

EXPLORING URBAN GOVERNANCE IN URBAN WATER SERVICE PROVISION IN ETHIOPIA

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Abstract: *The goal of this study is to investigate the governance modalities and capacity in Ambo city water service Enterprise, as well as how the Enterprise successfully delivers the water service. Weak urban center capacity in terms of finance and personnel; as well as challenges with governance where there is a lack of accountability for services and a lack of responsiveness and transparency. These constraints continue to make the supply of water services a hollow and unmet promise, and prevent equitable access to the benefits of urban service provision. To address research objective, a qualitative methods research approach is used. The research finds that, while private sectors are the most prominent non-state actors, the public roles are still undervalued. Platforms designed in various institutional settings and reform programmes that allowed the peoples to participate are still trailing behind in the city. Water Enterprise in the city is less responsive to the demand of the public. The fundamental causes of this challenges are limitations in political interferences in prioritization, as well as manpower capacity. The lack of media coverage and proper voice tools has severely hampered public responsiveness. On the other side, there is no clear mechanism in place to hold Water Enterprise directly accountable to the water users (customers) in the city. Similarly, the key obstacles, the unbalanced allocation of budget for additional specialized themes in the Water Enterprise, made urban governance and urban water service provision problematic. These have in turn the impact of impeding the level of accountability, responsiveness, and transparency. Nevertheless, for improved performances of the Water Enterprise in the city, increasing the capacity of Water Enterprise should not be the exclusive solution. Instead, laws and policies must be implemented that empower demand sides (the general public), so that they will be able to safeguard their voice and hold service providers accountable for ensuring that the urban water service is demand-driven. This article, therefore, contends that adequate urban center capacities, consolidated accountability and transparency mechanisms, and strong collaborations between state and non-state actors could help in overcoming issues with urban governance in Ethiopia's urban centers in general, and Ambo urban center in particular.*

Keywords: *Accountability; good governance; NSAs; transparency; responsiveness; and water service*

Introduction

A nation's socio-economic development is significantly influenced by the development of its water service. It is also politically significant for maintaining regional integrity. It is an additional investment that helps other development efforts run more smoothly (Fenta, 2007). It therefore plays a facilitative role in fostering development alongside other factors like political conditions namely conducive policies, legal frameworks, and political stability; the availability of finance for investment; and high-caliber manpower capital. There is growing discontent with the delivery of urban services in the majority of developing countries. Water supply service availability, coverage, and quality problems are prevalent (OECD, 2008). For instance, according to UNDP (2006), over 1.2 billion people worldwide do not have access to enough clean water. African

countries, like the majority of developing countries, face significant challenges in giving equitable and effective and urban services (ECA, 2005b). Despite the fact that a number of causes have contributed to this occurrence, the basic challenges are essentially related to inadequate local government capacity in terms of personnel and finance, as well as governance problems characterized by a lack of responsiveness, transparency, and efficient accountability procedures over urban services. The poor are frequently excluded from the design and supervision of programmes and policies that influence their lives. The lack of service provider and government response to citizens needs and rights as well as poor levels of transparency are to blame for this. These are the primary issues that must be solved so as to offer alternatives to the incapacity of water service provision. Ostrom (1996) offered an alternative perspective on this inability to supply services, stating that rather than consolidating government agencies, effective government agency performance can only be attained by increasing their responsiveness to customers (service users).

Because of these governance issues, there may be a conflict of interests between the service provider and the public, as well as information asymmetry where service providers are more knowledgeable than the general public (Waterman 1998). The existence of information asymmetry can be attributed to government information access restrictions have resulted in poor urban service provision by government body (sector office/enterprise) and backward communication technologies. Furthermore, concentrating solely on the supply side of urban service provision does not improve efficiency; it must also focus to the demand side, where customers (service users) request improved urban service provision via better state actions and decisions. Ethiopia is the world's poorest countries, with government organizations delivering poor urban water service, as well as a lack of accountability, responsiveness, and transparency. Despite significant growth in water service provision, Ethiopia has been ranked below among the countries in the world in terms of this urban water service. With the growth of this urban water service, non-state actors' roles in urban water service provision is not as significant as it can be. Using Ambo city administration as a case study, the goal of this article is to investigate the governance modalities and capacity in Ambo city water service Enterprise, as well as how the Enterprise successfully delivers the water service. The research paper focuses on the role of various actors (state and non-state actors), as well as evaluating water service delivery in Ambo city administration from the perspective of governance principles such as accountability, transparency, and responsiveness, as well as the interaction of citizens (principals) and service providing Enterprise.

The literature review as well as an analytical framework are presented in section 2. The study's methodology and approach are discussed in section 3. The analysis is informed by a review of the relevant regional laws as well as an investigation of actual practice based on fieldwork undertaken as part of a PhD dissertation in Ambo city administration is discussed in section 4. Finally, section 5 offers a few conclusions and recommendations.

