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## Practical institutional support

*Derrick Owen Ikin, Mozambique*

MOZAMBIQUE COVERS 700,000 SQ. KM. and has a population of 16m. The 1995 national water policy set the stage for the present water and sanitation sector. Estimates for coverage are 30% for urban water and 40% for sanitation. Rural water coverage is said to be 35% and rural sanitation coverage 25%. In some cases non-functioning systems are included.

The central player in the water sector is the National Directorate for Water (DNA) within the Ministry of Public Works and Housing. Mozambique has moved from civil war to peace and democracy. The sector has moved from non-sustainable emergency water projects to serious efforts towards sustainable systems. The DNA has changed its role from project design and implementation to policymaking, strategic planning, facilitation and regulation. Recent laws provide a legal base for new concepts that include privatisation and community participation. New water accords are being forged with neighbouring countries, setting the stage for minimising future conflicts.

Major projects have been started such as the privatisation of 5 cities and a demand-based rural project in Inhambane. The long- and short-term challenges are to increase coverage in a sustainable way. The process of change and its concomitant internal and external resistance play a role in modifying the actions taken as well as blocking much-needed improvements. The first steps have been taken despite the constraints.

The opinions on the DNA as an institution range from it being a dynamic organisation, to being a stumbling bureaucratic state apparatus. The truth probably lies between these two extremes.

### Why support institutions?

Within the wider context of good governance, efficient institutions are central to long-term sustainability for both urban and rural water and sanitation. The political risks are mainly linked to the use of the private sector and to consumers' payment for services, including money collection and its use for operation, maintenance and plant replacement.

In addition, the vast numbers of broken down rural pumps and small and large water and sanitation systems that are hardly functioning present a challenge to the government and its water and sanitation institutions.

### Constraints and challenges

Constraints were identified together with senior sector staff and provide the design basis for the institutional support

programme (Moz.37) of the Swiss Agency for Development and Cooperation (SDC). Similar constraints are found in varying degrees in many developing countries. The challenge is to identify them with the partners and agree on action to start the process of change.

Institutional support is a change agent, particularly when linked to a modern policy and the political will to implement it.

### Sector constraints

The low salaries of the public sector have resulted in low motivation and in many staff taking on extra jobs, leaving a few dedicated individuals carrying an excessive workload. The slow rate of public sector reform is a threat to sound institutions (World Bank, 2000). Political will plays an important role in gaining support for new concepts.

### Institutional constraints

The weak core activities such as accounting, administration, planning and general management are recognised by all partners. General resistance to setting priorities often makes yearly and 5-yearly plans unrealistic and contributes to management by panic. The sector is centrally run, and decentralisation has yet to receive more priority.

The dearth of human resource management, no job descriptions, and vague overall objectives and plans have led to many staff being frustrated. Reluctance in dealing with low performers and replacing incompetent staff hinders progress. Further delays are caused by a lack of a monitoring culture, top-down decision-making and the bureaucratic tendency of not taking decisions and of using consensus to avoid direct responsibility (Wilson, 1995).

### AIDS

HIV/AIDS is a major threat to development in general and to institutions in particular. Moz.37 has set aside a budget for AIDS awareness and has assisted the DNA to draw up prevention plans.

### SDC's Institutional Support Programme (Moz.37)

Moz.37 was begun in 1989 and supported the water and sanitation department within the DNA. It covered urban projects and overall coordination, funding and policy promotion, including rural and peri-urban areas. The SDC programme provided on-the-job training, office facilities and scholarships. In 1994 a decentralisation element was added.

The focus on water departments alone created an imbalance, as other essential departments were without similar support. Today Moz.37 works with 6 of the 8 DNA departments (other donors support the remaining 2), 4 provincial directorates, provincial water and administrative departments, water companies and the National Directorate for Human Resource Development.

The overall goal is to contribute, through institution-building, to the development of more appropriate and stronger institutions and thus to the improved capacity of the water and sanitation sector (Swiss Agency for Development and Cooperation, 1998).

This is done within the framework of the a) national water policy; b) a new partition of roles and duties amongst the state, civil society and private sector; c) human resource development; and d) decentralisation.

### **Partnership**

Moz.37 works on a partnership basis. The partners, in a consultative process, set their own goals and use the programme to achieve these goals. The programme tries to accompany the growth process and changes within the DNA and the sector.

