



MUNIWASH - MUNICIPAL WASH

# USAID WEST AFRICA MUNICIPAL WATER, SANITATION, AND HYGIENE ACTIVITY (MUNIWASH)

## FEASIBILITY STUDIES REPORT

Institutional and Legal Framework for Operations and  
Investments in the Provision of Water and Sanitation  
Services in Côte d'Ivoire

**APRIL 2021**

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## ACRONYMS AND ABBREVIATIONS

ANAGED	<i>Agence Nationale de Gestion des Déchets</i>
CNPP	Comité National de Pilotage des Partenariats Public-Privé
DGE	Direction des Grandes Entreprises
DGBF	Direction Général du Budget et des Finances
DGDDL	<i>Direction Générale de la Décentralisation et du Développement Local</i>
DGI	<i>Direction Générale des Impôts</i>
DOA	<i>Directorate of Tax Assessment Purposes</i>
DRI	Direction Régionale des Impôts
FCFA	<i>Franc de la Communauté Financière Africaine</i>
FENAVICI	Fédération Nationale des Vidangeurs de Côte d'Ivoire
FSTP	Fecal Sludge Treatment Plant
MDG	Millennium Development Goal
MFI	Microfinance Institution
MFT	Manual Flush Toilet
MSME	Micro and Small Medium Enterprises
MuniWASH	Municipal Water, Sanitation and Hygiene in West Africa Project
NCS	Non-Collective Sanitation
O&M	Operation and Maintenance
ONAD	<i>Office Nationale de l'Assainissement et du Drainage</i>
ONEP	<i>Office Nationale de l'Eau Potable</i>
PPP	Public-Private Partnership
SG	Secretary General
SME	Small or Medium Enterprise
SODECI	<i>Société de Distribution d'Eau en Côte d'Ivoire</i>
SSD	Sanitation Service Delivery
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TD	Technical Director
USAID	United States Agency for International Development
VIP	Ventilated Improved Pit
WASH	Water, Sanitation, and Hygiene

# I EXECUTIVE SUMMARY

The Enabling Environment Report identifies and analyzes the legal, institutional, fiscal, and financial challenges and constraints that impede development of water and sanitation service providers in Côte d'Ivoire. The report provides an overview of the current state of water and sanitation sectors, a diagnosis of the institutional and regulatory environment, and recommendations for sector reforms.

The rate of access to drinking water in Côte d'Ivoire rose from 55% in 2011 to 82% in 2019, and that of sanitation stood at 32% in 2019<sup>1</sup>. However, these access rates vary greatly across the country where there are significant disparities, despite the significant progress observed through many projects and programs initiated and implemented by the Government with the support of its partners over the past few decades.

## I.1 2030 TARGETS

2030 targets for the sanitation sector include:

- 60% access to improved sanitation<sup>2</sup> at national level
- 75% access to improved sanitation in urban areas
- 45% access to improved sanitation in rural areas
- Open defecation to be reduced to 15%
- 100% of collected wastewater to be treated.

The objective for Côte d'Ivoire's water sector is to increase drinking water production capacity to improve the population's access to a quality service, while protecting and building the necessary infrastructure to facilitate the delivery of drinking water to the underserved areas of the country. The Government of Côte d'Ivoire aims to increase the rate of access to drinking water to 100% in Côte d'Ivoire by 2030, an objective that requires more than 1,000 billion FCFA of investment.

The financing needs for these targets necessitates a diversification in financing sources. One way of ensuring this is to increase private sector participation. The diagnostic study of the institutional and regulatory environment aims to identify the internal and external bottlenecks that could impede beneficial involvement by the private sector. Numerous public and private actors were interviewed as a part of this diagnostic, and those are introduced below.

## I.2 STAKEHOLDERS

### Sanitation Sector

With respect to wastewater and fecal sludge management in urban areas, the Government of Côte d'Ivoire and the local authorities at the municipal level are both infrastructure owners. Since 2013, the

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<sup>1</sup> Rapport national volontaire sur les ODD, CI 2019

<sup>2</sup> According to the WHO & UNICEF Joint Monitoring Programme (JMP), improved sanitation facilities are those that ensure hygienic separation of human excreta from human contact. As defined by JMP, IMPROVED sanitation facilities include: Flush or pour-flush toilets to piped sewer systems; septic tanks, pit latrines, VIP latrines, pit latrine with slab, or composting toilets. UNIMPROVED Sanitation facilities include: Shared facilities of any type, no facilities (bush or field); flush or pour-flush to elsewhere (that is, not to piped sewer system, septic tank or pit latrine); pit latrines without slab / open pits, bucket systems; hanging toilet or hanging latrine. This definition is received not without criticism, for instance because there is no reference to treatment of the toilet contents.

National Office for Sanitation and Drainage (French: *Office Nationale de l'Assainissement et du Drainage*, ONAD) has been delegated as the contracting authority to support these two owners in planning, building infrastructure, raising awareness, and managing sanitation and drainage services. Sewage and stormwater drainage systems in Abidjan are managed by SODECI, the parastatal water utility, under a lease contract signed in 1999, which is currently being renewed under a new public service delegation.

In the sanitation sector, there is strong private sector involvement in the various links of the value chain. The primary links include containment and emptying, which are services provided at the individual or household level, and transport and treatment, which are considered public services. Actors providing sanitation services include:

- Masons building public and private toilets and their assistants and pit diggers.
- Plumbers connecting the domestic plumbing network to the pit
- Public toilet managers
- Mechanical desludging operators
- Manual or motor pump desludging operators

These activities are typically conducted informally. These different operators are generally not organized into associations, which inhibits their ability to improve their businesses. These limitations include feeling isolated, lack of opportunities to share experience and learn from each other, and the inability to mobilize as a group and voice their concerns through advocacy campaigns. Notable exceptions to this are the National Federation of Emptying Agents of Côte d'Ivoire (*Fédération Nationale des Vidangeurs de Côte d'Ivoire - FENAVICI*), which manages dumping points in the District of Abidjan in collaboration with ONAD, and the Association of Bouaké Emptiers (*L'Association des vidangeurs des de Bouaké, SVAB*), which operates a temporary dumping site under the supervision of the Regional Directorate of the Ministry of the Environment and Sustainable Development.

## **Water Sector**

The management of the urban drinking water network is delegated a parastatal water utility, the *Société de distribution d'Eau de Côte d'Ivoire* (SODECI), while the Government remains the owner of the facilities, through a delegated contracting agreement signed with the National Drinking Water Office (*Office Nationale de l'Eau Potable, ONEP*). ONEP is the sole agency responsible for managing assets, funds, execution of works, and regulation of the sector. Because SODECI has a monopoly in the drinking water sector, there are few private sector actors aside from plumbers who are contacted by SODECI to install household water connections.

### **1.3 OPPORTUNITIES AND CHALLENGES**

The opportunities for an improved institutional and regulatory environment for water and sanitation services are universal and safe access to sanitation and universal drinking water coverage. The challenge is to create an enabling environment for private sector involvement by providing a secure institutional and legal framework for activities and investments in WASH sector. These frameworks will set rules, strategies, and policy reforms that ensure the development and promotion of private investments in WASH sector. The specific challenges are:

- Lack of clarity on legal and regulatory environment of WASH sector
- Poor skills and capacities of private operators
- Poor knowledge of WASH sector market



## I.4 RECOMMENDATIONS

The following is a summary of recommendations resulting from this study:

### Sanitation

- **Regulatory Framework:** An environment well regulated by legal instruments inspires confidence for private sector investment. It would be advisable to compile the different provisions related to wastewater and fecal sludge management in a specific text in the form of a law. Pending the adoption of this fundamental text, it is recommended to adopt implementing provisions for the existing legislations (Water Code, Environment Code, etc.) at the national and municipal level to reassure the involvement of the private sector in the field of wastewater and excreta sanitation.
- **Institutional Framework:** The national institutional framework is clear and coherent with a ministry dedicated to sanitation and a delegated contracting authority as its executive arm; however, weaknesses are found at the municipal level. It is recommended that roles and responsibilities are clarified and separated at the municipal level, specifically regarding:
  - Contracting authorities
  - Project Management
  - Service Delivery
  - Contractors
  - Households and customers
- **Infrastructure Works:** The construction of fecal sludge management plants in major cities of Côte d'Ivoire.
- **Private Sector Capacity Building:** Informal private sector operators would benefit from capacity building in the following areas:
  - Business, technical know-how, health, and safety
  - Mutual learning structured by service providers
  - Access to capital through credit, leasing, collateral, etc.
  - Creation of specialized professional associations or unions
  - Demand generation
  - Facilitation of access to critical infrastructure (e.g., treatment plants)
  - Assistance in the procurement process.

