Multi-Stakeholder Service Provision and State Legitimacy in Situations of Conflict and Fragility

Experiences from Burundi, DR Congo, Nepal and the Palestinian Territories
Colophon

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# Table of content

1. Findings at a glance  
   3

2. Background: MSPs and state legitimacy  
   4

3. Main research findings  
   6

4. Lessons learned and policy implications  
   9

5. Practical implications for MSP stakeholders  
   14

6. Policy implications for Burundi, DR Congo, Nepal and the Palestinian Territories  
   16
MULTI-STAKEHOLDER SERVICE PROVISION AND STATE LEGITIMACY IN SITUATIONS OF CONFLICT AND FRAGILITY

This Policy Brief is based on one of the first in-depth studies about the impact that multi-stakeholder processes (MSPs) for service delivery can have on state legitimacy in fragile situations. Strengthening the legitimacy of the state and its institutions is an important aspect of processes of post-conflict reconstruction. How service delivery through joint state/non-state initiatives impacts such legitimacy, however, has so far remained largely unexplored. Research was conducted in four countries: Burundi, Nepal, the Democratic Republic of Congo and the Palestinian Territories. It took place under the auspices of the ‘Multi-Stakeholder Processes, Service Delivery and State Institutions’ working group of the Peace, Security and Development Network (PSDN). This Policy Brief presents main findings, challenges and recommendations for donors and other stakeholders involved in MSPs.

1. Findings at a glance

The research that informs this Policy Brief brought together two usually, but unjustly, separated worlds: that of service delivery – or, development – and that of political state-society interaction – or, peace and security. Our research hypothesis was that service delivery can help strengthen state-society relations and consequently, state legitimacy. If proved true, this would be an important finding given that, in fragile situations, state legitimacy is an important conditional factor for institutional development. We tested our proposition through the study of multi-stakeholder processes (MSPs) for service delivery in four so-called fragile countries (see box 1). MSPs can be an effective means to tackle service delivery in situations where services are fragmented, state-society interaction is fragile, and where individual stakeholders, including the state, lack the capacity for service provision. MSPs moreover provide a chance for state institutions to improve their relations with societal stakeholders and can help bridge existing gaps between state institutions and NGOs in the service sector.

Our research found that, under certain conditions, service delivery initiatives that bring together various stakeholders indeed contribute to both better service delivery and to the strengthening of state legitimacy. The majority of the MSPs studied had a positive impact on service delivery, partly because they helped improve the capacity of their participating stakeholders. A considerable number of MSPs moreover contributed to policy-making and enhanced the sustainability of their services. Only one third of the MSPs studied contributed to the legitimacy of state institutions, however. These MSPs did so mostly by bringing about positive changes in the interaction between these institutions and non-state partners. Our research thus confirmed our hypothesis that service delivery MSPs can have an impact on state legitimacy, but this impact is modest and materialized only in a minority of cases. Hence, we emphasize that MSPs provide opportunities rather than guarantees for enhancing the legitimacy of state institutions.

The research

Twelve case studies of MSPs were conducted in four countries - Burundi, the Democratic Republic of Congo, Nepal and the Palestinian Territories – in the period from November 2009 to June 2011. They included initiatives as varied as the rehabilitation of the local hydrological infrastructure in Burundi; the endeavour to connect a poor neighbourhood to the electricity grid in the DR Congo; the installation of a solid waste management site in the Palestinian Territories; and the construction of a rural road in Nepal. The research explored whether or not, and why, the MSPs contributed to better services and to increased state legitimacy. In-depth interviews and focus groups were conducted with 520 respondents among MSP actors, MSP beneficiaries, MSP donors, state representatives and external experts. A comprehensive Synthesis Report of the research and detailed reports for each country study are available at www.psdnetwork.nl.
2. Background: MSPs and state legitimacy

The international donor community, including the Dutch Ministry of Foreign Affairs, increasingly recognizes that development strongly depends on a country’s political and institutional organization. An effective and robust state, in turn, requires balanced and positive interaction between state institutions and society. An important insight is that, in fragile situations, this interaction depends as much on state legitimacy as it does on state capacity. State institutions need not only be capable to fulfil their service delivery tasks, but also need to be perceived as fulfilling these tasks and fulfilling them satisfactorily. Perceptions of legitimacy are shaped through the relationships between various sectors of society: the public sector, private actors, civil society and beneficiary communities. Effective and durable interaction between the state and society can thus contribute to state-building processes and development.

The legitimacy component of state building has long been underestimated and has scarcely been researched - less so its relation with basic utility service delivery (see box 2). The 2011 World Development Report (WDR), however, demonstrates a nascent shift in thinking when it stresses the importance of confidence building by the state for increasing its legitimacy - first and foremost vis-à-vis citizens, but also towards non-state development partners (both national and international). The WDR clearly establishes that states cannot restore confidence alone, but need ‘inclusive-enough’ societal coalitions to achieve this.

The provision of utility services, such as drinking water, electricity, waste management, and transportation and communication infrastructures, may provide such societal coalitions. Service delivery is a crucial aspect of development. The extent to which the state can provide services – or enable and support others to do so – influences people’s appreciation of their government. In fragile and post-conflict situations, however, where the state lacks the capacity or willingness to deliver services, it is common practice for non-state actors to develop alternative and hybrid service provision arrangements in the form of MSPs. These actors (NGOs, international agencies, community based associations, or insurgency groups) may do so with or without government cooperation. Their MSPs may nevertheless provide the inclusive coalitions needed to improve services as well as state legitimacy.

Definitions

- **State legitimacy** = the normative belief of a political community that a rule or institution should be obeyed (Papagianni 2008).

- **Multi-stakeholder process (MSP)** = initiatives that are aimed at bringing together different stakeholders (state, civil society, private sector, beneficiary communities and international organisations) to engage them in a process of dialogue and collective action, in this case for service delivery.
MSPs in fragile contexts

During the 1990s, development aid to fragile countries was often channelled through NGOs. This increasingly created parallel service structures and raised the question to what extent these efforts really contributed to sustainable development, or whether they instead undermined development by crowding out state structures (De Boer and Pfisterer 2009; OECD 2010:15). Subsequent shifts from project to sector support, and from sector to budget and balance of payment support, did not bring solace to this problem of fragmented service delivery. Moreover, these shifts were often accompanied by a democracy discourse that left state building to political reforms and societal development to international intervention. This ‘democracy first and socio-economic development will follow’ mantra, however, has proven flawed. In this context, MSPs can serve to link the effectiveness of working through NGOs with the long-term requirement of state building. MSPs are also supported as a way to give tangible substance to democracy on a local level by improving the accountability of state institutions. This fits very well with the prevalent donor discourse that suggests that services best be organized through the dual processes of decentralization and public private partnerships (PPPs).

Approaches to development in fragile contexts

This research was especially informed by the OECD and DFID approaches to development in fragile settings. The OECD’s *nine principles for good engagement in fragile situations* (2007) set an important precedent by focusing on context, coordination and inclusion. They urge international actors to:

- Take context as the starting point; align with local priorities in different ways in different contexts;
- do no harm; focus on state-building as the central objective; prioritize prevention; promote non-discrimination; avoid pockets of exclusion; recognize the links between political, security and development objectives; agree on practical coordination mechanisms between international actors;
- and act fast, but stay engaged long enough to give success a chance.

DFID in its paper *Building peaceful states and societies* (2010) stresses four key elements in its approach to state building and peace building:

- Addressing the causes and effects of conflict and fragility; supporting inclusive political settlements; developing core state functions; and responding to public expectations.

DFID (2011:17) highlights three donor dilemmas with regard to service delivery in fragile states:

- Between addressing immediate needs (for service delivery) and building long-term capacity; between engaging with the public sector and with non-state service providers; and between supporting central and local government.
3. Main research findings

The research investigated two main propositions:

a. MSPs organised around services have a positive effect on service delivery
b. MSPs can help to strengthen the legitimacy of relevant state institutions in service delivery

a. The effects of MSPs on service delivery in fragile contexts

The exact impact that the MSPs studied had on service delivery was case-specific and is hard to translate across contexts. However, in all twelve cases the effect was reasonably positive, as the MSPs reached their objectives and contributed to the capacity of their stakeholders. Whether or not the MSPs reached their objectives strongly depended on their throughput in terms of the division of roles, the degree of internal accountability and the strength of communication and information sharing within the MSP.

