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## All systems go!

# Fostering WASH system changes in Haiti using principles from the market systems sector

Paper for the WASH systems symposium

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The relevance of applying a systems approach to improve coverage and sustainability of WASH services is recognised. But what are appropriate methods and tools that support the operationalisation of such a systems approach? How can the analysis of the key building blocks of a WASH system such as institutions, policy and legislation, finance, regulation and accountability, monitoring, planning, infrastructure, water resource management, and learning and adaptation be translated into targeted interventions? The proposed approach, based on the Market for the Poor approach, which has been used in the market systems development sector for several years, was applied to a WASH system in Haiti. The approach is assessed as promising, particularly in terms of creating ownership and leadership among the key actors, developing a joint vision, and focusing on key bottlenecks. It also helps ensure that local actors take a central role while external actors act as facilitator. The approach resulted in the identification of key interventions aiming at supporting a transition towards municipal WASH services, which are now being implemented.

## Introduction

This paper aims at illustrating a method to operationalise system changes in the WASH sector using lessons from the market system development sector. It is expected to contribute to the reflections on effective tools to implement WASH systems thinking. The method is illustrated based on the concrete example of transitioning towards municipal leadership in WASH in Haiti.

## Context

The Haitian Water Policy published in 2009 gives the national WASH agency (DINEPA) the responsibility for WASH service provision. The policy decrees that the responsibility should gradually be transferred to its devolved regional offices (OREPA) and eventually to the municipalities. An analysis of the context reveals that DINEPA currently performs both regulatory/control and service provision functions (the latter mainly through the OREPA). The service provision competence has thus not yet been transferred to the municipalities. The capacities of the municipalities need to be strengthened to take up the transfer of competences. The Ministry of Interior and Territorial Communities (MICT) is working in this direction but progress has been limited so far, partly because of the reluctance of the central administration to make

decentralisation – enshrined in the 1987 Constitution – effective, and the lack of commitment from local elected representatives and citizens to claim decentralisation. It is also important to note that DINEPA is financed almost exclusively by external donors. The key issue we address through a systems approach is how to best facilitate the transition towards municipal leadership in WASH.

## A systemic approach

Our systemic approach is based on the learning from the market systems development sector. In particular, we transfer the **main principles of the [operational guide for the Making Markets Work for the poor \(M4P\) approach](#)** to a WASH system. The central message of the approach is that **system change is the essence of large-scale and lasting development**.

A **system** is defined as a multi-function, multi-actor arrangement comprising the **core function** of exchange by which WASH services are delivered and the **supporting functions** and **rules** which are performed and shaped by a variety of actors. Operation and maintenance of water supply systems can be categorised as a core function; district or municipal planning for WASH services as a supporting function; and WASH services regulation as a rule.

Market systems development requires **agencies to play a facilitating role**. As external agents, they seek to catalyse others within the system (while not becoming part of it themselves). Facilitation is inherently a temporary role: rather than implementing projects and then designing exit strategies, external agencies should strive to stay in the background as much as possible and strengthen permanent actors.

The central element of the M4P approach is a **sustainability analysis framework** (see below). This framework supports the planning of interventions that strengthen the sustainability of the system and comprises the following steps.

Figure 1. Water supply market system: principle functions Source: The Springfield Centre, 2015