### Drinking Water

- **Regulatory Framework:** The project recommends the definition of the rules for private sector intervention in the production, transport, dispatching, and distribution links.
- **Institutional Framework:** The regulation of new actors requires an adjustment of the institutional framework. Additionally, the roles of the state and local authorities in the development of the distribution network must be clarified.
- **Infrastructure Works:** Continuing investment efforts for the delivery of drinking water production, transport, and distribution infrastructure, including through public-private partnerships.

## 2 INTRODUCTION

### 2.1 PURPOSE OF THE DIAGNOSTIC REPORT

This report aims to identify and analyze the legal, institutional, fiscal, and financial challenges and constraints that impede development of water and sanitation service providers in Côte d'Ivoire - specifically in the eight municipalities of Abobo, Yopougon, Abengourou, Bouaké, Yamoussoukro, Gagnoa, Soubré, and San-Pedro. This report presents a diagnosis of the institutional and regulatory environment in which water and sanitation service providers operate. It is structured as follow:

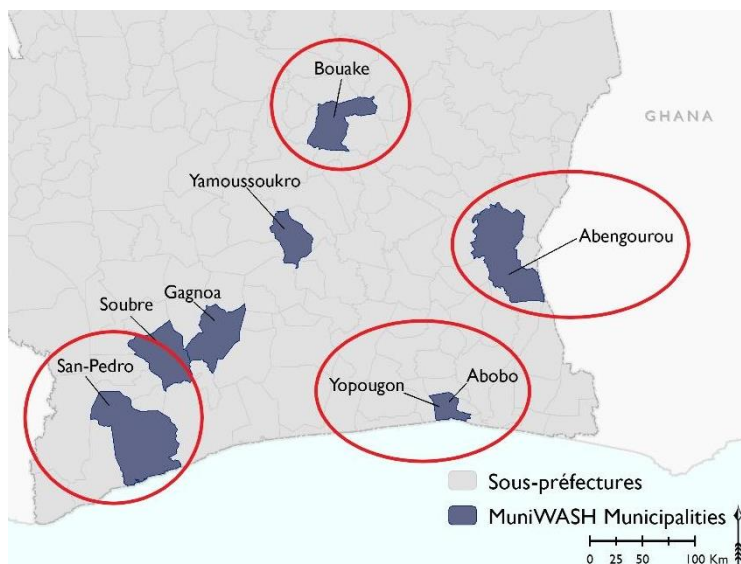
- A summary presentation of the state of the water and sanitation sector in Côte d'Ivoire.
- A presentation of the results of the diagnosis of the institutional and regulatory environment.
- Recommendations for operational actions to implement sector reforms to benefit water and sanitation service providers.

### 2.2 METHODOLOGY

The analysis of the institutional and legal framework for operations and investments in the water and sanitation services delivery in Côte d'Ivoire was achieved through document review, field observation visits, and semi-structured interviews with key stakeholders in the sector in the selected municipalities.

#### 2.2.1 SELECTION OF MUNICIPALITIES FOR INTERVIEWS AND ANALYSIS

Due to time limitations, five of the eight municipalities were selected for in-depth interviews and analysis based on the criteria of geographical location, size of the municipalities (area, population), and presence of service providers.



*Figure 1: Municipalities Visited*

Based on these criteria, the selected municipalities include two municipalities of Abidjan urban area - Abobo and Yopougon located in southern Côte d'Ivoire, Abengourou in eastern Côte d'Ivoire, Bouaké in central Côte d'Ivoire, and San-Pedro in western Côte d'Ivoire. These are presented in the figure to the right.

## 2.2.2 DESK RESEARCH AND LITERATURE REVIEW

The documents listed below were consulted for the study:

- Relevant reports on the overall state of the water and sanitation sector, and specifically in the target municipalities covering institutional, regulatory, and financial aspects
- International conventions relating to the water and sanitation sector
- Investment Code applicable to the private water and sanitation providers according to the Order No. 2018-646 of 1st August 2018
- Relevant tax laws and documents including characterization and classification of companies, general tax code, ordinary tax incentives, derogatory tax incentives, innovations in tax incentives with the new investment code and cost of incentives
- Financial and fiscal regulations applicable to water and sanitation service providers
- Documents establishing the *Office Nationale de l'Assainissement et du Drainage* (ONAD) financing fund for sanitation services providers
- Decrees setting the responsibilities of Ministries in charge of water and sanitation
- Decrees establishing ONAD, *Office Nationale de l'Eau Potable* (ONEP), *Centre de Promotion des Investissement en Côte d'Ivoire*
- Decision No. 034/SEPMBPE/ of 02 July 2018 on the exemption of the project to strengthen drinking water supply to the city of Abidjan from the Mé River
- Municipal by-law No: 30/CBKE/SG on police regulations for on-site sanitation (Bouaké)
- Municipal organizational charts
- The partnership model between ONAD and the Banque Populaire de Côte d'Ivoire for the operationalization of the financing fund for sanitation service providers.

## 2.2.3 VISITS TO THE SELECTED MUNICIPALITIES

The study team interviewed local stakeholders from the five municipalities as described in Table 1 below:

**Table 1: Interviews with Local Stakeholders**

MUNICIPALITY	LOCAL STAKEHOLDERS INTERVIEWED
ABOBO	Technical Director; Head of the Environment and Hygiene Department
ABENGOUROU	Technical Director; Head of the Environment and Hygiene Department; Assistant to the Administrator; Public toilet manager; Two managers of the Indenie Vidange, including one female manager
BOUAKÉ	Technical Director; Head of the Environment and Hygiene Department; Delegatee of the 12 municipal public toilets and one of its managers; President of the Bouaké Vacuum Truck Operators assisted by the Secretary General (SG); Manager of the sludge disposal site
SAN-PEDRO	Technical Director; Head of the Environment and Hygiene Department; Three public toilet managers, including one female manager; Manager of the FSTP; Mechanical desludging operator; President of the Chamber of Trades; SG and the President of the Construction Branch; A mason and a mason's helper; Manager of the Coopec branch and attended by his assistant

**YOPOUGON**

Technical Director; Head of the Environment and Hygiene Department; Two vacuum truck operators, including one female operator

The interviews with stakeholders in the municipality of San-Pedro are provided in Annex I. The study team also visited the following public works as listed in Table 2 below.

**Table 2: Number of Works Visited by Municipality**

ABENGOUROU	BOUAKÉ	SAN-PEDRO
<ul style="list-style-type: none"> <li>● 4 public toilets</li> <li>● 1 dumping site</li> <li>● 1 sludge disposal site</li> </ul>	<ul style="list-style-type: none"> <li>● 4 public toilets</li> <li>● 1 Fecal sludge treatment plant (FSTP) under construction</li> </ul>	<ul style="list-style-type: none"> <li>● 3 public toilets</li> <li>● 1 septic tank under construction</li> <li>● 1 FSTP (functional)</li> </ul>

### 2.2.4 INTERVIEWS WITH STAKEHOLDERS FROM CENTRAL GOVERNMENTS

The study team interviewed the following key institutional stakeholders: ONAD; ONEP; *Direction Générale des Impôts* (Directorate General of Taxation, or DGI); *Fédération Nationale des Vidangeurs de Côte d'Ivoire* (Association of Vacuum Truck Operators of Côte d'Ivoire); Water and sanitation service operators; and the Chamber of Trades. Interview reports are provided in Annex I.

### 2.2.5 DATA ANALYSIS

The purpose of the data analysis is to:

- **Characterize the Private Water and Sanitation Sector** - The characterization will consist of identifying and listing the private service providers to establish their mapping including operational capacity, state of equipment, business volume, challenges faced, etc. The information collected will allow characterization based on criteria such as revenue, weight of activities, quantity and quality of equipment, number of employees, gender, etc.
- **Establish Stakeholder Typology** - The actors interviewed will be categorized into state-owned, parastatal, and private institutions. The information collected describes and analyzes the roles and responsibilities of each actor or group of stakeholders, and it highlights the nature, level of collaboration, and degree of involvement in the provision of water and sanitation services.
- **Identify Problems, Difficulties, and Complaints** - The interview guides will serve to identify the problems and difficulties in the relationships between stakeholders in water and sanitation services delivery. These will be organized and consolidated in the diagnostic report in the form of a list.
- **Develop SWOT Matrix and Formulation of Recommendations** - All information collected is used to establish the SWOT matrix (strengths, weaknesses, opportunities, and threats), which is analyzed in relation to the water and sanitation service providers. Their strengths and weaknesses are considered as their internal (endogenous) characteristics. The institutional and regulatory framework, the operational and contractual framework and the tax regime in force will be considered as opportunities or threats depending on whether they are enabling or not. Proposals will then be made to implement existing opportunities and transform threats into opportunities through adequate planning.

# 3 CONTEXT OF THE SANITATION AND WATER SECTOR

## 3.1 NATIONAL CONTEXT

In Côte d'Ivoire, the urban water sector is characterized by the delegation of the management of operations to a parastatal water utility, the *Société de distribution d'Eau de Côte d'Ivoire* (SODECI) while the Government remains the owner of the facilities through a delegated contracting agreement signed with ONEP, which is the only agency responsible for managing assets, funds, execution of works, and regulation of the sector.

