

Summary Inception Workshop Report

Inception Workshop held at the Landmark Hotel, Nairobi 10th – 12th September 2001

Participants list:

Yousif Abaker	SC UK, Sudan
Tamsyn Barton	Social Development Advisor, DFID
Roger Calow	British Geological Survey
Sylvie Cordier	Overseas Development Institute, UK
Sharmini Dharmalingam	Agrarian Research & Training Institute, Colombo, Sri Lanka
Elizabeth Jones	Sustainable Livelihoods Support Office, DFID, London
Deepa Joshi	University of Southampton, UK
Omotto Josiah	Intermediate Technology Development Group, Kenya
Meera Mehta	World Bank Water & Sanitation Programme, Kenya
Linda Milazi	WaterAid, Malawi
Alan Nicol	Overseas Development Institute, UK
Barnaby Peacocke	Intermediate Technology Development Group, UK
Celia Petty	Food Security & Livelihoods Unit, SC UK
John Seaman	Food Security & Livelihoods Unit, SC UK
Tom Slaymaker	Overseas Development Institute, UK
Samuel Wambua	Network for Water & Sanitation International, E. Africa
Alison Wedgwood	Environmental Economics, UK

The UK Department for International Development (DFID) is funding the development of a major research programme on the theme of Secure Water: Building Sustainable Livelihoods for the Poor into Demand Responsive Approaches. The following is a short summary report from the Inception Workshop held in Nairobi, Kenya.

Aims of the Project:

Recent conceptual shift in the water sector towards achieving sustainable water supplies through promoting demand-led, as opposed to supply-led, development based upon the principle of water as an economic good.

Do demand-responsive approaches (DRA), as a shift in the water sector, address poverty and how can they be made more effectively pro-poor?

How can a Sustainable Livelihoods (SL) approach help to highlight the complex role of water within wider livelihood strategies and could therefore add value to DRA by enhancing demand responsiveness, thereby improving supply sustainability.

Basic project purpose is to enhance understanding of poverty-water-livelihoods issues and build capacity to address them *through* demand-responsive approaches by comparing different contexts and draw out useful common areas/lessons for effective intervention. Provide strong evidence for policy change i.e. good case studies, policy narratives, stories of reversal from old to new which change assumptions. Focusing on local and national policy and links with decision-makers through action-research, training and development of practical decision support tools.

Key target institutions include external support agencies concerned with poverty reduction and water supply development, national organisations and government ministries and regionally and nationally-based research and training institutions.

The project also aims to inform international level debates. Key markers in influencing global discourse include: Bonn (Dublin +10) December 2001, Johannesburg (Rio +10) September 2002 and Kyoto (3rd World Water Forum) March 2003.

Methodological Issues:

The project aims to combine the best aspects of different methodological approaches in order to inform and assist in the development of enhanced demand-responsive approaches. Discussion focused on the relative strengths and weaknesses of each, in order to identify both areas of overlap and complementarity and gaps in understanding.

Demand Responsive Approaches:

Detailed global guidelines have now been developed for implementation, however the level of commitment and extent of coverage across countries, regions varies considerably.

There are a number of important issues related to scaling up:

- *financing* (principles and achieving sustainability), establishing fiscal consistency and appropriate levels of cost recovery, also important questions over financing capacity at different levels.
- *institutional* (appropriate models and issues of capacity) identification of an appropriate institutional model to ensure high quality and inclusive services, in particular balancing decentralisation and user control with lack of capacity at lower levels.
- *political will* (required to champion, adopt and implement DRA approaches countrywide) can be a significant constraint to country-wide scaling up, there are significant perceived political costs of enhanced user financing to be overcome.

Importance of engaging with PRSP processes and building WSS components into poverty diagnostics. M&E of impact/outputs/outcomes remains problematic. PRSP provides an opportunity to adopt SWAPs and to leverage funds for WSS under MTEFs.

Key concern is the need to ensure demand is better interpreted by sector practitioners, incorporating and integrating different types of demand into operational guidelines. A further important emerging issue is that of policy acceptance versus lack of capacity for implementation, also the 'political costs' of implementing these approaches.

Sustainable Livelihoods Approaches:

Key strength of SL analysis is that it provides a useful, logically consistent way of thinking through the complex issues influencing the livelihoods of the poor and suggests multiple, cross-sectoral entry points for intervention (e.g. access to resources, transfer of technology, institution building).

A common framework and language for analysts and policy makers from different sectors, emphasising cross-sectoral collaboration and providing space for different disciplines to work together towards a common goal.

The SL approach stresses the need for holistic analysis as the basis of focused intervention, taking a wider view of poverty than conventional income-based approaches.

SL emphasises the range and depth of barriers to access to water supplies and highlights the need to understand and strengthen micro-macro linkages.

It does not necessarily aim to address all aspects of livelihoods of the poor. The intention rather is to employ a holistic perspective in the analysis of livelihoods, in order to identify a manageable number of key issues/entry points where intervention could be strategically important for effective poverty reduction either at a local level or policy level.

A particular value of the SLA lies in the inclusive, non-threatening process of designing water interventions that it encourages, in addition to whatever improved project/programme outcomes it achieves.

Policy Analysis for SL:

Process emphasis. Effective policy analysis requires a clear understanding of policy objectives i.e. what sort of water supply to sustain and for whom and over what timescale? Objectives need to be linked to realistic policy processes. This involves assessment of the feasibility of required reforms and evaluating the political will to implement those reforms.

