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PSIA & WATER

Poverty and Social Impact Assessment (PSIA) in Water & Sanitation

Lessons from Reform Experiences

June 2015

Water is the quintessential natural r esource – a necessity of life. Access to clean drinking water and good sanitation are essential for improving health and hygiene, and contributing to higher human productivity. Water is also a limited resource, and its use comes with unique challenges. First among these is water scarcity. According to estimates about 20 percent of the world's population lives in areas with physical water scarcity and another 20 percent with economic water scarcity i.e., water may be available but access to it is limited due to financial or capacity constraints (IWMI 2007).

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Second challenge is water quality. If water quality is poor, it poses a public health hazard. Without proper sanitation, living conditions can deteriorate, contributing to poor hygiene and ill-health. An estimated 780 million people lack access to improved, clean drinking water and an estimated 2.5 billion do not have access to improved sanitation (Cooley et al. 2014). As part of its engagement on water and sanitation, the World Bank is working across these issues, and employing Poverty and Social Analysis (PSIA) for understanding on-the-ground realities and analyzing the potential impact of policy and programmatic actions (Box).

Box 1: What is a PSIA?

Poverty and Social Impact Analysis (PSIA) is an analytical approach used to assess the distributional and social impacts of policy reforms on various stakeholder groups. A PSIA can be a quantitative, qualitative, or mixed methods approach to understanding the distributional impacts of a particular policy or reform.

A PSIA can be undertaken pre- or post-policy reform. If done before or during the reform process, the analysis can provide empirical basis to inform the design and sequencing of alternative policy options. If undertaken after the reform, PSIA can help assess the actual impacts of the policy, which can suggest ways to mitigate any adverse effects and help decision makers understand the likely impacts of future reforms. PSIA can ensure that decision makers have a strong analytical and evidence-based foundation as they make a policy choice, especially if conducted before or during the reform process. In addition, it can help create space for policy dialogue around reforms, contributing to increased transparency in policy formulation (World Bank 2012a).

By identifying the winners and losers from a reform, PSIAs help policy makers decide on the design, sequencing, timing and appropriateness of the proposed reforms, and help introduce mitigation measures where necessary. PSIAs play three main roles: supporting the elaboration of poverty reduction strategies, facilitating in-country capacity building, and informing Bank operations (World Bank 2012b).

PSIAs in the Water Sector

In the water sector there is a natural mesh with the use of PSIAs. The analyses already undertaken have helped to determine the efficacy of proposed reforms related to water scarcity and use, quality of water supply, and public-private partnerships for scaling up water services to the population.

This note focuses on how PSIAs have been used to identify challenges and solutions in the water sector focusing on drinking water and sanitation. The note draws on the PSIA experience in six countries, selected from a set of completed PSIAs, and covers a range of issues related to water use including subsidies, quality, and usage levels in Eastern Europe and Central Asia; water scarcity, political economy and restrictions on water use in the Middle East; and scaling up of water services to population in countries as diverse as Malawi and Indonesia. It also draws on interviews with team members from four of the six PSIAs. Table 1 highlights the challenges faced in the drinking water and sanitation sector and their social and economic costs in the six selected countries that became the underpinning of PSIAs in these countries.

