



# Development Progress



## Pipes and people:

### Progress in urban water supply in Burkina Faso

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## List of abbreviations

<b>AFD</b>	French Development Agency
<b>CSLP</b>	Strategic Framework for Poverty Reduction
<b>DG</b>	Managing Director
<b>EIB</b>	European Investment Bank
<b>FGD</b>	Focus Group Discussion
<b>GoB</b>	Government of Burkina Faso
<b>IDA</b>	International Development Association
<b>INSD</b>	National Institute of Statistics and Demography
<b>INSS</b>	National Institute of Society Sciences
<b>KPI</b>	Key Performance Indicator
<b>MAHRH</b>	Ministry of Agriculture, Hydraulics and Fishing Resources
<b>MDG</b>	Millennium Development Goal
<b>MEF</b>	Ministry of Economy and Finance
<b>ONEA</b>	National Office of Water and Sanitation
<b>PN-AEPA</b>	National Programme for Water Supply and Sanitation
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>UN</b>	United Nations
<b>UNICEF</b>	UN Children’s Fund
<b>US</b>	United States
<b>USAID</b>	US Agency for International Development
<b>WHO</b>	World Health Organization
<b>WSP</b>	Water and Sanitation Program of the World Bank

# 1. Introduction

Since 2000, improved production and distribution of water in Burkina Faso has led to extended coverage of nearly 2 million people in the country's four principal urban centres. In the capital, Ouagadougou, the number with access to the network more than doubled in six years.

Progress has been achieved as a result of the strengthened capacity and performance of the National Office of Water and Sanitation (ONEA) – the utility responsible for urban water supply in Burkina – as well as through the support of government and development partners.

Based on progress achieved to date, a new phase of investment in urban water supply in Burkina has begun. Over the period 2009-2015, this will expand distribution and access in three cities in Burkina – Bobo-Dioulasso, Kodougou and Dédougou – as well as further extending water distribution in Ouagadougou.

Despite significant achievements, challenges remain relating to measuring performance and ensuring equity, particularly for low-income households. Government policy recognises the social, as well as economic, nature of the issue of urban water, as well as the need to investigate low-cost solutions in providing water services to peri-urban districts, in line with poverty reduction goals. However, ONEA still needs to further develop and deepen its social policy, including organising its client data, for example according to customer income, so as to take greater account of the differing situations of the people it serves.

## 2. Context

Burkina Faso, one of the poorest countries in Africa, faces major challenges in terms of urban water supply. Bulk water for fast-growing urban centres has to be safeguarded in the context of constraints on water resources, in what is a predominantly arid country, with a wide variation in rainfall, temporally and spatially. The country receives less than 900m<sup>3</sup> per capita per year of fresh water on average (Box 1).

### Box 1: Water resources in Burkina

Burkina Faso is characterised by a wide variation in rainfall, both annually and spatially. The country extends over three climatic zones: the Sahel, in the north, with an average annual rainfall of less than 600mm; the dry savannah region in the middle, with an average annual rainfall between 600 and 900mm; and the humid savannah, with an average annual rainfall of over 900mm. Since 1976, rainfall has been 10 to 20 percent lower than average, resulting in the lowering of the water table by about 0.5m per year. Due to geological conditions, groundwater is unevenly distributed and can only be extracted from weathered areas above the bedrock and in fractured zones by expensive boreholes with limited yields of about 10 m<sup>3</sup>/day. As for surface water, the only perennial river is the Mouhoun River. The most common way of storing water for dry seasons is by building hydraulic structures/dams to store water in surface reservoirs, even though evaporation can reach 2,000mm/year. In addition, a substantial portion of surface water resources is shared with neighbouring countries; the Nakambe River (now the main source of supply for Ouagadougou) is shared with Ghana under an action plan to coordinate the use of resources.

Source: World Bank (2009: 24).

The trend of diminishing rainfall noted in Box 1 has been associated with longer, more intense periods of drought, as well as intermittent flooding resulting from short but intense precipitation events. Rain-dependent agriculture has come under increasing pressure, leading to migration from rural to urban and peri-urban areas.