With respect to management of wastewater and fecal sludge in urban areas, the Government and the local authorities are both contracting authorities (owners). Since 2013, ONAD has been delegated as the contracting authority to support these two owners in planning, building infrastructure, raising awareness, and managing sanitation and drainage services. In the sanitation sector, there is strong private sector involvement in the various links of the value chain. Sewage and stormwater drainage systems of Abidjan are managed by SODECI, under a lease contract signed in 1999, which is currently being renewed under a new public service delegation.

### 3.1.1 OVERALL ACCESS RATES TO SERVICES

The global rate of access to drinking water rose from 55% in 2011 to 82% in 2019, and that of sanitation stood at 32% in 2019<sup>34</sup>. However, these access rates vary greatly across the country where there are significant disparities, despite the significant progress observed through many projects and programs initiated and implemented by the Government with the support of its partners over the past few decades.

Under these conditions, additional efforts are required to ensure universal access to these basic services for all populations, especially for the poor and underserved. In urban areas, this unreliable access to safely managed drinking water<sup>5</sup> and sanitation services is due to many reasons, including (i) non-competitive or high cost of services, (ii) limited investment in infrastructure construction and operation, (iii) lack or inadequacy of technological and operational innovations that meet the needs of the predominantly low income population, (iv) inadequate targeting of low-income populations, (v) insufficient structuring of service market and organization of the private sector involved in sanitation services delivery, (vi) lack of an incentive or attractive framework for the private sector, which is recognized as key in the provision of these services, and (vii) insufficient clarity or application of the regulatory and institutional texts of this sector.

### 3.1.2 ROLE OF MUNICIPALITIES IN THE INSTITUTIONAL AND REGULATORY FRAMEWORK

Law No. 2003-208 of 7 July 2003 on the delegation and distribution of responsibilities from the State to the local authorities grants municipalities, regions, and districts specific responsibilities provided by the laws and regulations. In Title 2 of Article 10 of this law, responsibilities for water, sanitation, and electricity are delegated to the local level; however, in reality, there has been only a partial transfer of

<sup>3</sup> JMP definitions for improved sanitation

<sup>4</sup> Rapport national volontaire sur les ODD, CI 2019

<sup>5</sup> The JMP service ladders are used to benchmark and compare service levels across countries. These have been updated and expanded to facilitate enhanced global monitoring of drinking water, sanitation and hygiene. The new ladders build on the established improved/unimproved facility type classification, thereby providing continuity with past monitoring, and introduce new rungs with additional criteria relating to service levels.

responsibilities. This is due to the fact that the implementing provisions for the laws on the water code and delegation of responsibilities to the local authorities have not been enacted (National Development Program [NDP] 2016-2020). Consequently, depending on the Government of Côte d'Ivoire's priorities, the responsibilities of the municipalities may be strengthened or reduced, as is currently the case with the establishment of ONAD (2013) and *Agence Nationale de Gestion des Déchets* (ANAGED, 2017). ANAGED and ONAD are the only agencies responsible for 1) solid waste management and wastewater and 2) fecal sludge management, respectively. Since their establishment, the municipalities are no longer managing wastewater and fecal sludge. In urban areas, the municipalities' roles are limited to the maintenance of municipal street gutters and hygiene and sanitation awareness activities within their administrative areas.

In the drinking water sector, a framework agreement for the delegation of contracting authority or the mission of the contracting authority has been signed between the State of Côte d'Ivoire and ONEP. The latter is therefore the only agency for managing assets and funds, executing works, and regulating the sector. Among its missions, ONEP must submit all proposals to both the State and to the local authorities for review of the operator and tariff rates in order to guarantee financial sustainability.

### 3.1.3 SECTOR TARGETS

#### 3.1.3.1 SANITATION SUB-SECTOR

The Côte d'Ivoire Sanitation and Drainage Sector Policy Letter approved by the Council of Ministers on 24 February 2016 sets the following targets for sanitation by 2030:

- 60% access to improved sanitation at national level
- 75% access to improved sanitation in urban areas
- 45% access to improved sanitation in rural areas
- Open defecation to be reduced to 15%
- 100% of collected wastewater to be treated.

#### 3.1.3.2 DRINKING WATER SUB-SECTOR

The objective of the water sector is to increase drinking water production capacity in Côte d'Ivoire to improve the population's access to a quality service, while protecting and building the necessary infrastructure to facilitate the delivery of drinking water to the underserved areas of the country. The Government aims to increase the rate of access to drinking water to 100% in Côte d'Ivoire by 2030, an objective that requires more than 1,000 billion FCFA of investment.

In the urban areas, the objectives are as follows:

- Increase the production of drinking water to minimize water service gaps in the 14 district capitals, 31 regional capitals, and 77 departmental capitals.
- Develop new water supply systems for new localities, giving priority to localities with a population greater than 10,000 inhabitants.

## 3.2 CONTEXT OF THE EIGHT MUNICIPALITIES

Overall household access rates to drinking water services are better than those for sanitation services (see Table 3). For both services, we see dramatic differences in access levels across the eight target municipalities.

**Table 3: Household Access Rates to Water and Sanitation in the Eight MuniWASH Municipalities**

MUNICIPALITY	ABOBO	ABENGOUROU	BOUAKÉ	GAGNOA	SAN-PEDRO	SOUBRÉ	YAMOOUSSOUKRO	YOPOUGON
Drinking water	98,9%	41%	76 %	60%	64%	60%	82%	80%
Sanitation	60,6%	77%	40 %	60%	31%	27%	95%	30%

### 3.2.1 MUNICIPALITY OF ABENGOUROU

#### 3.2.1.1 SANITATION SUB-SECTOR

In urban areas, the inhabitants of the richest neighborhoods generally have dry pit toilets, septic tanks, and cesspools. Meanwhile the inhabitants of low-income neighborhoods often use unimproved facilities (traditional toilets). These facilities are sometimes connected to infiltration wells and any other pit that receives domestic or similar wastewater. Overall, 80% of the population uses non-collective sanitation. These facilities are built by local workers composed of masons, mason’s assistants, ironworkers, and plumbers who are not organized in professional associations. The desludging market is served by a single, woman-owned operator, Indénié Vidange, which has two trucks with a capacity of 4 m3 each. Without a fecal sludge treatment plant, the operator takes the sludge to the solid waste dumping site.

#### 3.2.1.2 DRINKING WATER SUB-SECTOR

The drinking water supply system of the municipality of Abengourou consists of:

- A drinking water production plant with a capacity of 8,000 m3/day and the current production is 5,400 m3/day
- Two water reservoirs, one with a capacity of 300 m3 and the other with 1,000 m3
- A distribution network of 253.02 km covering 41.9% of the population.

This system is managed exclusively by SODECI with 10,969 subscribers for the benefit of 113,635 inhabitants (2014 RGPH).

### 3.2.2 MUNICIPALITY OF ABOBO

#### 3.2.2.1 SANITATION SUB-SECTOR

67% of households use on-site sanitation through septic tanks, traditional toilets (slab on pit), urine-diverting dry toilets, etc. However, poor sizing, substandard construction, and poor operation of the facilities result in wastewater being discharged into the streets and gutters in many neighborhoods. This situation is due to the lack of technical capacities of masons, mason’s assistants, ironworkers, and plumbers, but also to the weakness of the control mechanism provided for the construction permit. Through USAID’s Sanitation Service Delivery (SSD) Activity, six micro enterprises specialized in the construction of on-site sanitation facilities were created.

Some households use mechanical operators and others manual desludging operators to empty their pits. The mechanical desludging operators inject the sludge into the sewerage system at the point developed by ONAD at a cost of 2000 FCFA per injection.

#### 3.2.2.2 DRINKING WATER SUB-SECTOR

The drinking water supply system of the municipality of Abobo consist of:

- Three drinking water production plants with a cumulated capacity of 52,500 m<sup>3</sup>/day installed since 1970.
- The distribution network covers 80% of the population.

This system is managed exclusively by SODECI, with 84,921 subscribers for the benefit of 1,030,658 inhabitants (2014 RGPH).

### 3.2.3 MUNICIPALITY OF BOUAKE

#### 3.2.3.1 SANITATION SUB-SECTOR

Most of Bouake uses on-site sanitation, and construction services are provided by private actors such as masons, plumbers, and well-diggers. The Regional Directorate of Construction controls facility compliance with established standards as well as the municipality through construction permits. The municipality has 12 blocks of public toilets where management has been handed over to a single operator. The USAID SSD activity has enabled the organization and formalization of six micro, small, and medium enterprises (MSMEs) for toilet and pit construction in Bouaké. Pit desludging service is provided by private operators who discharge the sludge for 2000 FCFA per dumping into a temporary disposal site built on a private estate. A sludge treatment plant with a treatment capacity of 200 m<sup>3</sup>/d was nearly completion in March 2021

#### 3.2.3.2 DRINKING WATER SUB-SECTOR

Drinking water supply system in Bouake is characterized by:

- A production of 32,000 m<sup>3</sup>/day
- A distribution network of 2005 km.