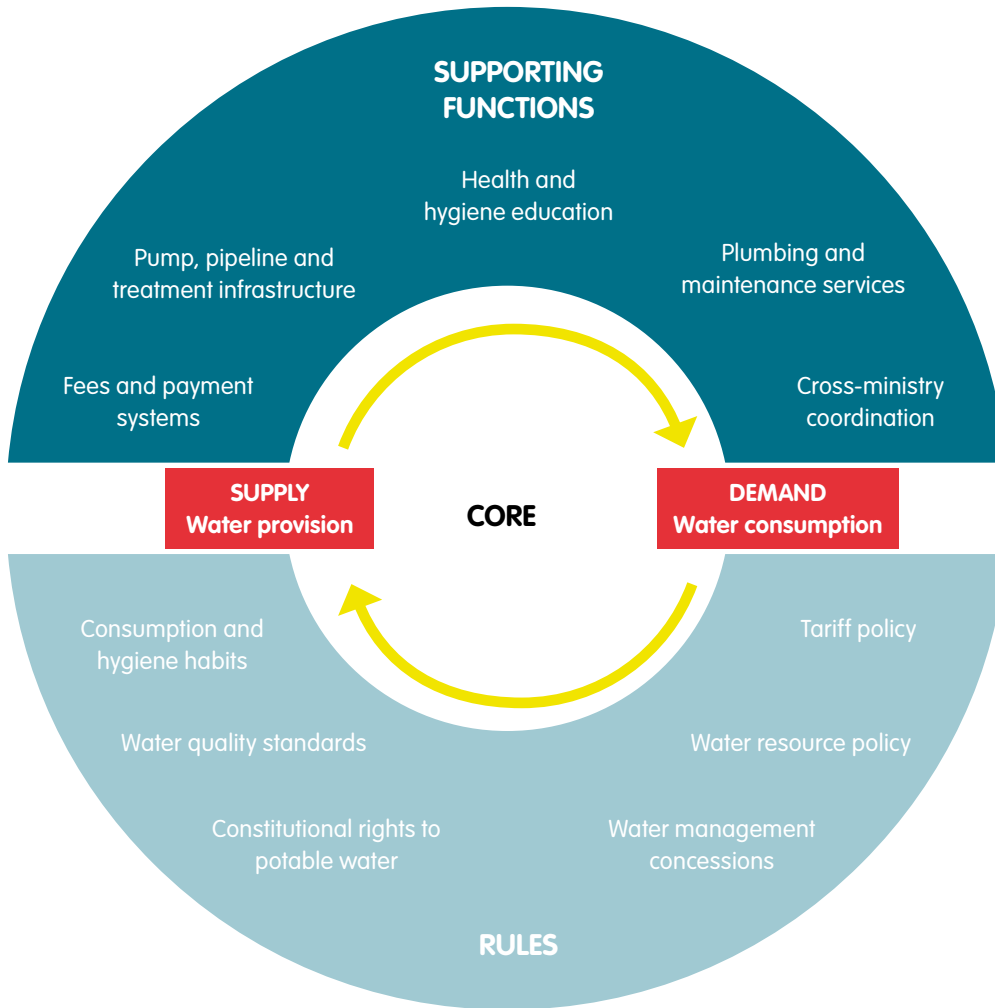


Figure 2. Sustainability analysis framework.

	CURRENT PICTURE			DIAGNOSIS	FUTURE PICTURE	
FUNCTION/ RULE	Who does?	Who pays?	Inadequate, mismatch, absent		Who will do?	Who will pay?
Core function				INCENTIVES (material, social, purpose-oriented)		
					CAPACITIES (technical, financial physical, strategic, cultural)	
Supporting functions				NATURE OF THE MARKET SYSTEM		
					HISTORY & MOMENTUM	
Rules (formal/informal)				INNOVATION FROM ELSEWHERE		
					Intervention strategy →	

Source: The Springfield Centre, 2015

**Take stock of the current picture.** Understanding how the system functions at present, in terms of who does what, who pays for what and their capacities and incentives.

Step 1: **Identification of the system functions** (core functions, support functions, and rules), the actors that assume these functions today, and the **funding sources** for those functions today.

Step 2: **Analysis of the challenges related to the functions**, in particular actors' capacities and incentives (e.g. through a skill-will analysis). Furthermore, the mapping of the functions and the actors in charge of executing them (Step 1) helps get a clearer picture of essential functions which may not be clearly assumed by any actor, or functions which are duplicated amongst several actors.

### Visioning

Step 3: **Development of a future vision** (define which actors will perform or pay for which functions to ensure that the system better serves the target group). The visioning exercise is a very important part of the process. It also enables key actors to take leadership of the process.

**Identify and prioritise interventions needed to bring about the vision.** Specify the support required to strengthen the incentives and capacity of actors to take on new or improved roles (improve the performance of actors in assuming functions in the system).

Step 4: **Identification of interventions** that will enable the actors of the future vision to gradually become performant in their functions.

Step 5: **Identification of bottlenecks** (functions that represent key challenges) to inform the **prioritisation of interventions**.

### Results chain development

Step 6: **Development of a strategic framework (results chain) for the system** in which a causal logic linking the prioritised interventions with system-level change and benefits for the target group from access to WASH services are identified, leading to poverty reduction.

## Operationalising a systemic approach to facilitate the transition towards municipal WASH services in Haiti

The operationalisation of the systemic approach as a way to address the transition towards municipal-led WASH services in the context of Haiti is illustrated here. To initiate the process, space was created for key actors such as the national WASH agency, regional WASH offices, Ministry of Interior and Territorial Communities, and municipalities to meet and share their concerns and aspirations related to this transition. A participatory diagnostic and visioning exercise enabled them to develop a common vision, analyse the sustainability of WASH services today, prioritise interventions to enhance sustainability, and clarify the role of key actors in implementing those interventions.