In 1998, the government of Burkina Faso (GoB) identified provision of potable water facilities to urban settlements as one of its priorities. The subsequent Letter of Sector Policy in 2001 recognised the economic and social nature of water, at the same time identifying the strengthening of ONEA, as the responsible national agency,<sup>1</sup> as a primary objective.

ONEA was a corporation owned wholly by the state, and had been since 1994, but was run as a commercial company, with a Board of Directors and enhanced autonomy to manage its activities across all urban centres of the country, including through tariff policy. Its mandate, strictly speaking, is to provide water supply (and sanitation) infrastructure to 'urbanised' areas, i.e. urban districts formally incorporated within city plans. In practice, it has extended its activities to include residents living in 'un-urbanised' areas, including informal settlements (as Section 4 will show).

In 2001, ONEA was still 'a small utility, essentially devoted to serving the richest part of the urban population' (Marin et al., 2010). Urban water coverage through household connections stood at 32%. ONEA had only about 73,000 active water connections (half of them in the capital, Ouagadougou), which served fewer than 700,000 people nationwide, with 1,600 standpipes serving another half a million (ibid). ONEA's productivity, in terms of staff per 1,000 connections, was low (at about 8), with a 15% failure rate in collection of bills from residential customers (ibid).

<sup>1</sup> Under the Decentralisation Law of 2004, the general responsibility to provide water and other urban services lies with local authorities (*communes*). These are not expected to deliver services by themselves, but rather to delegate delivery to public or private bodies, primarily, but not exclusively, ONEA (e.g. pilot projects for the delegation of parts of the outlying network to small, local, private suppliers).

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The second-generation poverty reduction strategy paper (PRSP), known as the Strategic Framework for Poverty Reduction (CSLP), formulated in 2004, confirmed the importance of securing water supplies for growing urban centres, as a component of the second 'pillar' – to increase access to social services. Subsequent policy papers and plans and a consultation process culminated in the 2006 National Programme for Water Supply and Sanitation which, in line with the poverty reduction goal, referred to the need to investigate low-cost solutions for the provision of water services to peri-urban districts (World Bank, 2009).

The PN-AEPA fixed national water supply and sanitation targets for 2015 under Millennium Development Goal MDG) 7, including increasing drinking water access in urban centres in Burkina to 87% by 2015, from a base in 2000 estimated at 42% (World Bank, 2009). This goal entailed the provision of access to water in urban areas to an additional 1.8 million people overall (ibid).<sup>2</sup>

<sup>2</sup> Based on an urban population of Burkina Faso in 2008 of 3,292,300 (World Bank, 2009). In 1998, the urban population was 1,761,203 of a total population in Burkina of 11,007,522 at that time (i.e. 16% urban), rising to 20% in 2008.

## 3. What has been achieved

### 3.1 Water infrastructure and water services

A first phase in the extension of urban water infrastructure in Burkina in 2001-2007 focused on the capital and largest urban centre, Ouagadougou. An earth dam and reservoir were constructed at the Ziga river site, 50km away from Ouagadougou, and a 'primary' water main (1m in diameter) was laid in order to bring the bulk water supply to the capital. At the entry to the city, a storage facility and pumping station were built. Eight water towers and other ground-level tanks were constructed within the city, as well as 171km and 1,437km of 'secondary' and 'tertiary' distribution networks, respectively, thereby almost doubling the network's total length (Marin et al., 2010).

Water production and delivery to Ouagadougou was increased threefold, from 40,800m<sup>3</sup> per day in 2001 (World Bank, 2001: 5) to 122,000m<sup>3</sup> per day in 2007 (World Bank, 2009: 1). This meant that, from an intermittent service prior to the 2001-2007 Ouagadougou Water Supply Project – 'the Ziga project' – the city was provided with a continuous water supply (including in the dry season) (World Bank, 2008: vi).