Review literature and analytical framework

Since the 1980s, following Woodrow Wilson's conceptualization of public administration, made in 1887 (Wilson, 1987), and later more theorized by the thoughts of Max Weber and Fredric Taylor (Mukanyajena, 2012), the responsibility of public service improvement and provision has been an agenda in academic debate based on various

theoretical justifications. Both the Traditional (classical) Public Administration (TPA) and New (modern) Public Management (NPM) theories were up for discussion. The TPA theory, according to Mukanyajena, derives its main theoretical foundations from the ideas of Max Weber (Germany) and Fredric Taylor (USA). The fundamental features of this theory comprises an administrative style that is solely on the basis of 'hierarchical model of bureaucracy' with the notion that the personnel is neutral, permanent, anonymous, there to serve the public interest, administers public policy that is designed by experts and politicians, and the only output of public organizations is the public service (Mukanyajena, 2012).

The state's complete control over the bureaucracy and inefficiencies in public service delivery have necessitated a new approach to public management over time. As a result, the TPA, which was primarily focused on 'planning and bureaucratic hierarchy' as well as direct control and central way of organizing and delivering public services, was transformed into the NPM, that is based on market rules (Stewart and Walsh, 1992), and the strategy has adopted a number of managerial frameworks and performance mechanisms from the private sector for use in the public sector (OECD, 2013). Despite the fact that the aforementioned two theoretical frameworks have had success stories at various periods, their primary focus for improving public service provision is from only the actors of supply side. That is, according to the TPM, the state is the exclusive provider of public services, and greater service delivery can only be achieved via the formation of central planning and a bureaucratic structure. The NPM, on the other hand, has stepped in to acknowledge the private sector roles with a market-oriented mechanism to the government sectors/enterprises so as to fill the efficiency limitation of government agencies that cannot fully satisfy the public need. Like the TPM (classical), the NPM exclusively considers the supply side that means only on the function of government agencies and private providers of public services.

This article will discuss and use a Principal Agent Theory and Responsive Governance Theory, which looks at how public service provision should take in to account urban actor roles in the demand side, in light of these theories mentioned above, and their limitation of the focus only on the supply side of the service provision. Urban service customers are referred to as the demand side in this context.

The Responsive Governance Model

In today's world, urban service provision necessitates the involvement of multiple stakeholders representing various parts and interests of society with specific ideas of governance rather than government. This means that, rather than focusing solely on the government/state as the sole provider of services, consider including the role of community members; NGOs; and private sectors, in urban service provision or improvement. Birner (2007) defined urban service provision as an action that entails identifying both demand and supply mechanisms in the responsive governance theory. As a result, an improvement in urban service provision in this case can result from a good governance system on both the demand and supply sides. The interaction of supply and demand actors can be viewed through the lens of the Principal-Agent Theory. The demand side represents the people's interests (the principals), service providers (the agents) are represented on the supply side. The supply-side strategies aim to enable poor people to interact their demand for urban service from accountable service providers, whereas the demand-side strategies aim to

capacitate and improve 'incentives of service providers' so that they offer as per the people needs. In some instances, a mixed strategy in which urban service users are directly involved in urban service provision can be used (Birner, 2007).

Demand-side strategy

This strategy focuses on voicing aspects and the accountability good governance. It is increasing citizens' capacity, particularly of marginalized societal groups, to voice their questions and complaints in order to demand better urban services, as well as ensuring the accountability of urban service provision government organizations by providing proper institutional setup to make this interaction easier. The general goal of demand side is to address the "voice, regulation, financial management, transparency, and accountability dimensions of governance" (Awortwi, 2012).

Supply-side strategy

A supply side strategy is one that focuses on improving the capacity and incentives for urban service providers so that they can meet the needs of the people. Multiple stakeholders namely CBOs; NGOs; private sectors; and citizens, are involved in the delivery and production of the service in this case (Birner, 2007). The supply side mechanism will outperform if the following conditions are met:

Although the demand side strategy provides public assurance that the urban service provider will be held accountable and citizens will be able to voice their demands, supply-side service providers must also be able to respond to people demands by providing better urban services.

New technologies and innovative approaches; fiscal and administrative decentralization; and ensuring non-state actors' roles in urban service provision.

Innovative approaches comprise of service standardization based on customer satisfaction and production quality, as well as displaying and computerizing organizational performance. This has the potential to increase transparency. Fiscal and administrative decentralization, on the other hand, strengthens local governments' by providing them with political autonomy and financial resources. It does, however, assume that service providers are efficient and effective. Finally, non-state actors can engage via outsourcing, contracting, privatization, and PPPs. This approach is used when the government agency's capacity of service provision is limited in comparison to the increased service demand, non-state actors can fill the gap by increasing their contributions in the sector.

Outsourcing (contracting) by government organizations to private sectors, as well as any interaction between them, requires a mutually beneficial bilateral agreement, assuming the government organization primarily plays 'agent' role and outsources activities that are beyond its ability to be performed by private sectors as per the time frame, quality, and quantity needed by the principals, the people. If a relationship exists between a private contracting party and urban service provider in order to meet the needs of the people, it should adhere to a series of transparent tendering processes that benefit both the urban service provider and contracting firm, as well as the people and the urban service providing agency. Giving free information to stakeholders, the media, CSOs, the general public, and how stakeholders use it, matters in terms of accountability. Transparency also allows for the highest level of accountability (Paul, 2008). Accountability is essential in any procurement and public tendering. A system lacking in accountability and transparency

may expose public resources to waste and corruption. These two elements are required even in systems with low levels of corruption and embezzlement. Because they enable the non-state actors and the government to identify existing inefficiencies and monitor each process of urban service provision, they can be reshaped to provide services that meet public demand (Bashua, 2013).

