Citywide Inclusive Sanitation: Accountability

Responsibility, accountability, and resourcing

To achieve the SDGs and to support safe, healthy urban living environments, sanitation services must be organized into public service systems. Citywide Inclusive Sanitation (CWIS) systems are expected to advance the outcomes of **safe, equitable, and sustainable services** for all users in a city. To achieve these outcomes at scale, the inherent failures associated with sanitation service markets must be corrected by publicly organized sanitation service systems. For systems to function safely, at scale, over time, and inclusively, they must be organized to support three functions: **responsibility**, **accountability**, and **resource planning and management (See Box 1).**

Accountability mechanisms help create the incentives that align the mandated entity's own interests with the public good. Accountability requires **a)** that mandated entities have clear performance **objectives; b)** that mechanisms are in place to ensure rigorous **monitoring** of performance against those objectives; and **c)** that tracking outcomes translate into **incentives** for mandated entities. In this paper, we briefly explore the accountability mechanisms that can be applied to the different service provision mandate structures identified in our parallel paper on responsibilities.

This is one paper in a series of three that will present the role of each CWIS function, how they tend to be implemented or overlooked, and how they interact with the other functions. These are initial framing publications, to be followed by longer publications centred around in-depth case studies.

Citywide Inclusive Sanitation as public service

Formal urban sanitation systems by and large focus on financing and managing piped sewerage infrastructure. In many urban contexts, these sewer systems are missing entirely; where they exist, they reach limited areas of the city, do not serve vulnerable informal communities, and are threatened by climate change, age, and inadequate or inconsistent water or energy supplies. Meanwhile, non-sewered sanitation systems (based around pit latrines, septic tanks or container-based solutions) are generally treated as a household responsibility to be addressed by private sector product and service providers.

But safe inclusive urban sanitation fundamentally protects the public goods of public health and the environment, irrespective of the hardware used to meet that need. The uncoordinated market actions of private sector and household decision makers in aggregate will fail to protect public health, safety, or inclusivity outcomes. Allocating subsidized public finance to a narrow market segment has often led to use of public funding that is both inefficient and inequitable, as it disproportionately excludes the poorest from the benefit of public subsidies. So there is an urgent need for institutional systems that incentivize city-level improvements in safe containment, emptying, transportation and treatment of fecal waste, including mechanisms designed explicitly to reach the poorest with equitably financed safe services and which protect the health and environment of the most vulnerable communities.

Recognizing sanitation as a public good does not imply that the public sector has sole responsibility. The private sector can play key roles within a publicly managed system. In fact, a well-structured and regulated sector can increase business opportunity and incentivize innovation to meet health and inclusivity goals.

Box 1: Key requirements for CWIS

As noted above, Citywide Inclusive Sanitation is fundamentally dependent on three things: clear responsibilities, strong accountability, and fit-for-purpose resource planning and management:

– **Clear responsibilities are necessary:** otherwise, who is to be held accountable for ensuring public goods and services are delivered? Particularly in the case of non-sewered sanitation, we often see fragmented and unclear mandates, with no single entity clearly responsible for ensuring that a city's sanitation (sewered and non-sewered) is functioning effectively and inclusively. Understanding the limits of responsibility is equally important: often public authorities are expected to act on social needs that are beyond the scope of their legal mandate.

– **Strong accountability is necessary:** mechanisms need to be in place to ensure that the mandated authorities are meeting the requirements of their mandate. The simplest model is regulation of subnational utilities by an independent national regulator. But depending on who has the mandate, other mechanisms for ensuring accountability may be applicable.

– **Fit-for-purpose resourcing is necessary:** mandated institutions can't meet their mandated requirements in the absence of mechanisms for ensuring the necessary financial resource. This is not just about sufficient finance: it's about well-designed and transparent processes for allocating finance based on agreed priorities and modalities, which are informed by data and tracked to ensure outcomes are achieved.