Less altogether positive was the impact of the MSPs on the sustainability of the service delivery. Only four of the twelve MSPs studied proved sustainable. This is particularly unfortunate given that sustainability of services was a major concern of most stakeholders and moreover a recognized asset of MSPs. This lack of sustainability can be explained by the failure to identify and capacitate specific stakeholders for follow-up; the absence of successful cost-contribution of services; and the insufficient institutional embedding of the MSP initiatives.

MSPs bring about new cooperation relations between state and non-state actors. At the same time, however, they depend on existing partnerships and their composition usually reflects existing power relations. MSPs are influenced by politics and election cycles as well as by government policy priorities. Norms and agreements on service delivery are renegotiated during the implementation phase. We found that the existence of local management structures that can serve as a focal point for organisation contributes to the effectiveness of the MSP.

Transportation of well rehabilitation materials, Burundi  

Photo: Nora Stel
b. The effect of MSPs on state legitimacy in fragile contexts

Only 4 out of the 12 MSPs studied contributed to state legitimacy. These 4 MSPs had done better in achieving their objectives and had contributed more to the capacities of their different stakeholders than the other 8 MSPs. However, this does not fully explain their success. What we found was that the impact of MSPs on state legitimacy is determined more by their throughput (the multi-stakeholder process) than by their output (improvement of service delivery). The MSPs that were successful in contributing to state legitimacy all had high levels of mutual accountability and strong communication and information sharing. When MSPs contributed to the legitimacy of state institutions as a result of their positive output, this effect appeared to be conditional rather than causal: MSPs need to have a positively evaluated output to be able to contribute to state legitimacy, but it is not usually this output as such that is the actual source of increased state legitimacy. This is probably because state institutions are rarely associated with the implementation of services, but rather with their governance or management.

Also, clear improvements in the implementation and governance of services were often not attributed to state institutions due to a limited visibility of state institutions in the MSPs; insufficient communication towards their beneficiaries about their role; or the attribution of improvements to individuals rather than institutions.

All in all, MSPs are no magic legitimation bullets. Nevertheless, the throughput of MSPs can facilitate interaction between state and non-state stakeholders that can help state institutions to improve their relations with other stakeholders. This can result in stakeholders granting greater legitimacy to the state and non-state actors acting as brokers for state legitimacy vis-à-vis user communities. Such effects, however, always relate to specific state institutions and representatives and not to ‘the state’ as a whole.

Considerations for granting legitimacy also vary per stakeholder category. Beneficiary communities attribute legitimacy depending on the visibility and accountability of the state institution in question and the degree to which it involves beneficiaries, represents them vis-à-vis other stakeholders and is responsive to their direct needs. NGOs value the increased cooperation in MSPs, but uncertainty about the division of roles and unequal decision-making power between state and non-state service providers can also result in continued competition. Donor engagement with state institutions in MSPs often deepens state dependency on donors. Moreover, donor funding of MSPs can lead to a situation where state accountability is directed to the donors rather than to citizen beneficiaries. Intra-state interaction in MSPs reveals, and sometimes remedies, the weak coherence among state institutions involved in service delivery and highlights the importance of communication and predictability.
The phases of MSPs

Our study analyzed MSPs by looking at three phases. First, the input phase, which centres on the MSP composition and design. Second, the throughput phase of the process of interaction and implementation. And third, the output phase, which revolves around results and follow-up.

The input of MSPs was assessed according to five indicators: actors included; initiation mode; objectives set; funding; and scope.

- The MSPs studied were dominated by civil society and state institutions. Most of them also included beneficiary communities. Private actors were not involved as decision-making partners, but they did play an important implementing role within the MSPs.
- The manner of MSP initiation, top-down or bottom-up, did not significantly affect the governance of the MSPs.
- The majority of the MSPs incorporated governance (coordination, management, awareness-raising, etc.) issues as part of their objectives.
- The majority of the MSPs primarily depended on donor funding; in only 4 out of 12 MSPs did state institutions act as co-funders.

The MSP throughput phase was analyzed by means of six indicators: inclusiveness; division of roles; decision-making; accountability, communication; and formalization.

- The MSPs studied were overall inclusive in their selection of stakeholders. Yet, subsequent decision-making was often hierarchical.
- The MSP actors that provide, receive or manage funding are the ones taking decisions about service implementation. The other stakeholders therefore consider them the main MSP authority.
- Most MSPs had internal accountability structures in place. Nevertheless, they were vulnerable to politicization in the form of elite-capture and corruption.
- Most MSPs had a formal meeting schedule. However, the additional ad hoc meetings that were convened were considered crucial for MSP governance because these meetings tended to be more needs-based.
- On paper, the majority of the MSPs studied were formal structures. In the implementation practice, however, many relations were informal and not recognized as part of the MSPs.

The MSP output phase was studied by means of four indicators: achievement of objectives; contributions to capacity; influence on policy; and sustainability.

- Most MSPs achieved their objectives and thus helped improve the quality, quantity, reliability, accessibility and affordability of services.
- The outputs of the MSPs were strongly determined by their throughput: high levels of internal accountability, communication and information-sharing corresponded with high levels of achievement of objectives; capacity development and sustainability.
- Some of the MSPs studied influenced service delivery by contributing to the capacity development of individual stakeholders (3 MSPs contributed extensively to capacity building, 4 modestly and 4 MSPs minimally).
- The MSPs had only a small impact on policy-making (3 MSPs extensively contributed to policy-making, 1 modestly and 6 very minimally).
- The MSPs made only a limited contribution to service sustainability (4 MSPs were sustainable, 3 partially sustainable and 4 unsustainable).
4. Lessons learned and policy implications

MSPs, under certain conditions, can help bridge the gap between short-term service delivery and longer-term governance improvement. In order to maximize this opportunity, future MSPs may well benefit from five lessons learned that emerged from our case studies. These lessons pertain to the input phase of MSPs (lessons 1 and 2); the throughput phase (lessons 3 and 4); and the output phase (lesson 5). For each of these lessons learned, we suggest several policy recommendations, which concern the contributions of MSPs to services as well as to state legitimacy.

Lesson 1: Include specific state institutions based on a contextual analysis

MSPs are contested arenas: participating organisations are embedded in local dynamics and histories with different interests at stake. The composition of MSPs moreover often changes over time, involving different stakeholders in different phases of the work and with different levels of commitment. The actual network of stakeholders that in practice constitutes the MSP does not necessarily coincide with the ‘paper version’ the MSP. In short, MSPs are changeable, particularly in conflict and post-conflict settings. Therefore, the local situation should be taken as the starting point for developing sustainable service delivery structures and for defining the desirable roles that civil society, state and private sector will play in this. The establishment of an MSP should thus be preceded by a thorough context and power analysis. This analysis can focus on mapping the impacts of different characteristics of fragility on service delivery mechanisms. Such characteristics include: violent conflict; politicization and personification; limited state capacity and institutional multiplicity; and vulnerability to external shocks and donor dependency. Effective interaction between state and non-state stakeholders is important to realize MSP output and strengthen state legitimacy. An important factor in this is the ‘initiation mode’: is the MSP set up as a contribution or a challenge to state service delivery, and does the MSP include or exclude state institutions? We found that even in fragile contexts where the legitimacy of the state is generally low, MSPs that attribute an important role to state institutions tend to be more sustainable and will more significantly enhance state legitimacy. Furthermore, MSPs that help the state manage its service delivery (through coordination and capacity-building) have more impact on state legitimacy than purely palliative or humanitarian MSPs that manage service delivery because the state fails to do so.

Policy recommendations to achieve a good grasp of the context:

- Identify the opportunities and the right actors to achieve the goals of the MSP, and assess which other actors or factors can play a facilitating role.
- Conduct an assessment of histories of cooperation, local political dynamics and existing institutions that the MSP could link up to in order to decide which (state) institutions to include in the MSP.
- Build awareness of how factions and local politics are likely to impact MSP governance and output. In particular, assess how the causes and effects of violent conflict may influence the chosen service sector as well as the actors participating in the MSP.
- Anticipate how ongoing or re-emerging violent conflict may hamper the operation of the MSP and taking precautions to prevent or minimize this.
Lesson 2: Accommodate beneficiary and stakeholder interests, perceptions and expectations

MSPs, and especially donors involved in MSPs, can influence the expectations that citizens have of the state and its institutions. They can raise these expectations beyond what the state can reasonably do, or alternatively, they can encourage citizens to put positive social pressure on the state to improve its responsiveness and accountability. MSPs can alter citizens’ normative views of what the state should or should not do, thus influencing political processes (OECD 2010:12-13). We found that MSPs are more likely to function effectively and overcome contextual obstacles, as well as positively change state legitimacy, when they help meet people’s existing expectations of the state. These expectations, then, can inform the roles that state institutions take on in the MSP and determine what capacities should consequently be strengthened. In our case studies, different stakeholders had different expectations of the state, but all focused on the governance of services: coordination, facilitation, monitoring and follow-up.

