

Decentralization and Local Service Delivery: the Case of Water-Supply Services in Assosa City, BGNRS

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Abstract

This study examines whether decentralized local capacity matches the service delivery functions of local government. In particular, it looks at local government water-supply service delivery, identifying factors that constrain it in the case of the city of Assosa, BGNRS. The findings are that Assosa lacks legal security and has remained dependent on regional political relations and dynamics. The insecure legal status of institutions of urban governance is seen as a means by which indigenous elites can control urban centers by using their regional autonomy to adjust the autonomy of these institutions as they deem fit. In Assosa, this has left local governance fraught with uncertainty and rendered municipal decentralization ineffective. The study also finds that decentralization has not empowered Assosa to address water-supply service demands adequately and that the city has been unable to cope with changes in urban settlement, demography and demand for water-supply services. The implication is that, for local government to be in a position to deliver water-supply services, decentralization has to ensure adequate local capacity and effective multilevel institutional and stakeholder coordination.

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1. Introduction

Decentralization is a process by which authority, resources and functions are transferred from the center to other institutions at the subnational system, with decision-making largely vested with the people (Rondilleni, 1981). It entails the transfer of authority (decision-making and enforcement power) and responsibility for public functions from the central government to subordinate or quasi-independent government. There is increasing consensus that it is a necessary element for promoting good governance, combating poverty and delivering public services effectively. Theoretically, decentralization is expected to improve public service delivery at local level because it bestows political, administrative and financial capacities on public institutions at this level. Apart from their political and administrative capacities, local governments are envisaged as having financial autonomy that enables them to finance the functions assigned to them and execute their decisions and preferences (Okafor, 2010); conversely, the lack of adequate financial autonomy makes them dependent on supra-local governments and the implementation of higher-level government policy preferences (Dafflon & Madies, 2009; Watts, 2008).

As such, one of the aims of the decentralization agenda is to improve service delivery by local governments. The latter's ability to do so depends, however, on the adequacy of their financial and administrative capacities (Shah *et al.*, 2005). In order for decentralization to bring about effective local service delivery, transferring resources and fiscal competences and ensuring adequate local capacity are prerequisites for success.

Ethiopia officially launched the District Level Decentralization Program (DLDP) in 2001-2002. Among the DLDP's core objectives were institutionalizing viable development centers at local levels, enhancing democratization, promoting good governance, and improving service delivery (Mulugeta, 2012). The program necessitated the implementation of wider-ranging activities at *woreda* level. The first factor that led to the adoption of decentralization at *woreda* level was the realization of the difficulty in managing the country's political, social and economic activities exclusively from the center. It has been evident that center and the regions neither possess the capacity nor the time to effectively deal with all the numerous issues surrounding service delivery,

issues that could be better handled at the local level (Kumara, 2006). In spite of this, the delivery of local services has remained a challenge for local governments.

The aim of this study is thus to examine the functioning of local governments with reference to service delivery. In particular, the study focuses on the city of Assosa in Ethiopia's Benishangul-Gumuz National Regional State (BGNRS) and identifies key factors that constrain urban local government in fulfilling water-service delivery. More widely, the study evaluates whether the capacity of the local government in question matches its service delivery functions, and in so doing examines how administrative, financial-administrative, political and other factors influence water-supply services.

The enquiry employs a case-study design and is informed by extensive data collection, which included conducting key informant interviews and gathering administrative and fiscal data. The selection of the respondents was purposive, and a snowball system was utilized to locate persons working in pertinent institutions and hold in-depth interviews with them. The analysis makes use of these materials to present a picture of the extent to which decentralization enables local governments to provide public services (in this case, water-supply services) and the forces that shape these outcomes. The analysis follows two lines of investigation: the first examines whether the city has adequate local capacity to meet urban water-service demands; the second examines institutional cooperation and coordination functions in urban water-service delivery.

This article has six sections. After the introduction, the second section sets out a theoretical framework for evaluating how the various dimensions of decentralization impact on local government service delivery. The third section briefly describes decentralization processes in the federal system of Ethiopia and the place of local government within it. The fourth section provides an overview of the context of BGNRS, specifically of this regional state's urban local governments, and outlines Assosa's governance set-up and financial autonomy. The fifth section examines Assosa's water-supply services in depth, while the final section provides concluding remarks.

2. Decentralization and Service Delivery

Decentralization can be understood in terms of three dimensions: political, administrative and fiscal. To begin with the political dimension, the assessment of the degree of decentralization involves determining whether the authorities are appointed by the regional and/or central government, or elected by local residents and appointed by local councils. It also involves consideration of whether locally elected politicians' decision-making is democratic and inclusive (Grindle, 2007).

Administrative decentralization, on the hand other, aims at transferring decision-making authority, resources and responsibilities for the delivery of public services from the central or regional government to local levels of governments. Assessing this dimension of decentralization involves ascertaining whether local governments meet service delivery obligations such as water supply. Decentralization can improve the delivery of public services if it develops the capacity of the relevant local institutions and creates an enabling environment for participation by non-governmental organisations (NGOs) and the private sector (Cohen & Peterson, 1999).

In turn, fiscal decentralization entails transferring power to local authorities to make autonomous decisions about revenue-collection strategies and expenditure decisions. The fiscal aspect of decentralization is meant to make local governments responsible for managing their own budgets, generating their own revenue, and generating full financial accounts. Indeed, decentralized local autonomy is unthinkable without commensurate financial autonomy, because it is local financial autonomy that determines the capability of local governments to obtain their financial resources through their own means and without recourse to, or dependency on, on other governments that either at the same or higher level as they are (Dafflon & Madies, 2009, p. 42).

Okafor (2010, p. 126) likewise maintains that a local government's financial autonomy resides in its freedom to impose local taxation, raise revenue within its assigned sources, allocate its financial and material resources, and determine and authorize its annual budget without external interference. Oates (1999) observes that fiscal decentralization has become imperative for local governments as the basis for making independent decisions

about the provision of public services. It grants them discretion over revenue-raising, confers responsibility for expenditure and revenue, and involves a system of intergovernmental transfers and borrowing (Yilmaz et al., 2008; Bird, 1993). Financial autonomy and the extent of fiscal decentralization can be measured in terms of three further dimensions: revenue-raising power; spending responsibilities; and budgetary discretion.

The first dimension, revenue-generating power, pertains to the right and the ability to determine funding sources and the amount of financial resources. It involves the freedom to decide on local tax and fee rates as well as on the way the revenues are utilized (Dafflon, 1999, cited in Beer-Tóth, 2009, p. 80). The amount of internal resources at the disposal of local governments is essential for financing at least their mandatory expenditures (Bird, 2000; Dafflon & Medies, 2009). The own-revenue-raising power available to local governments is thus of especial importance (Dafflon & Medies, 2009, p. 62). Where local governments cover a large portion of their budgets from internal revenue sources, this enables them to make more efficient and independent spending decisions (Shah, 1994). With regard to the allocation external revenue from intergovernmental transfers, the local government's revenue autonomy can be assessed by examining the participation of local units in the shared financial institutions that decide upon revenue-sharing formulae as well as the utilization of transferred resources (Beer-Tóth, 2009).

The second dimension of financial autonomy – expenditure power – relates to the right and the capability of local governments to determine the nature and magnitude of overall local public expenditure. This expenditure discretion enables them to have the freedom of deciding which goods and services shall be financed from the local public budget and how much money shall be spent on each of them (Beer-Tóth, 2009, pp. 73-79). Yilmaz et al. (2008, p. 21) make a similar argument in positing that a local government's expenditure responsibilities are an indicator of the extent to which it is capable of responding to local needs.

The third dimension of a local government's financial autonomy is its budgetary discretion to balance revenue against expenditure needs by way of preparing and approving a budget (Beer-Tóth, 2009; Dafflon & Madies, 2009, p. 45). That being noted, fiscal decentralization is essential for all forms and dimensions of

decentralization: decentralized political decision-making powers and administrative authorities at whatever level are meaningless without adequate financing.

As mentioned, in theory decentralization is expected to improve service delivery inasmuch as it bestows administrative and financial capacities and decision-making powers on lower-level public institutions. However, the impact of decentralization on local capacity and autonomy depends on the willingness and commitment of supra-local (regional and federal) governments to ensure effective administrative and fiscal decentralization. This study hence examines whether decentralization – considered in terms of its political, administrative and financial dimensions – has put local governments in Ethiopia in a position to render optimal public services.

3. Decentralization and Local Governments in Ethiopia

Following the advent of a new political system in 1991, Ethiopia has undergone two phases of decentralization. The first began in the Transition Period (1991-94) and continued until 2001-2. During the Transition Period, the nations and nationalities had the authority to establish self-governance, starting at the district level.³ Local governments in general, and urban local governments in particular, are not among the federating units of nations, nationalities and peoples that comprise the federation of Ethiopia. Except for the capital city, Addis Ababa, the Federal Constitution does not explicitly mention urban local governments.