The water supply produced by the Ziga project is sufficient to meet current demand. According to a senior official of the Ministry of Agriculture, Hydraulics and Fishing Resources (MAHRH), the situation will be reviewed in 2015, taking account of the rate of growth of Ouagadougou in the intervening five years. Given Burkina's water resources context (as summarised in Box 1), such a review will need to consider competing demands on water resources, for example between agriculture and urban use.

In terms of delivery of water services, the number of persons with access to the water network in Ouagadougou more than doubled in six years, from 300,000 in 2001 to over 800,000 in 2007, an increase of one-third of the city's residents at the time of the 2000 Census, according to which the total population of the capital, including peri-urban areas, was around 960,000.<sup>3</sup>

A second stage of construction is beginning in Bobo-Dioulasso, Koudougou and Dédougou (see Figure 1) to boost water production and distribution in each urban centre (World Bank, 2009). This is focusing on new connections in each case, and also installation of some standpipes: 28,000 connections and 30 standpipes in Bobo-Dioulasso (to add to the existing 22,000 connections and 335 standpipes, i.e. more than doubling the number of connections and supplying a 10th of the number of standpipes); 2,580 connections and 10 standpipes in Koudougou (to add to the existing 5,300 connections and 110 standpipes, i.e. supplying nearly half as many connections again and a 10th of the number of standpipes); and 590 connections and 16 standpipes in Dédougou (to add to the existing 895 connections and 43 standpipes, i.e. supplying over half the number of connections again and one-third of the number of standpipes). Additionally, further work in Ouagadougou will add 25,000 connections and 50 standpipes.

Figure 1: Map of Burkina Faso



Source: [www.pbase.com/world/burkina\\_faso](http://www.pbase.com/world/burkina_faso).

### 3.2 Utility capacity and performance

ONEA's operational and financial performance has improved measurably. The commercial staff productivity index had risen by 2007 to 810 connections per employee, by far exceeding the target of 230 connections per employee initially set for the six-year period.<sup>4</sup> Water losses from the distribution network ('unaccounted-for water') had decreased from 5.5m<sup>3</sup> per km per day to 4.8m<sup>3</sup> per km per day, 18% of production, a level which is one of the best in sub-Saharan Africa (World Bank, 2009).

The bill collection ratio had risen to 95.5% in 2007, with payment times decreased. Accounts receivable from private consumers had decreased from 160 days to 73 days (World Bank, 2008: vi).<sup>5</sup> The timing and quality of financial reporting by ONEA also improved (ibid). Meanwhile, in the period from 2003-2007 (financial years), ONEA's total revenue increased by an average annual rate of 12%, well above inflation (WSP, 2008). However, ONEA's debt serviceability remains a source of concern, as does its gearing (see Section 3.3.2).

### 3.3 Equity and sustainability: progress and challenges

#### 3.3.1 Equity

Article 2 of Burkina Faso's Water Policy Management Act, adopted in 2001, recognises the right to water of all citizens according to the Constitution. The act adopts the usual order of priority, whereby utilisation of water for essential human needs comes before other uses.

Additionally, the first objective of the 1998 National Water Policy was to 'satisfy sustainably, in quantity and quality, the water needs of a growing population and an economy in development.' The policy reaffirmed that, 'The right of access to drinking water is recognised by the law. In relation to access for water for drinking, the different categories of population must be treated *equitably*' (emphasis added).

However, how equity was to be arrived at was not elaborated in the PN-AEPA. In setting out the goal of providing improved urban water facilities to previously unserved, or inadequately served, persons – in order to reach the target of 87% in urban centres, including peri-urban districts, across the country by 2015 – did not distinguish between those who would benefit and those who would not. No criterion, for example poverty level, was stated to help in targeting the increase in access (or a proportion of the increase) to specified districts in the city or categories of households.

<sup>4</sup> As acknowledged by evaluators on behalf of the World Bank in the June 2008 project evaluation of World Bank support (World Bank, 2009: 29-30, based on World Bank, 2008: vi-viii).

<sup>5</sup> A study by the Water and Sanitation Program (WSP, 2008) qualifies this, pointing to a problem of late payment by some government agencies and other major water-consuming customers.