A lack of accountability encourages corruption. As a result, Brinkerhoff (2004) identified three major components of accountability. These are objectives and end-result measurements that aid in monitoring and sanctioning corrupted activities. However, an advancement in the enabling information system that aids in the measurement of output and input production and use; monitoring organizations and other CSOs seeking to expand best practices; and penalties for poor performance and incentives to improve performance are implemented.

Principal-Agent Theory

A principal agent governance theory is concerned with the interaction between the agents and the principal and its influence on the provision of urban services to the demand side (Awortwi, 2012). The Principal-Agent Governance Theory was founded in an attempt to address the Agency risk. This occurs when there is a conflict of interest between the agent and the principal, and when the principal's efforts to fulfill the interests of the agents are either expensive or unachievable that the principal outweighs the benefits. With this theory overview in hand, the following question is, who are the agents and who are the principals? Various literatures on the Principal-Agent Governance Theory used numerous entities as agent and principal as per their role in the cause of interaction between them. Gialmard (2010), for example, considered the government organs as agents and people as principals. Amagoh (2009), on the other hand, views the private sector as an agent when handling some of the government 'agencies' outsourced activities, and the government as a principal when outsourcing/contracting out some of its operations to private sectors.

The interaction between the agent and the principal is primarily characterized by information asymmetry. When information is asymmetric, occurs when information critical to achieving the principal's goals and/or assisting the agent in acting on the principal's behalf becomes asymmetric. In this instance, the information that assists the principal in achieving the goals that fulfill the demand is available to the agent at a significantly lower cost than the principals, implying that the agent is more knowledgeable than the principal. Because of these two entities information gap, the agent may benefit from having more information and be on its way to impose its interest on the other. The agents' information advantage, however, causes principals to request the service of the agent rather than pursuing their goals directly through their own methods or actions. For example, some professional services may be sought by a principal for which they lack information and professional competency. In this case, the agent may pursue its financial gain by charging the principals far more money than the work worth. Because the principals are unaware of the cost of providing the service.

Principal-Agent Governance Theory has primarily focused on agency costs, which are the costs incurred by the principal in order to minimize agency risks. The cost of agency arises as a result of the agent's bad faith and self-interest, which may cause challenges with the two entities' contractual agreements. There are two options for mitigating these risks. The first is to establish a monitoring mechanism to control and track the agent's

performance in order to determine how well it is meeting the principals' objectives and impose sanctions based on monitoring data. The second is to provide incentives for improved performance. Incentives can be distributed in a variety of methods. These are the financial incentives that enable the agent to act the best interests of the principals and compensate them when the agents fail to meet their demand. The Principal-Agent Governance Theory, however, has limitations. These are one-sided because it harmed professional ethics and the agents' loyalty while addressing their agents' goals and stained their image as if they were usually self-centered (Davis et al, 1997). In many instances, agents operate respectfully in accordance with the value of the principals' goals, such as CBOs. Naturally, the agent isn't usually expected to be self-sacrificing, but rather to recognize that mutual benefit brings more benefits. The Principal-Agent Governance Theory, on the other hand, has overlooked the Principal's opportunistic behavior, particularly when government officials seek personal gain, resulting in disagreements with private sectors (Ibid).

In the case of government agencies outsourcing activities to be performed through contractual agreements with private sectors, the question is how to deal with the private sectors' poor performance and why contract out. The main reason for contracting out some of the activities of public sector's is that governments are ineffective at dealing with the entire public sector (Huque, 2005). In this case, efficiency refers to the reason for contracting out is due to the public sector's limited capacity because of the presence of limited manpower and a cost-cutting strategy. However, contracting out has been criticized because it tends to undermine basic public values such as equality and hampers the ability of government agencies (Brown et al, 2006). The extent to which the principals as demand side actor control over the urban water service providing government body with mechanisms like accountability, transparency, and the readiness of the government bodies to inform the people via governance mechanisms like transparency and to satisfy the people needs by being responsive has not yet been assessed in Ambo city of Ethiopia. As a result, within the context of the Principal-Agent Governance Theory, this article attempts to look in to the extent to which urban governance principles are implemented, as well as the capacity and involvement of the various actors in the line of water supply service provision.

METHODOLOGY

Research focus and area

Many service provisions, including sewerage systems, roads, electricity and water, are accommodated by urban service delivery. This study, however, focuses on the water sector, which is the most helpful in the process of local development. As a result, Ambo city administration was chosen as the research topic for this study. For the following reasons, urban center government in general, and Ambo City Administration in particular, was purposefully chosen as the case for the study. The preference for urban over rural areas stems from the fact that urban centers are congested in limited areas and require more sophisticated infrastructure and services than rural counterparts. However, due to limited resources, urban centers are unable to offer all of the necessary urban services. As a result, the imbalance between demand and supply in urban services has prompted the participation of local residents in order to meet their demands. As a result, urban centers are the local administrative entities with the most mature involvement to undertake significant research.