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Accountability: a framework for analysis

As noted, service authorities must be held accountable for meeting policy mandates if market failures are to be corrected. An effective accountability system requires a named and resourced entity to:

i) set clear service objectives that reflect policy priorities (typically captured by Key Performance Indicators or "KPIs", which should set realistic targets to encourage progressive service system improvements);

ii) facilitate a transparent monitoring system that captures authority performance, informs the setting of KPI targets, and enables accountability (upward to a regulator or government body, and downward to citizens);

iii) establish a system of incentives (rewards and penalties) that encourage the mandated authority to improve performance.

The main upward performance accountability mechanisms used for sanitation service authorities loosely correspond with the three main categories of mandate holder. Organizations tasked with performing the accountability function should be positioned to execute that work, to the extent possible, with neutrality and buffered from undue influence by special interests.[1] Table 1 summarizes the main accountability mechanisms applicable to the three categories of mandate holder. The table provides examples of where each mechanism is used, and briefly comments on typical characteristics. However, the appropriateness and effectiveness of each mechanism is context-dependent, depending on factors like sector maturity and political will.

Table 1. Main mechanisms available for ensuring accountability of service-provision mandate-holders.

Mandate holder	Accountability mechanism	Typical characteristics
National utility	**1)** Regulation-by-contract, typically between utility and ministry	Ministries tend to negotiate policy-based performance indicators, targets, financing and revenue conditions. Examples include Senegal and Uganda.
	2) Independent regulator	Regulatory agency assigned to hold utility accountable. Regulator has right to raise core funding from utility, and to govern tariff-setting and other decisions made outside of the electoral political system. Leadership and staff positions managed by politically appointed board of regulator. Can be sector-specific or regulate across sectors. Examples include Malaysia, Rwanda, and Lesotho.
	3) Civil society voice	Grievance redressal mechanisms (a subset of civil society voice) are widespread, though with varying degrees of development and effectiveness. Necessary, but unlikely to be effective on their own.
Subnational utility	**1)** Regulation-by-contract, typically between utility and local government	Typically, the LG negotiates performance indicators and targets, and financing and revenue conditions. An example is Dhaka in Bangladesh.
	2) Independent regulator	Regulatory agency assigned to hold utilities accountable. Regulator has right to raise core funding from utilities, and to govern tariff-setting and other decisions made outside of the electoral political system. Leadership and staff positions managed by politically appointed board of regulator. Can be sector-specific or regulate across sectors. Potentially powerful, with comparative performance tracking and reporting a strong basis for accountability. Examples include Kenya, Tanzania and Zambia.
	3) Civil society voice	Consumer feedback mechanisms (a subset of civil society voice) are common, though with varying degrees of effectiveness. Necessary, but unlikely to be effective on their own.
Local government (LG)	**1)** Electoral accountability (local governments which don't deliver can be voted out)	Fundamental to democratic regimes. Limited effectiveness, because elections range over multiple issues, not just sanitation.
	2) Civil society voice	Sanitation-specific citizen participation is valuable for designing services and for accountability. In some contexts there may be direct mechanisms for consumer feedback and redress.
	3) City rankings and assessments	Somewhat common (e.g. India's "Clean Cities" awards, managed by the Ministry of Urban Development).
	4) Self-regulation	Common. Strong examples exist, but are determined by individual city cultures and leaders, so scaling and replication of strong implementation is rare.
	5) Independent regulator	Uncommon (e.g. Azores, some Brazilian cities, Mozambique moving in this direction). Potentially powerful.

1 OECD (undated) Independence of Regulators and Protection against Undue Influence. https://www.oecd.org/gov/regulatory-policy/independence-of-regulators.htm

Financial independence, political autonomy, short/long-chain

In our longer publication (forthcoming, 2021), we will assess the different accountability mechanisms in terms of financial independence and political autonomy. Briefly, financial independence means that the financing of the accountability-ensuring entity or mechanism is designed to be unaffected by accountability decisions. Political autonomy means that accountability mechanisms are institutionally designed to be buffered from political cycles. In our longer publication, we will also consider the relative merits of "short-chain" accountability mechanisms (like customer feedback), in which consumers have direct avenues of regress and influence; and "long-chain" mechanisms (like regulatory control), which focus on transparent measurement of results, and feedback through the political system.