Table 1: Country specific challenges addressed by PSIAs

Country	Issue	Social and economic costs	PSIA Focus
Indonesia (2009)	Over 50% of poor HHs lack access to drinking water and sanitation – only 17% have access to safe water, and 70 million people use public and non-private forms of sanitation facilities. The lack of clean drinking water and sanitation contributes to poor health as well.	Majority of HH haul water for daily use, which can cost from 5 to over 30 minutes. Only 25% of the population pays for water. The cost of poor sanitation is estimated at US$ 56 per person or almost 2.6% of GDP.	To understand the poverty impacts of a tariff increase on utilities to support the government's interest in providing an additional 10 million households with piped water connections for improving access to drinking water and sanitation. (In support of the 3rd IDPL)
Kyrgyz Republic (2013)	The country's water supply and sewage system has depreciated considerably since its construction 40-50 years ago and access is limited. In rural areas water supply reaches 50-60% of population, but only 25% have access to sewage. In the 25 largest cities, drinking water coverage is between 60-90% but sewage coverage is less than 40%. Despite an 87% increase in tariffs during 2007-10, they are still below cost recovery. The financial gap was estimated at US$37.5 million in 2009.Tariffs increased again in 2010, and	Increases in social protection benefits are expected to help offset the tariff increase, but 60% of poor HH are excluded from the social protection program, and with water and sanitation making up only 0.35% of the expenditure of the poorest HH, there is little evidence to suggest that the social protection system has significant impact on vulnerable HHs. Also, local governments are responsible for water services, but there is no	To assess the impact of a tariff increase on poor and vulnerable HHs. The tariff increase aims to raise revenues to update the water infrastructure; and to assess people's perception and satisfaction with services

Country	Issue	Social and economic costs	PSIA Focus
	the government has pledged to further increase tariffs over the next 2 decades.	central regulatory body to provide oversight.	
Malawi (2007)	The water sector is under developed in Malawi and access to clean drinking water and proper sanitation is limited. The Government has undertaken reforms to increase the availability and access of safe water to the population and is exploring ways to do this including public-private partnerships	Currently only 26% of population has access to clean drinking water. In urban areas, low income, unplanned settlements do not have water connections at home, and have to get water from a communal point (kiosk); sanitation is a bigger problem. Moreover, the low income HHs pay more for connecting to the water supply than higher income HHs	To assess public private engagement in the supply and management of water in low income areas in Blantyre and Lilongwe (slums mainly)
Ukraine (2013)	The country's water services are aging and suffer from underinvestment with tariffs kept under cost recovery. While the government has been addressing governance issues, there is a strong perception that corruption is prevalent, especially at the municipal level which handles water supply.	Water services do not reach 100% of the population and the infrastructure is aging. It is estimated that 4-6 billion euros are needed to bring the system to operational safety levels and 20 billion euros to achieve international standards. Leakages from the system are estimated at 35%; and tariffs are lower than cost recovery	To examine the demand side in implementing utilities reform (1) identify major obstacles to accountability to end users in the water supply sector; (2) define incentives and disincentives to introduce greater transparency and accountability in the sector, and potential champions for such reforms; and (3) recommend short- and long-term measures for strengthening citizens' capacity to demand greater accountability regarding water service.
West Bank & Gaza (2009)	Water resources in Palestinian areas are limited, and governed by Article 40 of the Oslo II agreement of 1995. The agreement allocates 1/4th of the area's water supply to Palestinian areas and the remaining to Israel. However needs outstrip supply. Political issues and unrest confound reforms	Drinking water is scarce and waste water collection is lagging behind. High cost in terms of negative health impacts – up to 0.4% of GDP in negative impacts due to child illness. Additionally, an estimated 10% of GDP in losses due to forgone irrigated agriculture in West Bank	To develop a balanced analysis and create awareness of the factors restricting Palestinian water sector development as well as of the economic, social, and environmental impacts of these restrictions
Yemen (2007 & 2009)	Water is scarce and access is higher for high income HHs compared to low income HHs. Poor quality of drinking water and sanitation services	High level of child mortality due to poor sanitation and quality of drinking water. Gender and educational enrolment impacts are also considerable, with women and girls spending large parts of each day fetching water.	To assess the impact of water sector reforms and address tension between a business approach, affordable service provision and expansion, and protection of the poor

Tackling Tough Questions – PSIAs in Action

As with any other development issue, challenges and opportunities in the water sector while broadly similar (i.e. providing clean drinking water, improved sanitation), are also unique to country contexts. For instance, Eastern European countries mostly have a water infrastructure but it old and there are system inefficiencies, which need to be addressed within the larger context of transitioning from central to market economies. In Malawi, a low income country, the main challenge is ensuring equitable and clean water supply in urban slums. There is a strong dichotomy in access to clean drinking water and sanitation by income. Most low income households are generally located in unplanned settlements (slums) that do not have a proper water and sanitation infrastructure. In Indonesia, on the other hand, the concern has been to extend services country-wide to provide access to the 10 million households that still do not have access under a decentralized administrative system. Employing a PSIA to understand these nuances helps in better policy planning and programmatic implementation.