Residents of Ambo City display a variety of occupations and professions that are both diverse and varied. Additionally, there are numerous non-governmental and governmental actors in the city that are engaged in development efforts. These criteria permit examining urban governance in water service provision and its repercussions from the perspectives of various City residents and the government. The other reason for choosing Ambo city was for the administrative ease of the research. Due to the project's restricted budget, it was impossible to conduct in-depth and dependable research in faraway locations without sacrificing the quality of the investigation. According to statistics from the Oromia Region Industry and Urban Development Bureau, Ambo city was regarded as one of the finest practices in incorporating non-state actors such as residents and private sectors in development activities among the Region's urban centers.

Data collecting methods and sampling

The study used a combination of secondary and primary qualitative data from semi-structured interviews and several published and online secondary sources of data. A desk review was done to produce policy and strategic-related information on the development and performance of the water sector. Key informant interviews were done with informants from both the demand sides (the general public) and the supply (public service providers) to acquire primary data. The interviews centered on questions about collaboration among the various actors, accountability, and transparency of Water Enterprise, as well as the issues those actors face and potential for sector development and reform. Purposive sampling was used for the sample technique to select respondents from both the urban service users and urban service suppliers. Respondents from both the demand and supply sides were classified as stakeholders in the delivery of water service. Purposive sampling was used to choose the Water Enterprise Manager and Enterprise officials for interviews. The total number of respondents from the Water Enterprise was four. Two private-sector representatives were chosen. Water customers from Kebele 01 was also used as a focus group discussant. As a result, 6 people were interviewed as respondents from both the demand and supply sides, as well as one FGD from the demand side.

RESULTS AND DISCUSSIONS

Capacity of Ambo City Water Supply Service Enterprise (ACWSSE)

Charles Polidano (2000), has identified three methods for assessing the capacity of the government sector. These include the capacity of executing government-designed policies; providing public service; and providing optional policy advice to top-level decision makers (Polidano, 2000). According to the assessment results, ACWSSE has a limitation in implementation capacity, which prevents them from fully supplying the water service to the increased public demand. The most significant capacity gap identified by the CWSSE in the city administration is a lack of financial and manpower.

Financial Capacity

Ambo CWSSE was formed in 2004 (Article 20 (1), Proclamation No. 78/2004). According to the same Proclamation, the Enterprise is administered by its own fund using the cost-recovery principle. Similarly, the same Proclamation stipulates that the Enterprise's sources of funding are water charges and sales, grant, donation, and loan

(Article 20 (2a-e), Proclamation No. 78/2004). The findings of interviews with key informants from the Enterprise's V/Manager revealed that, since its inception, the budget of the Enterprise has also been supported by external financial sources such as donor agencies, the regional government's capital and recurrent budget, and city administration. The CWSSE does not generate enough funds on its own, despite the fact that the CWSSE could have generated a large amount of its earnings on its own. Of course, the CWSSE has made an effort to maximize its own income by performing various tasks for external customers such as garage services, machinery rental and construction of water supply, among others. According to the findings of interviews with key informants from the CWSSE Manager, the Enterprise's continues to face financial constraints in order to carry out its mandate; managerial challenges related to its organizational structure as well as inadequate labor-based tools for building community water delivery lines.

Manpower Capacity

The purpose of establishing an Enterprise is to enable the Enterprise to be sustainable and efficient as well as to provide operational autonomy (Preamble, Proclamation No.78/2004). According to the findings of interviews with key informants from the CWSSE Human Resource Department, the Enterprise lacks manpower's with the appropriate educational background for full operation. The Enterprise, for example, has no people with hydrology, geology and engineering backgrounds, despite the fact that the Water Board obviously requires them. Individuals with insufficient expertise in the system of water supply design have been assigned to the technical department in the Enterprise. According to Booth (2010), the result of this gap is that growth efforts are frequently hampered by a lack of competent and skilled personnel and performance. It is frequently the result of the impact of poor or absent leaders and a system that might be perceived as a role model by subordinates who may conduct development initiatives that are prevalent in bureaucratic institutions. These issues may keep regulations from being enforced, instructions from being ignored, and functions from being carried out. Similar to this notion, other key informants stated that the CWSSE's manpower's are dominated by unskilled, elderly, and unproductive employees. Furthermore, managers with unrelated qualifications such as V/Manager & Work Process Owner of Water Supply Service; and Finance and Property Administration Work Process Owner hold the bulk of managerial posts. This could jeopardize the full execution of developmental plans, adoption of new technologies, technical manuals, regulations, laws, as well as modify the CWSSE's service provision. The overall consequence of the interview responses is that despite having a large number of personnel, the CWSSE in the city has been operating at less than full capacity.

Furthermore, some technical workers purposefully make the water distribution system ineffective so as to obtain corrupt money. According to the findings of interviews with key informants from the Enterprise, water users (customers) doing business were willing to pay for operating and maintenance expenditures. Everything becomes stuck when managers shift positions, both in terms of expertise and leadership. The free flow of institutional memory and knowledge are hampered in such cases. As a result, the Enterprise faces serious capacity issues as a result of the inability of the Enterprise to hire experienced and appropriately trained personnel and shortages of skilled personnel. Ambo CWSSE lacks sufficient and trained staff to run and govern effectively. In summary, the Enterprise's manpower and financial capacity is limited, forcing it to depend on the BoWER. Water

service governance is hampered not only by a lack of capacity at the Enterprise level, but also by a lack of institutional partnership between the concerned bodies and the Enterprise.