Nonetheless, the Constitution implicitly envisages two ways of establishing local units. On the one hand, local governments can be established for the purpose of self-rule.⁴ In this regard, local government territorial units can be formed for the sake of granting self-governance rights to territorially concentrated ethnic groups within a given region. On the other hand, local govern-

3 Preamble, Transitional Charter Proclamation No. 1 (1991).

4 Article 39(3) of the Federal Constitutions states: “Every Nation, Nationality and People in Ethiopia has the right to a full measure of self-government which includes the right to establish institutions of government in the territory that it inhabits and to equitable representation in state and Federal governments.” Moreover, Article 88(1) hints at the self-rule rights of local governments, stating that “[g]uided by democratic principles, Government shall promote and support the People’s self-rule at all levels”.

ment can be set up for the sake of administrative convenience and public participation.⁵ Put differently, the Constitution hints the creation of the local governments for either ethnic self-rule or administrative reasons.

The difficulty in studying local government stems from the lack of clarity of the concept of local government or administration. The Constitution does not mention the term “local government”, but refers instead to “other administrative units” apart from the federal and regional government levels.⁶ Similarly, the same article dealing with “other administrative units” has a clause stating that “adequate power shall be granted to the lowest unit of government”. In addition, the Constitution does not mention “other administrative units” or “lowest units of government” and/or ethnic self-rule in relation to urban contexts. Given that the Ethiopian federal system is designed to provide autonomy to territorially concentrated ethnic communities, it is difficult to contemplate administrative units that fall outside this governing principle.

The regional state or other territorial units stand for the self-governance or self-determination right of the ethnic group owning the region or territory; the local administrative units established by such upper-level governments cannot detach themselves from ensuring the same right. Inasmuch as the lower units are created by and for the self-governance of the ethnic group in question – and, of course, by the regional ethnic political party – none of them can be analyzed without considering the ethnic factor. Moreover, every ethnic group that has not secured the status of regional state nonetheless remains a potential regional state.⁷ In such a context, the governing units which are now below regional state but which serve for the self-governance of a specific ethnic group shoulder two tasks: first, ensuring the self-governance of the nationality in question, and, secondly, establishing their own lower administrative units for ensuring the self-rule of the ethnic group in question.

5 Article 50(4) of the Federal Constitution provides as follows: “State government shall be established at State and other administrative levels that they [the People] find necessary. Adequate power shall be granted to the lowest units of government to enable the People to participate directly in the administration of such units.”

6 Article 50(4), FRDRE Constitution (1995).

7 Article 47(2), FDRE Constitution (1995).

Although the federal government can set regulatory standards that influence local governments through the formulation of general policies on national, social and economic matters¹ as well as through the enactment of proclamations such as that on urban land lease (Kassahun & Tegegne, 2004), urban governments have been the operational competence of regional governments. They (urban governments) are the creations of ordinary statutes, not of regional constitutions (Ayele & Fessha, 2012). However, the regional governments cannot simply form local governments as lower administrative units lacking democratic elements but have the duty to establish such governments on the basis of democratic principles.²

The preparatory work for the second phase of decentralization, which was embarked upon in 2002, shows that the original intent of municipal decentralization was to mobilize own revenue sources and strengthen the capacity for addressing the needs of cities and towns. This was part of an emphasis on harnessing and prioritizing regional resources for rural development.³ To this end, the regional constitutions were revised to decentralize and grant some political, administrative and financial powers to district or municipal governments in conformity with the national Sustainable Development and Poverty Reduction Program. In the process, urban administrations have been given the opportunity to prepare and implement their development plans (Mulugeta, 2012).

This second phase has brought about some basic changes in local government and its relationship with regional states. Previously, local government faced constraints related to financial and political powers; in particular, own revenue sources could not cover expenditure responsibilities, making it dependent on upper-level governments (Kassahun & Tegegne, 2004). Many studies (Ayele & Fessha, 2012; Yilmaz & Venugopal, 2008) show that urban governance still struggles with the dual accountability of serving the interests of the electorate, on the one hand, and meeting the requirements of upper-level governments, on the other. Furthermore, most of the decisions on legal status and planning are made by the ruling party at regional-state level and higher and passed down to the urban centers.

1 Article 51(2), FDRE Constitution (1995).

2 Article 88(1), FDRE Constitution (1995).

3 See: ET-municipality study (2001), Municipal decentralization in Ethiopia: A Rapid Assessment.

4. An Overview of Regional Context of the Case Study

Prior to their incorporation into the Ethiopian empire in 1890s, the Berthas, the largest established group of the region (Truilzi, 1976), were organized into three⁴ sheikhdoms: Assosa (Agoldi), Khomosha and Belashangule (Ateib, 1982). The sheikhdoms were ruled by descendants of Arab settlers who came to the region as advisors to the Funji, the Kingdom of Sinnar in Sudan (Bahru, 1991, p. 87), and through intermarriage and political advice remained in the region as an aristocratic ruling class; known as *Watawit*, they gained political and cultural dominion over the other indigenous inhabitants.

The three Bertha sheikhdoms fell into the hands of the Ethiopian state under a military expedition of Menelik II led by Ras Mekonnen in 1897. Emperor Menelik II recognized Sheik Khojjale al-Hassan, ruler of the Sheikhdom of Assosa (Agoldi). The other two sheikhdoms – Belashangul and Khomosha – were made vassals to Sheik Khojjale Hassan, with their sheiks fading into insignificance (Bahru, 2002, pp. 60-72; 1991, p. 67).

Consolidation of power at the center by Emperor Haile Selassie later reshuffled administrative structures and led to Sheik Khojjale's family losing control of the region. Traditional local rulers were replaced by centrally appointed nobility, and the administration of the area to the south of Blue Nile River was put under the neighbouring Wollega province; the remaining upper part of the River was placed under Gojjam province (Berhanu, 2006, p. 157). During this period, the governors of Assosa were drawn from the Khojjale and other aristocratic Bertha/Watawit families with whom Benishangul came to be identified (Berhanu, 2006, p. 157). In sum, under Emperor Haile Selassie, the indigenous peoples of the Benishangul-Gumuz region were excluded from avenues to political influence and modern administration in the Ethiopian state.

The Derg regime (1974–1987) instituted another domineering relationship between the center and the region, and between the

⁴ Other sources identify four sheikhdoms of the Watawit families, including Assosa/ Aqoldi, Belashangul/Menge, Komosha and Bambasi/Fadashi. The sheikhdoms thrice collectively defeated Menelik's forces led by Ras Mekonnen. However, Sheikh Khojjale al Hassan of Assosa decided to ally with Menelik rather than see the territory conquered Sudanese dervishes. See Vaughan, 2007, p. 25.

Bertha and the highland population. This came about through the villagization and resettlement program which the Derg imposed on the Bertha's lands during the 1970s and 1980s. Resettlement led many people to migrate from the famine-stricken northern parts of Ethiopia (Wollo and Tigray) to the Benishangul region (Amare, 2013), changing the ethnic composition of Assosa and its vicinity. According to Markakis, about 55 resettlement sites were established in Assosa and Bambasi for the settlers (Markakis, 2011, p. 226).

This brought more problems to an area already characterized by complex ethnic relations, both intra-ethnically (within the Bertha) and inter-ethnically (between the Bertha and Mao-Komo, given that the latter had been enslaved by the former) (González-Ruibal & Fernández, 2006). The Berthas were forced not only to accept the resettlement of the highlanders but build houses and provide construction materials for the newcomers. The policies of the Derg, like those of their predecessors, favored the settler community over the host community, whose members were dehumanized, forced to live according to the cultural values of the settlers, and reduced to the status of second-class citizens (Vaughan, 2007; Amare, 2013).

Contextually, the region in general and the Bertha area in particular thus bristles with inter-group hostility. The marginal position of the Benishangul-Gumuz region has been attributed both to the leadership of the central government and to local traditional chiefs. According to Binayew and Alemseged (2014, p. 9), the central government brought the frontier regions under its rule

not for true state-making but rather initially as buffer zone and later to serve ... [it] as sources of wealth and natural resources and tributes. Local chiefs on their part worried more about how to survive by disregarding the possible consequences that would happen to their own society. Some leaders went to the extent of taking harsh measures with [un]equivocal cruelty by raiding, enslaving and trading even among peoples belonging to their own ethnic groups.

BGNRS, one of the nine regional states of the federation of Ethiopia,⁵ is carved out from areas that once formed part of Gojjam

5 Article 47, FDRE Constitution (1995).

and Wollega provinces to the north and south of the Blue Nile (Vaughan, 2007, p. 2). The region is located in the western part of Ethiopia, where it shares boundaries with the Amhara regional state in the north and northeast, the Oromia regional state in the northeast and south, and Sudan and South Sudan in the west. According to *Physical and Socio-Economic Profile of Benishangul-Gumuz Regional State* (2012), BGRS has a total border length of about 1,877.29 km, extends over 50,698.68 km² and accounts for about 4.48 percent of the total land area of the country.

The regional constitution of Benishangul-Gumuz empowers five ethnic groups, namely, Bertha, Gumuz, Mao, Komo and Shinasha as owner nations and nationalities.⁶ The five groups together comprise about 57 percent of the state's population (CSA 2007). No other ethnicity is recognized, albeit that the Constitution highlights the existence of peoples in the region other than the owner nationalities.⁷ The region adopts Amharic as a working language, and all the indigenous languages enjoy equal recognition.⁸ The children of indigenous nationalities use their mother-tongue language in primary school, and are free to learn in a language of their choosing.⁹

Administratively, BGNRS is divided into three administrative zones, 20 *woredas*, one special *woreda*, one city administration, and 475 *kebeles*. In this case, the state's Proclamation No. 73/2008 establishes the nationality administrations, with one for each indigenous minority; the proclamation does not limit the power of these administrations to respective territories. According to Article 3(4) of the proclamation, the nationality administration is "boundary-less regarding the protection and preservation of the rights and privileges of nationality cases" – the term "nationality cases" refers to issues of history and language. The nationality administration shall be competent to protect the language and cultural rights of members of the ethnic group on whose behalf it is established, irrespective of the fact that the members live outside the zone established for them (Van der Beken & Fessha, 2015).

