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Folder ID: 1812016

Series: Partnerships and program collaboration

Dates: 09/07/1994 – 10/04/1997

Fonds: Records of the Water Sector

ISAD Reference Code: WB IBRD/IDA WAT-02

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1812016

R2004-044 Other # 33 Box # 204411B
Regional Water and Sanitation Group [RWSG] - South Asia [SA] - Water an
Sanitation - Correspondence and Reports

Office Memorandum
UNDP/WORLD BANK RWSG

Black Book

TO: Robert Boydell, RWSG- SA
Barbara E. Evans, RWSG - SA
Brian Grover, Headquarters
Vincent Gouarne TWUWS

FROM: Tova Maria Solo 
A.K. Sengupta

DATE: 2 March, 1997

RE: *Visit to Delhi and to State of Rajasthan to Assess
Possible Pilot Projects for Strategic Sanitation Assistance
Back to Office Report*

As per our terms of reference of 5 February, 1997, we visited the cities of Bharatpur and Dholpur, two district capitals of the state of Rajasthan between the 26th of February and the first of March, 1997. We complimented the site visits with consultations with various government officials as well as with representatives from USAID and from the private sector. Our overall findings, which follow in section 1 of this report, have led us to conclude that there exist ample possibilities to develop pilot strategic sanitation projects in both cities. We have summed up our recommendations on what actions to take in section 2. Annexes 1 and 2 contain reports of persons met with and of basic statistics from Bharatpur, Dholpur and Churu.

1. Findings

- * Both towns present clear needs for intervention in the area of sanitation. Furthermore, their high rates of population growth indicate the problems will be worsening in the near future. At the same time, neither city's situation appears to be insurmountable and the design and implementation of a simple action plan could make an important difference in each case.
- * Slum growth does not appear to be out of control. It is indeed the case that squatters are forming unplanned settlements on government land. But the fact that they are given de facto residency rights means that they are investing in housing and making site improvements. Lot sizes are generous, and an informal land market exists so slum dwellers can recover investments in capital improvement. Privately owned slums or tenements do not exist.
- * Both towns are well served with water, a fact which has a positive impact on health, but actually makes a strategic sanitation intervention imperative since no drainage is provided for the ample water supply. The Rajasthan Public Health Engineering Department has plans to expand and to rehabilitate the water supply system in both cities within the next year and a half. The possibility of combining a sanitation and water supply program to take advantage of excavation works makes development of a sanitation project very attractive.
- * Both towns have newly elected municipal councils (1.5 to two years served out of five year terms.) The council members are the first to be elected to their positions in 25 years. They bring to their office an eagerness to serve and also an awareness of local problems.
- * The chairpersons of the municipal councils in both towns, supported by other council members and deputy engineers, assure us that sanitation is considered a priority problem. Both requested assistance in preparing a

sanitation assistance strategy and projects for dealing with sanitation city-wide. Both expressed their interest in implementing such projects, but reiterated their need for technical assistance in developing them.

At the same time, the sanitation situations of both cities share similar problems:

* Both towns are benefiting from a variety of national and state government programs, among them the "Low-Cost Sanitation Project" which provides pour flush double pit latrines free of charge to families designated by local municipal governments. While the program is designed to replace the night soil scavenging system currently in use, the pit latrines are not necessarily the best technical solution and other options are not discussed with beneficiaries (although actual placement of latrines was worked out with individual families.)

* Both towns present serious problems of gray water disposal. While there is an evident tradition of citywide drainage dating back from Mogul times, the drains are currently serving as open collectors for stagnant gray waters, not to mention as breeding grounds for mosquitoes and other bacteria distributed throughout (mainly the poor) residential neighborhoods. The drainage system has not been updated to carry domestic waste waters, nor has any treatment of waste waters been introduced or contemplated. Furthermore, since sanitation and drainage remain somewhat of a no-man's responsibility between street sweeping (municipality) and water supply (state) neither town has developed effective systems for cleaning and maintaining drains.