The system is operated exclusively by SODECI, which manages 52,500 customer subscribers for the benefit of a population of 536,189.

### 3.2.4 MUNICIPALITY OF GAGNOA

#### 3.2.4.1 SANITATION SUB-SECTOR

As in most small cities in Côte d'Ivoire, households rely on on-site sanitation in Gagnoa. Traditional latrines are predominant sanitation facilities in Gagnoa. Improved latrines (ventilated improved pit (VIP) latrines, manual flush toilets, septic tanks) and public toilets are built by masons, mason's assistants (pit diggers) and ironworkers. Septic tanks are often built by MSMEs under private contracts with households. These workers have been organized into three pit construction MSMEs by the USAID SSD activity.

Full tanks are emptied mechanically by private operators and manually by well-diggers. The sludge emptied by private operators is dumped at a site designated by the municipality. However, some desludging operators dump elsewhere.

#### 3.2.4.2 DRINKING WATER SUB-SECTOR

The drinking water supply system of the municipality of Gagnoa consists of:

- A drinking water production plant built in 1970 with a capacity of 350 m<sup>3</sup>/day
- The distribution network covers only 25% of the population.

This system is managed exclusively by SODECI with 15,090 subscribers for the benefit of 213,918 inhabitants (2014 RGPH).



The drinking water situation will improve significantly with the completion of works to supply the city from Zambakro, on the Badama River, 150 km away from Gagnoa. This infrastructure will supply water to localities located along or near the Zambakro-Sinfra-Gagnoa road. The project is financed through debt reduction and development contract (C2D): 30.5 million euros (20 billion FCFA) and a loan from the French Treasury: 52 million EUR was executed using tax exemptions.

### 3.2.5 MUNICIPALITY OF SAN-PEDRO

#### 3.2.5.1 SANITATION SUB-SECTOR

Much of the population of San-Pedro uses on-site sanitation through septic tanks, manually flushed toilets, traditional toilets etc. Most septic tanks are often built under private contract between the SME and the owner. Before the sludge treatment plant became operational in January 2020, there was only one vacuum truck company with one functional truck. Since then, the treatment plant has been put into operation with a daily capacity of 100 m<sup>3</sup> and is operated by ONAD. Seven vacuum trucks operate in the city of San Pedro. Sixty percent of septic tanks desludging is done with motor pumps operated by many young people in the city. Most of the sludge emptied is discharged into the various lakes dotting the city, with harmful consequences for the environment and human health. There is also a sewer system built and managed by the municipality.

#### 3.2.5.2 DRINKING WATER SUB-SECTOR

The drinking water supply system of the municipality of San-Pedro consists of:

- A drinking water production plant built in 1968, with a capacity of 10,000 m<sup>3</sup>/day
- A storage tank with a capacity of 2,000 m<sup>3</sup>
- The distribution network covers only 30% of the population.

This system is managed exclusively by SODECI with 5,900 subscribers for the benefit of 164,944 inhabitants (2014 RGPH).

### 3.2.6 MUNICIPALITY OF SOUBRÉ

#### 3.2.6.1 SANITATION SUB-SECTOR

Poorer areas of Soubré often use traditional one pit toilets whose superstructure is made of non-durable materials. Those in residential areas often use improved toilets, notably VIPs, manual flush toilets, and septic tanks. Overall, most of the population uses on-site sanitation. These facilities are built by local workers consisting of masons, mason's helpers, ironworkers, and plumbers who are not organized in professional associations. Seventy percent of pits desludging is carried out by manual desludging operators and 30% is performed by vacuum truck operators coming from elsewhere who dump the emptied sludge into the environment.

#### 3.2.6.2 DRINKING WATER SUB-SECTOR

The drinking water supply system of the municipality of Soubré consists of:

- A drinking water production plant, with a capacity of 6,000 m<sup>3</sup>/day for a current production of 5,200 m<sup>3</sup>/day
- A water reservoir, with a capacity of 300 m<sup>3</sup>
- A distribution network of 85 km and covers 60% of the population.

This system is managed by SODECI with 8,807 subscribers for the benefit of 101,196 inhabitants (2014 RGPH).

### 3.2.7 MUNICIPALITY OF YAMOOUSSOUKRO

#### 3.2.7.1 SANITATION SUB-SECTOR

According to ONAD, nearly 90% of the population uses on-site sanitation and the remaining 10% has access to a sewer system – primarily in the high and middle standing neighborhoods of the district. On-site sanitation facilities that are predominant in Yamoussoukro are traditional toilets, followed by improved toilets (VIP or manual flush toilets, septic tanks, and public toilets). Non-collective sanitation (NCS) works and equipment are partly carried out as part of the construction of houses by small and medium enterprises in the construction industry. Their compliance with standards is controlled through construction permits. However, as in the other municipalities, this control is deficient and most of the facilities do not comply. Other NCS works are directly performed by masons, mason’s helpers, ironworkers, and plumbers. Under the USAID SSD activity, some of these workers organized themselves into four MSMEs.

For collecting and transporting fecal sludge produced, the city of Yamoussoukro has four small private contractors who own a fleet of six old trucks. People carrying out desludging in the City of Yamoussoukro work without any personal protective equipment and are unaware of the risks involved in handling raw sludge. The price of a domestic mechanical desludging rotation ranges from FCFA 10,000 to FCFA 15,000. However, contracts with businesses and institutions such as companies, hotels, and some military bases (Zambakro Camp, Republican Guard) generate more revenue. The number and capacity of trucks are far below the demand of the Yamoussoukro market, which requires more than 19 vacuum trucks. In addition, the Yamoussoukro desludging market remains informal, with unorganized, uncontrolled, and highly inefficient companies and operators. The main authorized disposal site in the municipality is located near the urban area, about 1.2 km away. This site receives on average 72 m<sup>3</sup> of raw fecal sludge per day.

#### 3.2.7.2 DRINKING WATER SUB-SECTOR

The drinking water supply system of the municipality of Yamoussoukro consists of:

- Two drinking water production plants with a cumulated capacity of 25,000 m<sup>3</sup>/day
- Nine water towers, five of which are operational with a total capacity of 110,000 m<sup>3</sup>
- The drinking water supply system of SODECI serves 41,647 subscribers in the district
- A distribution network of 400 kilometers.

The system is operated exclusively by SODECI, with 41,647 subscribers for the benefit of 212,670 inhabitants (*Recensement General de la Population et de l’Habitat* RGPH 2014).

### 3.2.8 MUNICIPALITY OF YOPOUGON

#### 3.2.8.1 SANITATION SUB-SECTOR

Yopougon is a municipality that has been developed mainly through large-scale real estate development projects in the 1980s and 1990s. The urban land was developed by the former *Société d’Equipement des Terrains Urbains* (SETU) with the construction of roads and various systems such as the public sewage system. At least 50% of the land area of the municipality of Yopougon was built following this model. Consequently, it can be estimated that 50% of the population is connected to the public sewage system operated by SODECI. However, the sewer systems are dilapidated, causing numerous overflows at the slightest rainfall.

Populations of smaller villages and those in the poor neighborhoods, which may also account for the remaining half of the population, rely on on-site sanitation through septic tanks, manual flush toilets, and traditional toilets. These structures are built by masons, mason’s helpers, iron workers, plumbers,

etc. Under the USAID SSD activity, four formalized MSMEs were established for the construction of on-site sanitation.

Desludging of full pits is carried out by the vacuum truck operators. The emptied sludge is discharged at the injection point in the wastewater treatment system located at the Zoo at a cost of 2000 FCFA per dumping. There are 30 vacuum truck operators operating across the District of Abidjan.

### **3.2.8.2 DRINKING WATER SUB-SECTOR**

The drinking water supply system of the municipality of Yopougon consists of:

- Two drinking water production stations for a cumulated capacity of 44,000 m<sup>3</sup>/day since 2014
- The distribution network covers only 80% of the population estimated at 1,071,543 inhabitants (2014 RGPH).

This system is managed exclusively by SODECI, with 36,000 subscribers.

# 4 RESULTS OF THE DIAGNOSTIC OF THE INSTITUTIONAL AND REGULATORY ENVIRONMENT

The context provided in the above sections shows that the financing needs for universal access to drinking water and sanitation services to “guarantee access to water and sanitation for all and ensure sustainable management of water resources” as required by Millennium Development Goal (MDG) 6, are huge in Côte d’Ivoire. Diversification of financing sources is therefore essential. One way of ensuring this is private sector participation. The diagnostic study of the institutional and regulatory environment aims to identify the internal and external bottlenecks that could impede beneficial involvement by the private sector.