### **Conditions and funding**

The sound national water and sanitation policy and the political will to implement it are the major reasons for continued funding. Government and institutions have also demonstrated a will to improve the sector and its institutions.

From 1989 to the end of 2001, 11.5 million Swiss francs have been budgeted and 9.8 million have been spent. The current phase has a 4-year budget of 6.5 million Swiss francs and 100% is expected to be used. The programme provides mainly software support. It has two full-time technical advisors, two locally-employed consulting accountants and a local consultant developing models for small water companies.

### **Examples of practical support and comments**

Practical on-the-job training, management coaching and conceptual support have been provided. Change has been facilitated by providing new ideas and assisting in the process of internalising and gaining ownership of these ideas.

### **Concepts and change**

As a change agent, the programme has funded seminars facilitating the introduction of new concepts into government programmes in the areas of sanitation, hygiene, demand approach, human resource development and institution development.

- Study tours in the region, Asia and Europe provided practical examples of these approaches to key sector persons.

- Funding enabled numerous field visits and workshops related to sanitation, integrated approach and achieving a rural/urban balance.

### **Management coaching and team-building**

The lack of management training and experience was identified as a major constraint. Management courses for senior and middle management were tailor-made to meet the needs of the DNA. This improved the understanding of the need for professionalism in planning and monitoring activities, and of institutional discipline as an essential element of successful management.

Coaching was undertaken with senior staff, focusing on risk analysis, annual planning and monitoring, auditing and the monitoring and follow-up of non-performers. Successful coaching requires mutual trust and confidentiality.

- Teambuilding retreats were funded to facilitate the discussion of institutional problems and to encourage improved communication.
- Annual and 5-year plans were made.

### **Delegated budgets, accounts administration**

A system of delegated budgets to all partners, linked to a management contract with clear conditions, was introduced, to train staff in budgeting and planning. Moz.37 procedures are 95% similar to the state procedures. Other donors now use this system. 60% of the Moz.37 budget is now spent through delegated budgets.

### **Audit input and financing**

- A consultant accountant trained and supervised administrators and accountants to use the government system.
- Departments make and run their own state and project budgets.
- Various audits have been financed at provincial level.

The consultant provided on on-the-job training. Audits were initially seen with distrust, but they are now perceived as being professional and minimising risks.

### **Policy on supporting running costs**

The low state budget and lengthy bureaucratic procedures resulted in continual pressure on the SDC programme to supplement the state budget for running costs. This type of support was considered counterproductive in that pressure would be taken off the ministry to improve its procedures.

### **Human resources (HR) support**

- Moz.37 assisted the DNA to ground important concepts such as the inclusion of HR in all major programmes.
- The new HR section has been funded. It has subsequently drawn up both job descriptions and DNA department responsibilities.

- New internal regulations have been drawn up with clear objectives, responsibilities and the new role for the DNA.
- A draft HR strategy was drawn up by the DNA in a participative process. The strategy should be completed by the end of May 2001.
- A DNA HR training plan has been drawn up.
- Funded visits to the HR departments of the South African water ministry.

### **Scholarships and training**

- 21 students are studying in Mozambique, the region and Europe. 16 medium-level technical students study in Mozambique. Subjects include rural development, engineering, public sector management, accounting, economics, public administration and management.
- Short-term courses include public administration, negotiation techniques, computer skills, public/private sector partnerships, English language skills, HR management training, courses in administration and accounts. Courses are run in Mozambique, Kenya, Zimbabwe, RSA, Swaziland, Portugal, UK and Holland (total of 105 participants).

### **Decentralisation**

- Input includes support in provincial planning, to the provincial director, water departments and departments of accounts and administration.
- Most provinces lacked trained technicians. Today 14 technicians are based in the provinces. Basic housing, functioning offices and continued training were provided.
- Funded 4 inter-provincial workshops with subjects which included “Tete - a successful Mozambican water company”, 12 South African water system successes, training in managing fixed assets, and an inter-provincial administrative seminar on government procedures and systems (95 participants).
- Sent information packages on government policy and rural guidelines to all provinces as well as providing email and internet links.

Staff changes at both senior and department level have made the support to decentralisation difficult. Built-in double subordination and the lack of support and clarity regarding decentralisation have resulted in limited progress.