Urban actors in urban water sector and their role

Improving water service is a key strategy in Ethiopia's poverty-reduction strategy (FDRE, 2010). And, because its development necessitates significant manpower, financial investment, and various specializations, it is clear that governments, particularly governments in developing countries such as Ethiopia, cannot meet the demand for water services on their own. As a result, participatory governance involving various actors from the community, donor agencies, and private sectors is required to involve multidimensional knowledge, skills, and resources in numerous activities so as to meet public demand for water service. Generally, the implementation of the multi-stakeholder strategy and activities of capacity building focuses solely on capacitating service providers. The community's role is largely ignored. As a result, enabling the demand side, particularly the poor, to interact their demand for the service by holding accountability of urban service providers and the ability to voice their complaints and questions can be accomplished by providing a proper institutional setup that facilitates this relationship (Birner, 2007).

The findings of this study indicate that, apart from the state as the primary actor, non-state actors play an important role in water service provision. The activities of state and non-state actors have become intertwined, and each actor has a unique influence in the provision of urban water services. Birner (2007) stated that creating an enabling environment for the engagement of non-state actors such as the community, CBOs, private sectors, NGOs, and so on apart from the state is one of his proposed strategy so as to improve the provision of urban water services from the supply side. As a result, this section discusses the state and non-state actors who participate in urban water service, as well as the roles of the various actors involved in water service delivery in Ambo city administration.

State Actors: Who is involved and what is their role?

The state actors involved in water service delivery include the Ministry of Water Resource (MoWR); the Bureau of Water and Energy Resource (BoWER); Ambo City Administration; and Ambo CWSSE. The MoWR is in charge of developing national water policies, action plans, and strategies, as well as establishing national standards for water infrastructure, water quality and other relevant standards. The Ministry is also in charge of overseeing and monitoring the execution of policy and strategic instruments, as well as sector standards in general. At the regional level, the BoWER is an executive organ in charge of developing regional regulations and policies, as well as implementing federal strategies, policies, and action plans. The BoWER now has key primary regulatory authority over the CWSSE. As per Article 23 (2) of Proclamation No. 78/2004, the BoWER has the authority to: ensure that the services provided by the Enterprises are in accordance with Ethiopian laws and the policy of Water Resource Management of the country; create favorable conditions for the Enterprise to receive necessary support from the NGOs and government in the form of grants, loans and gifts; finalize the Enterprise's overall water tariff recommendation, amend or reject it, or implement the corrected tariff; and issuing necessary directives (Article 14 (2), Proclamation No.78/2004). Furthermore, BoWER's

mandate is to build capacity, support, and approve water project funds. The Bureau has been involved in urban water supply project monitoring, planning, and evaluation. The Bureau approves funds for water projects, whereas the Enterprise serves as a source of information, as well as facilitator, and participant in water projects. The BoWER is currently in charge of the administration of the CWSSE.

According to the interview with the CWSSE Manager, the CWSSE is making significant contributions to the development of water services in the urban administration and surrounding rural kebeles. The CWSSE is authorized and working on water distribution lines and undertaking water-related works, such as service expansion; to enter into partial contracts with other parties; to sell or procure consumable and fixed assets; to use revenue collected from drinking water services; and to engage in any relevant activity (Article 5 (1-5), Proclamation No.78/2004). Key stakeholders in the city administration, such as the Bureau of Works and Urban Development and the municipality, play a role in planning and collaborating on the expansion of water supply service, and they occasionally come to CWSSE as customers. For example, as per the interview with CWSSE Manager every year, Ambo Municipality office enters into an agreement with the CWSSE under which the Enterprise builds intercity water supply distribution lines at standard rates set by the government.

Non-State Actors: Who are they and what do they do?

The CWSSE Manager told the researcher, the community, Donor agencies, and private sectors are among the non-state actors collaborating with Ambo CWSSE. The findings in the city administration indicated that various actors were involved in the delivery of water services. Donor agencies such as the World Bank are funding water supply projects and building the capacity of the CWSSE by providing funding for long-term and short-term trainings, garage equipment, laboratory equipment, office furniture, and so on. The private sector is also a fundamental partner in the delivery of water services. Local private sectors engage in city administration, primarily by performing civil works for water supply line installation. Another aspect of private sector engagement in water supply efforts in city administration is the engagement of private small-scale plumbers in maintenance. In the city administration, members of the community are also involved in the delivery of water services. Communities, for example, contribute labor and finance voluntarily to facilitate water supply line installation. Even though the community is raising initiatives to act as a principal in requesting water service and the Enterprise must be held accountable for the late responses to their demands or questions and maladministration, the role the communities are playing in offering free labor for the maintenance and construction of urban water service is minimal. This is not due to a lack of desire on their part. However, the CWSSE has overlooked the critical role that they will play in resource mobilization and planning processes. The community is assisting the sector with financial and labor support in some villages and kebeles of the city administration to facilitate the installation of water systems at their localities through their own initiatives.