Population stress on an aging infrastructure for drinking water and sewage, and poor management are among the main challenges facing Eastern Europe and Central Asian (ECA) countries. Most ECA countries have legacies of the systems developed under the former Soviet Union, with utilities being provided at subsidized rates, considerably below cost recovery. Following the breakup of the former Soviet Union, newly formed countries maintained their existing systems, continuing to provide utilities, including water and sewage, under the older model and at subsidized rates. However, to reduce system inefficiencies, and to create a system that would be sustainable in the longer term, countries initiated reforms beginning in the 1990s. These reforms have centered on sensitive issues such as removal of subsidies and improving institutional arrangements. More recently, Ukraine and Kyrgyz Republic have also undertaken reforms in the water sector as part of larger energy and utilities reforms to revitalize their outdated and overburdened systems. To understand the potential impact of reforms, the PSIA in Kyrgyz Republic aimed to address questions around tariff increases and their timing, subsidies for the poor and access to services, legal and institutional issues and private sector participation. In Ukraine, the focus was mostly on how to generate stakeholder buy-in for the changes, especially among end-users.

In Malawi and Indonesia, the focus of PSIAs was on how to expand provision of services to underserved populations. In Malawi, a PSIA led by UNDP explored the feasibility of public-private partnerships for supplying water. With urbanization and greater pressure on limited water resources, the Government of Malawi was faced with the challenge of scaling up these services in urban areas. Focusing on the cities of Blantyre and Lilongwe, one option that the Government has considered is public-private partnership in urban areas to improve access to water and sanitation, especially for the urban poor. While there are examples of public-private partnership in water supply in other countries, would this model work in Malawi? What would be the costs? Who would

benefit and how much? Would the benefits outweigh the costs sufficiently to justify investing in this model of service delivery? These were some of the questions that the PSIA aimed to address in the Malawian context. In contrast, in Indonesia, the main issue was expansion of water supply (through piped services) to an additional 10 million households across the country (at a cost of US$ 8 billion). Indonesia decentralized its water utilities to the local level in 2001, but with poor capacity at the local level, legislative barriers, and overall economic slowdown, investments in the Water sector declined. In 2009, the Federal Government announced its intention to focus on the water sector and support its improved supply. A PSIA, which encompassed water, energy and infrastructure, was conducted to estimate the cost-benefit of a tariff increase in support of this goal.

Water scarcity and the political economy surrounding its management are of prime concern in the Middle East and North Africa. Whether through natural or man-made conditions, access to water in countries such as Yemen is a major challenge. In Yemen, the Bank conducted two PSIAs to examine the equity and political economy surrounding implementation of the National Water Sector Strategic Investment Plan (NWSSIP). While the NWSSIP had been initiated in 2004, implementation was fraught with challenges related to the political economy. In this case, the PSIAs aimed to understand the constraints by working with all key stakeholders and covered broader water management, including rural and urban water supply, rural sanitation, irrigation and groundwater management. In the Palestinian Territories, the PSIA was also employed to assess the political economy surrounding water supply, restrictions on its use in the region and the associated economic, social, and environmental impacts. It addressed factors such as sector governance, and movement and access restrictions beyond the control of the Palestinian Authority, as well as internal contributing factors, notably governance and capacity weaknesses of Palestinian institutions.