The BGNRS's constitution positions the *woreda* governments

6 Article 2, 2002 Revised Constitution of BGRS.

7 Article 2, Revised Constitution of BGRS (2002).

8 Article 6(1) and 2, Revised Constitution of BGRS (2002).

9 Article 6(3), Revised Constitution of BGRS (2002).

as the lowest subordinate structure of the regional administration,¹⁰ and guarantees the establishment, structure and power of the nationality administrative regional subunits.¹¹ Three zones are designated *de facto* for the indigenous ethnic communities – Assosa for the Bertha, Kamash for Gumuz, and Metekel for Gumuz along with Shinasha – and are hence viewed as self-governing structures for the respective indigenous ethnic communities residing in the area. These zones each have their own zonal council, executive council and judiciary.

One special *woreda* is established for the Mao and Komo indigenous communities in Tongo area to afford them a self-administrative unit. The political and administrative hierarchy of the special *woreda* is similar to that of zonal administrations. It is a structure designed for those small-sized ethnic communities that live intact in a specific territory and warrant having their own administrative unit for communicating directly with the regional government without any zonal intermediary (Berhanu, 2006, p. 160).

BGNRS is one of the regional states characterized by ethno-cultural diversity. According to the 2007 Population and Housing Census (CSA, 2007, p. 44), its total population was 784,345, with 86.5 percent of people living in rural areas and the remaining 13.5 percent in urban areas. No indigenous ethnic group constitutes 50 percent of the region's population. The five officially recognized indigenous groups account for 56.96 percent of it, as per the 2007 census. People with indigenous nationalities make up 28.63 percent of the total urban population. Non-indigenous communities in the region account for 43.04 percent of the region's total population and 71.38 percent of its urban population (CSA, 2007; see Table 6.1). The population is unevenly distributed: Assosa Zone has the highest population density, with an average of 17.7 persons per square kilometre, while the other administrative zones, Metekel and Kamashi, have an average density of 9.6 and 7.0 persons per square kilometre, respectively.

The 2007 census reported the religious affiliation of the BGNRS as 44.98 percent Muslim; 33.30 percent Orthodox; 13.52 percent Protestant; 7.09 percent traditional; 0.61 percent Catholic; and 0.50 percent other (CSA 2007, 71). Among the five indigenous

10 Articles 84-85, Revised Constitution of BGRS (2002).

11 Chapter 8, Regional Constitution of BGRS (2002).

ethnic groups, the Berthas predominantly follow Islam, whereas the Gumuz mostly practice Christianity and traditional religion; the Shinasha mainly practice Christianity, and the Mao and Komo, traditional faiths.

4.1 Urban Local Government in BGNRS: The Case of Assosa City

The city proclamation¹² lists three principal categories of urban centers in the region: city administration, municipal towns, and emerging towns. This taxonomy brings to light the relevant administrative organizations as well as the accountability relationships with regional bodies. The regulation¹³ enacted by the regional government outlines in detail by outlining the criteria for grading urban centers in the region, such as population size, revenue capacity, the livelihood of the residents, and strategic significance for future development.

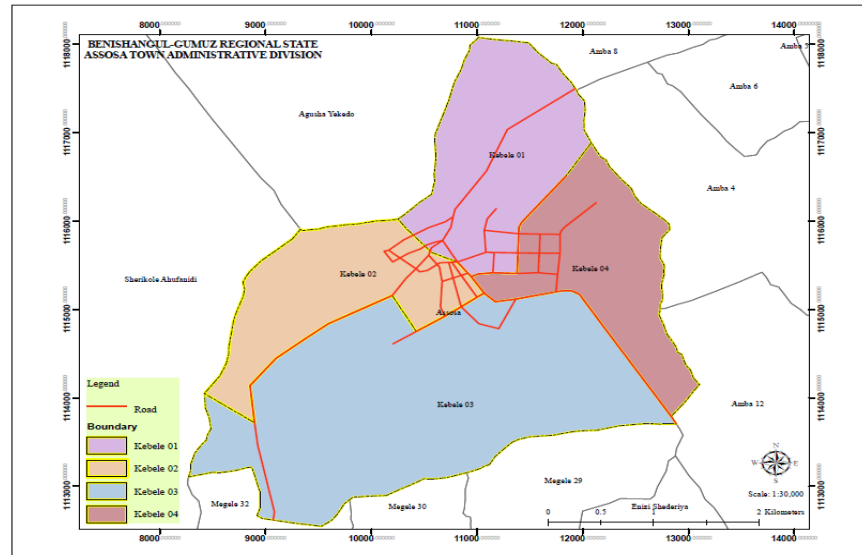
The regulation¹⁴ also states that an urban center can be granted city administration status if it meets one of the following criteria: the regional capital has an automatic city administration status; the population size is equal to or greater than 25, 000; and the regional administrative council decides to base the grade of the urban center on its strategic significance for future development. The regional government can designate an area as an urban center without using objective criteria – that is to say, an area can be defined as such as a result of a political decision.

Based on these factors, Assosa qualifies as having city administration status, in addition to which BGNRS has about 14 and 20 municipal and emerging towns, respectively.

12 Article 4 of the Benishangul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties Proclamation No. 69/2007.

13 Regulation No. 24/2008 for the Establishment of the Grades of the Urban Centers in the BGNRS, BG Administrative Council, Assosa.

14 Article 3 of Regulation 24/2008 for the Establishment of the Grades of the Urban Centers in the BGNRS, BG Administrative Council, Assosa.

Map 1: Administrative Map of Assosa City

Source: Assosa City Administration, 2017

As Map 1 shows, Assosa has four *kebeles*. The city has an estimated land area of about 1,344 hectares.¹⁵ Its annual rate of urban expansion¹⁶ was 2.6 percent for the period 2006–2013 (SECR, 2015, p. 160). The population was 4,159 in 1984; 11,749 in 1994; and 24,214 in 2007. The urban population growth rate during the inter-census period (1994–2007) was 5.5 percent. Assosa is undergoing rapid urbanization due to its increasing importance as the economic and political capital of BGNRS.

Like other urban centers in the Ethiopian federation, the municipal governance model of Assosa contains an elected council, elected mayor, mayor's committee (city cabinet), and city manager system. The mayor-council model of municipal governance of 2007 gives importance to the political aspect of the city's governance. Prior to 2007, Assosa had a municipal administration status accountable to the Assosa *woreda* council. This status did not establish a fully-fledged local administration: the municipal institution was established for advancing administrative decentralization and providing municipal urban services. Since 2007,

¹⁵ Assosa City Asset Management (2015).

¹⁶ SECR has measured the rate of settlement expansion (i.e., the expansion of built-up areas) by means of a GIS analysis of satellite imagery taken at different points in time.

however, Assosa has been the only city administration enjoying relatively “autonomous self-rule” compared to the other urban centers of BGNRS that have either the status of municipal town or emerging town. In practical terms, it was in January 2010 that Assosa city was separated from Assosa *woreda* administration. The objective of establishing Assosa as city administration is to “ensure that the public participates in the politics, administration, development and provision of public services”.¹⁷

The discussion below assesses the institutional municipal governance set-up by examining the appointment and accountability of the mayor, the composition of the city council, and the appointment and accountability of the municipal manager.

4.1.1 The Mayor

Article 18(1) of the City Proclamation No. 69/2007 states that “the Mayor of the city shall be elected from among the members of the city council on the recommendation of the political party or coalition of parties that control the majority seat or seats in the city council”.¹⁸ Since the majority of seats in the city council are occupied by Benishangul Gumuz People Democratic organization (BGPDO), the mayor has been selected from this party. In practice, the mayoral position has been reserved for the Bertha. Within the Bertha, the position has shifted from being held by the Khojale (Assosa) familial group to the Menge (Beneshangul) group; the current incumbent hails from the Kurmuk *woreda*.¹⁹

The other sector headships are occupied by executives from the indigenous groups. Three positions are occupied by the Ethiopian People’s Revolutionary Democratic Front (EPRDF), which is supposed to represent the non-indigenous communities. Generally, the speaker of the city council is from the Tigray People’s Liberation Front (TPLF); the head of city communication, culture and tourism is from the Oromo Democratic Party (OPDO); and the head of trade, transport and industry is from the Amhara

17 Article 7(6) of the Benishangul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties Proclamation No. 69/2007.

18 Article 18(1) -(2) of Proclamation No. 69/2007 of the Benishangul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig.