According to the interviews with CWSSE V/Manager and Planning work process owner, these non-state and state actors have direct and indirect interaction, however, all interactions are formal while donor agencies are not always directly involved. They finance water projects via the BoWER in the context of Ambo CWSSE, while they also engage in

activities of capacity building directly with the CWSSE. However, the private sector's involvement is via formal agreements and directly. The formal agreement between the private sector and the government includes a contractual agreement for the construction of new distribution lines and water service maintenance. According to Schneider (1999), the problem in such cases is not only addressing poverty reduction issues and governance issues, but also to plan and implement governance mechanisms that ensure participatory governance. The community has raised the issue of a new water supply. When they raise this question, the most common occurrence is that they contribute funds to cover at least a portion of the construction costs and to engage with their free labor.

Furthermore, as per the interview with the CWSSE Manager, the community as a whole is safeguarding water projects from theft and robbery; existing water service supplies from damage caused by farm land expansion; resolving rights of way issues via discussions with elders so that the CWSSE is encouraged to provide the best quality water supply in their area; and so on. However, from the perspective of the CWSSE, the supply of the water service does not appear to be demand driven. This is because the majority of water supply users stated that they have never participated in any planning activities with the CWSSE and believe the CWSSE is less responsive to their demands and questions. As a result, even though the CWSSE has been successful in expanding the city administration's water service and steps have been taken to allow some non-state actors into water sector governance, community participation is still in its infancy.

Good Urban Governance Principles in urban water service provision

The principles of urban good governance in urban service provision in Ambo city administration will be assessed in this section, with a focus on city water service. In recent years, policy research and forums have focused on addressing issues related to development and urban governance relationships (Grindle, 2004). Apart from its betterment of development indicators and its recognition as a goal for development, the importance of urban good governance as a means of development is becoming an issue (Gisselquist, 2012). As a result, the widespread belief in the importance of urban good governance includes its role in investment and innovation; ensuring checks and balances; reducing transaction costs; market exchange and poverty alleviation; avoiding rent seeking mentalities; contract enforcement; and ensuring community participation in development and government activities. Unless and until this happens, a lack of good governance in local government may slow development and prevent policies and public services from reaching the poor (Fenta, 2007). Urban good governance is a component of any entity's organizational management process that includes administrative issues; financial management; planning; monitoring implementation; manpower; reporting; evaluation; and communications. As a result, it is the main topic among non-state and state actors involved in urban service provision for the greater good. Government agencies are expected to be accountable for their outcomes and goals, and their governance capacity is transparently demonstrated. The following are the main urban good governance principles to be discussed in light of the findings of this study: accountability, transparency, and responsiveness.

Accountability

According to Armstrong (2005), "Accountability' is the obligation and answerability of public institutions or officials to report on the utilization of public resources and failures to serve the public as per the standard and amount set in the objectives" (Armstrong, 2005). Ambo CWSSE's accountability can be viewed in two ways: it has formal accountability to the Water Board (WB) as well as indirect accountability to the people, because the Enterprise was created to serve the peoples' best interests. Because Ambo is Oromia's second-grade urban center, the WB of Ambo CWSSE is accountable to BoWER (Proclamation No. 97/2005). Ambo CWSSE is accountable to the Bureau's Board of Directors. Top-level administrators, the BoWER, and the WB all use periodic reports on financial and physical accomplishments to ensure accountability. In theory/principle, the WB's have the responsibility to evaluate the performance of the Enterprise Manager and have the right to dismiss him/her and propose a new candidate to be appointed by them based on public opinion; financial utilization; physical progress of water supply line installation; and audit reports (Proclamation No.78/2004). However, administrative organs pay little attention to the WB and WB membership turnover is high makes to miss the accountability line. Nevertheless, as per the Key interviews with the CWSSE V/Manager and Planning work process owner, in the CWSSE, the Mayor committees/cabinets are carrying out the board's responsibilities. Since the Mayor committees'/cabinet meets to discuss all administrative issues from various sector offices, they unable to communicate water users' questions and compliant with special attention. According to the interview with the CWSSE Manager, most WB members have low feeling/self-esteem and are unaware of their accountability and responsibility.

Despite the fact that the primary goal of ensuring accountability in government is to minimize poor performance, informalities, and corruption, Bashuna (2013) argues that it should be a mandatory component of any urban service provision even in areas where corruption is low. In contrast to this notion, although the assessment results show that water users are not aware of the need to hold the CWSSE accountable, the Enterprise accountability mechanism has two significant gaps that should be addressed. To begin, the previously existing formal accountability line between the Enterprise and the WB has been severed i.e WB is not properly functional as mentioned the reasons before. Second, absence of direct mechanism in place to hold the Enterprise directly accountable to the people. According to the focus group discussion with water customers in Kebele 01 of the city, the discussants understand their role as a principal in water service delivery and that the CWSSE is an agent to serve their interests. They also understand the importance of holding the CWSSE accountable by filing a complaint. There is also agreement among water users who held the CWSSE accountable by accusing them to the city administration Mayor, which elicited a favorable response. In this regard, the focus group discussants also indicated that they are accusing the Water Enterprise of late responses to the Mayor of the city and that the city administration is acting in the best interests of the water users. As previously stated, the CWSSE has formal accountability to the WB and indirect accountability to the people because the Enterprise was formed to serve the best interests of the public. Because Ambo is Oromia's second-grade city, the Enterprise's WB is accountable to BoWER. However, shifting accountability for urban center WBs from the City Council to the BoWER goes against the water resource management system's decentralization policy. It should also be emphasized that one of the major responsibilities and activities of city councils should be checking and assisting with the water supplied to

the community they administer. What they lack is knowledge of their roles, accountabilities, and responsibilities as a result of a lack of follow-up, orientation, guidelines, trainings, and manuals.