Wider political feasibility. ‘The mark of effective research advice and policy-making will be the capacity of those involved to know the difference between what can be done and what should be done. The when is determined by changing political culture and expressed in new and effective institutions’.

Technical issues should not be forgotten. DRA emphasises articulated demand but governments often prioritise according to political pressure. Providing technical choice is very difficult in reality due to the back up required, and administrative and logistical burden. There are therefore certain limits to ‘options’ for service delivery. Importance of comprehensive stakeholder analysis.

Demand Assessment and Willingness to Pay Surveys:

‘Unless there is a demand for a product no amount of skilful marketing and participatory processes will motivate people to use and look after new facilities’ (White 1997).

Willingness to pay is a term widely used for the various demand assessment techniques applied in WSS, essentially it is ‘the maximum amount an individual is willing to pay for a good or a service’. Combines *revealed preference* and *stated preference* techniques.

Contingent valuation is a direct demand-led approach to valuing the benefits of an improved water supply system and yields information how much a household can afford and is willing to pay for WSS.

While CVM has many advantages it is also prone to bias. The technique does not test consumers’ *effective* demand i.e. will they really pay the tariffs they said they would in the survey.

No reason why multiple techniques can’t be employed (participatory and CVM, hh survey etc) using a multi-skilled team. Need to understand why men express low WTP and why some of the poorest groups are not WTP even for the cheapest most basic latrines?

SL and HEA may be particularly valuable in framing interpretation of data emerging from demand assessments. While techniques such as CVM provide an operational tool, SL can inform strategic policy.

Household Economy Approaches:

Origins of the approach are in entitlement theory. HEA describes the strategies people use to access food and income. It explores how typical ‘better off’, ‘middle’, ‘poor’ and ‘very poor’ households live and interact. It is particularly useful to identify vulnerability of different groups and therefore predict likely responses to change.

Recent assessments in Bangladesh indicate that water is a key item of household expenditure. Systematic and rigorous assessment of competing demands shows how changes in water supply (no longer free, new charges etc) affect willingness or capacity to pay for water. The relationship between what people could do and what they actually do leads on to the intra-hh model.

SL and HEA provide tools for analysing the economic potential that better access to water could release. Indicate local constraints e.g. labour, customs, finance and show how water, in combination with other assets, contributes to production. Also reveals the associated opportunity costs and benefits and the differential impacts of policy reform and changes in water supply on different groups.

In Summary:

Demand assessment is useful but generally doesn't go far enough. CVM for example gives a picture of demand but not the reasons why.

Household Economy Approaches add value by providing information on the household and sub-household dynamics. HEA provides very valuable detail enabling a more coherent understanding of the social and economic complexities of demand at the household level.

Discussions suggest HEA and SL are highly complimentary. The capacity of SL to provide a common language for analysts and policy makers from different sectors is of significant practical value.

Expressions of willingness to pay are rather crude, often unrealistic and may be contingent on external factors. There is therefore scope for redefining demand to make it more sensitive to poor people's reality.

A recurring theme was the issue of water rights. It is noted however that rights-based approaches are highly problematic, not least in terms of financing. It is arguable that SL offers a way to understand how to convert theoretical rights into actual opportunities.

Key Case Study Issues & Research Themes:

Key issues emerging:

- governments are pushing the sustainability issue hard at the macro level but there are significant impact/capacity issues at the local level
- what is the precise nature of demand and how far is this reflected in demand assessment?
- how far 'sustainability' is really a priority from the perspective of the poor?
- what assumptions does DRA make about private sector and NGO capacity
- what is the degree of engagement of the poor with institutions and processes of project/programme/strategy design, implementation and evaluation?

Key research questions?

- How are livelihood outcomes affected by changes in the nature of water supply at the hh level?
- How have interventions worked for/ against livelihood strategies of poor hhs and why? (existing situation reflects a history of policy interventions)

- How can interventions be improved so that they better fit the livelihood strategies of the poor? (not just how to improve understanding of demand but understanding how the poor use that water)

Contact list for further information:

Name	Area of Expertise	Contact
Alan Nicol	SL and Water/Programme management	a.nicol@odi.org.uk
Tom Slaymaker	SL and Water/Programme management	t.slaymaker@odi.org.uk
Sylvie Cordier	Programme Information	s.cordier@odi.org.uk
Barnaby Peacocke	Methodology/Programme management	BarnabyP@itdg.org.uk
Celia Petty	Household Economy Approaches	c.petty@scfuk.org.uk
Alison Wedgwood	Demand Assessment	alison.wedgwood@btinternet.com
Roger Calow	Water Policy & Economics	Rcal@bgs.ac.uk
Elizabeth Jones	DFID UK, Water Issues	E-Jones@dfid.gov.uk
Deepa Joshi	India Case Study	Dj1@soton.ac.uk
Sharmini Dharmalingam*	Sri Lanka Case Study	hartiam@sltnet.lk
Yousif Abaker	Sudan Case Study	Scuksdprog@hotmail.com
Omotto Josiah	Kenya Case Study	Omotto@itdg.org.ke
Linda Milazi	Malawi Case Study	wateraidmalawi@malawi.net

*Attended on behalf of Rajindra Ariyabandu during the workshop