* Neither town has any system, private or public, for solid waste collection or disposal. Bharatpur is more aware of the situation since it houses several hospitals and the city council is concerned for toxic and hospital wastes.

* The state of Rajasthan has no history or pricing and/or charging for sanitation services at any level. The system used in financing water supply does not offer useful guidance since PHED installs water free of charge to curbside for families in areas approved by the master plan. It provides standpipes at a rate of one for sixty families for the rest. Water use is priced at a flat rate estimated by the State Ministry at 1/3 its production cost, as calculated by PHED. Sanitation is theoretically covered by the municipal government through local "octroi" and "house" taxes. While the municipal councils can control these revenues and apply them to invest in as well as to operate sanitation systems, the "bundling" of costs leaves little incentive to calculate or to conserve costs, or to understand who is actually paying for sanitation services.

Similarities notwithstanding, we note the following important differences between the two cities:

* While enjoying a rich history and urban features, Bharatpur suffers from a low-lying site and a high water table leading to periodic floods which cover the entire city (up to the second floor) and regular percolating up of septic tanks during rainy seasons. Recovery of the city's original drainage system and flood control based on two interconnected moats built in the 18th century, could open the city up to tourist development since it is already on the "Agra/Jaipur" route and borders on the National Bird Sanctuary which draws international as well as national tourism. The two moats which circle first the palatial fort of the founding Maharaja and second the original city, could be restored for recreational purposes while also serving to treat waste waters. The development of a strategic sanitation plan should define actions both city wide and ward-by-ward taking flood control and moat restoration as pivotal issues. Bharatpur's city council has made remarkable strides toward increasing its revenue base. It has raised the house tax fourfold in three years and has now generated enough income to begin a slum improvement program to bring roads and storm drainage to low-income neighborhoods. Besides these fiscal improvements, the city can also benefit from special programs offered by the Historic Trust (IHS) and the Tourism Institute, when it comes to financing a city-wide sanitation project.

* Dholpur does not have the same physical problems as Bharatpur in terms of flooding or open drainage. But neither does it have Bharatpur's economic base or tourism possibility. The city council in Dholpur is advancing only timidly toward resolving its financial problems. The house tax has not been reassessed for eighteen years,

implying that over half the citizens pay nothing toward municipal maintenance (or sanitation) and the council seems loath to move to generate more incomes. At the same time the municipal workers have resisted attempts to monitor their activities while refusing to allow the city to contract out independent maintenance teams.

2. Consultations with Government

We met also with the Joint Secretary at the Ministry of Urban Development and with the Principle Secretary of the Public Health and Engineering Department of Rajasthan. The Joint Secretary, Mr. Minhas emphasized his Ministry's interest in a broad view of sanitation, not one limited to collection of fecal waste but one which would encompass all environmental aspects. He also supported an initiative in Rajasthan, a fact which leads us to recommend concentrating RWSG efforts in that single state. Given the support from a key Ministry, not to mention the transaction costs attached to the alternative proposal of supporting a variety of cities in different states, we recommend that RWSG carry out an intermediate cities SSA pilot in Rajasthan.

On that same subject, Mrs. Bhatnagar, Principle Secretary to PHED, reminded us that a third Rajasthan city, Churu, has also been recommended for SSA by the State Government. She also emphasized PHED's concern with community consultation and participation as a key for successful sanitation and she remarked that a team of community experts has been working in Jaipur with the Consulting firm SOFAGE in preparation of a water and sewer project for Jaipur, with long-term and follow-up work. She also pointed out the need for an IEC component (information, education and communication) programs on long term basis in the project area.

We also discussed the IDA-assisted project currently under preparation for Jaipur with PHED engineers. The design currently being developed for feasibility studies will call for a water born sewer system in developed sectors of Jaipur, and pour flush pit latrines in poor areas. It does not appear that the project will be developing a strategic plan, or indeed a plan aimed at environmental health, for the poor areas. The project could benefit from RWSG input at this stage.