Given the focus on aggregate service delivery, the question arises: on what basis did ONEA determine who was to benefit from its investments? In the context of a fast-growing urban population, and given the challenge of extending water infrastructure to peri-urban areas (formal and informal), choices made by ONEA would entail serving some households while making others wait until a subsequent phase of investment. But which households in which areas, and according to which (published) criteria?

In its work in Ouagadougou, ONEA did not carry out an analysis of relative wealth/poverty levels in different areas of the city as part of a strategy for geographical targeting its investments.<sup>6</sup> Instead, the work was conducted as a technical and engineering process, with little attention to social issues in terms of the socioeconomic composition of different districts of the city. As noted above, the number of persons served with new connections and standpipes was impressive but, when it came to the evaluation in 2007 carried out on behalf of the World Bank (World Bank, 2008), ONEA did not provide information as to types of households, in income terms, that had benefited.

A study was conducted as to households' 'willingness to pay' the connection charge, to guide the level of subsidy to a connection.<sup>7</sup> ONEA focused on identifying those households that could pay the connection charge and the consumption tariffs once connected (or that believed they could do so). However, the reliability of such surveys in low-income areas is unclear. For households living in precarious circumstances, for example, it may be difficult to predict in advance what will be payable in monthly bills presented retrospectively by the utility. An alternative approach would have been for ONEA to develop a means to measure differentials of poverty objectively, so as to make choices according to income category and adapt payment terms.

The World Bank evaluation found that the household connections and standpipes had provided access to additional people '*mostly* living in peri-urban areas of Ouagadougou and belonging to low-income groups' (World Bank, 2008: 11, emphasis added). The word '*mostly*' is left hanging, without elaboration. The evaluation did not comment on the fact that ONEA had not measured who precisely had benefited from its work. The evaluation remit was confined to verifying the number of connections and standpipes, rather than measuring where these were effected and for whom (i.e. the distribution of benefits).

This originated in the design of ONEA's works.<sup>8</sup> Although the stated aims of the extension of infrastructure included provision of household connections and standpipes to 'low-income households' (World Bank, 2001: 7), the design did not fix this aim in key performance indicators (KPIs).<sup>9</sup> The KPIs for the first phase of work, under the 2001-2007 Ouagadougou Water Supply Project, did not specify which city inhabitants were to benefit from the 45,000 new connections or the 400 new standpipes – the indicators talk in terms of *aggregate* figures in relation to the 'population' of the city, without any mention of low-income areas or households.

The same is true for the KPIs for the second phase of work under the 2009-2015 project<sup>10</sup> and also for ONEA's performance contract with MAHRH for 2007-2009, whose Article 6 on 'Service of the Population' (in Wetta and Fofana, 2010) defined only aggregate annual increases of access in Ouagadougou (and other cities). In other words, the contract between MAHRH on behalf of GoB and ONEA did not characterise ONEA's role in relation to low-income households, and did not require it to draw up or apply any geographical targeting policy. Meanwhile, elsewhere, the project design for the second phase talks (in the descriptive text, not in the KPIs) of reducing 'the bias between formal and informal settlements' (World Bank, 2009, and see Section 4.3).

The result has been that the objective of providing improved water services to low-income households has been (in part) realised, but not *demonstrably*: to the extent that equity has been achieved, it has not been seen to be achieved in a transparent manner. The improved water services provided by ONEA under the Ziga project until 2007 and, later, up to 2009, benefited hundreds of thousands of people, affording them improved access – and thereby contributing towards the MDG water target. But the lack of disaggregated information means that ONEA is unable to show clearly how its objective of providing improved services to *low-income* households has been fulfilled – nor is it able to report on the *extent* to which there are errors of inclusion of relatively wealthy areas/households within its existing social policy.

Until this equity gap is addressed, it risks undermining MAHRH's and ONEA's record of substantial performance in tackling the challenge of extending improved water services to peri-urban areas of Ouagadougou, both urbanised and un-urbanised.

<sup>6</sup>. Key informant interview, ONEA.