As a matter of fact, in Ambo city, there is no mechanism in place to hold the CWSSE becomes directly accountable to the people (water users). It is critical to understand the significance of accountability in this context does not simply imply creating an organizational structure in which each institution has its own subordinate and top-level administrative sections. Rather, it entails a number of critical points. In this regard, Andreas Schedler argued how important it is to safeguard the people from political power abuse. It is also for "subjecting power to the threat of sanctions; requiring it to be exercised in open and transparent ways; and compelling it to justify its actions" (Schedler, 1999). In the absence of direct mechanisms for accountability between the urban center Enterprise and the water users (people), it is difficult to impose sanctions for irregularities and malfunctioning in the Enterprise; to compel the Enterprise to inform the people and justify the extent to which the water users' objectives are met; and force the Enterprise to perform its responsibilities and duties in a transparent manner.

Transparency

Transparency is defined as the public's unrestricted access to reliable and current information about the decisions and performance of government institutions (Armstrong, 2005). Transparency in any service provision context refers to the free exchange of information between the service users (people) and the service provider (Armstrong, 2005). Apart from the availability and readiness of a transparent working environment in any organization, the availability of appropriate institutions and media and that support in the transparency of the system is essential. Based on these findings, the following assessment of the level of transparency in Ambo urban administration water sector is presented:

The primary topics that the CWSSE is expected to publicize in any media include budget allocation to the Enterprise; contract award in terms of timelines and quality; manpower development; bid announcement and competing supplier's evaluation; and financial and physical plans as well as their accomplishments (maintenance, construction, and rehabilitation of water distribution lines). According to the assessment results on the CWSSE in the city administration, understanding on the areas/topics on which the water sector is supposed to be transparent is limited only to publicizing financial and physical plans with their accomplishment to a very limited number of stakeholders, as well as bid announcements in accessible media like local FM Radio and regional television. The remainder, such as project completion with high quality and on time, contract award, bid evaluation, human resource capacity, have been deemed unimportant by the public.

According to the interview with the CWSSE Manager, the Enterprise is publicizing and posted their semi-annual and annual performances via the public notice board. The key informants also stated that the CWSSE does not communicate with the people through any mechanism or media. They emphasize that there is a budget constraint for publishing brochures and magazines at their level. As water customers/users, the majority of focus group members stated that they had never heard anything about the CWSSE's capacity, bid process, planning and resources, planning. As per interview with the private local contractor, on the other hand, indicated that the CWSSE is not publicizing the activities of the water sector as much as it should be. Furthermore, bids are widely publicized for the

purpose of formality and attracting bidders, however, the other processes, such as evaluation bid, award, project life time, and amount awarded, are kept hidden from the people. As the assessment results show, transparency is lower, and in some cases, there is no transparency at all. Furthermore, the comprehension upon which areas/topics should be made transparent is limited only to publicizing the accomplishments and plans to a very limited set of stakeholders, particularly city council and budget providers, as well as the announcement of bids to attract competitive bidders. This entails that the CWSSE's governance capacity in the city has not been demonstrated in a transparent manner; it is difficult to assess their capacity, indicating that their service provision is not demand driven; as well as the principals are barred from accessing critical information such as information on the entire bid process to potential bidders, manpower, budget, machineries, and opportunities and challenges.

Responsiveness

For Ostrom (1975), responsiveness is concerned with the capacity of government organizations to meet citizens' demands according to their preferences. Responsiveness, on the other hand, can play an important role in connecting the supply and demand side approaches proposed by Birner (2007) by requiring service providers to work and react in accordance with the service users' preferences (the demand side). In terms of the service provided by the CWSSE, responsiveness refers to the extent to which the Enterprise responds to public inquiries about new water supply services and related infrastructure as well as upgrading existing ones of the highest quality. The following are the findings from the assessment of the CWSSE's responsiveness in Ambo city administration. As water customers/users, focus group members revealed that the CWSSE is extremely slow to respond. As a result, how long it takes them to respond can range between six months to a year. Nevertheless, when the Enterprise responded to the community's questions (maintenance existing water supply distribution lines and building new water supply distribution line), the quality of the deliverables met the society's expectations. All of the responses from the Key Informant Interviews in the City Water Enterprise have revealed that the slow response to community questions is not due to financial constraints, but rather to the enormous demand for water service which has been boosted as a result of the fact that the city was one of the enormous investment flows, which cofounded service delivery due to limited technical and manpower capacity.