3. Recommendations:

The RWSG Program should come to agreements with Municipal Councils of Bharatpur, Dholpur and Churu¹, with the PHED of Rajasthan and with other concerned Ministries and agencies² to define a mutual assistance plan to develop and to carry out:

- i) city wide sanitation strategy based on a drainage plan (and flood-control rehabilitation in the case of Bharatpur) to deal with storm waters and gray waters, on an action plan for solid waste collection and disposal and on long-term plans for waste water treatment and for the establishment of a structured revenue base to support sustainable sanitation services;
- ii) On a ward by ward basis, plans to improve environmental health and sanitation and to design effective systems for operation and maintenance in consultation with the respective communities.

This implies the following assistance strategy:

- i) Formation of local task forces representing the municipality and appropriate departments to supervise the work of teams provided by RWSG to each city with both engineering and community development skills.

¹ Following a visit and positive findings

² Other agencies to be involved are: Urban Improvement Trust; Irrigation Department (for Bharatpur), Health Department, and for Baharatpur, Historic Trust, Tourism Bureau and Forestry Department.

ii) Technical assistance to introduce alternative schemes for gray water and fecal disposal. At present the PHED norms call for pour flush double pit latrines or full water-borne sewer systems. Assistance is required to analyze alternatives which provide for storm water and gray water collection, treatment and disposal, in complement to, or instead of the existing systems and to design a long term plan for city-wide sanitation.

iii) Assistance in community organization to identify residents' reactions to the existing sanitation problems and to develop a process for neighborhood definition of solutions to the basic issues of drain maintenance, solid waste collection and disposal, and fecal collection and disposal.

iv) Assistance in and financing for development and realization of a neighborhood sanitation project in up to three neighborhoods (up to 250 households) per city.

v) Assistance in developing a financially viable project to deal with city-wide sanitation and in identifying the best combination of funding from public, private and grant sources to support recommended investments, .

vi) Training in three areas: in environmental health and hygiene at a local level; in municipal finance, investment and cost recovery, at the level of the municipal council and PHED; and in maintenance operations at the level of the municipal council.

4. Immediate Actions to be Taken

1. The RWSG-SA office should develop a preliminary budget for technical assistance (including pilot neighborhood projects) and a draft project description.

2. Following a visit to Churu, the RWSG-SA office should draft a letter to the municipal councils of Bharatpur, Dholpur and Churu, copies to PHED and other appropriate agencies, offering RWSG services and outlining the proposed activities.

3. RWSG-SA should contact UNDP/Delhi and ODA in the first instance to request support for the Rajasthan intermediate cities initiative. It should also look into other sources of support for the technical assistance from ITN, from AusAID and from WaterAid in India. For support in community organization and participation it should look into the possibility of local and international NGOs. For support in municipal and finance issues RWSG-SA should approach the UMP program managed jointly by UNDP and the World Bank.

4. RWSG at headquarters will look into possible sources of funding for technical training for the on-site teams in alternative technologies and in community participation. In particular RWSG will approach Dutch trust funds through the Bank loan to Jaipur and the Environmental Health Project via USAID and UNDP in New York. RWSG headquarters will also make contact with USAID/Delhi to inquire about the possibility of their support for the project. RWSG at headquarters will also make contact with UMP at headquarters to inquire about joint support, or about alternative programs for urban management assistance.

5. RWSG at headquarters should contact Mr. T. Herman, task manager for the Jaipur project, to exchange information and ideas about the Rajasthan initiative. At the same time RWSG-SA should contact Mr. S. Sarkar at the Resident Mission to discuss possible collaboration with project preparation.

