

How can we influence municipal governments to allocate more money to sanitation?

Improving urban sanitation requires big investment by municipal as well as national government: but in most African cities, sanitation receives less than 1% of the total municipal budget. Here we report ongoing research around how to encourage greater municipal investment in sanitation, in cities in Kenya, Ghana and Mozambique.



Image credit: WSUP/Gareth Bentley

Why municipal finance?

Urban sanitation remains grossly under-financed throughout most of Africa, and in many other low and middle-income countries. Urban sanitation (whether sewered or non-sewered) can be funded by **a)** direct consumer expenditure on goods and services, **b)** international aid, or **c)** government investment largely derived from taxation. WSUP believes that consumer expenditure (i.e. market-driven solutions) and international aid can make very significant contributions: but sustainable city-wide sanitation will require greatly increased capital investment and recurrent expenditure by national and local government. Often, local governments shoulder the responsibility for providing basic sanitation services, but do not prioritise sanitation with municipal budgeting. Furthermore, their current revenue streams are typically insufficient to support city-wide sanitation improvements.

What are the options for raising revenue?

Local governments in general, and city municipal governments in particular, essentially have two sources of revenue: transfers from central government, and revenues raised locally (including property taxes, and sanitation taxes collected via municipal taxation or via water bills). Any given expenditure may be derived from earmarked taxes (e.g. sanitation taxes) or from the general municipal budget.

Where should municipal governments be directing their investment?

Raising and allocating more money is only part of the problem: the money needs to be spent in a cost-effective and equitable way! At least in the medium-term, municipal governments in low-income and low-middle-income countries are likely to remain dependent on central government, private partners and donors for major capital investments. So we would expect most municipal governments to focus their expenditures on smaller infrastructure and recurrent costs. As municipalities develop their capacity to finance and manage sanitation, we can envisage longer-term situations in which (as in Europe in the 19th century) municipal taxation provides a basis for major loans or bond issues.

Building the evidence base: promoting municipal finance for sanitation

In 2014, WSUP commissioned the Washington-based Urban Institute to carry out research aimed at identifying the best ways of encouraging city-level decision-makers to prioritise sanitation, and to raise and allocate more funds to sanitation for low-income communities. The research started with desk studies of political contexts, of possible fiscal approaches and of possible advocacy strategies: particular attention was paid to the driving forces behind budget priorities, and the level of fiscal discretion available to local political leaders. The researchers also developed 'city briefs' outlining the institutional arrangements and current patterns of sanitation spending and service provision in the three focus cities. Advocacy strategies for the three cities are outlined on the next page.

Theory into practice: city-level advocacy strategies

Informed by the background studies outlined on the first page, the research team has worked closely with WSUP country teams and in-country researchers to devise advocacy strategies for each focus city, to be implemented through 2015. The strategies define specific advocacy goals, key messages, target stakeholders, advocacy approaches, and timelines. A range of advocacy techniques are being applied, tailored to the specific goals and the wider political context in each city: these include media campaigns, lobbying of elected officials, and targeting pro-poor 'champions' within local institutions.

Nakuru, Kenya

The advocacy strategy in Nakuru is heavily influenced by the revised constitution, implemented in 2010, which assigns responsibility for sanitation service provision to the county level of government. Specific advocacy goals include **a)** the establishment of a cross-government working group for WASH, aimed at improving coordination and financial planning among relevant county line agencies; and **b)** the creation of a fund dedicated solely to sanitation, covering both capital expenditure and operation & maintenance costs. To achieve these goals, the team will engage key stakeholders identified as having influence over the Nakuru County budget process from creation to enactment, including the County Governor, local elected representatives and officials responsible for sanitation. Increased engagement with the media and civil society also forms an important component of the strategy: by organising workshops with selected journalists, the strategy aims to increase media reporting on sanitation. Combined with a public advocacy campaign, this could help to raise the status of sanitation as a political priority that must be addressed.

Ga West, Ghana

The project team for Ga West (a municipality of Greater Accra) will focus advocacy activities on three main goals: **a)** improved commitment to sanitation financing from key stakeholders, specifically Municipal Assembly representatives and members of the Executive Committee; **b)** improved collection of the Internally Generated Fund (IGF) payments, and correspondingly higher allocations to sanitation derived from that fund; and **c)** increased adoption of innovative approaches to sanitation service delivery by the Municipal Assembly, e.g. regulation of exhausters and provision of household subsidies or loans. Regarding **(b)**, WSUP is providing technical support to the municipality to enhance revenue collection from property taxes, with current revenues only 45% of their potential. WSUP's support is likely to include the introduction of mobile modes of payment, updating the software used to record and track payments, and reviewing property rates; in a promising development, the municipality has signed a formal commitment that a portion of these increased revenues will be spent on sanitation service provision.

Maputo, Mozambique

Although progress has been made in recent years, sanitation service provision in Maputo continues to be hindered by weak political will and lack of consumer demand. So the advocacy strategy takes a pragmatic approach, addressing these challenges through the following activities: **a)** engaging local officials at all levels to raise awareness of the political opportunities offered by improved sanitation; **b)** influencing key institutions including MOPH (Ministry of Public Works & Housing) and AIAS (Office for Water & Sanitation Infrastructure) to prioritize pro-poor sanitation investments that generate high levels of visibility and political support; **c)** boosting consumer demand by engaging local media and community-based organisations (CBOs) to strengthen coverage of sanitation issues; and **d)** clarifying lines of responsibility for sanitation among national-level agencies. Roundtable discussions and face-to-face contact with officials will be essential tools for implementing the strategy.

Now watch this space...

This note has introduced the advocacy plans currently being implemented in the three focus cities: it is too early to report how these strategies are working, but outcome evaluation is a key component of this research, and we will document progress in a series of publications later in 2015. We are very much aware that influencing public finance is a complex and slow task, and we certainly don't expect easy wins!

***Credits:** This Practice Note was written by Iwona Bisaga, Guy Norman and Sam Drabble. It documents research funded by UKaid from the Department for International Development, and led by Jamie Boex and Ben Edwards of the Urban Institute (Washington D.C.) and Tanvi Nagpal of Johns Hopkins University. For detailed documentation referred to in this note, and for related resources, check out the WSUP website and www.publicfinanceforwash.com. Production Coordinator: Gemma Bastin.*

Design: AlexMusson.com [Version 1, May 2015]

This publication is produced by WSUP, a tri-sector partnership between the private sector, civil society and academia with the objective of addressing the increasing global problem of inadequate access to water and sanitation for the urban poor and the attainment of the Millennium Development Goal targets, particularly those relating to water and sanitation. www.wsup.com This is a copyright-free document: you are free to reproduce it.