Unpacking the complexity

The table above is a simple representation of a complex reality, which we will "unpack" in our forthcoming longer publication. We flag a few important considerations in the meantime:

– First, accountability mechanisms acting directly on mandated service providers sit within **higher-level accountability structures** (including structures for ensuring that national government is meeting its citizens' needs). Accountability of service providers is partially determined by the accountability of higher-level authorities: how does government account for the performance of the service provision authorities they created? How do they create and implement sector policies, how do they ensure adequate resource mobilization? Furthermore, what are the appellate processes to protect consumers and organizations (e.g. Water & Sanitation Services Tribunal, High Court, Court of Appeal), and how effectively do these function in this sphere?

– Second, service providers are subject to other **wider accountability requirements**, beyond accountability for service delivery performance. For example, utilities are often subject to fiscal audit by national audit authorities, and in practice there may be inter-relationships between fiscal audit and accountability mechanisms for service delivery performance. Furthermore, service providers are subject to other types of oversight: for example, oversight of compliance with labor law and with environmental regulations.

– Third, the **details of accountability** may differ substantially between countries with the same top-line structure. Kenya, Tanzania and Zambia all have subnational utilities regulated by an independent regulator, but the precise details of accountability show marked differences.

– Fourth, where the mandate is **split** (e.g. subnational utility responsible for sewered sanitation, local government responsible for non-sewered), accountability mechanisms need to be adapted to this.

– Finally, detailed analysis requires specific consideration of accountability along the **whole sanitation chain** (containment, emptying, conveyance, treatment, disposal/reuse).

Accountability mechanisms for non-sewered sanitation must be a primary focus

Accountability mechanisms tend to be weak for all sanitation services; but they are typically much weaker for non-sewered sanitation, because that sub-sector has largely remained outside of organized public sector service systems and mandates. In many cases accountability for non-sewered sanitation is simply absent. However, there are notable exceptions: for example, in Malaysia non-sewered sanitation is fully incorporated into the accountability framework. In other cases, accountability for non-sewered sanitation is incipient with strong progress being made, but still a long way from adequacy (e.g. Kenya, Zambia, Sri Lanka, Indonesia).

Accountability: a framework for analysis

In our forthcoming longer publication, we will look at accountability along the sanitation service chain, including mechanisms for ensuring accountability in emptying, transport and treatment of fecal sludge. At each step in the chain, we will look at how performance objectives are set, what mechanisms exist for monitoring performance, and what incentives are applied in response. We will focus on accountability of the main categories of mandate holder: but this will then require extension to consideration of the situation applying to split mandates (i.e. when a national or subnational utility is responsible for sewered sanitation, and local government is responsible for non-sewered).

Accountability: key challenges and ways forward

Strong accountability needs clear mandates

As discussed in our parallel paper, mandates for sanitation – and particularly for non-sewered sanitation – are often poorly defined. Without a clearly mandated authority responsible for services, accountability for performance and incentive structures become subjective and inconsistent. This doesn't mean that accountability should be forgotten until mandates are made clearer: intermediate interventions and tools can be used to help civil society and government stakeholders advocate for stronger service authority performance.

Household containment is key

Sewered systems (and emerging "container-based" sanitation models) are designed to remove all fecal waste. However, pit latrines and septic tanks release fecally-contaminated liquid effluents to the local environment, so that strong measures for control of this release are critical. Typically containment has been managed as the responsibility of households, not the service authority. But good containment is centrally important for Citywide Inclusive Sanitation. Household containment requirements are often defined by local government, through building regulations and byelaws. However, enforcement is typically very weak and not practiced in informally settled communities that make up large proportions of urban areas. It is essential to develop systems that bring leaching from latrines and septic tanks, and latrine/tank emptying, into a broader regulatory framework. One model here is the

Azores, where an independent regulator oversees local governments and requires them – through wider water quality objectives – to improve their enforcement of building regulations and byelaws governing containment at the household level. Another angle is to revisit responsibility for safe containment and the corresponding public services approach required to update large percentages of existing on-site infrastructure to protect public health. This discussion is beyond the remit of this brief.