5. Risks

We foresee the following risks involved in the proposed pilot “SSA Initiative for Intermediate Cities in Rajasthan”:

* **Financing City-Wide Investments in Strategic Sanitation** Although we understand that there are assurances of interest from HUDCO, and possible financing sources from ILFS as well, we should take care not to raise expectations in case easy financing is not forthcoming, or in case the financial costs of a proposed city-wide sanitation project prove too expensive for the cities in the project. For the purposes of the initiative, which would carry the cities through design, feasibility and, presumably, through loan proposals in the first instance, we should assure sufficient funds to carry out all studies and in addition to finance small scale investments in one to three neighborhoods of each of the subject cities. Since the step from project design to project financing and implementation tends to be a time-consuming one, we should be sure to leave something concrete on the ground, lest the time lapses discourage interest in the interim.

* **Interdepartmental Coordination** The proposed initiative must rely on coordination and on inputs from a range of government agencies. Failure to gain their support could jeopardize the success of any strategic plan. RWSG-SA should make it clear from the outset that the initiative invites the participation of all stakeholders, but that it regards the municipalities as lead coordinators. The organization of stakeholders should be made clear in the formation of task forces or advisory groups to receive and comment on the reports of the local teams and to meet in a timely way to participate in the initiative.

* **Creation of Expectations** As with any outside intervention, the proposed “SSA Initiative for Intermediate Cities in Rajasthan” runs the risk of creating misunderstandings among local administrators and government officials, particularly with respect to funding. Although the limits of the initiative have been captured well by both Mrs. Bhatnagar of PHED and Mr. Minhas of the Ministry of Urban Development, other officials may tend to assume that RWSG is offering grants in aid or investment funds. RWSG-SA should reiterate the scope and limitations of the proposal in its next communications with the municipalities (copied to other stakeholders). A published budget and /or action plan for the planning initiative should be published and made available to stakeholders throughout the initiative, again to avoid misunderstandings and creation of unrealized expectations.

* **Identifying Qualified Local Team(s)** The project’s success will depend on finding a professional team capable of carrying out the design, planning and community work needed, and gaining the support and collaboration of the municipality and other stakeholders in the process. The team may need support in developing a financially viable project. The task calls for a seasoned engineer or generalist project manager, with experience and abilities in working with community and local groups, and an experienced municipal organizer, community health organizer or social planner, with know-how in water and sanitation issues. RWSG-SA has funds to pay for 54 weeks, or six months for two qualified persons to work on site. This funding should be supplemented by making use of the programmed local and national workshops on urban sanitation to present alternative sanitation solutions (both city-wide and community level) to a team of experts and stakeholders and to resolve issues in each of the project cities. Funding for background work should be used to support research activities, data gathering and community inputs which will help to define technical alternatives for a strategic sanitation approach. In addition, international experts can be brought in to share their experiences and to help train, orient and support the local team.

CC:\ RWSG Field Managers; RWSG Headquarters Team; Heinz Unger, ASTEN; Michael Whitbread, SA2AW;
Shyamal Sarkar, World Bank Resident Mission to Delhi; Earl Kessler, USAID Mission to Delhi;
M.Mauerstein-Bail UNDP-NY



UNDP-WORLD BANK WATER & SANITATION PROGRAM
Regional Water & Sanitation Group -South Asia

CP
Good BTOR copy to
B. Saver
B

Office Memorandum

DATE : December 27, 1996
TO : Robert Boydell, Regional Manager, **RWSG-SA**
FROM : Charles Pendley, Sector Planner, RWSG, SA CP
SUBJECT : BTOR, Mission to Bangladesh, December 13-20, 1996