As per the responses of the City Mayor and City Water Enterprise Manager, on the other hand, have revealed that the slower response is due to financial as opposed to the CWSSE, which stated reasons of manpower constraints. As a result, it has become necessary to prioritize public requests for water service delivery using the following criteria in order of importance: 1) questions about water access from the urban center's kebeles 2) some places in the new rural kebeles of the city have no access to water supply service at all; 3) investment places with limited or non-existent access water services; and 4) where the public mobilizes their own resources and able to cover the operation costs while only requiring machinery support from the CWSSE. According to the interviews with the CWSSE V/Manager and Planning work process owner, on the other hand, revealed that political meddling in prioritization; a lack of awareness on the part of the staff employees regarding the importance of serving the people as a result of internal bureaucracy impeding work processes; and capital budget delays are some of the factors that make it difficult to

carry out planned projects in the prioritized order as well as the time frame. Another major issue is a lack of community awareness about prioritization. For example, communities living in areas with low-quality water services frequently blame CWSSE for failing to improve the water service.

Nevertheless, upgrading water supply services necessitates primarily technical knowledge as well as decisions such as socioeconomic studies and, in some cases, political significance. These types of misconceptions have been explained by Stivers (1994) and Stewart and Walsh (1992) as responsiveness may result in answering public questions, but it may also redirect professionalism in service provision enterprise because they work to meet the needs of the public. Professionals are derived for the sake of democracy to satisfy broad needs of the public in an unprofessional manner. Only short-term and hot issue cases receive more attention than long-term sustaining issues. The risk that strong minority voices will pretend to represent the majority voices, leading to undemocratic decisions by the Enterprise since the Enterprise does not represent the majority. To avoid the aforementioned problems, Ambo CWSSE has been submitting a budget request proposal to conduct a study of water supply line installation of the urban center's new rural kebeles since 2021, that can be used as to avoid challenges associated with government officials' unnecessary interferences in a technical manner as well as a guiding master plan. The proposal assumes that the community would be involved in various ways in the planning, executing, supervising, and evaluation in the study of water supply line installation. For unknown reasons, as per the interview with the CWSSE Manager, however, both non-state and state financiers have rejected the proposal.

Conclusion

Water Enterprise in Ambo city administration is expanding administrative and political places for citizens to vent their concerns about water service provision, which is a positive step towards improving the water sector's performance. In spite of these, impediments to the emergence and operation of efficient governance of water service provision continue to exist, impeding accountability relationships, transparency and responsiveness. Since the role of the community was overlooked in the governance structure, water service is given on a non-demand basis. Another indicator of the existence of the situation of performing below expectations is the issue of budgetary and manpower constraints. As a result, in Ambo city a considerable proportion of coordinators and personnel's in the CWSSE are unqualified for the positions they occupy. In the case study conducted on the city of Ambo, it was determined that, besides government actors, non-state actors such as donor agencies, private sector, and the community have been engaging in water supply service to varying degrees, each with their own separate role. Nonetheless, the community's involvement as a tool to improve water service provision through demand-side strategies remains limited, resulting in water service provision that is not driven by demand.

The study focused on non-state actors' engagements in water service provision. The study's main argument was that today's urban governance system is characterized by a complex pattern of interdependence among different actors. In the context of the study, three sets of institutions that are important for enhancing water service provision: the government, the private sector, and the local people. To this effect, the decision mechanism

in urban governance is primarily based on consensus, and decisions are executed based on the interdependence of non-state and state actors. In practice, however, the decision-making in service provision is highly hierarchical, institutionalized and centralized. Decisions that affect the choices and lives of the masses, particularly those related to strategies/policies in development and the political actors who decide strategies as a dominant or hegemonic party. To this end, the solution to solving urban challenges through strategies and policies was provided solely at the request of state actors; problem solving in these circumstances is unlikely to benefit residents because desirable alternatives for non-state actors were not explored.

In Ambo city, the government/state actors dominated decision-making about water service provision. The result of this research provided insight on the government's hegemony over the private sector and the local people in decision-making about water service provision. Insufficient non-state actors' engagement in water service provision would have impeded collaborative development. Failure to increase genuine non-state actors' engagements would jeopardize their contribution to improving effective water service provisions. As a result, it hampered the role of non-state actors' engagements in bridging the city's gap in water service provisions. The main symptom of low non-state actors' engagements in the case city was the urban governance politics, which refers to those who engages in water service provision. In the case study of Ambo, state actors dominated decision-making in water service provision. The participation of non-state actors in water services contributed less to incorporating the voiceless voice into decision making. As a result, the role of partnership in bringing non-state actors who are not part of the decision-making process into it have received insufficient attention.

Recommendations

Collaborations between government and non-state actors must be strengthened. Certain collaborations have already been formed in order to improve water service. Nevertheless, there is no well-defined plan in place to develop and sustain the collaborations. As a result, clear strategies are needed to lay the groundwork for and support productive collaborations between non-state and government entities. The City Water Enterprise must improve accountability and transparency. Water Enterprise in the City ought to implement an information system that is sensitive to demand and supply information. Water Enterprise in the City must introduce a mechanism to assure the regular delivery of information to water users (clients), both with and without particular requests. Citizens should be provided opportunities to engage in the planning, management, and design of water service so as to enhance accountability.

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