

Political Mapping Case Study: Decentralization and Water Sector Privatization in Albania

The objective of the Albania PSIA was to measure the distributional impact of a water and wastewater sector reform that aimed to provide equitable access to safe water and affordable tariffs using two parallel decentralization models—private and public—management of water utilities.

Political mapping was used as an entry point into an understanding of the political economy behind the sector reform. The findings were that the reform had made slow progress, owing partly to incomplete information about new roles and responsibilities, diverging interests, and central government resistance.

A dozen or so stakeholder groups were identified as being important to the reform context in Albania. To situate stakeholders on a two-dimensional graph, analysts needed to gain insights into stakeholders' ideological positions with respect to the reform:

- The former **Ministry of Local Government and Decentralization (MOLDG)** had a strong commitment to reform from within central government and secured a council of ministers' approval for the Water Decentralization Policy Paper.
- The **Ministry of Economy (MOE)** exhibited ideological support for the reform although it had not given proper attention to the policy recommendations of the government's approved Water Decentralization Policy Paper.
- **The international donors** had exhibited robust support for the package of policy reforms.
- The **Water Regulatory Entity (WRE)**, although not opposed to decentralization, was reluctant to relinquish its tariff-setting authority to local government or to accept reduced responsibilities for setting policies and enforcing standards.
- The **Ministry of Territory Adjustment and Tourism (MOTAT)** was the line ministry for the reform, but faced potential loss of authority as a direct (first-order) impact of the reform. It expressed its opposition by not advancing the decentralized asset transfer as scheduled.
- **Unauthorized consumers** faced exclusion from access to the water supply through disconnection of illegal water supply connections and were therefore strongly opposed to the water sector reform; they were powerless and had limited channels for opposition.
- **Minority ethnic groups** (Roma and Egyptians) were often not connected because they lived outside of water supply and sanitation networks, or were unable to afford bills in serviced urban centers. They supported the reform in cities with lifeline tariffs, but opposed it in cities without lifelines through unauthorized access. They were powerless and had limited channels for opposition.
- **Local governments** supported the reform because it directly impacted positively on their decision-making authority (such as setting water supply tariffs) and they received capacity building through respective programs. They had set conditions including the rehabilitation of water networks, the write-off of central government debts prior to decentralized service provision, and asset transfer.
- **Very poor households** were unable to afford unsubsidized water bills and they opposed reform (involving tariff increases) in cities without lifeline tariffs through unauthorized access. They supported the reform in cities with lifelines. They were powerless and had limited channels for opposition.
- **Customers** (public, private businesses, households) supported the reform because it directly impacted positively on their improved access and availability of high-quality water.

- **Water utilities** had been transformed into shareholder companies and received better-trained utility staff as a result of the reform. They strongly supported the reform because it directly impacted positively on their increased financial viability and cost recovery.

In the visual map (box), the different types of political actors are located in the first column organized in three sectors: political parties (seeking to influence public policy directly through instruments of power), external actors (including donors and international NGOs) and social actors (including class or industry-based interest groups). The purpose of the top row is to assess the degree and nature of each group’s relationship with government on this reform issue.

Box: Visual map of political actors and their degree of support for government

	Support			Opposition			
	Robust	Fragile	Ideological	Public mobilization	Political channels	Disobedience or conflict	Limited channels
Political Actors	MOLDG, local governments		MOE			MOTAT WRE	
Social Actors	customers, water utilities, very poor households (metered & lifeline)	ethnic minorities (metered & lifeline)				unauthorized consumers, ethnic minorities (w/o meters and/or lifeline), very poor households (w/o meters and/or lifeline)	unauthorized consumers, ethnic minorities (w/o meters and/or lifeline), very poor households (w/o meters and/or lifeline)
External Actors	international donors						

Note: MOE=Ministry of Economy, MOLDG=former Ministry of Local Government and Decentralization, MOTAT=Ministry of Territory Adjustment and Tourism, WRE=Water Regulatory Entity

The analysis uncovered that the position and actions of key stakeholders on the reform issue through the authority transmission mechanism created obstacles to the effective implementation of the decentralization and water sector privatization process. Political economy issues are seen to be key aspects of PSIA analysis when the first order impact of the reform is on changing authority structures and relations.

Source: Adapted from Tools for Institutional, Political and Social Analysis of Policy Reform: A Sourcebook for Development Practitioners (Conference Edition) (2007) The World Bank, Washington, DC.