19 Interview: Mr Tesfaye N, member of the Assosa City Council, May 2016.

Democratic Party (ANDM).²⁰ The chairmen of the lower sub-city units (*kebeles*) are Berthas. Apart from the political decision to include members of non-owner nationalities in the city administration through representation in the city council and executive positions, there are no clear rules and regulations governing the inclusion and representation of such communities.²¹

The regional ruling party has reserved the mayoral office of the Assosa city for the Bertha as the 'owner' nationality,²² though there is no clear legal guarantee that ensures the permanence of this arrangement. Members of the other indigenous groups²³ have made the criticism that the city does not meet the expectations associated with a capital or regional center, contending that they have only a marginal role in its governance. The expectation is that, over and above being a center for the Bertha, Assosa should also create bonds among the indigenous communities. Key informants in this study posit that the mechanism for appointing mayors has led to "weak and corrupt city leaders who could not perform efficiently even [in] limited city administration, let alone [in] building the regional role of the city".²⁴ Informants²⁵ indicate as well that the indigenous regional elites have been unable to join hands in accelerating Assosa's growth into a city with the stature befitting its pre-eminence. For example, during his presidency, Yaregal Ayisheshum, a Gumuz, was criticized for shifting attention to the town of *Gilgel Beles* town, located in the Gumuz area of Metekel Zone.

4.1.2 Assosa City Council

The city council has to the following powers and functions: electing the mayor from among the members; approving city plans and ensuring their implementation; examining and approving budget plans and ensuring their implementation; exercising oversight of the performance of the mayor, the mayor's committee, and other city officials.²⁶

20 Interview: Mr Tesfaye N, May 2017.

21 Key informant from the non-indigenous group.

22 Interview: Senior expert in the Assosa City Revenue Authority, May 2017.

23 Interview: Mr Fikadu, the ex-regional expert, May 2017.

24 Interview: Civil engineer in the Assosa City Urban Land Development and Management Department, May 2017.

25 Interview: Key informant, May 2017, Assosa.

26 Article 11(b)-(j) of Proclamation No. 69/2007 of the Benishangul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition

The right of indigenous groups to self-rule in respect of city administration appears to have been exercised on the basis of a provision reserving 55 percent of the seats of the Assosa City Council for indigenous nationalities.²⁷ Moreover, the number of members of indigenous nationalities in the city council can be increased by a decision of the cabinet or administration council of the region.²⁸ As Table 1 shows, at present there are 70 city councillors; of these, about 73 percent are from the indigenous group and 27 percent, from other, non-indigenous groups, with Bertha councillors having occupied the 55 percent of seats reserved for them.

Table 1: Composition of Assosa City Council

Members of the city council					
	Ethnic identity	Male	Female	Total	%
Indigenous groups	Bertha	23	16	39	55.41
	Gumuz	4	1	5	7.14
	Shinasha	3	1	4	5.71
	Mao	3	-	3	4.28
	Komo	-	-	-	-
“Other” groups	Amhara	4	2	6	8.57
	Oromo	4	2	6	8.57
	Tigrain	3	2	5	7.14
	Guraghe	2	-	2	2.85
Total		46	24	70	100

Source: Assosa City Council, May 2017

A number of mechanisms ensure the dominance of the indigenous group in the city council. The first, as mentioned, is that 55 percent of its seats are reserved for the indigenous groups. Secondly, the Council arrives at decisions on the basis of majority vote. Thirdly, the proportion of indigenous nationalities can increase even beyond 55 percent if the regional council deems it appropriate.²⁹ Inasmuch as the mayor is elected by the city council

of their Powers and Duties, Lisane Hig.

27 Article 10(5) -(6) of Proclamation No. 69/2007 of the Benishangul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig.

28 Article 10(5) -(6) of Proclamation No. 69/2007 of the Benishangul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig.

29 Articles 10(6) and 12(3) of Proclamation No. 69/2007 of the Benishan-

cil, and inasmuch as he or she would be selected by the majority political party, with the majority seat reserved for the indigenous group, the mayorship is, by implication, an office maintained for the indigenous group.

Certain key informants³⁰ from the non-indigenous group demographically dominant in Assosa criticized the group's limited representation in the city council. They underlined that the current arrangement is an informal one between the EPRDF and BGPDP and does not permit the non-indigenous groups to do anything as long as a decision has been reached by majority vote, this in a context where the indigenous group holds the majority of seats. By contrast, the member of the Bertha elite³¹ argued that, except for the provision reserving 55 percent of the city council's seats for councillors representing indigenous ethnic groups, there is no legal framework giving indigenous communities in general, and the Bertha ethnic group in particular, priority over any other group. As long as there is lack of legal detail on the position of Bertha in the city, the power this group exercises remains contingent on the internal decisions of the BGPDP and the political dynamics at play at both city and regional level.

4.1.3 The City Manager

In the municipal structure, the city manager is the chief of municipal service provider.³² He or she is appointed by the mayor and is accountable to the same. In case of a loss of confidence, the mayor can remove the manager. The manager attends meetings of the city council and the mayor's committee but does not have voting rights.³³ According to the city proclamation, the office of municipal manager is to be occupied by a person with the requisite "professional competence and accumulated experience".³⁴ He or she has the duty to provide expert advice to the executive and city legislature as well as to conduct and present research on

gul-Gumuz Regional State Urban Centers Establishment, Organization, and Definition of their Powers and Duties, Lisane Hig, Assosa.

30 Interview: Mr Yeshiwandi, legal expert, 21 May, 2017; Mr Eshetu, Kebele 03 resident, 22 May, 2017; Assosa.

31 Interview: Mr Abdulmulkib, City Administrative Revenue Office Head, May 2017, Assosa.

32 Articles 24–26 of Proclamation No. 69/2007.

33 Article 26(2)(b) of Proclamation No. 69/2007.

34 Article 25(2) of Proclamation No. 69/2007.

revenue-enhancing service provisions.³⁵ Moreover, he or she has the responsibility to advise the mayor's committee on the city's financial position and future needs.

The manager is meant to implement policies and supposed to lead the technical aspects of municipal function, but as indicated by informants³⁶, city managers tended to act more as politicians than technocrats. Indeed, selection for this office presupposes that one has an indigenous identity, a political stance, and, sometimes, even personal or familial ties with the mayor.³⁷ In spite of the idea that the city manager leads the technical aspect of municipal functions, as noted by informants, a succession of city mayors have not developed clear systems that help to measure the performance of the manager. As a result, municipal managers' have been ineffective in municipal service provisions. The consequent lack of professional and leadership skills among managers has facilitated misconduct by technical staff, particularly with regard to urban land use. In addition, the municipal structure does not attract qualified persons, such as urban planners; those who are recruited do not stay long, or, has happened in the case of urban engineers, urban planners and the like, have been found to be involved in urban land corruption.³⁸

Key political and administrative posts have been occupied by individuals from the indigenous ethnic communities, in line with the rights of ethnic self-administration under the federal-system framework. According to informants, non-indigenous groups are dominant in the civil service owing to their generally lower level of education and the use of Amharic as the region's working language.³⁹ Table 2 shows the composition of the city's civil service in terms of ethnicity, with the Bertha, drawn from the indigenous group, and the Amhara, from the non-indigenous, making up the larger portion of civil servants in Assosa.

35 Article 26(2)(f) and (g) of Proclamation No. 69/2007.

36 Interview: Mr Shime, official in the City Finance and Economy, May, 2017; Mr Fekadu, ex-economist of the BGNRS, 19 May, 2017, Assosa.

37 Interview: Mr Shime, official in the City Finance and Economy, May 2017; Mr Fekadu, ex-economist of the BGNRS, 19 May, 2017, Assosa.

38 Interview: Mr Mufti M, head of Urban Land Development and Management of Assosa City, 26 May, 2017; Mr Ambessa, ex-Civil Engineer, Urban Land Development and Management of Assosa City, 23 May, 2017.

39 Interview: Mr Tesfaye N, member of the city council, 28 May, 2017, Assosa.

Table 2: Ethnic Background of Civil Servants in Assosa City

Category	Ethnic background of civil servant	Total	%
Indigenous	Bertha	83	21.50
	Shinasha	23	5.60
	Gumuz	1	0.26
	Moa	1	0.26
	Komo	NA	NA
Others	Amhara	153	39.64
	Oromo	102	26.42
	Tigray	16	4.15
	Others	7	1.81
	386	100	

Source: Assosa city Education and Capacity Building Office, 2016

4.2 Municipal Financial Autonomy

As already noted, Assosa municipality was separated from the Assosa *woreda* administration in 2007, with the financial autonomy of the city having been provided for by Proclamation No. 69/2007 which establishes the functions and powers of the Assosa city administration. The city established the Finance and Economic Development and Revenue Authority in 2011.⁴⁰ All other offices were established in the following year.

The regional executive council holds the power to regulate urban service charges and taxes,⁴¹ and in 2012 the region enacted urban revenue tariff Regulation No. 53. Prior to 2012, Assosa's city administration operated without clear revenue tariff regulation. Regulation No. 53 of 2012 has helped the city enhance its revenue-raising capacity, given that since then, its revenue has been increasing over the fiscal years, as illustrated by Table 3.