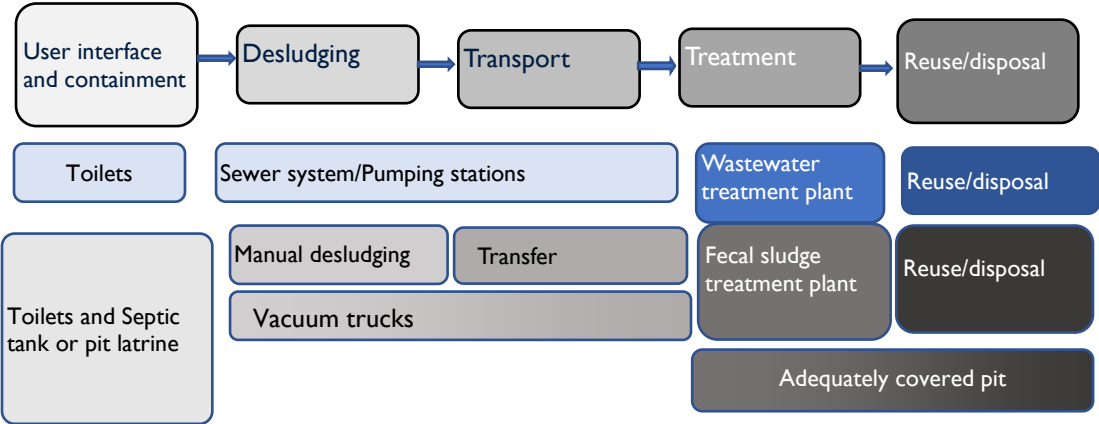
## 4.1 CHARACTERIZATION OF THE PRIVATE WATER AND SANITATION SECTOR

This characterization highlights the internal factors that make it difficult for the private sector to become involved in the provision of water and sanitation services.

### 4.1.1 PRIVATE SANITATION SECTOR

The analysis of the data from the literature review and interviews with stakeholders reveal the different public and private services that private operators provide in the sanitation chain in the different municipalities of Côte d’Ivoire (see Figure 2 below).

Figure 2: Sanitation Services Provided by the Private Sector



#### Individual service

Provided to individual users (with benefits to the public):

- Construction of private toilets
- Construction of public toilets
- Management of public toilets
- Sewer connections
- Desludging and transport

#### Public service/infrastructure development

Provided to the public (with benefits to the community):

- Sewer construction, operation and maintenance (O&M)
- Fecal sludge treatment
- Construction of a drainage system, O&M

#### 4.1.1.1 INDIVIDUAL SERVICE PROVIDERS

Based on this table, the following operators providing individual services are identified:

- Masons building public and private toilets and their assistants and pit diggers.
- Plumbers connecting the domestic plumbing network to the pit
- Public toilet managers
- Mechanical desludging operators
- Manual or motor pump desludging operators

Generally, these different trades are conducted informally and individually. These operators have few to no administration or accounting personnel, and they consider themselves as “*grouilleurs*,” or resourceful persons. It is difficult to know their business volume, let alone the overall sales, which are essential criteria for analyzing institutional performance. These different operators remain fragile, as they are generally not organized into associations to defend their interests. By doing so, they could improve their businesses and the sanitation sector. For example, the National Federation of Emptying Agents of Côte d'Ivoire (*Fédération Nationale des Vidangeurs de Côte d'Ivoire - FENAVICI*) is managing, in collaboration with ONAD, dumping points in the District of Abidjan. In addition, the Association of Bouaké Emptiers (*L'Association des vidangeurs des de Bouaké - SVAB*) was able to obtain a temporary dumping site under the supervision of the Regional Directorate of the Ministry of the Environment and Sustainable Development.

Nonetheless, some progress in this area is being made. The USAID SSD activity has formalized builders of public and private toilets in the municipalities through the establishment of MSMEs, and the technical and operational capacity of these enterprises has been built for the provision of better service to the populations. Additionally, since 2014, ONAD has initiated the establishment of associations of vacuum truck operators in Abidjan, Yamoussoukro, and Korhogo.

#### 4.1.1.2 PUBLIC SERVICE PROVIDERS

Infrastructure development and collective sanitation services delivery are dealt with separately. The execution of infrastructure contracts, from the study to the construction of works and equipment, is carried out by formal companies that may subcontract some components to equally formal SMEs. This is the case in Abidjan, Yamoussoukro, and San-Pedro. In the case of Abidjan, the operation of the collective sanitation system is ensured by SODECI, which calls on subcontracting SMEs to carry out the plumbing for connecting households to the distribution networks. The two FSTPs in Korhogo and San-Pedro are operated by ONAD.

#### 4.1.2 PRIVATE WATER SECTOR

As with sanitation, drinking water supply infrastructure works are performed under public contracts awarded to private companies that may use formal SME subcontractors. In Côte d'Ivoire, the provision of drinking water services is a monopoly held by SODECI under a concession contract ending in 2023. However, the current thinking is moving towards the liberalization of this public service, which will involve opening the drinking water supply market up to other private operators. This can be done on a territorial basis or by segment (production and distribution) of the drinking water supply system. Focusing on separation by segment, three links can be distinguished in the drinking water service chain for the involvement of several private enterprises:

- Production (Several private operators)
- Transmission (Government/State)

- Distribution
  - Maintenance and upkeep (Several private operators)
  - Marketing (billing and revenue collection) (Several private operators)

## 4.2 INSTITUTIONAL AND REGULATORY FRAMEWORK

To identify the bottlenecks in the institutional and regulatory framework of the water and sanitation sector, the study team reviewed Law No. 2003-208 of July 7, 2003, on the transfer and distribution of powers from the State to the local authorities. The law grants the communes, regions, and districts general and special jurisdictions attributed by the laws and regulations. Article 10 transfers jurisdictions in water and sanitation to the local authorities.

### 4.2.1 INSTITUTIONAL AND REGULATORY FRAMEWORK OF THE SANITATION SECTOR

Together, the State and the collective territories (*les Collectivités Territoriales*) of Côte d'Ivoire concurrently provide and oversee sector management in sanitation. Decree 2011-482 of December 28, 2011, creating ONAD as a delegated manager, was issued in application of the above-mentioned law. In Article 2, this decree states that ONAD carries out the missions entrusted to it by the State and the *Collectivités Territoriales* in the field of sanitation and drainage. To give itself the means to implement the policy, Decree No. 2011-483 of December 28, 2011 creating the National Sanitation and Drainage Fund (*Fonds National de l'Assainissement et du Drainage – FNAD*) was issued.

In Abidjan, ONAD monitors and controls the contract for the operation of the city's public sanitation system, which links the State to SODECI. The latter subcontracts to formal SMEs the realization of the connection of households to the sanitation collection network. Since 2014, ONAD has been implementing a Non-Collective Sanitation program including a component to organize emptying operators with the establishment of an emptying license and a support fund of 150 million FCFA. There are currently 35 approved emptying operators. The emptied sludge is directly disposed into the sanitation collection network via injection stations defined by mutual agreement between ONAD and SODECI. ONAD, which manages the injection stations, collects 2,000 FCFA as an injection fee.

As part of the same program, ONAD is in the process of equipping the 31 regional capitals with fecal sludge treatment plants (FSTP). Those of San Pedro and Korhogo are in operation and one in Bouaké will likely be in operation by mid-2021. In Anyama and Yamoussoukro, FSTPs are under construction. The implementation of this structuring work in terms of non-collective sanitation leads to the increase and the organization of the emptying operators in the locality.

According to the legal provisions, ONAD has the responsibility to implement a strategy favoring a strong participation of the *Collectivités Territoriales* during the execution of the agency's actions on the territory of the municipalities. Unfortunately, where open collaboration and involvement is needed, ONAD's participation approach is limited mainly to dissemination of information. Despite this, the study team noted community collaboration through their involvement in the identification of potential construction sites for future FSTPs.

In some cities, municipal by-laws concerning police regulations for non-collective sanitation containment are issued by the mayor, which is the case in the communes of Abobo, Bouaké, Gagnoa, Yamoussoukro and Yopougon. Most often, these sanitation service providers are not organized.

Regarding the legal aspects of the sector, various institutions implement the sanitation policy on the basis of the water code (Law No. 98-755 of 23 December 1998 on the water code) and the

environmental code (framework law No. 96/766 of 3 October 1996 establishing the environmental code). These codes prohibit the discharge of pollutants into the natural environment and make it mandatory to treat wastewater before it is discharged into the environment. However, while Article 69 of the environmental code clearly states that municipalities should have controlled landfills for their municipal solid waste, nothing is explicitly provided for the management of fecal sludge.

#### 4.2.2 INSTITUTIONAL AND REGULATORY FRAMEWORK OF THE DRINKING WATER SECTOR

As in the case of sanitation, the State and the *Collectivités Territoriales* are responsible for the management of drinking water projects in accordance with the above-mentioned laws on the transfer of responsibilities. Article 2 of Decree 2006-274 of 23 August 2006 on the creation and organization of ONEP, as a delegated manager (*Maître d'Ouvrage Délégué - MOD*) states that ONEP carries out the missions entrusted to it by the State and the local authorities in the area of drinking water.