We learned that citizens and other stakeholders do not award the state legitimacy based on objective outputs, but on how they perceive these outputs and the manner in which they were achieved. Legitimacy that is based on the needs of local stakeholders is thus more durable than that based on foreign ‘good governance’ standards. Therefore it is crucial for stakeholders to exchange their expectations and then to explicitly address these in the strategy, goals and division of tasks of the MSP. An appraisal of expectations can be conducted by means of a traditional strengths and weaknesses assessment. This assessment should not only take into account the objective capacity of institutions, but also their perceived strengths and weaknesses in the eyes of stakeholders (especially beneficiary communities). In our research, local stakeholders identified a lack of accountability, transparency, communication, proximity and responsiveness as the main weaknesses.

Policy recommendations to maximize stakeholder participation:

- Explore the needs and interests of the various stakeholders within the MSP and make these the vantage point of MSP objective setting. Use the MSP to avoid donor/supply driven service delivery programs.

- Establish which organisations and institutions related to the intended service are seen to represent the state in order to decide which state institutions to target for participation in the MSP.

- Explore perceptions towards the state institutions (to be) involved in the MSP and assess the risks and opportunities of involvement for their legitimacy.

- Encourage communities to put positive social pressure on the state to improve responsiveness and accountability, but be careful not to raise unrealistic expectations.

Lesson 3: Devote specific attention to the role of state institutions in MSPs

Our study established that a lack of visibility and communication of state institutions greatly hampers the strengthening of state legitimacy through MSPs for service delivery. Stakeholders will only change their perceptions of the state if they are aware that the institution involved in the MSP is, in fact, a state institution. Often, this awareness is lacking. To change this situation, firstly, state institutions must make sure they are visible and responsive to citizens. They should welcome discussions about citizens’ problems and the possible solutions in order to create a basis for accountability. Secondly, state institutions need to communicate their role in the MSP more clearly so that other stakeholders can appreciate why the state deserves partial credit for the achievements of the MSP: does it fund the initiative, is it responsible for mobilizing partners, does it provide material or advice? State institutions could consciously shape their role within the MSP, focusing on coordination and governance responsibilities rather than on implementation.
The visibility of state institutions within MSPs depends on the extent of ownership that state institutions perceive towards the MSP. At the same time, state visibility requires the right distancing, support and positioning of the other stakeholders involved (especially NGOs). It is important to keep in mind that MSPs can easily overpower their weaker stakeholders and that in fragile contexts, state institutions that lack resources and capacities often fall into this category. MSPs are all too often equated with their most visible representative. The sometimes super visibility of (I)NGOs and donors - through logos, billboards and SUVs - can therefore be problematic. This is aggravated by the fact that MSP funding still depends largely on donors, while money allocation is a crucial factor in the perceptions and appreciations of beneficiaries. The legitimacy of state institutions is often based on their capacity to attract donors. This can, however, be a shaky source of legitimacy as it may increase the state’s dependency on the donor and consequently decrease its ownership of the MSPs. This will do no good for the development of lasting and stable service provision structures.

Policy recommendations to optimize the role of the state in MSPs:

• Ensure sufficient ownership of the process by each stakeholder, particularly by the state.

• Set objectives for increasing the responsiveness, and hence legitimacy, of state institutions. This should minimally include a stipulation to ‘do no harm’ in terms of sidelining or undermining state institutions. Ideally, an MSP formulates targets for its contributions to state capacity and legitimacy.

• Assess how MSPs can bridge the gap between local and national state institutions.

• Make sure that donors avoid disproportionate visibility of their role within the MSP to the detriment of the legitimacy of the participating state institutions.

Lesson 4: Put specific emphasis on the process of stakeholder interaction (throughput)

State institutions are important participants of MSPs but not the sole responsible actors for service delivery. In fact, their role should be part of a broader development and political agenda. This agenda, ideally, is determined through the interaction between citizen organisations and governments, which serves as the basis for mutual accountability. MSPs are more than a coordination mechanism for service delivery; they provide an opportunity for exchanging objectives and sharing responsibilities. The management of relations between various stakeholders within MSPs has a profound impact on state legitimacy. Good performance on throughput indicators, such as accountability and information sharing, was a characteristic of the MSPs studied that contributed to state legitimacy.

MSPs that seek to contribute to the positive appreciation of state institutions must therefore ensure effective communication between public authorities and their beneficiaries. Many state institutions want to join MSPs exactly because of this chance to engage with communities. This motivation points at the importance of proper decision-making structures and division of roles between state and non-state service institutions. After all, the competition between state and non-state service agencies vying for constituencies outside MSPs is often replicated within MSPs. This could be partially solved if providers and allocators of services developed clearly different relations with receivers of their services: while people are consumers in the eyes of service providers (and beneficiaries in the logic of donors), they should be approached as citizens by state institutions.
Our research found a significant gap between state and non-state capacity, particularly on the local level, which meant that decision-making power between state institutions and NGOs and donors was not equal. Capacity building can be an effective instrument to increase state legitimacy, but this should not result in state institutions becoming beneficiaries rather than partners of the MSP. Moreover, capacity building should depart from existing capacities and not assume a total vacuum of ability (Brinkerhoff 2010:70).

Policy recommendations to ensure optimal stakeholder composition and interaction:

- Invest in community involvement within the MSP, where possible through state institutions.
- Explicate and define stakes and interests before setting objectives and dividing roles and responsibilities. Give ample attention to internal accountability and information sharing.
- Contribute to complementarity, especially between state and non-state stakeholders, and avoid competition over beneficiary appreciation and donor funding.
- Assess the desirability and feasibility of getting private actors on board of MSPs for service delivery. Address equality and accountability issues in private service provision.

*Self-made device to raise the voltage, DR Congo   photo: Nynke Douma*

*Cooking on charcoal during a power cut, DR Congo   photo: Nynke Douma*
Lesson 5: Focus on the follow-up of MSPs and the sustainability of service delivery

Our research showed that MSPs often fail to achieve sustainability. This not only undermines service delivery, but also state legitimacy, because citizens generally consider the follow-up of development projects a state responsibility. Structural attention to the follow-up of implemented activities is essential for stable and long-term service delivery. Increasing the willingness of end-users to pay and enhancing the cost-recovery of services are important follow-up mechanisms as they help relieve the burden on the state that is held responsible for affordable services (also after donors withdraw). The extent to which an MSP is embedded within institutional structures and succeeds to link up with policy-makers partly determines the sustainability of its services.

Thus, a conscious strategy for donor withdrawal and for capacity-building of the actors entrusted with follow-up tasks, coupled with investment in cost-contribution of services can together contribute to both the functioning of MSPs, the improvement of services and the strengthening of state legitimacy. MSPs must therefore draw up, at the start, a long-term vision that extends beyond the lifecycle of the MSP and contributes to continuity of services at large. Any sustainability strategy should prioritize the sustainability of services over the sustainability of the MSP providing the services.

Policy recommendations to improve the sustainability of services:

- Include a cost-contribution strategy as part of the MSP objectives and work towards consumer-based accountability in the service sector.
- Decide who is responsible for follow-up at the start of the initiative and use the MSP to develop the needed capacity of the selected actors. MSP capacity building needs to be based on a clear division of roles and a solid sustainability plan.
- Embed MSPs in institutional structures and sector-wide programs.
- Plan donor withdrawal.

Recommended reading

5. Practical implications for MSP stakeholders

The five lessons and recommendations discussed in this Policy Brief have practical implications, which vary per service sector, per context and case, as well as per actor. Nevertheless, it is possible to identify certain key implications. The table below lists the core concerns, roles and activities per actor within MSPs for service delivery. This list is not exhaustive, but may serve as a first guideline for those wishing to establish an MSP for service delivery.

