

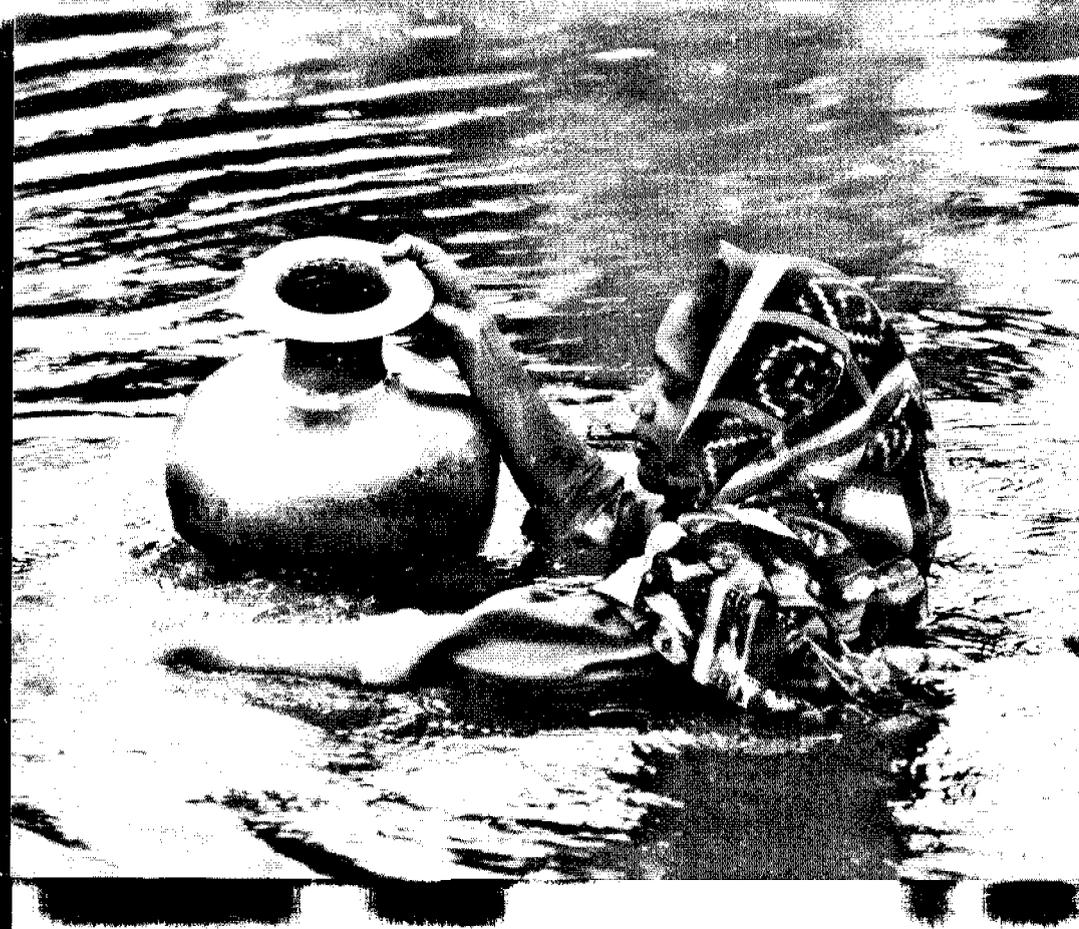


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## Water and Sanitation Program

An international partnership to help the poor gain sustained access to improved water supply and sanitation services

## TOUCHING LIVES ACROSS BORDERS



### SOUTH ASIA REGION

Bangladesh

India

Nepal

Pakistan

Sri Lanka

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South Asia contains a fifth of the world's population and nearly half of the world's poor. They are distributed across three large countries:

Bangladesh, India and Pakistan, the adjacent island country of Sri Lanka and the mountain kingdom of Nepal.

The main development challenges in this region are overpopulation, high poverty levels in villages, towns and cities, slow economic growth, ineffective investment and widespread institutional failure.

The region features some of the best and worst practices with respect to water and sanitation services. At one extreme, inefficient, centralized agencies operate inadequate and fast-deteriorating services and make huge yet ineffective new investments. Management of water as primarily a social and political good skews resource allocation, leading to serious inefficiencies, service failures and long-term resource depletion. At the other extreme, the region boasts numerous highly effective local, people-centered initiatives. Small-scale private entrepreneurs fill gaps in the service delivery chain while NGOs mobilize local action and find new solutions to the pressing problems of water supply and sanitation.