40 Revenue Enhancement Plan (REP) for 2008 to 2010, EFY Assosa Urban Local Government, September, 2015.

41 Article 42(2) of Proclamation No. 69/2007.

Table 3: Revenue of Assosa City (2011–2015)

Fiscal Year	Plan	Performance	%
2011	5,330,000	5,688,109.96	106.72
2012	10,000,000	14,887,217.55	148.87
2013	16,100,000	18,744,350.12	116.42
2014	27,683,116	25,579,003.78	92
2015	30,000,000	42,266,239.05	141

Table 4: Revenue Sources and Performances of Assosa City (2011–2015)

Type of revenue	Fiscal years				
	2011	2012	2013	2014	2015
Direct tax	3,179,015.38	8094615.74	8,876,977.08	12,062,672.24	23706241.86
Indirect tax	967,763.43	2,738,351.05	4,708,803.29	5,613,928.28	6,801,959.25
Non-tax	1,085,508.08	2878629.89	2,152,470.92	2,018,983.23	2,253,224.27
Municipal revenue	455,823.06	1,175,620.87	3,006,097.83	5,883,420.03	9,504,481.67
Total	5,688,109.96	14,887,217.55	18,744,350.12	25,579,003.78	42,266,239.05

Source: Revenue Enhancement Plan for the 2016 to 2018 of Assosa City Administration, Revenue Authority

Figure 2: Trends in Assosa City Revenue, by Sources (2011–2015)**Table 5: Assosa City Revenue and Expenditures (2012–2015)**

Fiscal year	State revenue (SR)	Municipal revenue (MR)	SR + MR (actual)	Total expenditure (actual)	% of expenditure accounted by city revenues (SR+MR)
2012	1,371,159.63	1,175,620.87	14,887,217.55	27,820,331.13	53.51
2013	15,738,251.29	3,006,097.83	18,744,350.12	35,342,524.88	53.03
2014	19,695,583.73	5,883,420.03	25,579,003.78	50,303,480.47	50.85
2015	32,761,425.38	9,504,481.67	42,266,239.05	105,921,021.46	39.90

Source: Revenue Enhancement Plan for the 2016 to 2018 of Assosa City Administration, Revenue Authority

Based on Table 6 below, revenue raised in the city of Assosa covers, on average, 50 percent of the city's expenditure. This implies that Assosa city relies on transfers and external assistance from

and through the regional government for the other 50 percent of its expenditure.

Table 6: Municipal Expenditure Covered by Municipal Revenue

Fiscal year	Municipal revenue (MR)	Municipal expenditure (actual)	% of expenditure accounted by MR
2012	1,175,620.87	3,205,189.14	36.68
2013	3,006,097.83	4,144,458.21	72.53
2014	5,883,420.03	10,287,924.52	57.19
2015	9,504,481.67	38,652,478.13	24.59

Source: Revenue Enhancement Plan for the 2016 to 2018 of Assosa City Administration, Revenue Authority

Municipal functions are expected to be funded by own municipal revenues. Table 6 shows that, on average, the Municipality of Assosa covered 48 percent of its expenses from its own internal revenue for the period 2012–2015, which indicates that it relied on transfers and external assistance for more than half of its expenses. Municipal expenditure, in other words, exceeds the municipal revenue generated. The head of the city’s revenue office, Abdulmulkib Shemsedin,⁴² notes that although the city has untapped revenue sources in the form of potential property taxes, charges and fees, the city administration has been unable to raise the required revenue primarily due to inadequate and unskilled human resources. In addition, owing to a lack of capacity at municipal level, revenue goes directly to the state treasury – the municipality has not recorded and managed the municipal function separately from state revenue. Tables 5 and 6 show that the city’s revenues have increased in the periods under consideration but that they are not enough to keep up with its spending needs. What this indicates is that the city’s financial autonomy is limited and that it consequently has to depend on state transfers or other external assistance.

National policies require regional states to increase the revenue powers of city administrations to “collect and utilize their own revenue”.⁴³ Due to lack of capacity, the city administration

⁴² Interview: Head of Assosa City Revenue Authority, 26 May, 2017.

⁴³ Revenue Enhancement Plan (REP) of Assosa City Administration, 2016–

could not undertake studies that could help expand its revenue sources. Moreover, the capacity of the revenue office depends on the effectiveness of municipal services, particularly those in regard to urban land use and other economic activities in the city, whereas it is the case that these sectors have not functioned at their full capacity. It is hoped that income from urban land lease will be one means by which to improve the city's revenue capacity; however, according to certain officials, the revenue collected from this source has been much less than expected.⁴⁴ This is not due to lack of capacity by the revenue authority; rather, municipal managers have been unable to control the rapid expansion of informal settlements, with the revenue authority then unable to collect taxes, fees and rents from informal land-use holders.

As the key informant from the city's revenue authority⁴⁵ notes, residents pay taxes and fees at such time as they come to the municipality for business license renewals or matters to do with electricity, roads or land; at this point they are asked to produce evidence that they have paid taxes or fees due by them. There have been complaints, though, that when people arrive to pay tax or fees, nobody is available to take receipt of the money. Indeed, owing to severe documentation and filing problems, the city does not know who is, and who is not, a taxpayer. Hence, it is not able to keep up with the demands placed on it to ensure that members of new communities in its jurisdiction are registered as taxpayers and duly taxed.

5. Decentralization and Water-Supply Services: The Case of Assosa City

This section examines decentralization and the function of urban local government with reference to water-supply services in the case of Assosa city. It first sketches out Ethiopia's federal urban water policy and institutional frameworks; it then assesses the organizational capacity of Assosa's urban water-supply service enterprise in relation to structural, technical and financial considerations, and thereby evaluates whether decentralized urban

2018.

44 Interview: Mr Tesfaye N, Senior Municipal Finance Expert, Assosa City Revenue Authority, 28 May, 2017.

45 Interview: Mr Tesfaye N, Senior Municipal Finance Expert, Assosa City Revenue Authority, 28 May, 2017.

water-supply service delivery has met the local demand for the service. Lastly, the section analyses the effectiveness of multilevel institutional coordination and the participation of NGOs in water-service provision.

5.1. Urban Water Policy and Institutional Frameworks

The Federal Constitution gives the federal government the power to formulate water policies and regional states the power to administer natural resources in accordance with federal laws.⁴⁶ Accordingly, the federal government formulated the Water Resources Management Policy (WRMP) in 1999 and thereafter enacted Water Resources Management Proclamation No. 197/2000 and Regulation No. 115/2005 to implement it. The Proclamation underscores that all the water resources of the country are the common property of the Ethiopian people and state. To this effect, the policies-cum-legal frameworks have established institutions that play regulatory, supportive and overseeing roles and institutions that are directly involved in implementation.

The overall objective of WRMP is to enhance the well-being and economic productivity of the Ethiopian people through the provision of adequate, reliable and clean water supply and sanitation services (Kebede, 2015, p. 22). The major principles of the WRMP (1999) and the Water Sector Strategy (2001) are:

- to develop ownership by lower tiers of government and enhance the management autonomy of the lowest possible levels;
- to promote the involvement of all stakeholders;
- to work towards full cost recovery by the urban water-supply system so as to ensure that all water-supply undertakings adequately address costs associated with maintenance and operation and are based on cost-recovery principles; and
- to enhance urban water-supply through autonomous bodies, that is, enterprises.

According to the Water and Sanitation Policy (2011), the WRMP is underpinned by two priority actions: first, implementing a “full cost recovery” policy by strengthening the capacity and financial autonomy of urban water enterprises; and, secondly, increasing

⁴⁶ Articles 51(5) and 52(2)(c), FDRE Constitution (1995).

the focus on water resource sustainability by encouraging demand-management approaches and reduction in unaccounted water usage. Under the policy and legal frameworks, the Urban Water Supply Service Enterprise (UWSSE) is meant to perform its functions autonomously with very limited supervision and support from the regional and federal governments. The UWSSE has also been given the duty of covering all its service delivery charges by collecting water tariffs from its customers, given that the implementation of the water policy in urban areas hinges on fair tariff ratings, the willingness of clientele to pay for services, and efficient management of resources.

The duties and responsibilities for urban service delivery are distributed among multilevel institutions and actors. In terms of the WRMP and Water Sector Strategy, the Ministry of Water and Energy (MoWE) is responsible for formulating policies, strategies and action plans. It establishes national standards on quality, water infrastructure and related matters; is responsible for supervising the implementation of water policy; and provides technical support for Regional Water Bureaus (WRMP, 1999). As such, the Ministry has developed strategies as well as national guidelines on water supply and sewerage services (COWASH, 2012). It is also in charge of channelling donor funds in the sector to local government entities.

Ethiopia's urban water policy follows the Integrated Water Resources Management (IWRM) model, which focuses on demand management, governance, and the participation of state, private and civil society actors. IWRM is concerned not only with the expansion of hydraulic infrastructure but the wider relations between water, society and ecological processes, thus entailing both a natural and social understanding of water issues. Under this policy framework, the financing of urban water relies on cost recovery, donor support and loans from development banks. The policy shifts focus from "government" to "governance" in addressing the demand for and supply of urban water.

5.2. Assosa Urban Water-Supply Service Enterprise

5.2.1 Organizational Structure of the Enterprise

From 1984 to 1989, the Assosa municipal administration was responsible for urban water supply and services, but it was found

incapable of running these services. As a remedy, the water-supply sector was legally established as a separate sector governed by civil service laws, and from 1998 to 2001 was accountable to the Regional Water Bureau. The Assosa City Water Supply Service Enterprise (ACWSSE) was established by Proclamation 28/2002 of the BGNRS – the latter was in turn based on the federal Water, Irrigation and Energy Policy of 1999, which held that the operational and maintenance costs of potable water should be covered by customers. The essential reason, then, for establishing the ACWSSE was to enable it to finance itself by implementing the policy of “cost recovery”.