<table>
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<tr>
<th>Practical implications for MSP stakeholders</th>
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<tr>
<td>Donors</td>
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<tr>
<td>Adopt a development approach and step away from purely humanitarian goals.</td>
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<tr>
<td>Opt for a facilitating role and explore what can be done from the outside to support the MSP in terms of resources and formalization.</td>
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<tr>
<td>Include state institutions as partners, not as liabilities or beneficiaries or solely out of (legal) obligation.</td>
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<tr>
<td>Reflect on funding modalities and reserve a budget for monitoring and evaluation. Consider making NGO funding contingent on their cooperation with, and training of, state institutions.</td>
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<tr>
<td>National state</td>
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<tr>
<td>Aim to serve and be accountable to beneficiaries rather than donors (reconsider what the prime source of state legitimacy is). Sequence state capacity-building according to citizen priorities.</td>
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<td>Allow independent control of state institutions involved in service delivery to improve accountability.</td>
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<tr>
<td>Decentralize and delegate and avoid politically inspired posting of civil servants. Invest in local service management structures and user committee structures that can function as a focal point for MSP organisation.</td>
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<tr>
<td>Approach MSPs as an opportunity rather than a threat. Coordinate among sectors and with non-state programs and structures. Build on good examples. Identify lessons learned and translate these across sectors.</td>
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<tr>
<td>Local state</td>
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<tr>
<td>Aim to serve and be accountable to beneficiaries rather than donors or national state institutions. Increase responsiveness, approachability and transparency vis-à-vis citizens. Develop exchange and information structures between consumers and providers. Align with user committees.</td>
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<tr>
<td>Communicate planning of services to citizens transparently to enhance the predictability of services. Do not merely communicate goods news, but also explain setbacks in realizing services.</td>
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<td>Work in an integrated way with national policies, strategies and jurisdiction and incorporate national counterparts.</td>
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<td>Build linkages with NGOs.</td>
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<tr>
<td>NGOs</td>
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<tr>
<td>Assess who represent the local community best in a certain situation and support service user committees.</td>
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<td>Engage in state capacity building; contribute to the knowledge of local state actors about institutional and policy frameworks. Approach mobilization of users together with local state institutions.</td>
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<tr>
<td>Tone down public relation efforts. Be aware of state/non-state competition for skilled and motivated personnel and do not recruit among state staff.</td>
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### CBOs

Approach MSPs as structures to demand and develop accountability of local government institutions.

- Be vocal on politicization of services and communicate related problems to MSP actors.
- Organize in local user committees or consumer organisations to represent end-users.
- Ensure capacity development among user communities and communicate the temporary nature of donor/NGO service provision.

### Private actors

Approach MSPs as networking and business opportunities, possibly through a chamber of commerce.

- Invest in capacity to take over functioning service systems after MSP initiation – develop communication with state and civil counterparts on maintenance contracts.

### All

Devote specific attention to state legitimacy risks and opportunities. Include state institutions in MSPs and give them a relevant role that reflects stakeholder expectations. Include state capacity development in MSP objectives. Invest in stakeholder assessments about needs and expectations towards state institutions.

- Make sure all relevant stakeholders are included or involved in the MSP. Balance the importance of existing partnerships with the need for representative stakeholder inclusion.

- Include process issues in objectives. Consider using a facilitator. Ensure a clear division of roles. Improve coherence among MSP coordination and implementation levels. Organize joint operation bodies, such as steering committees and implementation units.

- Develop a joint structure for donor withdrawal and (I)NGO phasing out. Adopt a long-term financial vision – use maintenance money for maintenance and invest in cost-contribution systems to enhance sustainability.

- Distinguish between various domains of capacity building (resources; skills and knowledge; organisation; politics and power; and incentives) and determine sequencing modes with all stakeholders.

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### Conference & interviews

In December 2011, the Netherlands Ministry of Foreign Affairs hosted the closing conference organized by the Multi-Stakeholder Processes, Service Delivery and State Institutions working group. More than 75 policy-makers, academics and practitioners from over 10 countries took part in the conference. For the report, the keynote speeches and interviews with some of the main guests, go to www.psdnetwork.nl. Videos of the following speakers can be accessed from there:

- **Keynote Diederik de Boer** (head of the Sustainable Development Center at MSM)
- **Keynote Dorothea Hilhorst** (professor humanitarian aid and reconstruction at WUR)
- **Keynote Derick W. Brinkerhoff** (distinguished fellow of RTI International)
- **Interview Jessie Bokhoven** (Head of Strategy at SNV, Netherlands)
- **Interview Joost Andriessen** (Ministry of Foreign Affairs, Netherlands)
- **Interview Madhav Pahari** (Unicef, Nepal)
- **Interview Abdelrahman Tamimi** (expert on hydro-politics and water security, Palestine)
- **Interview Eric Kajemba** (coordinator of the Observatory of Governance and Peace, Congo)
- **Interview Derick W. Brinkerhoff** (distinguished fellow of RTI International)
6. Policy implications for Burundi, DR Congo, Nepal and the Palestinian Territories

The second part of this Policy Brief presents specific policy recommendations for donors and other stakeholders involved in service delivery arrangements in Burundi, DR Congo, Nepal and the Palestinian Territories. These recommendations are based on in-depth fieldwork that was carried out in these four countries by members of the ‘Multi-Stakeholder Processes, Service Delivery and State Institutions’ working group of the Peace, Security and Development Network (PSDN). While these country-specific implications partially overlap with the general lessons learned presented in the first part of this Policy Brief, they include more detailed and tailored observations and recommendations. For each case study, detailed descriptions of the research and its findings are available at www.psdnetwork.nl.

The researchers who contributed to these studies include:

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For **DR Congo**: Dorothea Hilhorst, Nynke Douma, Antoine Baliahamwabo, Crispin Murhula Bahizire, Mambo Bashi Mulenda and Tibère Kajemba

For **Nepal**: Gemma van der Haar, Riti Herman Mostert and Rekha Shreesh, Madhusdan Subedi, Pranita Bushan and Jeroen van Gaans

For the **Palestinian Territories**: Irna van der Molen, Wafa Hasan and Abed Al-Latif, Wael Awadallah, Sayel Wishahi and Bashar Ashoor

We would like to express our gratitude to our partner organisations for facilitating the field research: Agency for Cooperation and Research in Development (ACORD) in Burundi; Observatoire Gouvernance et Paix (OGP) in DR Congo; Netherlands Development Organisation (SNV) and Rural Roads Forum (RRF) in Nepal; and the Palestinian Hydrology Group (PHG) in the Palestinian Territories.
Our policy implications for Burundi are based on 35 informal meetings, 49 in-depth interviews and 6 focus group discussions with MSP stakeholders, which includes MSP beneficiaries, partners (NGOs, CSOs and companies) and donors, non-MSP experts and policy-makers. We analyzed the work of two MSPs for rural water and sanitation (WASH) in Mwumba, Ngozi province and Buhinyuza, Muyinga province. In 2009, drinking water coverage in Burundi was 57%. This is 24% short of the targeted MDG coverage. Decades of violent conflict obliterated both the physical infrastructure but also human capital, and made Burundi largely reliant on external providers to cover water and sanitation needs. Today, various national state institutions are involved in WASH policy-making and implementation, foremost among them the General Directorate for Rural Hydrology and Energy (DGHER), which resorts under the Ministry of Energy and Mining. At the local level, communal water committees (Régies Communales de l’Eau – RCEs) in cooperation with communal administrations are responsible for WASH services. Despite ongoing reforms, the capacity of the sector is weak. The ambiguous division of tasks between state and non-state actors further aggravates this situation. National institutions enjoy limited public trust because of their lack of clarity of mandate, failing accountability and weak service delivery capacity. Consumers at the local level recognize that the RCEs and administrations depend on donor support to provide their services.

Five lessons learned
Based on the findings of our research, we suggest the following five policy recommendations to help improve basic service delivery.

1. Ensure that service delivery (MSPs) is based on the perceptions and expectations of stakeholders

An approach to service delivery that strengthens state capacity and legitimacy must take into account the perceptions and expectations of all relevant stakeholders. To develop sustainable service delivery, what matters is not only the actual performance of the state, but also how the relevant stakeholders perceive this performance and whether it satisfies their expectations. To get a good grasp of this requires:

- An assessment of what ‘the state’ means to Burundian stakeholders (perceptions). Institutions that are officially non-state influence people’s perceptions of the state. RCEs are closely associated with communal administrations; improving their capacity and conduct therefore reflects positively on the local state. Simultaneously, if technical state institutions want to contribute to state legitimacy they should present themselves more explicitly as state services. Beneficiaries generally value the local consultative state structures (such as commune councils, the Comité Développement Communal and gacimbiri) and their inclusion in MSPs can therefore make service delivery more representative and increase state visibility.