Infrastructure, works, and equipment of urban drinking water supply systems remain the property of the State, which has entrusted ONEP with their management. Under a concession agreement, the operation of the assets is entrusted exclusively to SODECI, the only private operator. According to the legal provisions, as already emphasized in the case of sanitation, ONEP should implement a strategy of strong participation with the local authorities in its actions on the communal territory. Unfortunately, where involvement through strong collaboration is needed, ONEP's participation approach is limited mainly to dissemination of information. Particularly for distribution, communities take initiatives to ensure the extension of the network to unserved neighborhoods. For example, the project to extend the drinking water distribution network in the Bardot district was carried out by the San Pedro City Council with funding from the European Union from 2008 to 2010. Under this project, at least 1,000 households were connected to the public drinking water network.

Finally, the institutional mechanism includes the creation of the National Water Fund (*Fonds National de l'Eau*) by Decree No. 87-1472 of 17 December 1987. This fund is partly financed by a fee based on the water bill paid by household customers. The purpose of this fund is to service the debt contracted by the State to finance water supply and sanitation operations and to pay for the maintenance of sanitation networks.

Legally, the drinking water supply activity is carried out based on the Water Code, which places drinking water at the top of the list of priorities for the use of water resources (Article 70). It also provides that the authority in charge of water and the competent ministries may entrust any natural or legal person with the public service of operating water, works and facilities, generally in the form of a concession contract governed by Articles 75 to 77 of the Code.

#### 4.2.3 STAKEHOLDER ANALYSIS AND INVOLVEMENT

The study's stakeholder analysis focuses on the success of private sector involvement in financing investment in the water and sanitation sector, both for the construction of infrastructure works and equipment and for their operation. The aim is to identify the stakeholders who have an interest in private intervention and those who have the decision-making power to do so. For each private intervention, such as a public-private partnership (PPP), the team analyzes interest and influence with four levels of interest (strong opposition, opposition, support, and strong support) and for levels of influence (minimal, moderate, significant, and decisive).

The results of this analysis will enable technical assistance projects to develop a strategy for advocacy, communication, and involvement of actors in three stakeholder groups according to their interest in and influence over ensuring the success of the project.

**4.2.3.1 SANITATION**

Figure 3 displays the three stakeholder groups in the interest-influence map in the case of sanitation service provision. The Financial and Budgetary Administration (DGI, DGBF, CNP-PPP) and the Technical Ministry have decision-making power, and therefore, they have decisive influence, but little interest in supporting the project. The client households, the communes, and the DGDDL will strongly support the project to improve service delivery through private sector intervention. The third group, development banks, commercial banks, and MFIs, have a business opportunity through private intervention. They have an interest in supporting the project and a moderate influence in terms of decision-making.

*Figure 3: Summary of Stakeholders Support and Influence for Private Sector Involvement in Sanitation*

<b>Influence</b>	Decisive		DGI, DRI DGE DGBF CNPP		
	Significant				ONAD Municipality DGDDL Households Customers
	Moderate			Development Bank Commercial banks Microfinance institutions (MFIs)	
	Minimal				
		Strong opposition	Opposition	Support	Strong support
	<b>Interest</b>				



**4.2.3.2 DRINKING WATER**

Figure 4 below shows the similar positioning of the three stakeholder groups in the interest-influence map in the case of the provision of drinking water services.

*Figure 4: Analysis of Stakeholders in the Drinking Water Sub-Sector*

<b>Influence</b>	Decisive		DGI, DRI DGE DGBF CNPP		
	Significant				Municipality DGDDL Households Customers
	Moderate			Development banks Commercial banks MFIs	
	Minimal				
		Strong opposition	Opposition	Support	Strong support
<b>Interest</b>					

**4.3 APPLICABLE TAX MEASURES**

**4.3.1 TAX REGIMES**

The tax system includes four types of tax regimes that are applied according to the size of the companies based on annual revenue. Each of these systems has its own obligations and formalities. These regimes are the following:

- Flat-rate tax system for small traders and craftsmen
- Entrepreneurship tax regime (*l'impôt synthétique - IS*)
- Simplified real taxation system (*le régime du réel simplifié d'imposition - RSI*)
- Normal real taxation (*le régime du réel normal d'imposition - RNI*).

**Flat-rate tax system for small traders and craftsmen**

The flat-rate tax for small traders and craftsmen was instituted by Ordinance n° 61-123 of April 14, 1961. It is payable by persons with an annual revenue of less than five (5) million FCFA. The flat-rate taxes for small traders and craftsmen are collected on a daily or monthly basis depending on the category. The monthly rates vary between 1,500 and 12,000 FCFA depending on the category of

activity. The masonry, carpentry, and painting contractor, when employing less than 10 workers, is classified in Category 2. Non-collective sanitation facilities providers are also included in this category.

### **Entrepreneurship tax regime (IS)**

The regime is described by Article 72 and follows the General Tax Code (CGI). It is an annual flat-rate contribution, the rate of which is fixed by law according to the revenue brackets achieved. Under the provisions of Article 73 of the CGI, individuals or legal entities whose annual turnover, including all taxes, is between 5 and 50 million FCFA are subject to the tax. The annual rate varies from 491,400 to 3,920,000 FCFA, starting from a minimum annual revenue of 5,000,000 FCFA and increasing in increments of 1,000,000. Pits emptying operators fall into this category.

### **Simplified real tax regime (RSI)**

The simplified real profit system or simplified real taxation system (RSI) applies to individuals or legal entities whose annual revenue, including all taxes, is between 50 and 150 million FCFA (Article of the 45 CGI). Operators providing emptying services and operating FSTPs may be subject to this tax regime depending on their revenue.

### **Regime of the normal real taxation (RNI)**

The regime of the normal real profit or normal real regime of taxation (RNI) is a regime which applies to the companies whose annual revenue, all taxes included, exceeds 150 million FCFA (Article 34 CGI). Here again, operators providing emptying services and operating FSTPs may be subject to this tax regime depending on their revenue.

#### **4.3.1.1 DIRECT TAXES - INDUSTRIAL AND COMMERCIAL BENEFITS (BIC TAX)**

The determination of companies' taxes that are subject to the RSI and RNI is done as follows. When profitable, the taxpayer determines the industrial and commercial benefits (BIC) tax by applying the corresponding tax rate as follows:

- 30% for companies in the telecommunications, information technology, and communication sector;
- 25% for legal entities; and,
- 20% for individuals.

In the event of a zero profit or a tax deficit, the taxpayer must pay a flat-rate minimum tax (IMFo) instead of the tax on BIC. The minimum flat-rate tax for an accounting period is equal to 0.5% of the revenue including all taxes, for companies subject to a real taxation system (RNI). In any case, the minimum tax is 3,000,000 FCFA, the maximum is 35,000,000 FCFA.

For companies subject to the simplified real tax regime (RSI), the rate of the MFI is equal to 2% of the revenue including all taxes. The contribution may not be less than 400,000 FCFA, which constitutes a minimum collection amount.

#### **4.3.2 EXEMPTIONS**

In general, all companies are subject to the same tax rules. There can be no exemptions granted to drinking water and sanitation service providers.

According to the General Tax Code, exemptions can be granted in three cases:

- Carrying out major investments. Tax exemptions are granted on a case-by-case basis by decision of the Minister of Budget depending on the investment volume. All PPP investments in drinking water production (PFO, Veolia, etc.) fall within this framework. An example is the Decision No.: 034 /SEPMBPE of 02 July 2018 on the exemption of the project to strengthen drinking water supply to the city of Abidjan from the Mé River.
- Reinvestment of company profits. Companies in the sector can also benefit from exemptions in the context of reinvesting profits in the construction of facilities, e.g., SODECI. In this case, the file is examined by the Directorate of Tax Assessment Purposes (DOA) and signed by the Director General of Taxation and implemented by the management centers which are: Directorate of Large Enterprises / *Direction des Grandes Entreprises* (DGE), Directorate of Medium Enterprises / *Direction des Moyennes Entreprises* DME and the Regional Directorates.
- Derogations can also be granted to international organizations with a headquarters agreement with Côte d'Ivoire while implementing projects benefiting the population.

In addition, Decree No. 2018-358 of March 29, 2018, determines the rules for PPP contracts. Operationally, the technical ministry in charge of water and sanitation has the initiative to have an investment carried out by PPP. It refers the matter to the National Steering Committee for Public-Private Partnerships (*Comité National de Pilotage des Partenariats Public-Privé CNP-PPP*), which assists it by setting up a negotiating committee composed of the Ministry of Finance, the Ministry of the Budget, the Ministry of the Economy and Finance, and others, depending on the nature of the project. The negotiation revolves around the search for the financial balance of the project. In this perspective, it can also be made recourse to derogatory tax measures in favor of the private partner.