As Chart 1 shows, the ACWSSE administers the Assosa water-supply scheme and reports to the management board. The WSSE is responsible for the operation, maintenance, and management of the water-supply services of Assosa town.⁴⁷ The board is the supreme organ of the urban water-supply system. According to Article 9(4) of Proclamation No. 132/2015, the board is accountable to the Water Bureau. The same proclamation gives the power to nominate the chairperson and members of the Assosa city Water Board to the Bureau, but it is the President of the regional state of BGNRS who appoints them.⁴⁸ The Board organizes, directs, oversees and monitors the activities of ACWSSE.⁴⁹

Under this proclamation, it is the Water Board that submits the proposal for water tariff rating and causes them to be approved by the council of regional administration and the head of government of the region.⁵⁰ It is the decision-maker of the organ of the enterprise. Unlike the repealed Proclamation No. 28/2002, which states that members are selected on the basis of professional competency,⁵¹ Proclamation No. 132/2015 does not mention the criteria for the selection of members of the Board. The regulation for the implementation of Proclamation No. 132/2015 instead mentions that four of the members (two males and two females) should be from the regional state government, with two of them representing the customers (one male and one female);

47 Article 12 of Proclamation No. 132/2015.

48 Article 9(3) of Proclamation No. 132/2015.

49 Article 10(1) and (2) of Proclamation No. 132/2015.

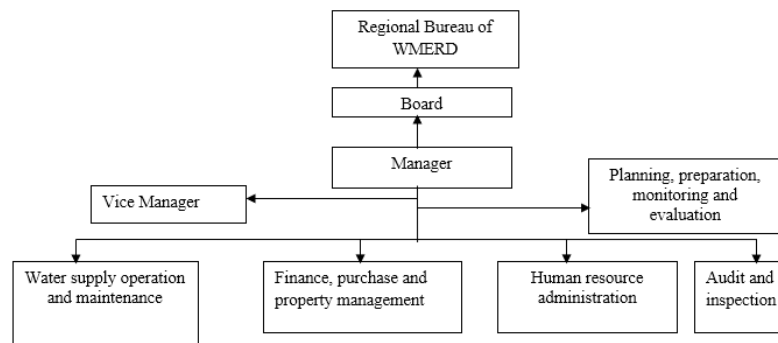
50 Article 10(9) of Proclamation No. 132/2015.

51 Article 17(3) of Proclamation No. 28/2002 for the Establishment of BGNRS Cities WSSE.

the manager of the enterprise participates as secretary.⁵²

However, practice shows that members are selected on the basis of their political standing rather than technical expertise. The key informant⁵³ from the technical department of ACWSSE noted that some members of the water management board have neither competence in nor contextual understanding of water supply and services. It is the board that employs and dismisses the enterprise manager; since the board members are also selected on account of their political standing, the board is politically loyal.

Chart 1: Organizational Structure of Assosa City Water Supply Service Enterprise



Source: Assosa City Water Supply and Sewerage Services Enterprise, Human Resource Department, May 2017

5.2.2 Demand and Supply (Mis)match?

The source of water supply for the city of Assosa is groundwater, and there are no problems in this regard. On average, water is produced 19 hours per day,⁵⁴ and the capacity of water production is 25 litres per second. This decreases during the dry season, when boreholes run low,⁵⁵ with the figure reducing from 25 litres per second to 17 litres per second.⁵⁶

⁵² Draft Regulation for Implementation of Proclamation No. 132/2015.

⁵³ Interview: Mr Adane K, Mechanics, WSSE, May 2017, Assosa.

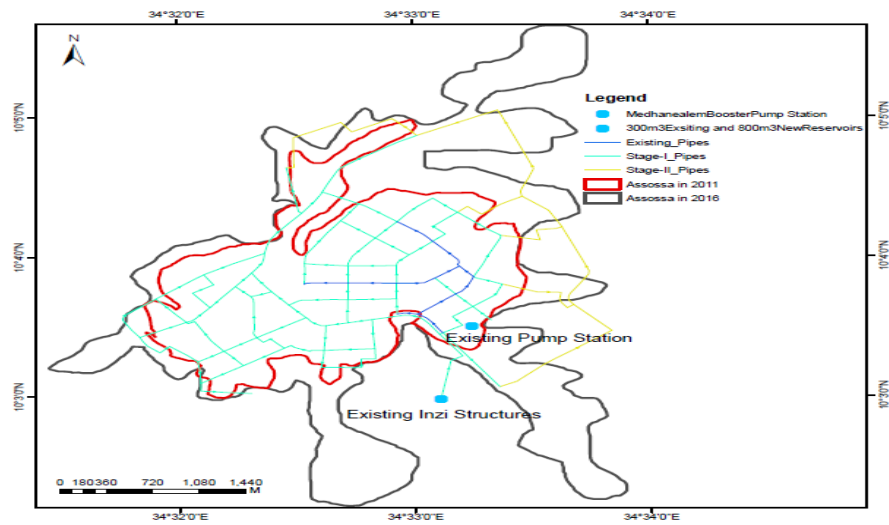
⁵⁴ ACWSSE Performance Report of the Enterprise 2013.

⁵⁵ Interview: Mr Khojale Abdurman, head of WSSSE, 26 May, 2017, Assosa.

⁵⁶ Interview: Mr Adel Almard, Human Resource Process Owner, ACWSSE, 25 May, 2017, Assosa.

According to Mr Khojale,⁵⁷ the head of the ACWSSE, the water-supply service was originally planned for a city population of 30,000, whereas at present that population stands at 60,000 – there is, in other words, a mismatch in supply and demand for drinking water due to a rapid increase in the city’s population. The volume of water production prior to the commencement of the Water Supply and Sanitation Project of 2013 was 1,700m³ per day; since then, the project has increased the capacity to 2,300m³ per day. In addition, as part of the project, a new reservoir was built, at Mount Enzi, with a capacity of 800m³ (WSSSE of Assosa City Report, 2015). As Map 2 indicates, the project has expanded the coverage area of Assosa city’s water pipeline distribution system.

Map 2: Assosa City Water Pipeline Distribution System



Source: Sketch based on data from ACWSSE, 2017

⁵⁷ Interview: Mr Khojale Abdurman, head of WSSSE, 26 May, 2017, Assosa.

Table 7: Assosa City Water Production and Consumption (2007–2013)

Description	Fiscal years						
	2007	2008	2009	2010	2011	2012	2013
Production (m ³)	222,047	219,152	298,943	417,012	456,491	469,449	558,763
Consumption (m ³)	125,961	124,365	170,931	258,445	283,060	322,888	400,308
Loss (m ³)	96,089	94,787	128,012	158,567	173,431	146,563	157,505
% loss	43%	43%	42%	38%	37%	31%	28%

Source: ACWSSE, Potable Water Unit, July 2016

Table 8 shows that the ACWSSE distributes about 63 percent of the water produced, with the balance of 37 percent lost every year. The rate of loss is high compared to the city of Adama, where the average is 25 percent per year. The amount of revenue lost on account of leakage for the year 2013 can be calculated on the basis that 1m³ costs 1 birr; as such, the enterprise lost 157,505 birr in 2013, which points to inefficiency in the management of the water supply system. Reducing water loss requires coherent action to address not only technical and operational issues so too institutional, planning, administrative and financial ones.

Table 8: Customers of Assosa City Water Supply Service Enterprise (2007–2015)

Fiscal years	Number of water meters per customer categories				
	Residences	Private organizations	Public, NGO & religious organizations	Public taps	Total
2007	800	99	14	25	938
2008	1,006	105	91	29	1,231
2009	1,337	211	107	38	1,693
2010	1,707	216	115	40	2,078
2011	2,209	194	126	43	2,572
2012	2,548	217	138	43	2,946
2013	3,022	309	140	43	3,519
2014	3,299	393	167	46	3,905
2015	4,020	557	157	53	4,783

Source: ACWSSE, Financial Administration Process Owner Unit, 2016

The table above shows the increasing number of customers for water consumption, particularly in the category of individual residences. The number of users per household is estimated to be five persons; the same number of users is estimated for private, public, NGO and religious institutions. As of 2015, the city had a total of 4,783 connected customers. However, the estimated number of user per public tap was 250. Generally, in 2015 Assosa city had water-supply coverage of 81.53 percent of the population, as illustrated by Table 9 below.

Table 9: Estimated Water Coverage of Assosa City (2015)

Customers categories	Number of water meters	Estimated number of users	User population	Estimated population of Assosa, 2015	Water coverage (in %)
Residence	4,020	5	20,100	45,284	81.53
Private organizations	557	5	2,785		
Public, NGO and religious institutions	157	5	785		
Public taps	53	250	13,250		
Total	4783		36,920		

Source: Computed by the researcher, using data obtained from ACWSSE, July 2017

5.2.3 Enterprise Capacity: Structure, Human Resources, and Finance

The ACWSSE's efficiency can be increased by the responsiveness of its structure and the deployment of competent persons in key positions. The enterprise lacks personnel with the educational background necessary for its optimal functioning. As matters stand, the structure of the enterprise, which is determined by the Water Bureau, does not attract and retain highly qualified personnel; as a result, positions are occupied by non-professional persons and, overall, the enterprise lacks a sufficiently skilled workforce.