- An assessment of what makes a state legitimate according to Burundian stakeholders, rather than defining legitimacy according to international criteria (expectations). In Burundi, legitimacy primarily means accountability. It can be augmented by systematically informing the population about plans, progress and (im)possibilities of WASH services. Burundian state institutions currently do not accommodate such expectations. However, even though state capacity in Burundi is low, people do acknowledge the will and ambition of the state to deliver on its responsibilities. This general sense of legitimacy can be nourished by means of visible cooperation with state institutions.
<table>
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<tr>
<th>Policy Objectives (WHAT)</th>
<th>Crucial Partners (WHO)</th>
<th>Implementation Process Implications (HOW)</th>
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<tbody>
<tr>
<td>Encourage communication skills and visibility of the state on all levels</td>
<td>Work with official state institutions as well as state-associated institutions: incorporate RCEs in MSPs</td>
<td>Encourage stakeholder and context analyses as a condition for all service initiatives. Explore polling/survey and roundtable methods</td>
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<td>Work towards best-fit, tailored service delivery</td>
<td>Include local consultative state institutions in MSPs</td>
<td>Facilitate MSPs as an exchange platform for authorities and citizens: promote regular consultation and information sessions</td>
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<td>Build RCE capacity</td>
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<td>Encourage technical state services to transmit their state affiliation</td>
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### Politicization of services in Burundi

Our fieldwork in Burundi illustrates how the merging of party, government and state structures can result in politicized and clientelist services. State institutions are often perceived in a personalized fashion, which is clear from the references that informants make to individual projects rather than general policies. Three anecdotes serve to illustrate this. We found that obligatory communitarian work gatherings, during which water points were cleaned, sometimes overlapped with party gatherings. We observed that the president’s personal investment fund vastly outmatches the budget of the water ministry, which means that many water points are personally ‘donated’ by the president rather than funded by the state. And we noted that in the president’s maternal commune, people bypassed local structures and turned directly to the president with their requests for new pumps.

#### 2. Accommodate the importance of process vis-à-vis performance

- Informants prioritized process aspects of WASH service delivery, such as governance (maintenance and management) of water points over performance aspects, such as the construction of new water points. This is of course only the case if a minimal performance threshold is met: “if there is no water, there is nothing to manage.”

Given this process-oriented expectation of the state, it is not surprising that the legitimacy of state institutions involved in service MSPs was impacted more by cooperation variables (e.g., the form and degree of state involvement) than by the actual performance of the MSPs that the state was involved in.

- In Burundi, during the phase of post-conflict reconstruction, a division has come to exist between the domains of security and politics – where the state is reinserting itself – and the domain of welfare (including services) – where NGOs are the dominant actors.

Security, politics and welfare are equally important state functions, but welfare is more easily or conveniently delegated to third party actors. In fact, (I)NGO interventions in water and sanitation have contributed to state legitimacy because beneficiaries see these interventions as proof of their government’s success in attracting international funding. However, in the light of concerns about decentralization and donor dependency (see below), more rather than less engagement with state institutions in welfare sectors should be aimed at. Beneficiaries expect the state to take a process-oriented role regarding WASH. To them, the ideal division of roles within WASH MSPs would be: public actors coordinate, civil actors lobby and build capacity, donors fund, and private actors deliver.
### Policy Objectives (WHAT)

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<tr>
<td>Prioritise governance oriented interventions</td>
<td>Work with state institutions on process-oriented tasks and with civil and private actors on performance</td>
<td>Develop good governance trainings for local authorities to improve their communication and conduct vis-à-vis beneficiaries in addressing service related problems</td>
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<tr>
<td>Help NGOs and RCEs to provide water adequately</td>
<td>Include private actors in MSPs</td>
<td>Limit competition between state and non-state actors by making them interdependent actors within the MSPs</td>
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<tr>
<td>Build capacity of local state institutions to coordinate the WASH sector</td>
<td>Explore the potential of the church to facilitate cooperation and mobilize beneficiaries</td>
<td>Invest in a clear division of tasks within MSPs based on a stakeholder expectation survey</td>
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### Competition versus complementarity

While complementarity of roles and responsibilities in service delivery is the official goal in Burundi, interaction between state and non-state actors involved in WASH is often characterised by competition and frustration. A leading INGO had a problem with the involvement of a state technical service because it considered state services as uncompetitive - wages are paid by the ministry regardless of the work being done - and because “you cannot hold them to agreements like you can NGOs.” Some national policy makers, on the other hand, suspect that international service providers are in Burundi primarily for their own gain. Examples exist of competition between state institutions and INGOs that amounted to one organisation literally destroying the other’s work.

### 3. Use MSPs to bridge existing gaps between national and local state institutions

Coherence between local and national approaches to WASH is essential for sustainable and efficient service delivery. Donors need to take responsibility in encouraging integration between different state levels so as to minimize institutional fragmentation.

- At the local level, communal authorities operate as the primary intermediary between beneficiaries and service providers. They are held responsible for all development matters in the *commune*. Their inclusion in service delivery initiatives is widely considered a critical success factor. The administration, however, needs to take a more pro-active role towards WASH.

- Local state authorities tend to see MSPs as an opportunity to boost their image and status. National state representatives, by contrast, see MSPs as a threat to state legitimacy, because of non-state dominance in MSPs and a lack of MSP coordination with national institutions.
MSPs as an instrument to generate cost-recovery of services

In Burundi, willingness to pay for drinking water is limited. People see water as a gift from God or are used to humanitarian organisations providing drinking water for free. The willingness to pay, however, increases when the availability of water is guaranteed and payment is direct and transparent. The *kiosque à eau* initiative in Ngozi province, for example, breaks with the widely circumvented annual payment principle by making people pay directly for each *bidon* they collect at a water kiosk. MSPs can contribute to cost-recovery of services and make services less dependent on national means by pioneering such innovative payment mechanisms. MSPs should explore various options among stakeholders and include communities in developing tariff systems.

4. Utilize the inclusive nature of MSPs effectively

Inclusiveness and communication are key concerns in supporting service MSPs that can have a positively influence on state-society interaction and state legitimacy. Several observations can guide the interventions:

- Inclusion doesn’t guarantee equality. While most MSPs include the majority of relevant actors, the NGOs determine the objective setting and decision-making. Public institutions could take more leadership through championing the communal development plan.

- MSPs need not be all-inclusive, but ‘inclusive-enough.’ Which actors are vital participants should be based on stakeholder analysis.

- The mobilization of beneficiaries (e.g., to maintain water points, pay their fees, attend training) is a key responsibility of MSPs. Sensitization of the population is a core determinant of the sustainability of services. Local authorities can play a crucial role in such communication.
5. Use MSPs to work towards donor withdrawal by linking service delivery to capacity building

Donor dependency is a prime symptom of — and has a significant impact on — state fragility. MSPs should thus work towards enabling Burundian actors to take the lead in service delivery and allow international service providers to retreat. The phasing out of donors concerns:

- **Sustainability and long-term vision.** Balance humanitarian and development objectives and create local alternatives instead of merely filling gaps. Capacity building for local WASH actors can be an integral part of MSPs, while donor exit strategies need to be included from the start.

- **The division of roles between INGOs and bilateral donors.** The role that donors play in service delivery needs to be critically discussed. A clearer distinction between funder and mediator is required.

- **Case-by-case withdrawal.** The demarcated context of an MSP, and its inclusive nature, allows for a gradual shifting of roles and responsibilities among MSP actors. The role of the donor can be steadily scaled down while other MSP actors take on more responsibilities.

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<tr>
<td>Use MSPs as an opportunity for donor retreat</td>
<td>Model donor involvement on stakeholder expectations</td>
<td>Plan progressive shifts of responsibility from international to local actors and build local capacity in the process</td>
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*Rehabilitated water point, Burundi*  
*photo: Nora Stel*
Democratic Republic of Congo

The policy implications for eastern DR Congo are based on two case studies: the community Electricity Committee of the Chai neighbourhood in Bukavu and the UN-led water and sanitation cluster (WATSAN). For each of these studies, around 85 semi-structured interviews were conducted with MSP beneficiaries, actors and donors, non-MSP experts, and state institutions and policy-makers. We chose to focus on the water and electricity sectors because these used to be part of a single state-owned enterprise. At the moment, both the water and electricity sector are undergoing a preliminary partial privatisation and we hope that lessons learned from our MSP research may prove valuable input for this process.

The delivery of electricity and water in the DR Congo is beset with problems and challenges that are the result of decades of violent conflict and predatory political mismanagement. Supply does not match demand: services are erratic, of bad quality (low voltage, low water pressure, contaminated water, etc.) and yet invoiced against high and discriminatory prices. Further problems include: a lack of investments to increase production, highly centralized management and accountability systems, the hiring of staff based on nepotism, a failure to apply legislation, widespread corruption, and troubled or non-existent relationships between service institutions, state authorities and consumers. In response to this reality, consumers have come to apply all kinds of (often illegal) practices to get access to water or electricity. This varies from theft of materials and tapping-off (dahoulage), to sub-subscriptions and corrupted arrangements with service managers (lignes spéciales). One can conclude that basic services are considered an avenue for making money rather than a fundamental right of citizens.