1. As per terms of reference dated December 6, 1996, I traveled to Dhaka and provided support to the Bangladesh Country Team (BCT) in preparing TOR for special studies and monitoring formats as a follow-up to the recent HTMP Review Mission, TOR for a socio-economic feasibility study to be funded by SDC as part of the RWSS Project Preparation for low-water table areas and a funding proposal for sector program support. Ms. Saba Siddiqi, Communication and Information Officer, RWSG-SA, New Delhi, was on Mission in Dhaka from December 17-20, and will be reporting under a separate BTOR.
2. I represented RWSG-SA, New Delhi, at the launching of ITN-Bangladesh at Bangladesh University of Engineering and Technology (BUET) on December 19 and held discussions with BCT, Danida, BUET staff, consultants and the educational advisor on strategy and operational issues related to ITN. It was learned that a ITN Management Committee had recently been formed by BUET to deal with administrative and logistic matters relating to the functioning of ITN. One of the three consultants (technology consultant) had started work, and the other two (Community Development and Coordinator and Training Consultant), will report by January 1997. BCT was requested to reinforce all parties' understanding of financial and accounting rules, regulations and responsibilities from the outset to prevent unnecessary misunderstandings arising during implementation. The interface between the respective management cultures of BUET and the ITN, the "dual allegiance" problem faced by coopted BUET staff and provision of logistic support to the ITN Team will be subject for close attention by RWSG-SA, Dhaka in the months ahead.
3. The Launch was well attended by a broad representation of supporters and future clients of ITN. The Working Sessions confirmed that the ITN was seen by key partners (DWASA, Chittagong WASA, DPHE, LGED, UNICEF, UNDP and others) as filling an important gap in human resources development in water, sanitation and waste management fields in Bangladesh at a time when this gap was negatively impacting further development in these sub-sectors. Several specific "demands" for services, including training of trainers, training advisory support and coordination of present disparate training activities from ITN were made by participants. A representative from RMB suggested that ITN's services could be sought to support training and HRD requirements of upcoming World Bank urban/water projects. It is thus apparent that ITN meets an actual demand, and the onus is now on ITN to develop a product and service line along with staff competencies which respond to these demands. This is the challenge ahead for ITN-Bangladesh.

4. Myself and the Team Leader, BCT, attended contact meetings with present and prospective partners, i.e. RMB, Danida, SDC, UNICEF, UNDP, ADB and EU. These meetings confirmed that the conditions are now favorable for a larger role for RWSG-SA, Dhaka in the future development of activities in the rural and urban water and sanitation sub-sectors in Bangladesh, and in supporting GOB in developing a uniform set of policies and strategies in these areas. Specifically, ADB expressed an interest in collaborating with RWSG-SA, Dhaka in developing an inventory of urban activities as a lead-in to an updated urban situation analysis and further downstream activities such as project formulation.
5. I met with Arun Banerjee and Zahed Khan from RMB and BCT to firm up plans for the planned WSS sector work. Decisions reached and deadlines agreed at this meeting are reflected in the debriefing notes (section 2) attached as an annexure to this BTOR. In addition to support from SA IIN, Danida has earlier expressed interest in supporting specific parts of this activity, such as a taskforce/working groups within GOB. It was agreed that RMB/RWSG-SA would ensure that support from SA IIN and Danida would be complementary and mutually reinforcing, as expressed in the support matrix presented as an annexure to this BTOR.
6. I attended a meeting of the Informal Donor's Group on Water and Sanitation hosted by RWSG-SA, Dhaka on December 18. After some discussion on the role and functions of the group, it was decided in principle that RWSG-SA, Dhaka would be the coordinator of the Group for the coming six months, and that RWSG-SA, Dhaka would draw up a proposed work plan for the group for this period. I agreed to share a copy of the TOR for the UN Interagency Working Group on Water and Sanitation which RWSG-SA, New Delhi, presently chairs.
7. In accordance with the TOR, I prepared and delivered tools to assist the Team Leader in monitoring and reporting planned and actual progress of the growing number of activities under BCT's purview. A spreadsheet to be updated at least monthly is attached as an annexure to this BTOR.
8. Re the Second Asia Regional Consultation on Large Scale-RWSS Projects, tentatively planned to be held in Manila in October 1997, and co-hosted by the Program and ADB, SDC agreed in principle to support the participation of 2-3 national participants and one staff member from SDC, Dhaka. Such support from ESA's will be essential for addressing the present funding gap and ensuring adequate representation of national staff at this event.
9. A brief wrap-up meeting was held on the last day of the mission with the Team Leader, BCT. Agreed actions, responsibilities and deadlines are presented as an annexure to this BTOR.

cc: Gross, TWUWS; Robinson, Kamkwala (SA IIN); Landell-Mills, Banerjee (RMB); Kabir, RWSG-SA, Dhaka; Minnatullah, Siddiqi, RWSG-SA, Delhi.