Local governments are different

Unlike utilities, local governments are (in most contexts) led by elected political representatives. Accordingly, some argue that external performance regulation is inappropriate in this context. In some cases, state or national government may establish guidelines for assessing municipal service performance. One non-regulatory approach to support municipal service authority accountability in this context is national or state data reporting and transparency requirements.[1] Performance benchmarking systems have been established in some Indian states and were used by South Africa in its annual BlueDrop report for many years. Municipal reporting requirements can facilitate national rankings of cities, as seen in India and Ghana, sometimes linked to opportunities to access central government finance. These systems can support downward accountability (to the public and civil society), as with the example of "Asivikelane" in South Africa, which surveys residents of informal settlements across multiple cities, and publishes service level data in tandem with municipal budget data to help advocate for improved accountability in municipal services and public finance.[2]

It is important to underscore that tools like grievance redressal and data transparency systems are accountability mechanisms. But their influence in improving performance is dependent on the extent to which the data or rankings are tied to meaningful service authority incentives. It is challenging to ensure accountability through data transparency and electoral accountability alone: elections range across multiple issues, not just sanitation, and often sanitation is excluded from municipal service monitoring and benchmarking approaches, or limited to one or two indicators. Thus there are arguments for independent regulation of local governments, as seen in the Azores and as is beginning to happen in Mozambique.

Self-regulation is not necessarily non-regulation

Some service provision entities are "self-regulating". Self-regulation might cynically be considered the same as "non-regulation", and certainly this is a risk. But strong service authorities can set up internal units with an independent and critical professional ethos: an example of this is seen in Johannesburg Water, which like all major South African cities has ring-fenced water and sanitation departments with internal accountability systems (in Johannesburg Water's case, an Internal Audit Department).

> " Accountability requires REAL incentives for service provider managers: real rewards and (for severe under-performers) real penalties

"Upwards" should include "downwards"

Accountability mechanisms like consumer complaint/ feedback processes are "downward accountability", and such mechanisms need to be built into upward accountability structures. For example, regulators can require utilities to introduce consumer complaint/feedback processes, and require them to make complaints public and to report on proportion of complaints satisfactorily resolved. This is just one example: downward accountability can be achieved in diverse ways, through requirements for data transparency, grievance redressal systems, public review and feedback processes, and other mechanisms. In short, upward accountability systems need to create an informed, protected space for downward accountability.

Performance targets and incentives should be credible

Accountability requires incentives that drive performance improvement. Performance targets must be achievable, credible, and transparent. Mechanisms to incentivize or penalize weak-performing utilities can include dismissal of senior management. There is a need for regulators to set achievable targets and penalize under-performance. Comparative ranking and associated incentives are particularly challenging to design when the mandate is held by a national utility.

Concluding remarks

Achieving strong accountability requires that mandated entities have clear performance objectives; that mechanisms are in place to ensure rigorous monitoring of performance against those objectives; and that tracking outcomes translate into incentives for mandated entities. It also requires that full attention be paid to priority service outcomes, which means including accountability for public service provision in sewered and non-sewered sanitation service contexts. Household containment must be brought fully into the accountability frame. And well-structured financing systems need to be in place, enabling mandated service providers to pursue their objectives (as discussed in our parallel paper on resource planning and management). Globally, we see increasing steps towards ensuring accountability in urban sanitation; much remains to be done, but there are multiple promising examples of real progress, which we will explore in more depth in our longer publication to follow.

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1 We stress that transparency is not only relevant to local governments: transparent publication of data on services provided by a utility, and associated feedback/ complaint processes, provide a mechanism for holding the utility to account.
2 International Budget Partnership (2020) Voices of South Africa's Informal Settlement Residents during the COVID-19 Crisis. https://www.internationalbudget.org/ covid-monitoring/

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