Based on the needs of the assessment and the questions being asked, different PSIAs took different approaches. Several methods were employed including stakeholder interviews, focus group discussions, and primary and secondary data quantitative analysis. The approach used depended on (a) data availability; (b) resources; and (c) contexts and questions being asked. Based on the scope of issues, each country's PSIA took a different approach. In Ukraine, the emphasis was on focus group discussions and in-depth interviews to collect qualitative information about perceptions and what is needed to create buy-in. With the analysis focusing on economic viability, in Indonesia, there was greater reliance on data available through secondary sources for estimating the cost and benefit of a tariff increase to finance the expansion of water supply. On the other hand, in Yemen and Palestinian Territories the main source of information were key informant interviews that helped to understand the political economy and what barriers and opportunities exist. Table 2 provides a summary of the key questions and methods each PSIA employed and the outcomes. Recognizing the time and resource constraints, the methods used needed to be sensitive to the question at hand to be able to assess potential impact. This is critical in implementation decision-making, as was the case in the six country examples showcased here. In Indonesia, for instance, a PSIA was conducted after the government announced its decision to

increase water supply. The PSIA supported the dialogue surrounding the Third Indonesia Development Policy Loan. Using existing data, the PSIA identified the disparity in access – over half of poor households lacked access to clean drinking water and sanitation. In comparison about 42 percent of non-poor households lacked access to safe drinking water and about a third lacked access to proper sanitation. Most households had to haul water, which impacted their use – which was 11 times lesser than those who had access to piped water. Data analysis also showed that increasing water supply to additional households will increase GDP by 0.88 percent, with the cumulative benefit of all proposed infrastructural enhancements being around 2.4 percent of GDP (World Bank 2009a). The analysis also helped the Bank determine its engagement on water, which focused on support for improving governance in the water sector.

These PSIAs have helped to gain better understanding of the issues related to policy and programmatic courses of action and their potential implications. In Ukraine energy sector policy reforms have been underway for some time, and the PSIA was conducted to answer a very specific question – how to improve accountability in service delivery. Given low tariffs and widespread supply of water in the country, there is little incentive for demanding good governance in the sector, but the need exists. The PSIA explored ways to increase citizen engagement for greater accountability and better governance. The work focused on major cities and used stakeholder analysis to 'filter out weak reform initiatives and identify those that are likely to be politically and technically feasible, and to identify potential champions for reforms' (World Bank 2013). The PSIA uncovered that utilities have limited capacity to collect fees since water is considered an essential good and right to it is protected under the law. Thus, there was need for more positive dialogue to change attitudes and behaviors regarding use of water resources. The findings of the PSIA supported the design the institutional development component in the Second Urban Infrastructure Project (UIP II) and facilitated a second, more in-depth PSIA on institutional development in Ukraine.

PSIAs have helped to identify the most optimal course of action.

PSIAs have helped to identify the most optimal course of action. In Yemen, PSIA analysis showed that while the reform would save water, it would also create negative impacts with farmers in very water scarce areas losing income and declining employment in farming in these areas. The analysis also showed that the cost of purchasing water for those who do not own their own water resources or landless laborers will continue to increase. Since this was not the intended result of the reform, the PSIA highlighted that the reforms in their original state would not benefit efficiency and equity and needed a re-assessment.

The PSIA Process and Political Economy Considerations

The potential success or failure of reform depends on the level of understanding of the political economy surrounding the reform. Sometimes the most well-meaning reforms fail due to a poor understanding of the environment in which the reforms will be implemented. Understanding the reasons for initiating the PSIA, the stakeholders involved and their interests and coordination mechanisms are essential in determining the final course of action. When water sector reforms were introduced in Ukraine, the economy was at the brink of default and there was considerable social unrest. Increase in tariffs was a condition of the bail-out package from the IMF. These conditions, coupled with the Bank's investment in infrastructure through a new project and awareness campaign, helped to generate political acceptance for the reforms.

Among the six countries studied here, the role of political economy is especially apparent in the water sector in the Palestinian Territories. Conflict and fragility defined the external environment for the PSIA on water in the Palestinian State. Since control over water resources resides with Israel's government, from the beginning there was recognition of the need to involve Israel more proactively in the process. This involved not only engaging with the Ministries of Water, but also ensuring that both sides understood that the PSIA was a purely technical and unbiased study with no hidden or political agenda. Having a multi-disciplinary team composed of water, conflict, and PSIA experts at the senior level (including well-known local experts such as university professors) helped in opening doors and convincing stakeholders of the nature and purpose of the work.