DEBRIEFING MEETING WITH RWSG-SA - DHAKA, DECEMBER 20, 1996

Agreed Actions/Responsibilities/Deadlines

Donor Coordination

WSS Informal Donor Group coordination role - CP to send TOR for IAWG in India to BK

Sector Work

1. IM to be submitted to SA11N by January 15. Budget to include value of RWSG-SA's inputs (KM to assist in finalizing IM during upcoming visit)
2. Updated Situation Analysis by end March 1997.
3. Strategy study completed by July 1.
4. Sector Steering Committee to be convened by January 15 based on commitments expressed to Secretary, MLGRD&C and HR's TOR
5. Interministerial Policy Review Committee (IPRC) to be convened and inaugural meeting held by March 15 (BK)
6. Proposal for Danida support to be submitted by Dec. 31 to allow time for processing by Danida based on draft proposal already prepared (TOR for Interministerial Committee to be added by BK).

ITN

1. Proceedings from Inaugural and Working sessions to be prepared by rapporteurs and distributed to all participants (include text of speeches by Minister, Danida, WB.)
2. Establish cross-links with relevant global allies (IRC, SKAT, SANDEC, WEDC, etc.) (CP)
3. Saba to send PROWWESS/EDI/AV materials
4. Establish and communicate financial/accounting rules to BUET/ED/Danida (IH)
5. Monitor time inputs by BUET staff informally and formally (timesheets for consultants)
6. CP can assist in contact with Danida Advisor if needed
7. Formalize ITN management committee at BUET (BK)
8. Document responses by BCT to requests for assistance as input to future reviews (IH)
9. Proposal for MLGRD&C and DoE to be included in Board should be taken up at next Board meeting. ICDDR,B to be considered as a board member.

Regional/National SSP Workshop

1. Invite ITN and ICDDR,B to workshops

Special studies

1. Draft TOR prepared for study of non-functioning Tara pumps in Mirzapur (HTMP)
2. Draft training quality format prepared for CF training monitoring (HTMP)
3. Draft proposal for socio-economic feasibility study prepared (SDC)
4. Urban sector profile to be prepared for ADB (1 week TA's time)

LWT Project Preparation

1. Meeting on December 22, working group to commence work asap thereafter, budget should be prepared
2. Possible extension to include thana and rural growth centers (EU). This would require approval by SDC and additional resources from EU. Bill Tuck to discuss possible collaboration with Walter.

HTMP

1. Written response to Review Mission's Report to Danida by December 26.
2. Consultants to Technology, Acceptability, Marketing Study to be engaged
3. Strategic monitoring formats to be prepared (CP) based on work plan prepared by BCT
4. Supervisory visits by IH/BK (BTOR shared with Danida)
5. KM to assist in refining workplan during next visit

SWM Activities- Khulna (Private-public-NGO Partnerships in SSP with SWM as entry point)

1. Prepare reply to JK/CB's BTOR asap
2. Prepare workplan and TOR for NGO Intermediation (Prodipon) submit to RMB/SDC
3. Meet KCC and obtain consent (HR/TA) BTOR to be shared with RMB, CB, JK, SDC
4. Engage NGO

DSK Contract

1. Send latest progress report to RWSG-SA
2. Prepare first-class documentation for President's visit (SS to assist)

Future Collaboration

UNDP

1. BK to visit Kishorganj in January 1997.
2. BK to explore opportunities for collaboration on Bogra WSS component (BARD)

UNICEF

1. Finalize TOR/workplan for RWSS learning (Obtain draft of Maggie Black's study in January)
2. Obtain draft of WES Workplan for 1997 and share revised BCT Workplan for CY 1997 with UNICEF

EU

1. RWSS Project Preparation Report reviewed by CP.
2. Project preparation for LWT area with SDC possibly to be expanded to include thana and rural growth centers (additional resources required from EU)

Italian Embassy

BK to make courtesy call, explore opportunities for collaboration in project design, advisory support (Give annual report.)