### **World Bank (WB) and other large projects**

The rationale was to use the flexibility of Moz.37 to assist the DNA to start these projects.

- 3 key staff (accountant and procurement officers) were funded to allow time for World Bank procedures to be learnt and followed.
- A short-term consulting accountant assisted in setting up accounting and monitoring systems, that were taken over by Mozambican staff.

- A financial system was set up and a financial assistant trained for the DNA/WB project.
- Financial manuals were developed for the project and an accountant was trained.

The WB and other large projects (and donor agencies) are a mixed blessing to institutions. The money from large programmes is a driving force for implementation and change. The institutional capacity to meet the large project requirements are major constraints (Lessik & Michener, 2000). This situation is further exacerbated by many consultant missions. A way round this capacity issue is to form a parallel project structure within the institution. It is doubtful whether this would aid the institution, however, as there is often resentment of the better working conditions of project staff resulting in a resistance to cooperate with the project. Due to the ongoing critical shortage of experienced staff, these large projects often employ government or ex-government officials. This further weakens the institutions. The positive side is these projects train local persons to run a programme professionally. Transparency and planning monitoring have resulted in a higher level of professionalism.

Large programmes also have many conditions attached to implementation and in some cases this can force the pace of change ahead of political and institutional commitment to the new concepts. This contributes to failure and slow implementation.

### **Water companies**

The programme supported peri-urban small water companies by pre-funding technicians, training offices and office equipment. The main problem is that the water company director is an appointed official. It became increasingly clear that the framework conditions for a successful company did not yet exist. Support is thus now given to assist the DNA to identify viable company models.

### **Lessons learned and conclusions**

Moz.37 has contributed to creating a better working environment so that sector officials can do their work more efficiently and effectively. It also played a key role in having HRD, institution building and sanitation included in all major plans and programmes within the framework of the government’s water and sanitation policy.

The main influences of this programme have been the setting up of a human resource department, support to decentralisation, core activity improvements such as accounting and planning, training and better use of government procedures.

The conceptual support and the programme’s role as a change facilitator are the indirect results and can be seen in the balance between rural and urban water and sanitation, and in the use of an integrated approach (water, sanitation and hygiene).

When consultants work in line functions, this can lead to local officials not being trained, or avoiding their work and responsibilities. In practice an accounts consultant worked in a line function for a number of years, leaving no trained local staff. A better solution is a limited consultancy, training local officials to enable them to take over as soon as possible, i.e. on-the-job learning.

A dilemma within the programme has been setting objectives that are linked to measurable targets. The achievements of the DNA and the provincial directorates were often confused with those of the programme (Hildebrand & Grindle, 1994). In future clearer objectives and indicators will be set. The idea of more conditionality is also being discussed with the partners, particularly in the field of decentralisation.

The weaknesses of Moz.37 are not providing enough input into possible future alternatives for DNA as well as being too flexible. The programme's administration will be further reduced as the DNA takes over activities such as scholarship management and more financial control. A further 3-year programme is planned.

The delegated budgets linked to management contracts were successful and resulted in officials taking on responsibility for both the state and programme budget. This is seen as preparation for the sector wide approach (SWAP) when all funding should go through government channels.

Coaching plays a positive role in providing support and a trust/respect relationship that is essential for an institutional support programme to succeed. This includes the understanding of each other's government requirements and the different contexts in which each partner functions. As in all institutions, the constellation of personalities and talents also plays a role in developing an institution. The character of the director, provincial director or water department chief strongly affects institutional performance.

Conditionality is unavoidable, but should be managed so that it is not dysfunctional. Support of the wrong type (e.g. line functions and open-ended support of running costs) can result in an unhealthy dependency as well as inadequately trained government staff. The dilemma of concepts being imposed on governments and institutions remains and the process is still in a learning phase. In any case,

institutional support should be adapted to the circumstances (country, institution type).

The sector and the DNA are preparing for the future and the challenge will be to overcome the internal resistance to change and speed up implementation in both the rural and urban sectors. This is in the framework of a political necessity that demands coverage which, as elections approach, could be at the expense of sustainability. Institutional support is a slow and steady process. The programme is subject to the same constraints and limitations as the sector itself. The real test of whether institutional support has been effective or not will be if the rural and urban water and sanitation systems which were implemented are still functioning in a sustainable way 10 years from now.

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