On the technical side, the PSIA focused on factual data to identify the main problems and their solutions. While the management of water resources is faced with administrative inefficiencies, one of the basic problems surrounding water supply in West Bank and Gaza has been the restrictions on water resources available to these areas, and this goes back to the conflict between Israel and Palestine. Following the war of 1967 Israel took over the control of water resources, including developed wells and the established supply network, which were in the territory under its control. In 1995, under Article 40 of the Oslo II agreement, Palestinian water rights were recognized and some of the West Bank resources were returned to the Palestinian State. Specifically a quarter of the resources were allocated to Palestine and the remaining to Israel. In addition, a Joint Water Committee was established to oversee management of aquifers for a 5-year interim period, with decisions based on consensus. However, there had been no re-evaluation of needs and usage, and in 2009, the same treaty was in effect, with Palestine using a quarter of the water resources and a heavy reliance on Israel's water supply network, with the national carrier providing nearly half the water to West Bank and Gaza (World Bank 2009b). The PSIA recognized these issues which helped to frame its recommendations for improving administration, focusing on the Palestinian Water Authority, within the boundaries of the political economy surrounding water supply and management in the region.

In Yemen the success of PSIAs in contributing to policy reform lies in the emphasis on country owned participatory methods to understand and manage the political economy constraints. The Bank PSIA team made concrete efforts to involve key stakeholders through workshops. In Yemen, the Ministry of Water controls 10 percent of the water resources, while Ministry of Agriculture controls 90 percent. Two workshops were held - in the first workshop, the Ministry of Water played a main role, and the Ministry of Agriculture took the lead in the second workshop. The first workshop identified rural water issues as more urgent (ground water, irrigation, and water supply), and so that became the focus of the first PSIA. It also helped to gain commitment and buy-in from stakeholders for their responsibilities. The workshop identified options, such as strengthening management institutions, empowerment to local communities, and set specific targets for urban and rural access to clean water and sanitation, that were politically feasible, more pro-poor, and implementable (Beddies and Shahid 2009; World Bank 2009c).

Table 2: PSIA in Action (Summary)

Country	PSIA Focus	Methods	Stake Holders	PSIA Findings: Policy/ Programmatic
Indonesia	To understand the poverty impacts of a potential tariff increase on utilities to provide an additional 10 million households with piped water.	Desk review, quantitative analysis using secondary data	Rural and urban households; Local and Central governments	Increasing tariffs by 50%, increasing efficiency by 20% and reinvesting proceeds into new connection would increase GDP by 0.88%. This is expected to be pro-poor (subsidizing roll-out rather than consumption), with an estimated increase in coverage to 70-80% for urban areas and 40-50% for rural areas by 2015
Kyrgyz Republic	To assess the impact of a tariff increase on poor and vulnerable HHs. The tariff increase would raise revenues to update the water infrastructure; and to assess people's perception and satisfaction with services	Focus group discussions, secondary data analysis	End users and households	More information is needed. An earlier study by ADB on Issyk-Kul suggests that tariff increases would be affordable (under particular conditions), but 1/3rd of all respondents and 44% of respondents in poor HH were unwilling to pay for a connection. The data from focus groups in Bishkek and Osh suggests that 85% of the poor HH would not be willing to pay additional tariffs. Moreover, it is unclear if social protection measures would help offset cost of tariff increases for the poorest HHs; Recommendations for (1) further affordability analyses; (2) national policy framework for drinking water and communal services; and (3) clarity of roles and responsibilities of actors
Malawi	To assess public private engagement in the supply and management of water in low income areas in Blantyre and Lilongwe (slums mainly)	Literature review, focus groups, key informant interviews, quantitative analysis (secondary data)	Individuals, households, traditional leaders, local politicians, Members of Parliament, Water Users Association, local business entrepreneurs, domestic resellers, local elites who operate kiosks	For the recommended option, the PSIA found that while there would be an increase in price there would be less variability; access and availability would expand at a reasonable pace with multiple small scale private distributors entering and working in the market; also increased operational efficiency and employment
Ukraine	To examine the demand side in implementing utilities reform (1) identify major obstacles to accountability to end users in the water supply sector; (2) define incentives and disincentives to introduce greater transparency	Focus groups, in-depth interviews, mini-survey, policy mapping, secondary	Urban residents in 4 cities, central government, service providers, civil society	Obstacles include lack of publicly available information on how tariffs are set and on the quality of water; ambiguous legislation on financial responsibility of utilities and consumers in case of breakdowns; potential tampering with meters by consumers;