CIDA

BK to follow up (Send Annual Report)

OECD/JICA

BK to make courtesy call (invite to Informal WSS Donor Forum meetings)

ICDDR,B

1. BK to make courtesy call/should be invited to IDF meetings
2. Share workplans for CY 1997

Duckweed

BK to prepare response to PLM Copy to ITN and RWSG-Delhi

Upcoming Missions

Final review - Chomouhani/Lakshmipur Municipal WSS Pilot Project (Danida) - CP to participate from January 12-26, 1997

Communication

Distribute Annual Reports and revised Work Plan to RMB/key Sector Donors/GOB/other strategic partners

Planning

Activity status report format prepared - to be sent monthly along with timesheets to RWSG-SA, Delhi

Update Task Planning Sheets/staff time allocation matrix, send to Delhi asap

Prepare workplan for TA for next six months - share with SDC

Resources

1. Two proposals to SDC (HQ and country level) to be tracked by CP
2. HQ proposal approved by Danida's Board on Dec. 11 (approximately \$2.5m to support RWSG-SA 1997-2001)

3. Country level

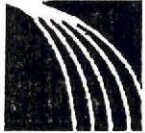
- SDC - already submitted, being processed at SDC HQ
- Danida (\$65,000 for Sector Program Support, to be submitted by Jan. 1)
- SAIIN (for RWSG-SA's staff inputs to IM and Sector Study)
- UNDP (advisory support to design and monitoring of WSS interventions in Bogra - to be prepared by BK)
- EU (possible additional resources for LWT PP exercise) Bill Tuck to clarify after return from Brussels in mid-January)
- ADB (TA up to \$100,000 for Urban WSS strategy/project identification activity to follow preparation of urban inventory by BCT)

Other

1. SDC agreed in principle to support 2-3 participants to attend RWSS Consultation in Manila in Oct. 1997 (Walter plus two national participants)

ACTIVITY STATUS REPORT - BANGLADESH									
1997									
Planned Milestones →									
Actual Milestones →									
ACTIVITY	Completion	January	February	March	April	May	June	July	Remarks
Regional									
SSP Workshop	Feb-97		*						
Reg. Adm. Meeting	Jan-97	*							
National									
Sector Advisory Support									
SDTF (GOB)		Start							
IM/Sector Study (WB)			Start						
HRD Capacity-building-ITN									
Rural									
LWT Project Prep.									
HTMP									
Implementation									
Strategic Monitoring									
Functionality Study									
Tara Technology Assessment									
RWSS Learning									
Socioeconomic Feasibility Study									
Advisory Support-Bogra (UNDP)									
Urban									
NGO intermediation-Dhaka (DSK)									
SWMP-Khulna									
Support to MSP									
SIP Case Study		*							

ATTN: SAIIN - PLEASE FORWARD TO SAIDR



FAX Transmittal Sheet

TRANSMITTED

Date. **DEC 18 1996**

DEC 23 1996

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To: Ms Marie Robinson, Chief SAIIN
 cc: Mr Graeme Lee, SAIIN
 Mr Fakhruddin Ahmed, SAIDR
 Mr Brian Grover, Program Manager, TWUWS
 Mr Robert Boydell, Regional Manager, RWSG-SA (HQ visitor)
 From: K M Minnatullah, Regional Program Officer, RWSG-SA
 Date: December 18, 1996
 Subject: Sri Lanka - Community Water Supply & Sanitation Project
 CR.2442-CE, Mid-term Review Mission, Aide Memoire

Pages including this sheet (1+32)

Message No. 96/3399

Marie,

Please find herewith final draft of the MTR Aide-Memoire for the Community Water Supply and Sanitation Project (CR.2442-CE).