#### **4.4 GENDER EQUALITY AND ACCESS FOR THE POOR TO SERVICES**

In Côte d'Ivoire, the principle of equity between men and women is recognized in the Constitution of August 1, 2000, but unfortunately, many inequalities remain, mainly due to cultural, institutional, and legal reasons such as the lack of enforcement of decrees and rules of equity principles. Since 2006, there has been an autonomous governmental structure responsible for implementing the government's guidance on gender and equality. This ministerial department, which is now called the Ministry of Family, Women and Children, was able to adopt the National Policy on Equal Opportunities, Equity and Gender in 2009, the aim of which is to create a national environment that is favorable to taking gender into account in all sectors of public and private life with a view to sustainable development that benefits each inhabitant of Côte d'Ivoire.

In terms of sanitation, the sectoral policy letter for sanitation and drainage (*la lettre de politique sectorielle de l'assainissement et du drainage*) adopted in 2017, presents the orientations given by the Government to the sanitation and drainage sector and the strategy it intends to carry out by 2025. These guidelines reflect the commitments made to the international community with the National Development Plan (NDP 2016-2020) and the 2030 Sustainable Development Goals, specifically Goal 5: Gender Equality. In terms of drinking water, a draft sectoral policy document for drinking water has been drawn up and is based, among other things, on the principles of equality, social equity, and solidarity. However, in both cases, the policy documents do not include strategies to promote equal opportunities by gender.

The results of the diagnostic show that out of 100 sewage disposal operators throughout the country, only two women own sewage disposal companies, one in Abengourou and the other in Abidjan. One woman owns a public toilet in San Pedro and another manages a dumping site in Bouaké. However, most of the public toilet collection posts are held by women. There are also three women among the 11 managers of SODECI, the largest private water and sanitation service provider.

Overall, access rates to drinking water and sanitation services are high in Côte d'Ivoire. However, these rates mask the realities of variability of access to drinking water and sanitation services among poor and underserved households. There are neighborhoods where households go for weeks without drinking water. The situation is even worse for sanitation, especially for predominant non-collective sanitation facilities, which are built without complying to construction or environmental standards because of the low capacity of the masons, mason's helpers, ironworkers, and plumbers who provide this service. Data from the UN Multiple Indicator Cluster Surveys (MICS) 2016 indicates that at the national level the rate of open defecation is a significant 21%.

**4.5 ANALYSIS OF THE INSTITUTIONAL AND REGULATORY DIAGNOSIS**

The team carried out an analysis using the SWOT (strengths, weaknesses, opportunities, and threats) method. All the information collected is used to establish the SWOT matrix, which is analyzed in relation to water and sanitation service providers. Their strengths and weaknesses are considered as their internal (endogenous) characteristics, while opportunities and threats refer to the external (exogenous) factors that favor or impede their prosperity. These external factors are notably institutional, regulatory, fiscal, technical, financial, etc.

**4.5.1 SANITATION**

<ul style="list-style-type: none"> <li>● <b>STRENGTHS OF SANITATION OPERATORS</b></li> <li><b>Operational</b> <ul style="list-style-type: none"> <li>● Mechanical, manual, and motor pump desludging</li> <li>● Construction of non-collective sanitation facilities</li> <li>● Management of public toilets</li> <li>● Providing a secondary income-generating activity</li> </ul> </li> <li><b>Financial</b> <ul style="list-style-type: none"> <li>● Regularity of revenue</li> </ul> </li> <li><b>Organizational</b> <ul style="list-style-type: none"> <li>● Existence of a federation of vacuum truck operators in Côte d'Ivoire</li> <li>● Existence of an association of vacuum truck operators in Abidjan, Yamoussoukro and Bouaké</li> </ul> </li> <li><b>Gender</b> <ul style="list-style-type: none"> <li>● Management and operation of public toilets by women and young people</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● <b>OPPORTUNITIES IN THE SANITATION SECTOR</b></li> <li><b>Legislative</b> <ul style="list-style-type: none"> <li>● Water and Environment codes</li> <li>● Laws on Decentralization</li> <li>● General Tax Code</li> <li>● Investment Code</li> </ul> </li> <li><b>Institutional</b> <ul style="list-style-type: none"> <li>● Ministry of Sanitation and Hygiene</li> <li>● Municipalities, contracting authority together with the State</li> <li>● ONAD, delegated contracting authority</li> <li>● Environment, Hygiene and Sanitation Department in municipal org charts</li> <li>● Alignment of national WASH strategy with SDG to achieve universal access to WASH services.</li> </ul> </li> <li><b>Regulatory</b> <ul style="list-style-type: none"> <li>● Sanitation Sector Policy Letter expressing the will to delegate services</li> <li>● Decree No. 2018-358 of 29 March 2018 determining the rules relating to PPP contracts</li> </ul> </li> <li><b>Fiscal Incentives</b> <ul style="list-style-type: none"> <li>● Tax exemptions provided by General Tax Code and the Investment Code</li> </ul> </li> <li><b>Financial Facility</b> <ul style="list-style-type: none"> <li>● Possibility by MFIs of granting credit for sanitation service providers despite their informal nature</li> <li>● Existence of a market</li> <li>● AfDB project executed by ONAD to strengthen the regulatory framework for the management of NCS</li> </ul> </li> </ul>
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<ul style="list-style-type: none"> <li>● <b>WEAKNESSES OF SANITATION OPERATORS</b></li> </ul> <p><b>Technical</b></p> <ul style="list-style-type: none"> <li>● Obsolete vacuum trucks</li> <li>● Poor maintenance of public toilets</li> <li>● Defects in the construction of the facilities</li> <li>● Private actors lack technical capacity in service delivery</li> </ul> <p><b>Managerial</b></p> <ul style="list-style-type: none"> <li>● Informal structures</li> <li>● Lack of administrative and financial management</li> <li>● Lack of organization of operators in most municipalities</li> </ul> <p><b>Gender</b></p> <ul style="list-style-type: none"> <li>● Lack gender promotion policy and strategy</li> <li>● Accessing to WASH services does not consider gender</li> <li>● Low presence of women in WASH</li> </ul>	<ul style="list-style-type: none"> <li>● <b>THREATS TO THE SANITATION SECTOR</b></li> </ul> <p><b>Legislative</b></p> <ul style="list-style-type: none"> <li>● Sanitation is not a constitutional right</li> <li>● Absence of tax exemptions for the sanitation sector</li> </ul> <p><b>Institutional</b></p> <ul style="list-style-type: none"> <li>● Lack of clarity in distribution of roles</li> <li>● Institutional instability at national level</li> <li>● Non-compliance with commitments made by previous elected authorities by the current elected authority</li> <li>● Lack of interest by the municipalities in wastewater and fecal sludge sanitation compared to solid waste and rainwater drainage</li> <li>● Municipalities struggle to fulfill their role as contracting authority in sanitation.</li> </ul> <p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>● No decree regulating sanitation at municipal level</li> <li>● Attractiveness and profitability of the sector unknown or unproven</li> </ul>
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#### 4.5.2 DRINKING WATER

<ul style="list-style-type: none"> <li>● <b>STRENGTHS OF THE WATER SUPPLY UTILITY</b></li> </ul> <p><b>Operational</b></p> <ul style="list-style-type: none"> <li>● Professional-level technical and administrative management capacity of SODECI</li> </ul> <p><b>Financial</b></p> <ul style="list-style-type: none"> <li>● Regularity of revenue</li> <li>● The capacity of SODECI to obtain loans from commercial banks</li> <li>● The capacity of SODECI to benefit from the provisions of tax derogations</li> </ul> <p><b>Organizational</b></p> <ul style="list-style-type: none"> <li>● An adequate countrywide coverage</li> </ul> <p><b>Gender<sup>6</sup></b></p> <ul style="list-style-type: none"> <li>● 25% of SODECI staff is female</li> <li>● 14% of SOCEDI senior managers are women</li> </ul>	<ul style="list-style-type: none"> <li>● <b>OPPORTUNITIES IN THE DRINKING WATER SECTOR</b></li> </ul> <p><b>Legislative</b></p> <ul style="list-style-type: none"> <li>● Water and Environment codes</li> <li>● Laws on Decentralization</li> <li>● General Tax Code</li> <li>● Investment Code</li> </ul> <p><b>Institutional</b></p> <ul style="list-style-type: none"> <li>● Existence of a Ministry of Hydraulics</li> <li>● Municipalities, contribution to the extension of the system, participation in citizen education</li> <li>● ONEP, Delegated contracting authority</li> </ul> <p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>● Draft policy letter noting the political will to open the drinking water supply chain to other actors</li> <li>● Decree No. 2018-358 of 29 March 2018 determining the rules relating to PPP contracts</li> </ul> <p><b>Fiscal Incentives</b></p> <ul style="list-style-type: none"> <li>● Existence of tax exemptions by General Tax Code and the Investment Code</li> <li>● Granting of derogations to large companies such as SODECI under the terms of Article 110 of the General Tax Code /Code General des Impôts (CGI)</li> </ul> <p><b>Financial Facility</b></p> <ul style="list-style-type: none"> <li>● Willingness of commercial banks to grant credit to SODECI</li> </ul> <p><b>Investment</b></p>
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<sup>6</sup> These figures are shown as strengths since they are much higher than other utilities in the region.