Table 10: Number of Staff at Assosa City Water Supply Service Enterprise

Fiscal year	Number of employees			
	Human Resource Dept	Finance Administration	Potable water supply	Total
2007	23	8	13	44
2008	24	9	14	46
2009	42	9	14	57
2010	32	10	12	54
2011	29	10	15	53
2012	27	14	15	56
2013	33	14	16	63
2014	33	13	16	62
2015	32	15	15	62

Source: Human Resource Department of the ACWSSE, May 2017

The human resources record shows that there were 63 employees in 2013. Of these, 23 held college diplomas while the remaining 40 held certificates or lower qualifications. Eight of the 63 had college diplomas in Accounting, while eight held college diplomas in Electricity and Mechanics. No one, including the enterprise manager, held a first degree. Under such conditions, it is not possible for the enterprise to achieve effective governance in the provision of water-supply services. Moreover, due limited capacity, the Enterprise has limited ability to develop good relations with the management board, Regional Water Bureau, and other stakeholders.

The objective of establishing an enterprise is to grant operational autonomy and enable the enterprise to be efficient and sustainable.⁵⁸ According to information from the Human Resource Department of the ACWSSE,⁵⁹ the enterprise (as mentioned) lacks personnel with the education necessary for its optimal functioning. Staff work on the basis of experience rather than qualified professional skills. In addition, the structure of the enterprise does not take account of urban dynamics, as a result of which

58 Preamble of Proclamation No. 132/2015 for the Establishment of BGNRS UWSSE.

59 Interview: Mr Adel Almerdi, ACWSSE Human Resource Process Owner, 30 June, 2016, Assosa.

there are huge gaps. For example, though the Water Board inevitably requires this, there are no staff members in the ACWSSE with backgrounds in engineering, hydrology or geology. The technical department has thus been occupied by people without an adequate knowledge of designing water-supply systems.

Furthermore, the state of human resources in the enterprise has not enabled it to make use of a computerized billing system, as the workforce is not matched to fulfilling the tasks associated with it. Key informants⁶⁰ from the ACSSWE highlighted, overall, that the enterprise's salaries and benefits are poor and not competitive with those in the labour market as a whole, making the ACWSSE neither attractive nor able to retain competent personnel.

In addition, the appointment of the manager depends on his or her ethnic identity and political affiliation than possession of educational qualifications and work experience required for this office. Information from the enterprise⁶¹ shows that its key positions and technical departments are staffed mainly by the Berthas, given that they are one of the five owner nationalities. Hence, the enterprise has been structured to suit the capacity of ethnic Berthas so that they can be employed within it. The effectiveness of the management unit in operating, managing and maintaining water-supply services is thus constrained by recruitment mechanisms. As a result, both the structure and the ethnic requirements related to human resource have impacted adversely on the enterprise's capacity to deliver water-supply services.

It is also the case that some members of the technical staff have deliberately made the water-distribution system dysfunctional in order to obtain money through corruption, given that customers running businesses have been willing to pay bribes in regard to maintenance and operational costs.⁶² Furthermore, whenever managers change position – thereby affecting both leadership and expertise – there are logjams in the enterprise's processes: everything gets stuck. Under such circumstances, the free flow

60 Interview: Mr Adane Kashay, Mechanics, AWSSE, 4 July, 2016; Mr Adel Almerdi, ACWSSE Human Resource Process Owner, 30 June, 2016, Assosa; Mr Ibrahim Abdul, team leader of the Financial Administration, 25 June, 2016.

61 Interview: Mr Adane Kashay, Mechanics, AWSSE, July 2016; Mr Fekadu A, ex-water resources planner and program coordinator, 2 July, 2014, Assosa.

62 Interview: Mr Adel Almerdi, ACWSSE Human Resource Process Owner, 30 June, 2016, Assosa.

of information and development of institutional memory are obstructed. Thus, the enterprise labours under severe capacity problems caused by inefficient organizational structure, shortages of skilled manpower, and the inability to maintain adequately trained and experienced staff. The ACWSSE has insufficient, unqualified personnel for effective management and governance.

The source of funds for the enterprise include water sales and charges; loans; donations; grants both in cash and in kind; and funds assigned by the administration of the town.⁶³

Table 11: Revenue and Expenditure of Assosa City Water Supply Service Enterprise

Fiscal year	Revenue	Expenditure	Net balance
2007	949,630	753,403	-
2008	960,968	1,105,746	-
2009	1,449,709	1,157,115	-
2010	2,547,665	1,993,077	-
2011	2,288,890.60	2,275,113.00	-
2012	2,726,970	2,466,677	380,000
2013	7,423,843	3,734,357	4,267,350
2014	7,874,641.12	5,183,282.25	7,647,600.33
2015	9,974,250.33	5,297,261.11	14,142,414.69

Source: ACWSSE

As the table above shows, the revenue of the enterprise tripled in 2013, which was due to a decision by the ACWSSE's board to increase the average of water tariff. Two and a half years later, however, there was a decision to reduce the tariff, as of April 2015, in response to customer complaints.⁶⁴ As a result of this financial manoeuvre, the ACWSSE can cover only a small portion of its operational and maintenance costs, whereas the delivery of urban water supply requires a high level of investment that the enterprise cannot generate. In sum, its structural, human and financial capacity is limited, which has led to its having to rely on the Regional Water Bureau or other upper-level support through

⁶³ Interview: Mr Ibrahim, head of finance and administration of the ACWSSE, 30 June, 2016, Assosa.

⁶⁴ Performance Report of the ACWSSE, 2015.

the Bureau.

5.2.4 Institutional Coordination and Stakeholder Involvement

Both in its institutional design and functional realities, water supply service relies on coordination and cooperation between the enterprise, higher level government departments and other relevant stakeholders. Hence, one cannot assess the service delivery role of the city's water-supply enterprise without looking into the role of the regional water bureau and its relations with the city's water-supply enterprise. Article 18 of Proclamation No. 132/2015⁶⁵ outlines the roles and responsibilities of the Water Resources Development Bureau as follows:

- to study and prepare the design of water-supply services, or facilitate the mechanism by which such study could be carried out;
- to facilitate the mechanisms by which the enterprise can access loans and grants from government and/or nongovernmental organizations for the expansion of urban water-supply services;
- to undertake capacity-building for supporting the enterprise's service delivery;
- to ensure that water works and water materials are up to standard;
- to provide technical support;
- to monitor and control whether potable water supplied by water services is in compliance with the country's quality standards; and
- to monitor whether the service delivered by the water Office is in accordance with the WRMP and law of the region.

In this regard, the Bureau plays several key roles in the water-supply service of the enterprise. These mainly include appointing the water management board, providing technical support and monitoring, and issuing directives. The Bureau also has the mandate to build the capacity of the enterprise; however, it has not done so to the fullest in terms of enhancing structural, financial and

⁶⁵ Proclamation No. 132/2015 for the Revised Urban Potable Water Supply and Sewerage Services' Reorganization, BGNRS.

human capabilities. The enterprise thus remains institutionally and functionally dependent on the Bureau. On the one hand, the enterprise has no structural capacity that enables it to identify its needs and undertake research on water. On the other, the Bureau extends its support only at times when water availability becomes a political issue.⁶⁶ Coordination and cooperation between the enterprise and the Bureau do not occur with regularity and in an institutionalized manner: indeed, field observation reveals that they depend on the political consequences of urban water service rather than on commitment to resolving the urban water shortage. In short, then, the institutional and structural framework of the enterprise has made it functionally dependent on the Bureau, but the Bureau has not fulfilled this mandate carefully.

Notably, there is inevitable lateral coordination between the enterprise and the municipality, but at the same time the provision of water-supply services has often been interrupted by municipal activities such as road construction. The ACWSSE has laid down water utility lines according to the urban land use plan it received from the city's urban planning department; however, the latter department has been found disrupting these utility lines, and the municipality has damaged water pipes when laying cobblestone and undertaking internal asphalt road construction. In addition, another informant⁶⁷ revealed that ACWSSE workers were found to have laid water pipes in areas reserved for roads and residential buildings instead of water utility lines. The municipality then destroys water pipelines when it builds roads.

Research for this paper could not find clear evidence that the municipality has paid for damaged to water pipes. Since the key decision-makers of both the municipality and enterprise are politically networked with each other, and are both members of the water management board, there is no custom in place of ensuring that the one compensates the other for damages.⁶⁸ Moreover, these key decision-makers lack the technical knowledge to coordinate municipal and water works and thereby avoid causing damage to each other's operation. One informant⁶⁹ underscored

66 Interview: Mr Abebe, Senior Engineer of Water, Mines and Energy Resources Bureau (WMERB) of BGNRS, May 2017, Assosa.

67 Interview: Mr Fekadu, ex-senior expert of the Water, Mines and Energy Resources Bureau of BGNRS, 22May, 2017 Assosa.

68 Interview: Mr Adel Almard, Human Resource Process Owner, ACWSSE, 27 May, 2017, Assosa.

69 Interview: Mr Adel Almard, Human Resource Process Owner, ACWSSE, 27

that lack of coordination between urban planners and water-supply providers not only interrupts water supply but, in so doing, weakens the ACWSSE's revenue base.

Furthermore, water supply and service delivery is highly dependent on another utility sector, namely electricity. Despite the huge amount of money the enterprise pays the electricity sector, frequent interruptions of electricity have constrained water supply and distribution in the city of Assosa. As Mr Abdu⁷⁰ correctly notes, this not only interrupts water supply but also reduces the ACWSSE's revenue-generating capacity; in addition, the enterprise has been exposed to unnecessary direct production costs for diesel and fuel expenses.