### Step 1: Identification of the system functions

In a first step, key system functions (core functions, supporting functions, and rules), the actors assuming these functions, and funding sources for these functions in the current situation were identified.

**Table 1. Actors and their functions, current WASH system (simplified overview)**

Ministry of Public Health	National WASH agency	Regional WASH offices	Universities	International NGOs
Definition of water quality norms	Coordination (national level)	Coordination (regional level)	WASH related training for professionals	Design of WASH systems
	Macro level planning and budgeting	Technical assistance		Procurement
	National strategy development	Planning and budgeting		Budgeting and fund management
	Legal framework for decentralisation	Procurement		Hygiene and sanitation promotion
	Definition of technical norms	Enforcement of regulations		Quality control
	Definition of tariff setting rules	Quality control		Maintenance
		Fee collection and management		Technical assistance
		Maintenance		Communication
		Monitoring		Advocacy
Tax	Transfer <sup>1</sup>	Transfer <sup>2</sup>	Tax	Transfer

WASH committees	Users	Private sector	Local WASH technicians	Municipalities
Management of WASH systems	Use of WASH services	Spare parts supply	Monitoring	Demand for quality service
Maintenance	Payment for WASH service	Design, construction of WASH systems		
Tariff setting	Demand for quality service	Production and promotion of latrine slabs		
		Promotion and supply of water treatment products		
Tariff		Tariff	Transfer	Tax

Core functions	Supporting functions	Rules
Financing source		

### Step 2: Analysis of the challenges related to the functions

The table below illustrates the results of a skill-will analysis for selected functions. This analysis is an important element of understanding current challenges.

It provides insights into the changes needed to enhance the sustainability of the system. It also helps understand which actors could potentially play a supporting role in transitioning towards a future vision.

**Table 2. Skill-will analysis, current situation (selected functions as illustration)**

FUNCTION/RULE	CURRENT SITUATION		
	Who does?	Who pays?	Skill-will
Core function			
Use of WASH services	Users		Limited level of willingness to pay (linked also to a limited level of service)
Management of WASH systems	WASH committees	Tariff	Technical, financial and managerial capacity not always available within WASH committees Limited motivation in many cases due to the voluntary nature of their job
Supporting functions			
WASH planning	Regional WASH offices	Tariff, Transfer	Limited human and financial resources
Design, construction of WASH systems	Private sector	Transfer	Challenges related to the quality of infrastructure. The challenges may relate to the capacity to monitor the process of design and construction
Rules			
National strategy development	National WASH agency	Transfer	Strategic vision and planning of development actions quite well defined. But the national strategy does not focus on decentralisation
Definition of tariff setting rules	National WASH agency	Transfer	Absence of tariff setting rules at the national level

### Step 3: Development of a future vision

A visioning workshop resulted in the development of a common understanding on how the future system should be in terms of actors and their responsibilities. The following

tables illustrate changes in roles and responsibilities between the current situation and future vision on the basis of selected functions. A more comprehensive overview of the future vision is also presented.

**Table 3. Comparison of responsibilities in the current and future situation (selected functions as illustration)**

FUNCTION/RULE	CURRENT SITUATION			FUTURE SITUATION	
	Who does?	Who pays?	Skill-will	Who will do it?	Who will pay?
<b>Core function</b>					
Use of WASH services	Users		...	Users	
Management of WASH systems	WASH committees	Tariff	...	Private operators	Tariff
<b>Supporting functions</b>					
WASH planning	Regional WASH offices	Tariff, Transfer	...	Municipalities	Tax
Design, construction of WASH systems	Private sector	Transfer	...	Private sector	Tax, tariff
<b>Rules</b>					
National strategy development	National WASH agency	Transfer	...	National WASH agency	Tax
Definition of tariff setting rules	National WASH agency	Transfer	...	National WASH agency	Tax

**Table 4. Actors and their functions, future WASH system (simplified overview)**

Ministry of Public Health	National WASH agency	Regional WASH offices	Universities	International NGOs
Definition of water quality norms	Coordination (national level)	Coordination (regional level)	WASH related training for professionals	Advocacy
	Macro level planning and budgeting	Technical assistance	Research, innovation	
	National strategy development	Enforcement of regulations	Training for masons (technical, marketing)	
	Legal framework for decentralisation	Quality control	Training for civil engineers in sanitation	
	Definition of technical norms	Fee collection and management		
	Definition of tariff setting rules	Monitoring		
Tax	Tax	Tax	Tax	Transfer

Operator	Users	Users' associations	Private sector	Municipalities
Management of WASH systems	Use of WASH services	Demand for transparency	Spare parts supply	Coordination, space for dialogue
Maintenance	Payment for WASH service	Pressure for quality service	Design, construction of WASH systems	WASH planning
System extension	Monitoring of service quality	Monitoring	Hygiene and sanitation promotion	Mobilising investments
			Production and promotion of latrine slabs	Budgeting and fund management
			Promotion and supply of water treatment products	Risk management
			Faecal sludge emptying	Procurement
			Faecal sludge treatment and reuse	Quality control
			Financial services	Monitoring
Tariff		Tariff	Tariff	Tax, Tariff

The comparison between the current situation and the future vision enables us to visualise a number of elements such as the following.