<sup>7</sup>. World Bank (2008) and key informant interview, ONEA.

<sup>8</sup>. The design for the works in all four urban centres: those in Ouagadougou from 2001-2007 and those now taking place under the second phase under the 2009-2015 project in Bobo-Dioulasso, Koudougou, Dédougou and Ouagadougou.

<sup>9</sup>. The KPIs in the original project design were not adapted during the course of the project.

<sup>10</sup>. Again, the KPIs of the 2009-2015 project (World Bank, 2009: 37-38) do not specify which categories of 'population' and 'individuals' are to benefit from further household connections and standpipes to be provided by ONEA.

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### 3.3.2 Sustainability

As Section 3.2 stated, ONEA has substantially increased its institutional capacity, closing the gap on the best-performing utilities in Africa. Nonetheless, financial challenges remain. ONEA's debt serviceability (coverage of interest payments) was noted as being negative in 2006/07 (WSP, 2008). The same report noted that ONEA's gearing (debt relative to earnings before interest, tax and depreciation) was high. As mentioned above, bill collection by ONEA was seen as still relatively weak, with late payment by some government and large water users (ibid).

In terms of the financial future of ONEA, the World Bank (2009: 14) details one of the 'critical risks' to further progress by the utility: 'The financial equilibrium that was achieved in 2006 may be jeopardized by the increasing debt service requirements and to a lesser extent by the payment arrears from public customers.' ONEA will need to take steps to reduce risks to its financial sustainability in order to maintain its financial equilibrium.

As regards the sustainability or otherwise of water facilities provided by ONEA, a 2009-2010 study led by the University of Ouagadougou (in Wetta and Fofana, 2010) carried out focus group discussions (FGDs) in five peri-urban districts in Ouagadougou – three urbanised and two un-urbanised (informal settlements). The location of these districts in outlying parts of the city provided a test of the extent of reach of ONEA's activities into the two categories of peri-urban district.

The responses from the FGDs in the three urbanised areas indicated that the water supply situation had seen improvements. In the district called Bissighin, respondents said, *'In our district, we now have 15 standpipes, as well as boreholes and wells.'*

In the two un-urbanised areas, beyond the limits of the official city, few standpipes have been installed. Respondents in Nioko 2 said, *'To access standpipes, we have to go to those which are located in the neighbouring urbanised district of the city, positioned on the boundary with our district.'* In some cases, e.g. in Toukin district, this involves crossing a major tarmac road, which is dangerous. The women of Nioko 2 said, *'Four boreholes were to be constructed in our district as part of the Ziga project, but this didn't happen. That means we have to queue for a turn at the two existing water points, or go to the standpipes located on the limits of the next-door district, which takes up a lot of time, sometimes 4 hours a day or more.'*

For households without a nearby standpipe or for those without the means to buy a 220 litre barrel on wheels (*barrique*) to collect water, a serious problem arises, given the price vendors charge.

Meanwhile, as regards household connections taken up by low-income households in Ouagadougou, the World Bank (2009: 27) notes that 6.8% of connections in the city are 'inactive,' where 'households ceased to use them and returned to their previous sources of supply because their low and irregular incomes did not provide enough money to cover the monthly bill.'<sup>11</sup> This confirms the need to study household payment capacities and methods.

<sup>11</sup>. The figure of 6.8% also includes some other cases where the connected compound is waiting for actual occupancy.

## 4. Drivers of progress

### 4.1 Investment in human resources

In ONEA's conversion to an autonomous public company, its Board of Directors was made responsible for the supervision of the company's performance and for all strategic decisions. The Board was granted the authority to appoint (and fire) the general manager (managing director) and to determine employees' pay scales. The general manager was to make day-to-day operational decisions. ONEA's employees were made subject to private sector (not civil service) rules (Marin et al., 2010).

While GoB had clearly determined that ONEA was to remain under state ownership, external private sector expertise was brought in from 2001 to 2006 to strengthen ONEA's technical capacities. Expatriates from a French-led consortium worked alongside managers in ONEA's commercial and finance departments – as their deputies, so as to respect the managerial prerogatives of ONEA staff. Other foreign advisors provided in-house capacity building and training through short-term missions.

