

EWDAF/URB/80

Supporting policy and regulatory development for domestic PSP

Year: 2 of 3

Task Manager:

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Clients:

Governments, domestic private sector, utilities, municipalities

Countries:

Benin, Kenya, Zambia

Partners:

WUP/AFWA, WBI, WB, AFD, MDP,

Desired Project Outcome: Effective policy and regulatory environments for enabling domestic private sector activity and investment in the context of national MDG roadmaps established in 2 countries to improve service delivery for poor consumers..

Project Description: National government has the primary responsibility for progress towards the WSS MDGs. Overall, this project will provide support to select national governments to integrate DPSP in the MDG roadmaps being developed. In a context of governmental commitment to institutional reforms, those efforts aim at improving efficiency of service to the connected population, but also at extending services to the un-served, poor in urban or peri-urban areas through public/private-partnership development. More specifically, this project will assist selected African client governments to meet the urban WSS/MDGs through: (i) the integration of DPSP in the development of country-owned roadmaps to meet the WSS/MDGs; (ii) assisting countries in developing capacity building strategies, policy reform initiatives and programs that recognize the role of DPSP for WSS services for the urban poor in the context of ongoing reforms in the water sector; and, (iii) active support to regional capacity building and knowledge networks and partnerships involving policy makers and domestic service providers. On regulatory issues, conventional regulation frames are usually inadequate for SMPP, and specific attention will be given to customer feedback channels, equality of SMPPs and other providers in access to public financial support, and standard requirement focusing on quality issues rather than price. This work will be developed through support to country teams, and will feed-in other ongoing country WSP-AF work: policy review, development of urban WSS MDG roadmaps, and sub-regional capacity and awareness building/sharing events, strengthening the work initiated in Kenya, Zambia and Benin.

Assumptions:

1. Commitment to the reform process remains high on the government's agenda of the selected countries
2. Willingness of development partners to collaborate on supporting the reform process and extension of WSS services to peri-urban areas

Start Date: Jul 05

End Date: Jun 08

Indicators of Outcome:

1. Sectoral strategies and policies encompassing DPSP adopted in at least 2 additional countries – Jun 08
2. Media and political statements reports reflect recognition of SMPPs in 2 countries – Jun 08

Project Milestones:

1. Workshop in Kenya on DPSP role to serve the Urban Poor – Jun 06
2. Strategy paper defining the role of DPSP in urban services delivery endorsed by the GoB and partners – Sep 06
3. DPSP regulation options for Benin and Zambia finalized – Jun 07

Project Update: 7/05 New project. **6/06** Minor amendments to Outcome indicators.

Project Activities and Outputs:

Activities	Output(s) and their deliverable dates [limit to FY07]
Identify and/or document policy and capacity constraints to effective domestic private sector activity in Benin, Kenya, Zambia (ref. 1.1)	Zambia case study completed – Dec 06

<p>Provide support for policy, regulatory and institutional reform promoting SMPP involvement in service delivery to the poor in the 3 countries. (ref. 1.2)</p> <ul style="list-style-type: none"> • Develop workable policy and regulatory reform, strategies, and incentive structures (ref 1.3) • Develop and implement capacity building strategy for key national level institutions and organisations and launch implementation 	<p>Strategy paper for DPSP for Urban Water Supply in Benin – Sep 06 Study on DPSP regulation options, including performance indicators and incentive measures, for urban water supply in Kenya – Nov 06 Studies in Benin and Zambia on options for DPSP performance monitoring and integration in the national M&E framework – Dec 06 Paper on regulatory framework for SMPP in Kenya – Feb 07 Options studies in Benin and Zambia for DPSP regulation and incentives creation – Jun 07</p>
<p>Produce guidance note on policy and regulatory framework development, and document successes and failures for global dissemination. (ref. 1.4)</p>	<p>Field Note on the Kenyan national strategy for WSS services delivery in informal settlements – Sep 06</p>