- The high number of functions that municipalities will have to assume in the future. Given that they currently do not have any responsibility in terms of WASH service delivery and their limited capacity, this represents a serious challenge to be tackled in view of this transition.
- The crucial role the regional WASH offices will have to assume in terms of technical assistance, control, monitoring, and communications in order to support the municipalities in their role of WASH service providers. The regional WASH offices thus clearly represent a key actor that will coach the municipalities
- The refocusing of the national WASH agency role on sector policy development, regulation and control and consequently the separation of the role of regulation and control from service provision. Today, the agency – through its regional WASH offices – assumes at the same time core and support functions in addition to setting rules, which represents a weak point in the system.
- The need to strengthen the role of civil society (e.g. users' associations) in advocating for improved quality of WASH service provision and also to monitor performance of WASH services.
- The high number of involved actors at national level and therefore the need to improve coordination and concertation.
- The need to put in place a delegated management system for WASH services, for example by a

professional operator (to be contracted by the municipality), in order to segregate duties and shift away from voluntary management.

- A key difference is the way the system is financed. Whereas the system is currently mainly financed by external funding (> 90%), the future vision foresees a considerable increase in the share through tariffs and tax.

Whereas the process resulted in a common understanding among key actors on the future vision, the transition towards the future vision still needs to be discussed in more detail. Various options can be envisaged. One option could consist of a first step where the responsibilities of simple systems (rural and small town systems) are transferred from the regional WASH offices to the municipalities, and then in a second step responsibilities for more complex urban systems are transferred. Another option is to transfer responsibilities for all systems from the beginning but have a transition period during which the regional WASH offices will play a strong coaching role (a kind of co-management model).

#### Step 4: Identification of interventions

Transitioning towards the vision is considered a long-term process. This process requires a set of accompanying measures to strengthen the capacity of system actors to assume their functions (responsibilities). Focusing on system actors (rather than external actors) while reflecting on who could provide those accompanying measures will help identify actors that will play a key role in the process. The table below highlights selected interventions.



**Table 5. Examples of interventions (coaching measures)**

Interventions	By whom
Set up and help structure users' associations	Regional WASH offices
Help set up a separate WASH bank account at municipal level	Ministry of Interior and Territorial Communities
Coach procurement process at municipal level	Regional WASH offices and National Procurement Commission
Strengthen monitoring system at municipal level	National WASH agency, Regional WASH offices
Strengthen technical, financial, and commercial management of WASH systems by operators	National WASH agency

**Step 5: Identification of bottlenecks and prioritisation of interventions**

Identifying bottlenecks in the system (see functions

marked in red) enabled the prioritisation of interventions/ accompanying measures and thus reduced the complexity of the system to a manageable level.