WSP-SA's central focus in the region is to promote new institutional arrangements that seek to explicitly recognize the poor as valid customers of improved, sustainable services. WSP-SA aspires to support reform in the water and sanitation sector in South Asia; facilitating change through partnerships with the

leading agencies in the region and demonstrating success on the ground in replicable pilot activities. WSP-SA seeks to be a leading source of field-acquired knowledge, policy support and investment advice in the region.

## RURAL AGENDA

The rural water supply and sanitation sector in South Asia is undergoing a steady transition. Pilot projects and a few large-scale investment programs have demonstrated the viability of demand-driven approaches and their contribution to sustainable service delivery. Policy statements increasingly reflect the adoption of these new approaches. The key challenge in the sector is integrating these innovative yet marginal demand-responsive approaches fully into national policies and programs. This requires the internalization of the reform process and the restructuring of sector institutions.

Through its 22-year presence in the region, the Program has gathered extensive field experience in rural water supply and sanitation. It has implemented rural pilot programs and supported and implemented large investment programs. The Program is recognized as a leader in this sector and is playing a catalytic role in supporting country stakeholders to mainstream participation, partnership, and consumer-responsive service delivery based on user demand.

## URBAN AGENDA

The overall regional urban vision for the sector focuses on the transformation of major utilities and municipalities into efficient organizations that excel in pro-

poor service delivery, and use the private sector (both large- and small-scale) effectively.

The key urban challenges currently facing the sector fall into three categories. First, to immediately build the capacity of "market-leading" city-level institutions. Second, to establish within State/provincial/national-funding mechanisms incentives for desired changes, and third, at the national level, to define what urban policy-making is required to promote the sought-for changes and explore regulatory and management needs.

WSP-SA has the specific advantages of practical experience at the municipal level and an understanding of the needs and demands of poor communities. Its role therefore focuses on demonstrating partnering approaches, supporting scaling up through single-city investments and State/provincial/national mechanisms, networking to support the transformation of lead sector institutions and bringing international and regional lessons and experience to bear.



partnership in the rural water supply sector with the Sindh Graduates Association, an NGO with a province-wide network. The Orangi Pilot Project — Research and Training Institute provided the conceptual framework of community-based approach, and technical and social mobilization training.

The pilot project demonstrates that the adoption of the demand-responsive approach can result in substantial savings in both, capital and Operation and Maintenance costs, thus making community ownership feasible for the rural poor.

In a Thatta village, the Village Development Committee prevailed upon the Government engineers to decentralize technology by accommodating four smaller filtration units instead of a central unit and making a different neighborhood responsible for each one of them. In Dadu, the community saved costs by opting to limit the service level to three community tanks built at mutually agreed locations. Consumers in Khairpur laid lane-level service lines and house connections on their own to have tap water in their houses.

In essence, communities in all three villages responded on the principle of component-sharing by accepting the responsibility of building the internal infrastructure, while leaving the external infrastructure system to the Department. But they all had a major contribution in reviewing and finalizing the overall design of the schemes.

The communities in three villages are satisfied that they have sweet drinking water — courtesy of a functional scheme which they can operate and maintain through affordable service charges. The Government looks forward to scaling up this experiment.

### Ahmedabad Parivartan

In 1997, the 1,029 slums (informal settlements) and 1,383 *chawls* (tenements) in Ahmedabad, housing approximately 300,000 families, had little or no access to basic urban services. In response to this growing problem, the Ahmedabad Municipal Corporation launched Parivartan

(meaning transformation) — an ongoing program which brings affordable and sustainable basic infrastructure services, including water and sanitation, to the slums and *chawls* of the city.

The project brings target communities, local NGOs and the private sector to work together in a unique partnership. WSP-SA provided conceptual design support and technical assistance during the implementation, and also documented the project.

## INVESTMENT SUPPORT

### SWAJAL: Providing Strategic Investment Support

In an attempt to improve rural water supply and sanitation services, the Uttar Pradesh Government has piloted an alternative service delivery model through the \$71 million World Bank-assisted SWAJAL project, which aims at benefiting 1.2 million people in 1,000 villages in the UP hills and Bundelkhand. The main objectives of the project are:

- ≈ to improve the sustainability of services through adopting a demand-responsive approach for village selection, advocating the use of water as an economic good and introducing partial capital cost recovery and full recovery of operation and maintenance costs
- ≈ to develop a coherent community participation approach that provides for a major decision-making role for communities in the identification, planning, design, construction and operation and maintenance of their water supply and sanitation schemes
- ≈ to create viable institutional structures to facilitate decentralized decision-making and, in doing so, test an

alternative to the current supply-driven mechanism in the sector.