State legitimacy in the DR Congo suffers a severe crisis, and the grim reality of service delivery has certainly contributed to that. Consumers have given up confidence in or expectations of possible improvements in service delivery by state institutions. The only general legitimacy that these state institutions still enjoy is based on the historical knowledge that the state once mandated them to deliver basic services. Interestingly, state officials grant themselves legitimacy based on this same historical legal mandate and regardless of their actual service delivery performance. The ambition to deliver from a consumer rights perspective has long ago been lost.

Four lessons learned

Based on the findings of our research, we suggest the following four policy recommendations to help improve basic service delivery.

1. Discuss service delivery needs, rights, perceptions and expectations with communities

Consumers in the DR Congo are very concerned about their access to basic services and they are willing to pay for it. But because they realize that the state has relinquished its mission of providing services to its citizens, they will try any means to gain access to, for instance, water and electricity. In order to turn the tide and once again strengthen state involvement in service delivery - and improve citizens’ perceptions of the state - a certain legitimacy threshold is required. This threshold is now absent, which means that citizens do not even make the effort to push for better service delivery. Citizens are very aware of the bad services and its consequences for their livelihoods, yet they seem to have accepted this reality.

Closing the gap between consumers, state institutions and NGOs by means of organized dialogue can help to lower of the current legitimacy threshold. Needs, rights and expectations need to be made more explicit in order to begin strengthening state legitimacy.

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<tr>
<td>Support the creation of consumer-based discussion forums with state institutions</td>
<td>Consumers, state institutions, NGOs</td>
<td>Push for and (financially) support initiatives that are geared towards organising exchange between consumers and state institutions</td>
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</table>
2. Link MSP objectives to state capacity and legitimacy

The MSPs studied in the DR Congo were largely initiated as a parallel structure to state service delivery. This happened because NGOs assume that the Congolese state is incapable and often simply not interested to assure adequate service provision. Hence, in response to acute humanitarian needs, NGOs are filling the gap while community initiatives have sprung up to cater for themselves. However, as a result of this preoccupation with project-based output performance from a humanitarian perspective, MSPs pay no attention to setting objectives that may enhance the capacities of state institutions. As a result, the MSPs studied in the DRC have had no impact on strengthening state legitimacy, with the exception of some local projects that assured the participation of local leaders. In fact, parallel service arrangements and the non-attention for state capacity building by MSPs run the risk of weakening state legitimacy even further.

To reverse this trend, MSPs should base their objectives and structure on a thorough understanding of how consumers look upon the state as an actor in service delivery as well as of how state institutions themselves perceive their legitimacy. MSPs should create room for longer-term development goals instead of acting only on the humanitarian imperative. They should moreover pay specific attention to the active participation of state institutions and formulate goals for strengthening their service delivery capacities.

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<tr>
<td>Integrate clear objectives for state involvement and capacity building</td>
<td>MSPs, state actors, international and national NGOs</td>
<td>Push for the integration of state-building objectives in multilateral coordination mechanisms in service delivery</td>
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<td>Adopt a development approach to service delivery, stepping away from solely humanitarian goals</td>
<td>MSPs, NGOs</td>
<td>Review the humanitarian mandate within NGOs that provide services towards the development of sustainable multi-stakeholder service delivery mechanisms</td>
</tr>
<tr>
<td>Make better use of and strengthen technical expertise within executive ministerial departments</td>
<td>NGOs, technical departments of Congolese ministries</td>
<td>Identify which local and national departments and actors have the minimal (technical) capacities to be actively involved in the planning, execution of projects and quality control of basic services, and build their capacities along the way.</td>
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3. Balance MSP performance outputs with process outputs through explicit inclusiveness

The credit for proper functioning of service delivery does not go to the state, but to parallel structures (NGOs, etc.) and is often personalised (linked to efforts by individuals and in some cases politicians who use service promises to appease their electorate). On the whole, state institutions are absent during MSP meetings and have little control over its outputs and functioning (monitoring, setting the rules of engagement). Both MSPs studied prioritized fund management and information sharing over process management. As soon as funds became available, suspicion or conflict over alleged misappropriation of the money would emerge. The positive impact on service delivery (performance) that some MSPs achieved was fragmented and could not be assessed using standard sustainability criteria, or quality monitoring and management measures.

MSPs should move away from merely information sharing and project output objectives towards more attention for the process of multi-actor service delivery. Specific consideration is needed for state participation in MSPs, designing basic service interventions/projects that join up with government policy priorities, the collaboration process (inclusiveness, tasks, complementarity) and the quality of output (control, monitoring, quality benchmarks).
Recommendation (WHAT) | Crucial Partners (WHO) | Implementation Process Implications (HOW)
---|---|---
Actively involve state institutions in MSPs | MSPs, NGOs, state institutions | Study what state institutions expect of MSPs and how they see their role within such initiatives. Delegate specific responsibilities to state institutions and include these in MoUs.
Actively involve state institutions in MSPs | MSPs, NGOs, state institutions, embassies and foreign Ministries | Clarify objectives and result benchmarks for the full process of MSP service delivery.
Standardize performance output and set up a (state-led) quality monitoring system | MSPs, NGOs, state institutions, embassies and foreign Ministries | Strengthen policy discussions with state institutions about the harmonisation of the quality of service output.

### 4. Strengthen decentralisation and privatisation of the service sector over a long period of time

One problem that hampers adequate service delivery in the DR Congo is the centralised and hierarchical chain of accountability. State institutions on the provincial level seek to be accountable towards the central government instead of towards their electorate (or, consumers). Moreover, the provincial offices of companies mandated to deliver water or electricity are at best dysfunctional and at worst bankrupt. To improve service delivery, the Congolese government supports the privatisation of services. The implementation of this process, which exists on paper, has not yet started.

It is important to remember that state building in DR Congo entails a long process. Therefore, MSPs should be embraced not as a temporary stopgap, but as a long-term solution. This approach will help avoid that MSPs become parallel mechanisms and offers better chances for close collaboration with state institutions. The political will and capacities of state agents should specifically be addressed, as well as the option to decentralize and privatize services. The notion that it is the state’s role to deliver services should be regarded critically; a more coordinating role for the state may well work better in the DRC.

Recommendation (WHAT) | Crucial Partners (WHO) | Implementation Process Implications (HOW)
---|---|---
Pay attention to political will in addition to state capacities | Embassies, multilateral organisations, Congolese state institutions | Develop good governance training (ideally through strengthening higher management education), lobby and employ diplomatic measures that help to push for reform in service and state institutions. Ending nepotism and fighting impunity of service abuse are key elements of this.
Strengthen downward accountability of service delivery | Service enterprises, local government, MSPs | Support the creation of local accountability mechanisms, involving consumers and decentralised state institutions.
Support the service delivery privatisation process as an alternative for enhanced service delivery | State institutes, Embassies, multilateral organisations, foreign investors | Study privatisation opportunities and promote their implementation through lobby and capacity building on the basis of experiences/lessons learned in other countries.
Nepal

Our policy implications for Nepal are based on conversations with a total of 152 respondents. We studied the work of two MSPs in the household water sector in a rural village (Jumla) and in two small towns (Kaski and Udhaypur) as well as two MSPs in the rural roads sector (in Ramechhap and Rolpa).

Nepal is recovering from violent conflict about the country’s political leadership that started in 1996 and lasted for ten years. The Peoples’ Movement led by the Maoists fought against the established political parties, such as the Royalists and the Nepalese Congress. The insurgency was the Maoists’ response to decades of government neglect of rural areas, poverty and discrimination based on ethnic and caste affiliations. Historically, service delivery in Nepal has been the responsibility of the state, but in practice, given the absence of service structures in rural areas, local communities were left to organize their own access to services. Ever since the opening up of Nepal, from 1950 onwards, to visitors and diplomatic relations, donors and development organisations have influenced the practice and policy of service delivery.

Currently, MSPs for service delivery are embedded in national policy and it is compulsory to establish a water user group preceding any intervention in the water sector. In the road sector, MSPs are less common, although there have been initiatives towards organizing labour-based participatory road construction. The weak coordination of relevant institutes in the water and roads sector, and the general lack of private sector participation, pose serious challenges to MSP initiatives. Citizen participation is organized through user groups, but is complicated by class, caste, gender and ethnicity concerns. This often results in inactive user groups, which are operational only during the implementation period and are moreover rather exclusively composed of high caste male participants.