Country	PSIA Focus	Methods	Stake Holders	PSIA Findings: Policy/ Programmatic
	and accountability in the sector, and potential champions for such reforms; and (3) recommend short- and long-term measures for strengthening citizens' capacity to demand greater accountability regarding water service.	data, and workshops		inability of utilities to seek finances from commercial sources, and their inability to set tariffs; there is also a lack of interest by consumers and utilities alike to change; on the supply side, since there is only one entity providing services, there is no competition and no interest in improving efficiencies; and on the demand side since tariffs are set very low there is little interest in changing things. The note provides a set of 9 recommendations (annex 1).
West Bank & Gaza	To develop a balanced analysis and create awareness of the factors restricting Palestinian water sector development as well as of the economic, social, and environmental impacts of these restrictions	Key-informant interviews, focus groups, and consultations	Palestinian and Israeli stakeholders	There are limitations on drilling, dropping waters tables, and deepening and rehabilitation of wells. In the West Bank, the nominal supply of HH water is less than need; water supply is irregular and cost of piped water is exceptionally high at 8% of HH expenditure. Tanker water costs are also high due to movement restrictions. As a results, there is often unlicensed drilling of water wells. Only 31% of HH are connected to a sewage network; potential exists to expand agriculture, but water resources are lacking. In Gaza while network coverage is higher than the West Bank, border closures and conflict have led to a deterioration of water supply reliability. Here again there is unlicensed drilling as a result. Similar sanitation problems exist with raw sewage being dumped in lagoons, *wadis*, and the sea. The Palestinian Water Authority (PWA) also faces governance and resource challenges which require political action (annex 2).
Yemen	To assess the impact of water sector reforms and address tension between a business approach, affordable service provision and expansion, and protection of the poor	Key informant interviews, focus group discussions, and a political economy analysis, consultations/ workshops	Government (central, governorate, and village level), Private sector service providers, civil society, donor organizations	Water sector reform, while would save water, were not equitable for rural populations since the proposed subsidy under the water reform favors better off farmers. Whereas the shadow benefit in urban areas would be around US$24 per capita per annum, in rural areas the cost of water purchase would rise.

Lessons Learned

The main lessons learnt from these PSIAs can be summed up as follows:

1. Project Preparation Support

The flexibility of a PSIA allows for it to cover multiple aspects of an issue from different angles. For example, in Ukraine, several avenues for collecting data were employed. A mini-survey, focus groups and in-depth interviews helped to understand stakeholder attitudes towards reform, and identify potential course of action. The flexibility to adapt TORs was useful for the Malawi study because it allowed for course correction. Based on the team's background research, it became apparent that there was a strong gap in information on the demand side, while the supply side had been studied recently. Thus, the TORs were amended to focus the work on a qualitative study that provided the consumer's perspective on the use of public-private partnerships for water in Malawi. This also helped to avoid re-inventing the wheel.

Ex-ante PSIAs allow examination of potential courses of action. In Malawi, for instance, use of PSIA identified the weaknesses in a proposed course of action i.e. using public-private partnerships to scale up services to the poor. The PSIA examined three different options that engaged private sector at different levels. Results of the PSIA identified the best course of action recommending that Water Boards should be managed by private firms that also manage distribution of water as this would be most effective solution.