WSP-SA has supported the World Bank in the preparation, design and implementation of the SWAJAL project. It is one of the few investment projects of the World Bank in India that has been consistently rated as “highly satisfactory”.

## Arsenic Mitigation Activities

Arsenic is a metalloid found in the Earth's crust. Colorless, tasteless and odorless — arsenic dissolved in drinking water poses a serious health hazard. Arsenic is found in groundwater in both Bangladesh and West Bengal, as their underlying hydrogeological characteristics are the same.

The problem of high levels of arsenic in tubewell water was first detected in Bangladesh in 1993, and was subsequently confirmed after 1995. Between 1998 and 1999, WSP-SA facilitated a rural water supply project in five districts of West Bengal. The project provides portable drinking water to 79 hamlets of which 26 have arsenic-contaminated water sources. The magnitude of arsenic contamination in Bangladesh is enormous. More than 7,000 arsenic patients have been identified and at least 18 million people are exposed to arsenic poisoning. WSP-SA conceptualized and facilitated a fact-finding mission of the World Bank that resulted in the Bangladesh Arsenic Mitigation Water Supply Project — a US\$ 44.4 million comprehensive project funded jointly by the World Bank, Government of Bangladesh and Swiss Development Co-operation. The Project envisages a demand-driven, community managed and financed sustainable water supply system for the future.



particularly useful where new policies, rules and processes are being developed and tested. The development of a manual signals a new phase for the activity. As the Community Infrastructure Project goes through its final stages, the manual will be tested and refined.

## **POLICY SUPPORT**

### **Strategic Alliance to Inform and Support National Policy**

The Rajiv Gandhi National Drinking Water Mission, Government of India, and WSP-SA have signed a strategic alliance to assist the rural poor in India to gain access to improved drinking water and sanitation services. WSP-SA assists the Rajiv Gandhi Mission in accelerating the ongoing policy reform in the rural water supply and sanitation sector, in bringing a more demand-responsive approach to service delivery, promoting a facilitating role for the Government and encouraging participation of the private sector and NGOs. As a part of the alliance, WSP-SA is assisting selected State Governments in implementing the national 58-district RWSS pilot project. The strategic alliance also ensures the dissemination of lessons to key decision-makers in the national and State Governments.

### **The Cochin Declaration**

Sixty-five delegates from 14 States, including 11 State ministers, senior civil servants from the Government of India and State Governments, NGOs and external support agencies participated in a workshop in Cochin, Kerala, held on December 7 and 8, 1999. Here they reached an

agreement on the principles and strategic actions needed to tackle the problems facing the rural water sector. The participants agreed that the problems in the sector derive not simply from the enormous scale of required investment, but also from inadequate sector management. New policies for service delivery have been developed, but these reforms now need to be implemented. For the reforms to be successful, State-level endorsement is vital.

## **SECTOR NETWORKING**

### **Urban Think Tanks and Roundtables: Identifying the Drivers of Reform in South Asia**

**The Urban Think Tank (India):** The Urban Think Tank is an informal participatory forum that brings together national- and State-level policy-makers with local municipal staff and civil society. It meets on a quarterly basis in cities and towns around India, to discuss radical yet practical ways to remove the obstacles to effective water and sanitation service delivery to the urban poor.

Regular meetings in India have been hosted by the Water and Sanitation Program-South Asia, in collaboration with the British Government Department for International Development, since December 1994.

Based on the proceedings of each Think Tank, WSP-SA produces *Nagari*, an information note which sets out key ideas and relevant recent innovations in simple language. *Nagari* is disseminated to municipalities all over India. Through the publication of *Nagari*, the Think Tank continuously attracts new members

interested in participating in the debate on reform in the urban sector. Cities and towns regularly come forward to profile their experience through the Think Tank – thereby increasing the overall understanding of how to foster a better operating environment in the sector of water supply and sanitation services.

The Think Tank is an opportunity to bring practical field-level reality to the policy-making table, and has become an important voice in the national debate in India.

### **Urban Roundtables (Pakistan):**

Like all the countries of South Asia, Pakistan urgently needs to address the growing challenge of service provision to the urban poor. Unlike many other countries, however, Pakistan does have some of the world's best known examples of innovation in this area. For many years, the country has been in need of a viable forum to bring together the vibrant non-governmental sector with key policy-makers and municipal staff, all of whom are struggling to find new ways to solve old problems. This need has recently been met, with the Water and Sanitation Program in Pakistan taking the lead to establish a consultative sector debate at the federal and provincial levels in Pakistan.