GoB, meanwhile, made 'good choices in appointing competent and dedicated professionals,' remunerating them accordingly (Marin et al., 2010). The managing director (DG) of ONEA, in post from 1995 until 2005, played a central role in the turnaround of the public company. A water sector specialist, engineer by training, but with previous experience of senior management, he took the job in 1995 and stayed in it for 10 years, thereby providing continuity of management. In the early 1990s, ONEA had been much criticised for management failings. When the new DG arrived, he found low staff productivity and morale, and realised that he needed to set about changing the fundamental working culture of the company. Starting from the top, he removed two poorly performing directors from their positions within the first days.

Over the next two years, a major programme of redundancy with compensation was drawn up (*plan social*), including negotiations with unions and, to settle some claims, hearings before an industrial tribunal. The *plan social* ultimately resulted in 110 redundancies, around 20% of the workforce. The DG introduced a different style of management, with more interaction between directors and staff and the DG himself circulating regularly in the building to meet and talk to colleagues of different levels. A new emphasis was placed on building staff skills and capacity. The DG and a new finance director oversaw an overhaul of the financial management system which was, three years on, in 1998, assessed favourably by an independent auditor. A corporate strategic plan was drawn up by management and staff, with objectives covering financial profitability, ONEA's image with clients and improvements to staff welfare and commitment through performance-based remuneration (World Bank, 2009: 30).

GoB complied with its undertaking to allow ONEA enhanced autonomy, by not interfering with investment and staffing decisions and approving tariff revisions in a timely manner (World Bank, 2009: 30).

Meanwhile, in ONEA's external relations, the DG advocated the principles that defined its role. These included a policy of providing water services in un-urbanised as well as urbanised districts of Ouagadougou. The strict letter of ONEA's legal responsibilities applied to urbanised areas only and, at that time, the DG's statement of intent to incorporate informal settlements (un-urbanised areas) within the company work plans met some opposition from GoB and donors. The viewpoint championed by the DG was that the population in un-urbanised areas was substantial and represented water demand to which ONEA should respond.<sup>12</sup> He thereby established an important principle of strategy which was, *broadly*, 'pro-poor.' In this, he was supported by MAHRH.

Tariff policy was also the subject of debate in sessions of the ONEA Board, with the DG resisting some pressures to raise water consumption prices (the ONEA Board comprises representatives of MAHRH and other ministries relating to water, as well as of municipalities).

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MAHRH also played a leadership role in defending the status of ONEA and supporting the DG's reform processes. The latter told researchers how GoB had defended the status of ONEA as a publicly owned company at a time (prior to the Ziga project) when some donors (including the World Bank) were sceptical of the feasibility of turning around its management and were advocating privatisation. Later, the 2008 World Bank evaluation of the Ziga project commented that, 'The management of ONEA were very committed to the project. The continuity of ONEA's management team and the competence of the staff involved in the project since its inception were critical to the successful implementation of the project' (World Bank, 2008: 6).

This also contributed to a strong sense of ownership by ONEA staff (Marin et al., 2010) and a solid work ethic.

## 4.2 Development finance

ONEA was not in a position to tackle the challenges of extending water services in Burkina's cities without support from GoB in obtaining external donor funding. The provision of this finance has contributed to progress in the urban water sector.

Both phases of work, in the four cities, have benefited from external funding support. The first phase in Ouagadougou (2001-2007) was funded by eleven sources of finance, led by the World Bank and including regional development funds as well as European donors (see Box 2).

### Box 2: The Ziga project (2001-2007) – sources/amounts of finance (in US\$ millions)

- GoB (5.36)
- World Bank, via the International Development Association (70)
- French Development Agency (27.83)
- European Development Fund (23.18)
- European Investment Bank (20.71)
- German Development Bank (18.30)
- Arab Bank for Economic Development in Africa (8.44)
- Islamic Development Bank (6.85)
- African Development Bank (6.67)
- Organisation of the Petroleum Exporting Countries Fund (6.95)
- Kuwait Fund for Arab Economic Development (9.76)
- West African Development Bank (1.83).