	<ul style="list-style-type: none"> <li>• Major investments to increase the production, supply, and distribution of drinking water to all localities</li> <li>• Increase in the number of customers in line with the increase in the population</li> </ul>
<ul style="list-style-type: none"> <li>• <b>WEAKNESSES OF THE DRINKING WATER SUPPLY UTILITY</b></li> </ul> <p><b>Technical</b></p> <ul style="list-style-type: none"> <li>• Drinking water service delivery system not adapted to target the poor</li> </ul> <p><b>Managerial</b></p> <ul style="list-style-type: none"> <li>• Lack of operational innovation in service delivery</li> <li>• Possibility of outsourcing the operation of peripheral areas to SMEs</li> <li>• Insufficient separation of maintenance services from billing and revenue collection services</li> </ul>	<ul style="list-style-type: none"> <li>• <b>THREATS TO THE DRINKING WATER SECTOR</b></li> </ul> <p><b>Legislative</b></p> <ul style="list-style-type: none"> <li>• Sanitation is not a constitutional right</li> <li>• Conditions to benefit from tax derogations are difficult for small enterprises to meet</li> </ul> <p><b>Institutional</b></p> <ul style="list-style-type: none"> <li>• Lack of clarity in the distribution of roles</li> <li>• Institutional instability at national level</li> <li>• Non-compliance with commitments made by previous elected authorities by the current elected authority</li> </ul> <p><b>Regulatory</b></p> <ul style="list-style-type: none"> <li>• No order regulating sanitation at municipal level</li> </ul> <p><b>Technical</b></p> <ul style="list-style-type: none"> <li>• Obsolete infrastructure, most of which dates from the 1970s</li> <li>• Low coverage of the distribution network</li> </ul>

# 5 RECOMMENDATIONS FOR IMPROVING THE INSTITUTIONAL AND REGULATORY ENVIRONMENT

## 5.1 OPPORTUNITIES AND CHALLENGES

The opportunities for an improved institutional and regulatory environment for water and sanitation services are universal and safe access to sanitation and universal drinking water coverage. The challenge is to create an enabling environment for private sector involvement in providing professional services and complementary financing for the construction and operation of water and sanitation facilities.

The specific challenges are:

- An enabling legal and regulatory environment.
- Strengthening the skills and capacities of private operators.
- Increasing the strength of markets in the sector.

These same challenges can also be considered through a gender lens. The institutional and legal framework does provide rules that encourage women's promotion in the WASH Sector. Women are under-represented in sanitation sector both as employees and entrepreneurs. Women who are operating in WASH sector need to acquire new skills and capacities to be competitive. The WASH market is not well known. Many women are struggling to find their way in sanitation sector.

## 5.2 RECOMMENDATIONS AT NATIONAL LEVEL

### 5.2.1 SANITATION

#### 5.2.1.1 REGULATORY FRAMEWORK

The private sector will be more likely to invest in an environment that is well regulated by legal instruments. However, the legislative and regulatory provisions on issues related to the different aspects of wastewater and excreta sanitation are incomplete and scattered in different legal texts. It would be advisable to compile the different provisions related to wastewater and excreta sanitation in a specific text (in the form of a law). This should present a comprehensive, coherent, and integrated approach that specifies more clearly the responsibilities of the different stakeholders. Pending the adoption of this fundamental text, it is recommended to adopt implementing provisions for the existing legislations (Water Code, Environment Code, etc.) at the national or municipal level to reassure the involvement of the private sector in the field of wastewater and excreta sanitation. In addition to the consultation and the participation of various stockholders of the sanitation sector, the regulatory framework must promote gender balance in order to encourage more female participation in the sanitation sector not only as employees but also as entrepreneurs. The provisions should cover:

- **Norms and standards**
  - Effluent, infrastructure, product reuse
  - Operating procedures for sanitation workers
  - Performance of facilities and services
- **Licensing**
  - Strengthening of the mechanisms for monitoring construction permits

- Standards for the installation of non-collective sanitation facilities and equipment
- Discharge permits
- **Legal agreements** – Certification and contracts for:
  - Operation of the Abidjan sewer system
  - Desludging of pits and septic tanks
  - Wastewater and sludge treatment
  - Performance of public toilets
  - Performance of public sanitation services
  - Performance of fecal sludge treatment plants

#### 5.2.1.2 INSTITUTIONAL FRAMEWORK

The national institutional framework appears to be clear and coherent, with a ministry dedicated to sanitation and a delegated contracting authority as its executive arm. Weaknesses are found at the municipal level where sanitation is implemented. It is recommended that the national institutional framework at the municipal level be based on the principles of clarity and separation of roles:

- Contracting authorities (Ministry of Sanitation and Hygiene and Regional Directorates / *Directions Régionales de l'Assainissement et de la Salubrité (DRAS)*, Ministry of Construction, Ministry of Health, the Prefecture, and municipalities)
- Delegated contracting authority (ONAD)
- Project management (in case of infrastructure construction).
- Service delivery
- Contractors
- Households, customers

Both at national and local levels, the institutional framework must promote dialogue in the sanitation sector in order to avoid conflict of responsibility and competency and reinforce information sharing between regulators and actors. Gender gap is a large concern in the sanitation sector. To change the tendency, sanitation policies, strategies, and programs should be aligned with gender equity approaches in term of participation and representativity and enabling conditions as well.

#### 5.2.1.3 TECHNICAL

Technical recommendations include the construction of FSTPs in urban areas and to develop an updated (digital) data platform for sanitation systems and technologies. Establishing and reinforcing consultation can also help harmonize approaches among stockholders and address information sharing and data collection issues.

#### 5.2.1.4 BUILDING SKILLS AND CAPACITY

Apart from SODECI in Abidjan, most private sanitation service providers are informal. Given this, it is recommended to develop and implement in each municipality a program of:

- Capacity building in business, technical know-how, health, and safety
- Mutual learning structured by service providers
- Access to capital through credit, leasing, collateral, etc.
- Creation of specialized professional associations or unions
- Demand generation



- Facilitation of access to critical infrastructure (e.g., treatment plants)
- Assistance in the procurement process.

To address the gaps in equal participation of men and women the following actions are proposed:

- Mapping and identification of WASH enterprises managed by women
- Integration of gender considerations (modules) on capacity building programs
- A least 30 % of participants of training sessions must be women.

## 5.2.2 DRINKING WATER

### 5.2.2.1 REGULATORY

With a view of opening the market for the drinking water services delivery, it is recommended to define the rules for private sector intervention in the production, transport, dispatching and distribution links. These rules must be defined within a consultation framework that facilitates participation of the water sector various actors. In the perspective of gender balance, rules must leverage conditions encouraging women entrepreneurs already established or willing to operate in the water value chain.

### 5.2.2.2 INSTITUTIONAL

An adjustment of the institutional framework is needed for regulating new actors. In the case of the electricity sector, it was necessary to create a sector regulator. In the meantime, the MuniWASH recommends clarifying the role of the state and the local authorities in the development of the distribution network. In this line, it is necessary to establish and reinforce consultation frameworks devoted to problem-solving on water issues. According to the Regional Director of SODECLI in Abengourou, the issues that are brought before the persons responsible for the water agencies are quickly and easily solved. To address the gender gap, the MuniWASH recommends that gender equality be promoted throughout the planning process through the development of policies, strategies and initiatives associated with water sector. These adjustments will result in:

- Integration of gender equality within operations by taking it into account in internal workplace strategies, which consider sectoral and national objectives.
- Gender mainstreaming in water sector monitoring and evaluation frameworks.
- Strengthening the voice of men and women through their involvement in the development of policies, strategies, plans and investments.
- Promote increased participation of women in the sector by deconstructing myths and social barriers.

### 5.2.2.3 TECHNICAL

There is a shortfall in the water production and distribution network. For this reason, SODECLI cannot serve all potential customers, thus preventing it from reaching the target revenue for each locality. MuniWASH recommends continuing investment efforts for drinking water production, transport, and distribution infrastructure. Currently, the government is investing in strengthening the production of drinking water including through PPPs, and it is recommended to continue these investments. To optimize investments in the water sector the government must prioritize consultation and dialogue with local authorities and citizens, which are key to a strong engagement. Such an approach can secure the public investments and ensure the sustainability of equipment and infrastructure in the WASH sector.

# ANNEXES

*Annex 1: Mission report from the municipality of San-Pedro*

Redacted

***Annex 2: Report of Interviews with State Bodies***

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