**Table 6. Key bottlenecks in the future WASH system (simplified overview)**

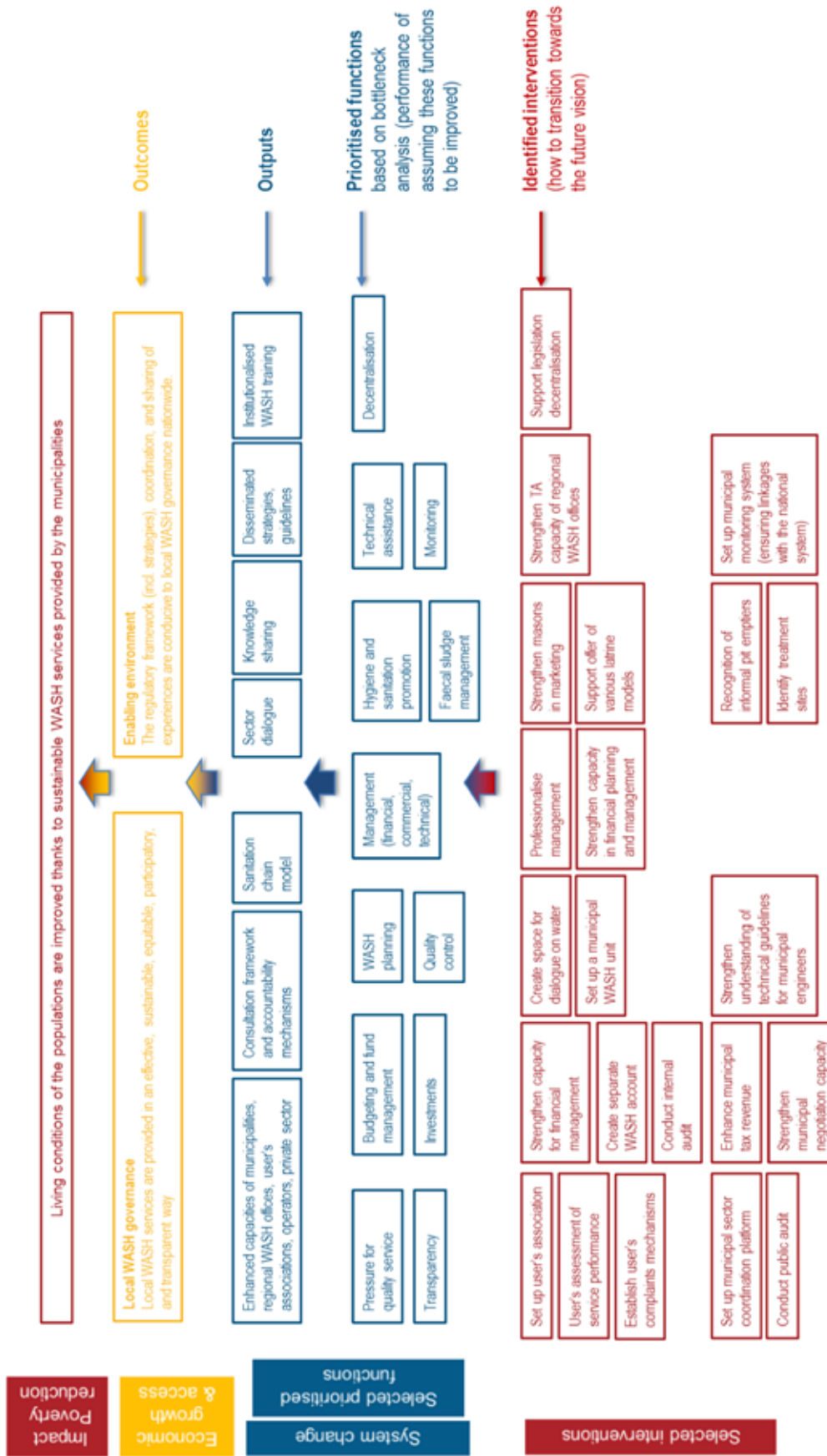
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			Financial services	Monitoring
Tariff		Tariff	Tariff	Tax, Tariff

### Step 6: Development of a strategic framework (results chain) for the system

A results chain was then developed on the basis of the

prioritised interventions. This represents the core of the project planning and monitoring framework. It links prioritised interventions with system-level changes.

Figure 3. Results chain – Transitioning towards municipal WASH in Haiti



## Conclusion

The relevance of applying a systems approach to improve coverage and sustainability of WASH services is recognised. The question, however, is what are appropriate methods and tools that support the operationalisation of a systems approach. How can the analysis of the key building blocks of a WASH system – such as institutions, policy and legislation, finance, regulation and accountability, monitoring, planning, infrastructure, water resource management, and learning and adaptation – be translated into targeted interventions?

The proposed approach, based on the Market for the Poor approach, which has been used in the market systems development sector for several years, was applied to a WASH system in Haiti. The use of the approach is assessed as promising, particularly in terms of creating ownership and leadership among the key actors, developing a joint vision, and focusing on key bottlenecks. It also helps ensure local actors take a central role while external actors play a facilitator role. The approach resulted in the identification of key interventions aiming at supporting a transition towards municipal WASH services, which are now being implemented.

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- The Springfield Centre, 2015. The Operational Guide for the Making Markets Work for the Poor (M4P) Approach - 2nd edition. Swiss Agency for Development and Cooperation (SDC) and UK Department for International Development (DFID). Available at <https://www.enterprise-development.org/wp-content/uploads/m4pguide2015.pdf>.

## Notes

- 1 Mainly transfer but also tax (increasing) and tariff to a very small extent.
- 2 A percentage of the tariff collected by WASH committees/operators (4%) is expected to be paid to the national WASH agency, which then redistributes the funds to the regional WASH offices. However, the level of tariff collected by WASH committees and hence the amount of funds transferred to the national agency is very limited.

## Keywords

Systems approach, market system, decentralisation, WASH services, Haiti

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