PSIAs are useful in identifying the parameters of the Bank's engagement. In Indonesia, the PSIA helped to frame the discussion on infrastructure investments in terms of economic gains. It highlighted the challenges and opportunities in implementing the government's commitment to increasing access to water that defined the Bank's support to the water sector as part of its engagement on infrastructure in Indonesia.

2. Engaging With Stakeholders

Engaging stakeholders is a critical element of understanding and responding to political economy. In Ukraine various stakeholders were consulted through interviews, focus groups and workshops to understand their attitudes and grasp the political economy barriers to reform include the reasons for lack of consumer interest and how to engage them and suppliers in improving accountability and governance.

Engaging stakeholders meaningfully is important for understanding impacts and in designing successful projects. This is often easier said than done. Identifying and working with the right stakeholders was important in making headway in the West Bank and Gaza. This meant actively engaging both Palestinian and Israeli stakeholders and taking both their feedbacks in project design.

It is important to remember that the right stakeholders may not be the ones the Bank directly engages with i.e. Government Ministries. Key stakeholders may be local level authorities or households. Finding ways to meaningfully engage with them is important. In Ukraine which finding a way to engage with local authorities responsible for providing

services and the consumers was important in promoting efficient use and greater accountability in the water sector. Consumers especially had to be convinced (through awareness campaigns) that they should take an interest in water issues to increase water efficiency and ensure better quality of water.

3. Engagement with the project team

It is important that teams conducting PSIAs know who their counter-parts are in these project teams and that there is direct and open communication between them. In Malawi, one of the issues teams faced was that information was not flowing well between the World Bank, which was going to implement a water project, and UNDP, which was leading the PSIA work. Some of this was overcome through personal initiatives of the PSIA team members, but mechanisms such as a functioning steering committee that met regularly would have helped improve communications considerably.

For a PSIA to have operational impact, it is necessary to have meaningful and continuous engagement with the Task Teams and Country Offices (or equivalent). In Yemen, the first PSIA was conducted in 2007 as part of project preparation. Having a PSIA prior to the Water Sector Reform seemed a useful exercise to understand the issues. Buy-in had to be created by clearly linking the PSIA and its potential outputs to the project and showing the team how the PSIA could help the project. Having a PSIA team member on the project preparation team further facilitated the operationalization of the PSIA's findings. It helped to create a bridge from the PSIA recommendations to operations.

4. Team Composition

Team composition matters. While the exact team composition would depend on resources, for the water sector, for example, the team should include expertise on water and PSIAs. Local experts, such as subject area consultants or local staff, help in capturing local knowledge and nuances including the legal and country context that international staff may not be as well versed in. Engaging well-known experts, such as local academics, in West Bank and Gaza helped to generate greater credibility for the PSIA for example. In a conservative and segregated society like Yemen, having both women and men on the team was extremely important in ensuring that both genders were represented in the PSIA.

Employing local experts and staff also has an added benefit of building in-country capacity. In both Yemen and West Bank and Gaza local experts learnt from the process and were able to apply their skills in training others through their involvement in subsequent water projects.

5. Time Span

The time taken to conduct a PSIA is also important. While to some extent, this will depend on the scope of the PSIA and resources available, on average, a good PSIA will take between 6 to 8 months. This is important to facilitate the whole process of team formation, relationship building, data gathering and analysis. Both the Yemen and West Bank and Gaza PSIAs took about that long to complete and in both cases relationship building was an important aspect to successful operationalization of the PSIA findings. In

Malawi by contrast, the PSIA was conducted over a time period of 6 weeks. This time span appears to have been too short to have and influence on policy design since there was little time for dialogue around it to build consensus and there was not enough time to do extensive work such as a quantitative survey.

6. Presentation and Dissemination

Finally, an important aspect of a successful PSIA is its simplicity. While the PSIA can be a very technical piece of work, for it to be useful to project or country, it needs to be communicated in such a way that different stakeholders can understand the analysis and its outcomes. Processes should also be simplified and clearly communicated. This helps to not only get the point across, but also generate buy-in more readily. Attention should be paid to its presentation and marketing as well.

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