Table 12: Direct Production Costs

Fiscal year	Direct production costs (in birr)		
	Electricity	Chemicals	Fuel and diesel
2011	327,989	2,915	372,781.00
2012	458,043.42	-	389,676.63
2013	381,276.33	-	197,782.10
2014	666,244.26	-	76,330.63

Source: ACWSSE, Finance and Administration Unit, 2016

As Table 12 shows, the enterprise has been paying on an average about ETB 458,106 per annum for electricity consumption in pumping water from the boreholes. According to key informants,⁷¹ fluctuations in energy supply have not only interrupted water production but caused a number of pumps to burn down.

Yet although the energy sources of water supply are unreliable, the ACWSSE has had no coherent institutional interaction with the electricity sector in this regard. Even the regional water bureau has no clear avenue for compelling the electricity sector to

May, 2017, Assosa.

70 Interview:Mr Adel Almard, Human Resource Process Owner, ACWSSE, 27 May, 2017, Assosa.

71 Interview:Mr Adel Almard, Human Resource Process Owner, ACWSSE, 27 May, 2017, Assosa.

pay for damage to water pumps and pipelines in Assosa city. Electricity is in the federal jurisdiction, whereas the urban WSSE is in a local jurisdiction: as such, the local enterprise cannot interact directly with the federal body. To address the effects of energy fluctuation, the enterprise, as informants note,⁷² has bought a separate transformer to maintain consistent electricity supply for water production. However, Electric Power Corporation (ELPCo) has distributed energy from this transformer to other non-water institutions and households, with the result that fluctuations in electricity continue to damage the enterprise's pumps.⁷³

On another front, in 2011 Assosa city secured funding from the Federal Ministry of Water Resources for its Water Supply and Sanitation Project, which was meant to rehabilitate old distribution lines. The project brought together various governmental and non-governmental stakeholders. In the vertical dimension, the ACWSSE, the regional bureau of water, mines and energy,⁷⁴ and the Ministry of Water Resources were the public role-players, while the contractor and consultant were the private institutions involved: in this case, as per the project agreement, SESK PLC was the contractor and DH Consult, the consultant.

During the implementation of the project, lack of coordination and cooperation again emerged as a crucial challenge. Letters written by the contractor reveal that there were delays in discharging responsibilities on the part of the client (the ACWSSE) and consultant (DH Consult). It was said that the client had not supplied pipes, fittings and accessories as per the project agreement and in time, and that the consultant had not given the required written approval of the project works in time. Likewise, the consultant cautioned the contractor for delays in the project. The exchange of letters between the contractor and consultant was full of such mutual accusations.

The accusations, however, point to the same underlying problem, namely a lack of coordination for ensuring that required tasks were carried out at the right time. The poor relationship between the contractor and consultant delayed completion of the

72 Interview:Mr Adel Almard, Human Resource Process Owner, ACWSSE, 27 May, 2017, Assosa.

73 Interview:Mr Adel Almard, Human Resource Process Owner, ACWSSE, 27 May, 2017, Assosa.

74 The regional government granted about 7 million birr for the Assosa city Water Supply and Sanitation Project.

project;⁷⁵ moreover, the ACWSSE held that the contractor had not run the project as per agreement, due to lack of the necessary capacity in terms of human and material resources. According to Mr Adel,⁷⁶ there were two problems on the part of contractors: ensuring quality, and ensuring completion of the project on time.

What is more, the project was supposed to reduce the leakage problems from 30 percent to 20 percent; instead, leakage increased to 39 percent. The informant maintained that the contractor lacked the necessary capacity and that the consultant could not avail itself at the project site.⁷⁷ Also, there was no regular, structured dialogue between the client, contractor and consultant to foster mutual trust and collaboratively resolve project-related matters.⁷⁸ Overall, the enterprise and the Water Bureau did not create a conducive environment for water stakeholders.

6. Conclusion

This study has examined decentralization and the functioning of urban local governments with reference to water-supply service delivery. In particular, it examined the municipal governance structure and adequacy of decentralization in the city of Assosa. The latter not only lacks legal security regarding its status as a city but has remained dependent on the political power relations and dynamics at regional level. The insecure legal status of urban institutions could be interpreted as a means by which the indigenous ethnic elite uses to regulate and control the city through political means that enable the indigenous elites to use its regional autonomy to adjust the autonomy of the urban administration. In the case of Assosa, the insecure status of urban local government has, however, rendered urban local governance uncertain and

⁷⁵ Letters written by the SESK Contractor PLC in 2012.

⁷⁶ Interview: Mr Adel Almard, Human Resource Process Owner, ACWSSE, 23 June, 2017, Assosa.

⁷⁷ Although the project improved water production capacity in that it established two new boreholes and saw the construction of one large reservoir, the distribution of water supply still does not extend far enough to cover the city's expansion. Interview: Mr Khojale Abdurman, manager of ACWSSE, 28 May, 2017, Assosa.

⁷⁸ Key informant interviews at both the enterprise and bureau levels, May 2017.

municipal decentralization ineffective.

In the case of water supply, decentralization has not led to effective urban service delivery. This has been due to a number of factors. First, the power to determine the structure, human resources and funding of urban water-supply projects is granted to regional state government, whereas the responsibility to provide water-supply service is given to urban local government. Although the function of water-supply service delivery is located at the city level, it is the regional water bureau that has meaningful technical and financial capacities.

Indeed, it has been the Regional Water Bureau that determines the structure of the enterprise and undertakes capacity-building tasks; as for the enterprise, it cannot escape control by the Bureau, which often comes in the form of technical and financial support. Furthermore, the supreme organ of the urban water-supply enterprise – the management board – is established by the Water Bureau, to which it is accountable; the Bureau in turn is accountable to the regional cabinet, itself accountable to the regional state council. This not only creates a long accountability route but precludes the local city council from this same accountability route.

The logic of decentralization could have empowered the technical department of the local water-supply enterprise to carry out design upgrading, but the enterprise cannot perform such functions because it lacks the mandate and capacity to do so. Instead, it relies on the expertise and material support of the Regional Water Bureau and beyond. Even worse, the revenue that the enterprise collects does not enable it to design or redesign water projects because this internal revenue only covers recurrent expenditure and small operational and maintenance costs. It cannot cover additional water infrastructural expansion. Weak revenue-raising capacity is hence a barrier to a watersupply-service that is more responsive to the changing nature of the demand for water supply. Thus, the evidence from the city of Assosa shows that the enterprise cannot function autonomously because its capacity to deliver urban water service is undermined by the lack of the required human, material and financial resources at the local level.

The second reason that decentralization has not led to effective

urban water-service delivery in Assosa city is that rapid, and largely informal, urbanization has not only put pressure on water-supply services but required that the water system be upgraded and restructured to enable water to reach new as well as old settlements. The actual population demanding water services exceeds the population for which the water supply was initially designed. The city's physical expansion has already gone further than the pressure zones of the distribution system, meaning that water supply does not reach the municipal boundary.

Thirdly, while the establishment of urban water-supply service delivery in the form of the WSSE was meant to reduce the influence of politics on the management and delivery of water, politics has remained the key factor influencing water-supply services in the city of Assosa. In fact, water problems cannot be addressed solely by the enterprise's manager and professionals but inevitably involve the power-holders or authorities who set priorities and allocate resources at national, regional and local levels. There should be a clear boundary between those who control the implementation of their decisions and those who implement or engage in service provision. In practice, however, the enterprise manager has been engaged in political activities rather than in meeting his or her service-delivery responsibilities. As the case of Assosa reveals, the manager focuses on clientelist relations with the upper-level Board and Bureau rather than on the local community – in this regard, a hierarchical political culture and the upward accountability of the manager strengthen the influence of political factors from above.

Finally, Ethiopia's urban water policy and institutional frameworks make multilevel institutional cooperation – along both the vertical and horizontal dimensions – a matter of necessity rather than choice in securing the provision of water. However, such coordination arises only when there is a water crisis and it becomes politically expedient as a firefighting strategy. Barring the ACWSSE's unofficial political accountability to the mayor of the city, there is no structural and legal connection between mayor and the city's WSSE. Instead, it is through the party channel or personal relationships that they are connected, given that both of them are affiliated to the ruling party and are also members of the enterprise's management board, where they meet to make decisions about water-supply services. The municipality is, for example, expected to pay for any damage it causes to water

pipelines, but this seldom happens, seeing as there are no formal rules that obligate the mayor to do so. This shows that there is a lack of clear lines of institutional communication between the water enterprise and the city administration; it also shows that the enterprise model of water-supply service is deficient in that it fails to anticipate the inevitability of institutional interconnection between the enterprise and the city.

In a nutshell, neither the decentralized local capacity nor the multilevel institutional coordination and stakeholder involvement is sufficient to deliver effective urban water-supply services. As matters stand, there is a mismatch between local capacity and service-delivery responsibilities. This study argues that decentralization could resolve the problem of water-supply services if local government were endowed with the capacity to match the functional responsibilities granted to it. Thus, for urban local government to deliver effective water-supply services, the decentralization process should ensure adequate local capacity as well as adequate coordination between multilevel institutions and stakeholders.

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