**Total: \$205.88 million**

Source: World Bank (2001).

The terms of financing of the \$70 million from the International Development Association (IDA) to GoB took the form of a loan at concessionary rates.<sup>13</sup> According to the terms of World Bank financing, the IDA funds were transmitted from GoB to ONEA in the form of a loan of \$28 million and a non-reimbursable grant of \$42 million (World Bank, 2001: 11). The grant element was 'a contribution to the equity capital [of ONEA] in cash' (ibid: 50).<sup>14</sup> The French Development Agency (AFD) also provided a combination of loan and grant. This grant element was key in supporting ONEA's progress, because the equity contribution (of \$42 million) was made to ONEA at a time (in 2000/01) when its financial condition was weak (according to World Bank, 2001). Even in 2009, after ONEA had strengthened its finances, the World Bank commented that, 'the financial equilibrium of ONEA is quite sensitive to the financing conditions of the investment program' (World Bank, 2009: 17). Without this concessionary funding, which has supplemented small contributions from GoB and ONEA's own resources, the work would not have been possible, at least not while maintaining ONEA as a solvent company.

<sup>13</sup>. With a maturity period of 40 years and a grace period of 10 years, at an annual interest rate of 5.4% (plus, as per World Bank, 2001: 1, 'a commitment fee of 0.5 and a service charge of 0.75%.'

<sup>14</sup>. The same combination of loan and grant (50%/50%) has been agreed between the World Bank and GoB for the water supply component (\$25.87) of the 2009-2015 project.

Between 2007 and 2009, ONEA pursued its operations with its own revenues and with AFD funds accorded in December 2007 and European Investment Bank (EIB) funds disbursed in June 2008.

The financing requirement for meeting the national target for urban water (and sanitation) is estimated at \$324 million in total between 2007 and 2015, with over three-quarters expected to come from development partners (World Bank, 2009).

### 4.3 Social policy

The focus of ONEA's efforts is on connecting households directly to the network. Together with a reduced tariff for the first tranche of residential water consumption, ONEA's subsidy for 'social connections' (*branchements sociaux*) is a key element of social policy, to stimulate demand for household connections. To reach the figure of 56,000 new connections in six years, successive reductions were made in the connection price:

'The subsidized water connection program faced serious start up problems due to the fact that the entry fee initially set at African Francs FCFA 50,000 per connection was too high for beneficiaries. In addition, it appeared during the first phase of the project that high demand areas were located far from existing water secondary networks, which meant that more network extensions had to be made. In May 2006, it was decided to introduce some modifications to the program to reflect the situation on the ground and speed up operations. Modifications consisted of: (i) decreasing the entry fee from FCFA 50,000 to FCFA 30,000, (ii) simplifying application procedures and stepping-up information campaigns to the public, and (iii) restructuring the water distribution network extension component' (World Bank, 2008: 7).

The project evaluation (World Bank, 2008) comments that these changes were 'very effective' in arriving at more water connections.

The subsidy was made available to *all* households that expressed the desire to connect. It was not targeted to any district, or to any customer income category in particular; i.e., as regards household connections, the social element of policy was subsumed into a *universal* policy.

The responses from FGDs conducted by the University of Ouagadougou (in Wetta and Fofana, 2010) in surrounding areas, in contrast with the willingness-to pay survey(s) carried out by ONEA, suggest that the reduced price of FCFA 30,000 (and FCFA 25,000) needs reviewing, because it is still not affordable by poor households (in both urbanised and un-urbanised areas). For example, in Toukin (urbanised), FGDs reported that, '*as regards the cost of connection, even though the Ziga project has allowed for a reduction in price, it still remains inaccessible to the residents of our neighbourhood.*'

As noted above, ONEA's practice has been to extend water services beyond urbanised districts (the legal limits of its responsibility), to take account of outlying areas, including informal settlements. Standpipes have been installed in such areas, or on the outer boundaries of neighbouring 'urbanised' districts. Despite the benefits of connection for households able to bear the cost, as well as for ONEA in terms of increasing its connected customer base, the FGDs provide a key lesson in terms of Burkina's social policy – that of the remaining importance of standpipes in peri-urban districts as a medium-term solution to meeting the needs of low-income households.

