

## The Evolution of National Water Policy in Honduras

The Honduran water sector was traditionally managed in both a hierarchical and bureaucratic style. For over half a century, the National Autonomous Service of Aqueducts and Sewage Services (SANAA) played a central role in water management in Honduras. Nearing the end of the 20<sup>th</sup> century, in the wake of Structural Adjustment Programs, it is estimated that around 90% of water in Latin America still remained in the public domain (World Bank, 2004). However, as international institutions began to rescind their previous support of privatization and free market strategies as mechanisms for resource provision in the Global South, a groundbreaking shift towards decentralization of water provision in Honduras took form.

The first step towards decentralization of water systems in Honduras evolved out of the Poverty Reduction Strategy Papers (PRSPs)—documents mandated by both the IMF and World Bank before a country could be considered eligible for debt relief through their Heavily Indebted Poor Countries (HIPC) initiative. The adoption of the PRSP in Honduras in 2001, a document created in “broad consultation with stakeholders and development partners”, (RH, 2003: 17) was in keeping with the Modernization of the State (*Modernización del Estado*), a national reform that sought to reconfigure the role of government and the production of modernization not as an end, but rather as a means for development (Consenza, 1999). This 1992 law distinguished two governmental action levels towards modernization: subsidiary and internal. Speaking to the former, intermediary bodies were framed as the direct developers and the state was designated as the promoter, or the generator of the base conditions needed for efficient and interconnected development measures at all levels of society. Therefore, the state’s role

in development was to, “define policies, establish normative bodies, promote market conditions for investment and competency, facilitate private investment, and foster economic stability and growth” (Phumpiu, 2008: 16). Secondly, and internally, public administration was to be altered in a way that both promoted management simplification and administrative flexibility. By promoting both internal administrative measures and external policy shifts, the state was to be repositioned from its current role as chief agent into a supporting role in public service provision (ibid.: 17).

This massive push for decentralization through the Modernization of the State reached the Honduran water sector by the early 2000s with the national Water Institutional Reform (WIR). In 1990, the Municipal Law had dictated the shift of responsibilities concerning water and sanitation service, supply, and management to the municipalities. This declaration included the decentralization of water resource management, a sector that had been in the hands of the state for over fifty years in Honduras (ibid.: 18). However, without the necessary funding to make this process a reality, the decentralization of the water sector through the 1990s was slow and brought about little perceivable change. It wasn't until 2001 when the Honduran PRSP was approved by the Directorates of the IMF and the World Bank that sufficient funding was made available to municipalities to assume control. Then, in late 2003, when the official PRSP had been finalized, decentralization of the Honduran water sector was truly initiated through the help of several cooperation agencies and the Water and Sanitation Program of the World Bank (IMF, 2003).

In keeping with the Honduran PRSP's emphasis on participation and stakeholder involvement, the Water Framework Law (*Ley Marco Del Sector Agua Potable Y*

*Saneamiento*) of 2003 cemented the decentralization of water management from SANAA to individual municipalities. Community water boards (CWBs), entities that had long existed in communities both with and without existing water treatment infrastructure, were suddenly granted enhanced autonomy. As reported by the United Nations Development Programme (UNDP), the Water Framework Law of 2003 executed a complete overhaul of the existing regulatory, technical, planning, and political frameworks in place. While the communicated objective had always been to deliver the highest quality of services through the most responsive of actors, at the turn of the millennium it had become clear that the existing centralized approach to water management was severely inattentive towards the needs of small towns and rural areas (2004).

This impact of geographic location upon Honduras's public service provision systems meant that grassroots movements towards decentralization long preceded the WIR. Due to the nation's mountainous topography, the state as a centralized service provider had been historically non-operational in a majority of sparsely distributed rural towns and villages. This absence of government and lack of service coordination gave communities a high degree of autonomy out of necessity rather than legislation. CWBs and other community based organizations were tasked with delivering water, either raw or treated, and the implementation of successive reforms at the turn of the millennium and the development of funding from cooperation agencies created a natural transition for many local institutions from informality to nationally recognized organizations (RH, 2005).

At the time that the Water Framework Law of 2003 came into being, 4,500 rural piped water supply systems existed throughout the Honduran state, each serving 1,200 users on average. Rural wells and hand pumps were serving an additional 250,000 people. It was estimated in 2003, however, that the actual coverage of these systems was only around 70% (World Bank, 2004). Decentralization of services was receiving overwhelming international support, and seeing as financial assistance was conditional upon cooperation, several efforts were made to expand infrastructure to the underserved rural peripheries of the state. Attention and strengthening efforts with regards to CWBs had been in place since the 1990s, but with pressure from the IMF and World Bank, the Honduran national government began to formally recognize their importance in the management chain and worked to make it easier for local water boards to adopt standardized by-laws that would make them legal operating entities under the state. Several NGOs, particularly international cooperation agencies, adopted policies and aid strategies that would indirectly bolster support for CWBs. However, in the wake of the publishing of Honduras's PRSP, it became clear that many of the key elements for effective resource provision that were not being supplied by the national government or other external actors could not simply be supplemented by outside funds (*ibid.*).

Through the WIR, bureaucratic government was to be replaced with features of governance, a concept quickly gaining popularity among international actors. The success of governance, a process that implies more participation and consultation in policy and decision making by affected and informal actors and its success is highly dependent on context, however, as exemplified through the outcomes of the water authority decentralization of 2003 (Kooiman, 1999). In general, despite past grassroots efforts,

local actors were not prepared to take control of management processes at the time of implementation. The lack of transition time between processes of government and governance left CWBS with an influx in autonomy, but also a range of new responsibilities for which they had not received training or sufficient funds to handle appropriately. The WIR process therefore faces a number of setbacks including, but not limited to: time limitations, asymmetry of information among actors, unclear role division between old and new organizations, and an overlap of functions and responsibilities (Phumpiu, 2008).

Though this slow fragmentation and delegation of SANAA's traditional central role in the Honduran water sector has been effective in jumpstarting the shift from the tradition of the bureaucratic state, the variability of implementation context and vague nature of guidelines surrounding this transition has made for a range of outcomes. Though there is an extensive chain of international, national, and local actors involved in Honduras's water management system today, much of the variability of outcome can be tied back to conditions on the local level, primarily those affecting the relationship between the governing municipality and its associated CWB.