As part of this process, Urban Roundtables have generated a lively and influential debate; meetings often end with clearly articulated calls for provincial or national policy interventions, and there is a growing interest in widening the participation and scope of discussions.

## **PILOT AND DEMONSTRATION PROJECTS**

### **Sindh Pilot Project: A Pioneering Government-NGO Partnership in Rural Water Supply**

The implementation of rural water supply schemes in three villages under the International Development Association-funded Sindh Pilot Project is significant for more than one reason. The provincial Public Health Engineering Department entered into a pioneering



## SMALL TOWNS AGENDA

Small towns in South Asia, growing in number and increasingly dominated by low income populations, fall between rural and urban programs, benefiting from little or no financial or institutional support from outside. This results in inefficient service delivery systems that are rarely appropriate. The immediate challenge is to develop and demonstrate new and innovative service delivery parameters for small towns, recognizing their unique characteristics.

In small towns, WSP-SA interventions primarily focus on the analysis of critical issues and constraints, and the identification of financial and commercial arrangements for sustainable service delivery. Such efforts will soon be backed by pilot investments in one or two countries.

## CROSS-CUTTING

Several issues cut across WSP's learning agenda for rural and urban areas, and small towns. In South Asia, the main cross-cutting themes are integrated water resource management; gender and participation, with the region leading a global collaborative research initiative to explore linkages between gender, participation and sustainability; private sector participation, where an innovative learning program to look at poverty in the context of private sector operations is under way; and health and hygiene, with the Program initiating a renewed effort to understand how health and hygiene practice can keep pace with other innovations in the sector.



## KNOWLEDGE MANAGEMENT AND GENERATION

### **Credit Connections: Meeting the Water Supply and Sanitation Needs of the Informal Sector through Microfinance**

New approaches to service provision widely recognize the role of consumers in the financing of services. For the poor, an increased financial stake can potentially guarantee improved delivery and operation of services. To facilitate such financial participation, small-scale credit services are widely utilized by poor communities. To explore the mechanisms of successful microcredit provision for infrastructure, South Asia has conducted two major studies of microfinance institutions.

The first study was conducted in urban India in partnership with the Mahila Housing SEWA Trust and examined four microfinance institutions. The study also included action research documenting SEWA Bank's first separate initiative for financing housing and infrastructure. The findings are presented in printed and video format as "Credit Connections".

The study confirmed the enormous potential of microcredit to improve service delivery at the lowest levels and found a direct relationship between investments in housing and infrastructure and the incomes of the target families. A number of specific bottlenecks in India, which are holding back the development and growth of this sector, were identified. While the study focussed on urban India, the lessons learnt can be applied globally.

**In India, SEWA estimates that the potential demand for microcredit from women in the informal sector**

**for housing/infrastructure loans is around \$5,000 million (of which about \$500-\$750 million is for community-level water and sanitation investments).**

The second study, conducted in rural Bangladesh, examined the impact of microcredit in the water and sanitation sector and documented five organizations that offer such services. The study confirmed the willingness and ability of individual households to pay for services, and indicated that substantial numbers of poor families already finance investments through loans.

The study clearly identified that a lack of appropriate microcredit providers and obstructive institutional structures hinder the successful delivery of suitable financial products in rural areas.

**In Bangladesh, WSS coverage through microfinance institutions and the private sector is three times greater than that of Government-subsidized programs.**

### **Process Monitoring Manual**

Since 1996, WSP-SA has been working in partnership with the Swiss Agency for Development and Co-operation, the World Bank and the Government and communities of the North West Frontier Province of Pakistan, in developing an innovative and systematic approach to Process Monitoring.

This new monitoring tool, developed in the context of the Frontier Community Infrastructure Project has been adapted from earlier experiences in Process Documentation and Monitoring. Process Monitoring goes beyond conventional monitoring and evaluation in looking at issues affecting sustainability. It is

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The Water and Sanitation Program is an international partnership to help the poor gain sustained access to improved water supply and sanitation services. The Program's main funding partners are the Governments of Australia, Belgium, Canada, Denmark, Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom; the United Nations Development Programme and the World Bank.

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**WSP-SA'S VISION  
FOR WATER AND  
SANITATION IN  
SOUTH ASIA**

**One billion poor  
women and men  
recognized as valid  
consumers of safe  
and affordable  
water and  
sanitation services.**

**A range of  
efficient, self-  
sustained and  
well-regulated  
public and private  
agents delivers  
such services.**



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