# 5. Conclusions

## 5.1 Key lessons

In terms of lessons learnt and remaining challenges, the following points emerge:

- Performance of the urban utility, ONEA, has been transformed through a **combination of measures**: delegation of responsibility to, and corresponding authority for, the Board and the company's top management to run its operations within a framework of parameters set by the government; staff selection and training, together with support of external advisors, in commercial operations and financial management; and capital funding of water infrastructure supplied by development partners, including on concessionary terms.
- **Problems in bulk water supply to major cities in Burkina are being addressed**, at least for the medium term, and water distribution networks are being extended, to provide improved services to large urban populations.

## 5.2 Challenges

- A key challenge lies in the development of plans that **balance commercial and social goals without neglecting equity**. The PN-AEPA needs to reflect the goals of equity and poverty reduction, as declared in national policy, and the GoB–ONEA performance contract needs to specify these as objectives. ONEA in turn needs to articulate a national plan for targeting low-income households.
- **Analysis of the socioeconomic characteristics of urban districts and households needs to** inform the provision by ONEA of water services for different water users. To date, for example, there has been no attempt by ONEA at poverty mapping for geographical targeting purposes, taking account of both urbanised and un-urbanised areas.<sup>15</sup>
- Like many African utilities,<sup>16</sup> ONEA does not organise customer data by income category. Despite its policy of subsidising 'social connections,' it has been **unable to show the benefits to low-income households**.
- In line with the Accra Agenda for Action (Box 3), both GoB and development partners should work to strengthen **management of results**, through disaggregation of data on water users, duly reflected in project monitoring and evaluation.

### Box 3: Management for results – including disaggregation of data – under the Accra Agenda

#### Delivering and accounting for development results

'We will be judged by the impacts that our collective efforts have on the lives of poor people' (para 22).

#### We will focus on delivering results

'We will improve our management for results by taking the following actions: a) developing countries will strengthen the quality of policy design, implementation and assessment by improving information systems, including, as appropriate, *disaggregating data by sex, region and socioeconomic status*; b) developing countries and donors will work together to develop cost-effective results management instruments to assess the impact of development policies and adjust them as necessary. We will better coordinate and link the various sources of information, *including national statistical systems*, budgeting, planning, monitoring and country-led evaluations of policy performance' (para 23, emphasis added).

Source: Third High-level Forum on Aid Effectiveness (2008).

<sup>15</sup>. At least, not at the time of research.

<sup>16</sup>. Speaking of urban water utilities in developing countries, including sub-Saharan Africa, Marin (2009: 134) notes that many projects (specifically projects involving public–private partnerships), 'do not show much evidence that sizeable improvements occurred for the poor. A huge data gap exists.' While projects 'have brought tangible benefits in access and quality of service to the population as a whole,' the Marin-led study could not specifically assess the impact of projects on the urban poor, because 'data from utilities are rarely organised by customer income category' (ibid).

- For further progress to be made under the social element of ONEA's activities in peri-urban areas, there is a need to **maintain investment in standpipes**, alongside AFD's pilot project, which is testing an alternative approach (local neighbourhood networks, operated by small companies or communities, instead of ONEA as a centralised utility).

Looking ahead to 2015, the second phase of work from 2009 to 2015 aims to increase water production and storage capacity in Bobo-Dioulasso, Koudougou and Dédougou, as well as to further boost water supply in the capital, Ouagadougou. If this further work – recently begun – can achieve results in terms of water infrastructure, utility performance and water services similar to those of its predecessor, the Ouagadougou Water Supply Project 2001-2007, *as well as* demonstrably serving low-income districts and households, it will be a success.

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