the establishment of the association in Liquiça and plans are in place to set up a second one in Manufahi district. But much work remains to be done to strengthen the organisation, improve its links with district government and, above all, ‘prove’ the business case that it is a viable model. Paramount in this process is to document the process and costs of establishment and running an association, as well as the positive benefits or impacts in terms of improved functionality of water supply and better performance of GMFs. For the latter, much can be done with the very good DNSA Water and Sanitation Information System (or ‘SIBS’) monitoring framework.

These three components are set out in more detail in the summary programme framework tables provided below, which include recommended action points.

² Currently this is referred to as WATL’s “O&M programme”, but it is strongly suggested to find a more suitable name which captures the broader set of issues beyond just simply technical operation and maintenance.

Annex 1: WATL OYM Programme Components and Key Action Points

KEY ISSUES AFFECTING O&M STRATEGY	RECOMMENDED ACTIONS
WaterAid Strategic:	
1.1 Commitment to formal partnership in BESIK 'pathway to sustainability'	<ul style="list-style-type: none"> • Continue engagement with BESIK management and if necessary obtain signed agreement to make WaterAid formal partner; • As necessary continue (parallel) engagement with DG DNSA and senior staff to maintain continued buy-in for WaterAid;
1.2 Commitment to Association model with concurrent budgetary spend	<ul style="list-style-type: none"> • Ensure DFAT funding under the CSO fund is available and ring-fence required amount for period 2014 – 2017; • Link Timor Leste O&M programme to broader WaterAid efforts in long-term support models including shared assessment and documentation and cross-country learning (links with PIMS);
1.3 Medium-term exit strategy (4 to 5 years) for WaterAid Timor Leste from O&M	<ul style="list-style-type: none"> • Draw up detailed phase out planning, with milestones, to hand-over support responsibility to DNSA central and municipal government level; • Document and gather evidence from Association pilots to strengthen arguments in favour of increased subsidies for recurrent costs;
National level policy and coordination issues:	
2.1 Clarification of legal ownership of assets	<ul style="list-style-type: none"> • Continue engagement with DG DNSA and BESIK management on the plan for investigating existing legal frameworks governing asset ownership to make sure it is not side-stepped or dropped; • Consider support for a legal expert to investigate;
2.2 Registry of rural water supply system assets	<ul style="list-style-type: none"> • Follow-up on BESIK plans to carry out asset surveys and registry, linked to process of GMF registration, and engage on the issue of IT platforms and data collection methods; • When the programme is rolled out, offer to carry out the asset registry in Liquiça Liquiça district on behalf of BESIK and with the full involvement of the DAA and SDFs; • Clarification of 'source registration' linked to BESIK work on water resource management; • Clarification of right of access to pipelines or other asset components running across privately held land
2.3 Legalisation of GMFs	<ul style="list-style-type: none"> • Follow-up on investigation into GMF registration and legalisation process and engagement with efforts by BESIK to clarify; • Consider support for a legal expert to investigate (see BESIK doc. Jan. 2014): <ul style="list-style-type: none"> ○ GMF registration under existing 4/2004; ○ Accreditation via DNSA or other (least clear and would require establishing authority for accreditation to existing body); ○ Legal status (estatuto jurídico)
2.4 On-going pre-deconcentration process	<ul style="list-style-type: none"> • Keeping informed and engaging in on-going "decentralisation" including the fiscal aspects of the ESTATAL PDID;

	<ul style="list-style-type: none"> • Monitor and analyse any changes in the role and mandate of Suco Councils and possible establishment of Suco O&M committee with implications for GMFs and/or Associations; • Monitor the evolving Suco financing role through PNDS funds.
2.5 Increased financing availability for O&M (including direct subsidies)	<ul style="list-style-type: none"> • Continued advocacy work with MoF, MoPW/DNSA, ESTATAL and other development partners on the question of increasing the balance of funding for O&M and to identify and modify budget lines allowing greater subsidy flows into recurrent expenditure • Work with DNSA, BESIK and others to strengthen links between Association model and line ministry district staff and newly emerging municipal government
2.6 Advocacy campaign for O&M – WaterAid Timor Leste ‘big new push’	<ul style="list-style-type: none"> • Put the spotlight on O&M for government and broader audiences by developing and rolling out an advocacy campaign around core issues of: <ul style="list-style-type: none"> I. Legalisation to formalize representation of GMFs through various options (see; 2.3 above) II. Training for improved GMF performance that sits between basic ‘plumbing’ skills and a full-blown engineering degree course; support/strengthen a “WASH Academy”; plus more strategic training for district managers (SAS) III. Financing for direct support to GMFs as operators via both DNSA and other models, including Associations. • Work with new national platform of WASH Timor Leste to support advocacy efforts
Operational level issues (Liquiça and Manufahi districts):	
3.1 Legal registration of Associations	<ul style="list-style-type: none"> • Work with Ministry of Justice to obtain AABS for registration;
3.2 Medium-term strategic plan for Associations	<ul style="list-style-type: none"> • Work with AABS management group and GMF members to develop 3 to 5 year strategic plan including mission, vision, clarification over roles (i.e. not to do new construction work), relationship with District Government and DAA/SDF; • Plan to include ‘full coverage’ scenario for representation of all GMFs in Liquiça
3.3 Capacity support for Associations	<ul style="list-style-type: none"> • Draw up and execute detailed plan with activities, timings and resources to support capacity building of AABS in areas including: <ul style="list-style-type: none"> ○ Technical: system design, drawing, surveying, plumbing and other skills development; ○ Managerial: report writing, planning, proposal writing, team-building and organisational skills ○ Financial: development of budgets, financial tracking and reporting
3.4 Relationship between Association and district level government entities	<ul style="list-style-type: none"> • Work with DAA and SDF to strengthen and formalise relationship with agreement, ‘contract’ or MoU with AABS;

	<ul style="list-style-type: none"> • Be aware of possible changes in mandate for O&M at district/suco level under new decentralisation (municipal) and PDID/PNDS processes; • Develop performance indicators and monitoring plan to assess performance of agreement – linked to/same as BESIK pathway indicators.
3.5 Financing and costs for sustained functioning of Association	<ul style="list-style-type: none"> • Detailed cost analysis of current AABS expenditures, including ‘salary’ (or remuneration costs), direct office running costs; transport and per diems; direct materials; training etc; • Detailed cost analysis of all WaterAid TL overhead costs to support AABS, including staff time, transport, proportion of office overheads, travel, consultancies etc. • Consultation with DNSA, ESTATAL and municipal; government over question of financing/direct subsidies for AABS; • Introduce ‘symbolic’ contribution of all GMF members of US\$10 per year to be paid at the AGM as introduction to increased income from membership; link possible contributions to size/scale of GMFs.
3.6 Monitoring of Association performance (to show impact)	<ul style="list-style-type: none"> • Develop detailed monitoring framework with associated indicators to assess AABS in areas including frequency of visits to GMFs, managerial, financial and technical performance - linked to/same as BESIK pathway indicators.; • Work with DNSA, DAA and BESIK to cross-reference performance data on GMFs, system functionality and other aspects of service delivery with AABS performance; • Carry out regular documentation of AABS including case studies of activities and special themes or initiatives.
3.7 Replication of Associations	<ul style="list-style-type: none"> • Document start up process from first steps in any new district/sub-districts for setting up Association of GMFs; • Use ‘clean slate’ to create process ‘manual’ or guide for establishing Association considering aspects including: <ul style="list-style-type: none"> ○ Organisational ○ Legal ○ Financial (procedures) ○ Financial (costs for establishment and running) ○ Administrative ○ Functions