Five lessons learned

Based on the findings of our research, we suggest the following five policy recommendations to help improve basic service delivery.

1. Make state building and institutional strengthening of government bodies an explicit part of MSPs.

Our case studies showed that even if the state delivers services, this is not necessarily acknowledged and the credit may instead be given to donors or NGOs. If citizens are not aware of the role of the state, the government cannot capitalize on its positive efforts. Therefore, strengthening and legitimizing the state need to be explicit goals of development interventions. These goals, it must be emphasized, are not achieved automatically. The MSP studied in the rural road sector assumed that by working bilaterally with the government of Nepal and supporting its capacity development, and by together delivering services at field level, legitimization of the state would be the inevitable result. This was, however, not the case. The following lessons have been learned:

- Communication about the performance and results achieved by state institutions helps to improve people’s perception of the state and may enhance its legitimacy.
- Being modest with advertising donor involvement in MSPs may reduce the perception that successful service delivery always comes through non-state agents.
- Visits by state agents and their proximity to the project increases their visibility and may enhance citizens’ trust in the state.
- Closely collaborating with local government officials and building local capacity for good governance are the best ways to strengthen local institutional capacity, because local officials are part of the community and less likely to move to other districts.
Policy Objectives (WHAT) | Crucial Partners (WHO) | Implementation Process Implications (HOW)
--- | --- | ---
Develop a communication policy regarding service delivery | District and local government officials, implementing agents and citizens groups | Organize public audits, regular community meetings and use signboards that refer to all participating members of the MSP.
Monitor activities | Government officials | Government officials who conduct field visits, monitor and report must show that the final responsibility, evaluation and follow-up lies with the government.
Strengthening governance capacity of state institutions (leadership, management, structures, systems, accountability) | District level officials and local government officials | Work with leaders and government officials who are less likely to move away and who are part of the local communities.

2. Analyse potential capacity for private investments and for citizen participation

Citizen participation in service delivery is often linked to the notion of an equitable and just sharing of resources. Citizens invest of time and energy, and sometimes financial resources, because they expect a positive outcome of their participation. In two of our case studies, water users were obliged to contribute financially, and in advance, for water service delivery, regardless of their income. But many people were unable to pay or did not receive services, which resulted in a loss of trust and legitimacy for the state. The lesson learned is that while it is highly recommended to guarantee some return on investment, one must first map out community leadership, gender relations and social, cultural and religious groups in order to understand people’s potential for financial contributions. In practice, local user groups as well as certain individuals proved to be crucial for the financial investments. These individuals mobilized their networks, which enabled them to tap into social and financial resources and to gain political influence. The principle of equitable participation through equitable financial investment should be carefully considered because in some cases investments should better be based on the (socio-economic) carrying capacity of different community members. This will help to prevent the erosion of legitimacy for state institutions.

Policy Objectives (WHAT) | Crucial Partners (WHO) | Implementation Process Implications (HOW)
--- | --- | ---
Develop a participation policy based on the study of social structures. Embrace constructive individual leadership and aim for increased inclusion, rather than a utopian egalitarianism | Researchers, community groups, community leaders and interest groups | Aiming for more diversity in participation groups and making use of individual leaders will enhance participation and good service delivery
Conduct an economic assessment of the carrying capacity for private financial investment in the implementation area | Researchers and local users | Include people from all social strata in the research
Implement guidelines for local ownership | Local government and local companies | Map all possible economic beneficiaries of the project and set rules for using local materials, labour and contracts
Make a risk analysis | MSP-actors (government, private investors, users, public organisations) | Establish safety nets or refund in case of failure of a project funded with private funds of citizens
3. Government institutes should capitalize on parallel service delivery by competing groups

In Nepal, the government has taken over and built on the operation of services that during the insurgency were delivered by its political rivals. This proved to be support for the process of increasing state legitimacy. The government did well in realizing that even though the previous service delivery was meant to compete with the state, it created opportunities for strengthening state legitimacy as soon as state institutions took over. This will happen when, in taking ownership of and improving the service, the state acknowledges the local efforts that went into setting up and running the service. Previous mismanagement of the political rival will have led to a loss of legitimacy for this group, and the state can capitalize on this by improving both the performance and the process of service delivery and thus building its own legitimacy. Collaborating with local agents (private companies, citizen groups, community leaders, etc.) is important for maximum engagement with citizens, and a previous lack of good governance must also be addressed. At the same time, if parallel service delivery continues to take place to the disadvantage of citizens, the state should try to stop this, or to communicate its dismay about the process of service delivery.

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<tr>
<td>Address areas where parallel service delivery takes place: monitor and analyse parallel service delivery projects</td>
<td>Local, regional and national state institutions and non-governmental organisations</td>
<td>Listen to citizens’ complaints and use this to improve service delivery</td>
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<tr>
<td>Take ownership over service delivery that has been initiated by rebel groups or competing groups</td>
<td>State institutions, local government institutions and beneficiaries</td>
<td>In conflict situations, NGOs may be partners for monitoring when the government cannot access the area for service delivery</td>
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<td>Improve the process of service delivery.</td>
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4. Process aspects of service delivery should be facilitated

MSPs that are managed according to the principles of good governance, such as transparency, equity and diversity, are generally considered more legitimate than MSPs that do not heed such principles. Usually, one organisation can be assigned to facilitate this process, as for instance SNV did in the MSP for the water sector in Jumla. The facilitating agency, which can either be part of the MSP or be an outsider, needs to be trusted by all participants in addition to being specialized in governance processes. It can take on the role of initiator and monitor of the MSP, or generally guide the process. Such facilitation will usually entail a stakeholder analysis, as well as the operationalisation of the principles of good governance, so that these can be monitored and fed back to the participants. On a micro level, the meetings may be facilitated to allow space for diverse voices and the active involvement of a variety of stakeholders. Together, these stakeholders should take all decisions that concern the MSP. An impartial facilitator can moreover be a catalyst for better coordination between MSP participants, for conflict resolution or for alignment of the stakeholders. Important criteria for such facilitation are:

- The role or mandate of the facilitating agent should be clear to all participants
- The facilitator must avoid conflict of interest – and thus not be a direct beneficiary or a donor of the service delivery project
- The beneficiaries and the MSP stakeholders must formally accept the role of the facilitator and agree on the rules and regulations that will guide the MSP process.
5. Make the performance and process of service delivery by government institutions at the local level more visible

The continuous presence of service delivery organisations at the local level has proved a strong factor for increasing the legitimacy of the state. The local level, however, has long been neglected. Priority is commonly given to state institutions at district and national level when capacity development, access to resources or decision-making is at stake. Our research shows that visibility and accessibility of local level government agents helps to create trust in government service delivery, and consequently legitimacy. Therefore, it is important to strengthen local governance structures by means of capacitating the district officers, technical officers, engineers or social mobilisers. Moreover, visibility and accessibility can be achieved by actual presence, an office bearer, or by regular visits to the beneficiaries and clear contact moments. In Nepal, government officials are regularly posted to different areas. To make their presence and efforts visible at the local level, the development of a human resources policy for better access to these officials could be a worthwhile technical intervention.
Palestinian Territories

In the Palestinian context, ‘the state’ is a problematic concept, at least in the Weberian sense of the word. At the time of our study in May-June 2011, which was before the formation of a united government between Hamas and the Palestinian National Authority, there was no singular authority. Moreover, state boundaries are not fully recognized or respected by Israel and the Palestinian authorities do not have a monopoly on the use of arms, nor control over their territories. The ‘Palestinian Territories’ consist of the Gaza Strip and the West Bank with its areas A, B, C, H1, H2 and the Eastern Segregation Zone. Area A is under Palestinian control (17% of the surface of the West Bank); Area B is under Palestinian civil administration but under joint Palestinian-Israeli security control (24% of the land); Area C is under Israeli civil and military control (59%). This includes all settlements, the land surrounding these settlements, military installations, security zones, and roads for Israelis in the West Bank. This segregation into various areas, with the concomitant road use restrictions and the presence of roadblocks, checkpoints and other barriers to free passage, complicates effective service delivery. In particular, the spaces designated for the construction of new infrastructure for water, waste water treatment or solid waste are generally located in area C. Construction in this area requires permits from Israeli authorities, to be obtained through the Joint Water Committee and/or Israeli Civilian Administration.

We studied the involvement of MSPs in (a) the rehabilitation of irrigation wells in Qalqiliya and Tulkarm; (b) a waste water treatment plant in Kharas village (Hebron District); (c) the Zahrat Al-Finjan Landfill (Jenin District); and (d) desalination of water for domestic use in El Bureij, Gaza Strip. All interviews and focus group discussions were conducted by staff from the Palestinian Hydrology Group (PHG), through their offices in Jenin, Hebron, Ramallah and Gaza. The information was supplemented with input from a series of workshops convened between 2009 and 2011, supplemented by project documentation.

The state authorities that were most frequently involved in the MSPs studied included: The Palestinian Authority (West Bank) or Hamas (Gaza); Ministries, in particular the Palestinian Water Authority (PWA), the Ministry of Environmental Affairs (MEA), the Environmental Quality Authority (EQA), the Ministry of Agriculture (MoA), the Ministry of Local Government (MoLG), the Palestinian Legislative Council (PLC), the Ministry of Health (MoH), and the Ministry of Finance (MoF); local and regional authorities, in particular councils and municipalities, but also Joint Service Councils; and the Coastal Municipal Water Utility (CMWU) in Gaza.

Our study revealed that the legitimacy of Palestinian state organisations that participated in the MSPs is influenced by a multitude of factors, such as (a) its institutional and professional capacity; (b) its responsiveness to citizens’ needs; (c) its dependency on decisions from Israeli authorities; (d) its performance in (facilitating) service delivery; (e) its enforcement of rules and regulations; (f) the acceptability of its policy and instruments; and (g) the perception of the PA in general. Our research moreover found that cooperation between multiple stakeholders receives support at the highest administrative level. This is, amongst others, expressed in the Water Sector Plan 2011-2013, which stipulates as one of its five strategic goals: ‘Institutions that will function in an effective and competent manner on the basis of cooperation between all segments of society’ (PWA 2011:10).

Seven lessons learned

Based on the findings of our research, we suggest the following five policy recommendations to help improve basic service delivery.
1. Political unrest does not necessarily bring a halt to cooperation between multiple stakeholders to improve service delivery

The Zahrat Al-Finjan Landfill project in Jenin district was submitted only two weeks before the onset of the second Intifada in September 2000. Despite some delays, the project has been completed and reaches far more beneficiaries (over 600,000) than originally intended (200,000).

- HOW: Initial and repeated risk-assessment and contingency planning are necessary to ensure a minimum impact of conflict for beneficiaries and to make sure the MSP continues functioning during project implementation (see box 1).

- HOW: Be supportive of, and responsive to, special requests of MSPs during political unrest. Support (reasonable) requests for change of procedures, e.g. in terms of tendering, shipments (port of arrival), contractors/advisors and time frame when such changes facilitate the continuation of cooperation and completion of the project.

**MSPs during political unrest**

Security considerations and risks were anticipated at all stages of the well rehabilitation project in Qalqiliya and Tulkarm. This included the risks of: (a) not receiving the permits; (b) a ‘stop of works’ order by the Israeli Defence Forces; or (c) military operations. Great efforts were taken to minimize the risk that water users were cut off from water. This resulted in a strategy to (a) request permits from the Joint Water Committee; (b) rehabilitate one well at a time; (c) have a list of alternative wells in less sensitive areas; (d) reduce visibility; and (e) obtain approval from ECHO and the Palestinian Water Authority.

2. The role of donors and their ground staff is essential in terms of facilitating mobility and obtaining permits from the Israeli authorities

- HOW: Maintain a continuous and cordial dialogue with the military authorities, even during the height of a conflict, to facilitate the movement of project related people and goods and to ensure one can obtain the permits required to construct or repair infrastructure.
3. Political events can have a major impact on MSPs

In 2006, Hamas won a majority of seats in the Palestinian parliament. New developments that were sparked by this political event led to a halt of the project in Bureij area. These were (a) the withdrawal of the EU and other donors from Gaza; and (b) the emergence of a double authority structure and rivalry between the Hamas- and Fatah-based Palestinian Water Authority (PWA). The initiative was, eventually, taken up again by a few MSP members, but the transition to a new government, and the existence of a double authority structure hampered its performance.

4. Use MSPs to create inclusion and ownership at the local and national level

Local ownership and support at national level are both critical for the success of a project.

- **HOW:** Identify practical (local) and strategic (national) interests of multiple stakeholders, and identify where and how support can be mobilized, e.g. through adequate stakeholder analysis (see box 2)

- **HOW:** Encourage local ownership within the MSP through the support of local initiatives, work shops with beneficiary communities, training of staff from municipalities, village councils, and by making local organisations responsible for managerial tasks.

- **HOW:** Ensure extensive participation and dialogue during the preparation phase of the project. This includes a needs-assessment and dialogue with other donors active in the sector, local government institutes, relevant ministries, community groups and (where relevant) Israeli environmental and military authorities. Early participation by local organisations and communities facilitates the input of local situational knowledge and thereby increases the chances of success (see box 3).

- **HOW:** Encourage the effective use of policy instruments tailored to the local situation to raise revenues for operation and maintenance. In the case of the Palestinian Territories: combine water and electricity bills.

**MSPs merging pragmatism and strategy**

The co-existence of the multiple interests of different stakeholders increased the potential for cooperation in the case of the rehabilitation of irrigation wells in Qalqiliya and Tulkarm. Interests of a practical nature, such as access to water and the improvement of farmers’ livelihoods, coincided with strategic interests. A main strategic interest was to continue cultivation of Palestinian lands between the Green Line and the wall, which otherwise, if abandoned for some years, would fall to the Israeli state.

**Community involvement versus community obstruction**

In Kharas village, several people opposed the wastewater treatment project during its construction phase. Discussions revealed that the resistance was primarily based on simmering social tensions within the community. It took two months to resolve these tensions.

5. Use MSPs to bridge gaps across and between local and national institutions

Successful MSPs can have a spin-off effect at the national level. Inter-municipal cooperation in service delivery in the The Zahrat Al-Finjan Landfill project increased the interest for inter-municipal cooperation on the wider national level.

- **HOW:** Support where possible requests to create a domestic platform for multi-stakeholder meetings, which offers a space to share experiences and lessons of working with and through a variety of MSPs in a non-evaluative environment. Through such platforms, governmental organisations can identify spin-off effects of local successes to be reproduced nationally.
6. Strengthen the capacity of the different actors participating in MSPs

Local ownership and support at national level are both critical for a project’s success. At both levels this involves the capacity of different actors

- HOW: Identify institutional weaknesses by means of a stakeholder analysis and needs assessments and support activities to strengthen the capacity of stakeholders in response to their real needs. Also consider the positioning of these organisations and political dynamics in their institutional and political context.

- HOW: When the capacity of one (or more) of the MSP members proves to be weak, it may be advisable for the MSP to temporarily shift tasks in project implementation and, at the same time, to initiate activities to strengthen the capacity of this stakeholder.

7. Encourage MSPs to develop a strategy to ensure sustainability upon project completion and create a mechanism to monitor this strategy

Sustainability of projects is a very important issue, but stakeholders feel that donors do not sufficiently address post-project sustainability.

- HOW: Identify, from an early stage, necessary conditions required to enable project sustainability. The MSP should discuss these conditions with relevant stakeholders, and jointly develop a strategy to address these at an early stage. This should include a plan for effective revenue collection upon completion of the project.

- HOW: The modalities and timeframe that most donors use limits the possibilities to create follow-up monitoring strategies. Donors should therefore incorporate a mechanism for monitoring the sustainability of their projects.

MSP spin-off

The World Bank ‘Implementation Completion and Results Report’ for the Landfill project in Jenin District reports that when the Joint Service Council was established in 2000, the council consisted of 15 municipalities and 5 village councils. Nine years later, this number had increased to 56 communities (WB, 2009, p. 15).
This Policy Brief is based on one of the first in-depth studies about the impact that multi-stakeholder processes (MSPs) for service delivery can have on state legitimacy in fragile situations. Strengthening the legitimacy of the state and its institutions is an important aspect of processes of post-conflict reconstruction. How service delivery through joint state/non-state initiatives impacts such legitimacy, however, has up to now remained largely unexplored.

Research was conducted in four countries: Burundi, Nepal, DR Congo and the Palestinian Territories. It took place under the auspices of the ‘Multi-Stakeholder Processes, Service Delivery and State Institutions’ working group of the Peace, Security and Development Network (PSDN). This Policy Brief presents main findings, challenges and recommendations for donors and other stakeholders involved in MSPs. A comprehensive Synthesis Report of the research is available at www.psdnetwork.nl.

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