The Project implementation is going very well and to our satisfaction. In this project, we are very much encouraged to note that partnership with NGOs can work. This could serve as an example of a well designed project, with well managed implementation and full support from the Government.

I will send the full supervision report in few days. We have shared the Aide-Memoire with Mr Bentjerodt already.

Regards,

Transmission authorized by K M Minnatullah, Acting Manager, RWSG-SA

FINAL DRAFT

SRI LANKA
COMMUNITY WATER SUPPLY AND SANITATION PROJECT (CR. 2442-CE)
MID-TERM REVIEW MISSION
AIDE MEMOIRE, DECEMBER 1996

Introduction

1. A mission from the International Development Association (IDA) visited Colombo Sri Lanka from November, 28 to December 10, 1996 to conduct the Mid-term Review of the Community Water Supply and Sanitation Project (CWSSP). The mission comprised Messrs./Mmes. K M Minnatullah (mission leader, RWSS-SA), Graeme Lee (SA11N), Nandini Gunewardena (ASTHR), and Miriam Witana (RMSL). The mission visited 6 schemes in Ratnapura and Matara Districts, held discussions with 20 Community Based Organizations (CBOs), 10 Partner Organizations (POs), staff of the Regional and Central offices of the Community Water Supply and Sanitation Project Unit (CWSPU), Chairman and staff of the National Water Supply and Drainage Board (NWSDB), Director General of the External Resources Department (ERD), and the Secretary Ministry of Housing Construction and Public Utilities (MHC&PU). The mission also met with the donor agencies including the UNDP, GTZ. The mission wishes to thank the members of the CBOs, POs, and all the officials for their participation, support and hospitality. The findings of the mission are as follows, and is subject to confirmation of the IDA Management. A list of persons met is attached as Annex- I.

Summary

2. As of October 1996, a total of 830 Village Water Supply and Sanitation (VWSS) projects have been launched, with about 144(17%) completed. These 830 projects which cover approximately 2500 villages meet over 90% of the target of 2700 villages as outlined in the SAR. With 144 VWSS projects completed 432 villages have already received water supply. Over 7000 latrines and 41 School Water Supply and Sanitation schemes have been constructed. One Small Town Water Supply and Sanitation (STWSS) project has also been completed for 600 households.

3. The project's construction phase could be completed prior to project closing in about 850 VWSS schemes, 45,000 latrines and 1,200 schools, and 17 STWSS schemes, sufficient to meet the targeted population coverage. Financial forecasts prepared for the completion indicate that a significant increase in funding is required in 1997, and reflect some adjustment from original cost estimates in terms of category of expenditure but remain generally consistent with total costs as estimated in US\$ and SDR terms. (Technical assistance and hygiene education components are reduced, and program development and water supply scheme expenditures are increased.)

4. Cash flow continued to remain the major constraint and caused delays in launching and completion of water supply, sanitation and school sub-components of the project. However, CWSPU obtained supplementary allocation of Rs. 40 million over the original allocation of Rs. 40 million, plus Rs. 15 million Reimbursable Foreign Aid (RFA) during FY 1996.
5. About 66% of the project period has elapsed during which 36% (approximately 6 million SDR) has been disbursed. Disbursement has more than doubled during 1996 as compared to 1995 and is continuing to accelerate. The disbursement lag against the SAR estimates is SDR 3.5 million (30%) as of December 6, 1996. The disbursement schedule in the SAR was based on linear projections. However, the project design for participatory, adaptive and partnership approach required piloting, refinement of procedures, followed by scaling-up. Such implementation requires an exponential projection with an initial lag phase which has been confirmed by the project expenditures and the recent take off experienced by the project since 1995. It has been agreed with The Government of Sri Lanka (GOSL) to revise the disbursement schedule to meet project forecast for the remaining project period.
6. The GOSL noted that the 1997 counterpart funding requirement (Rs. 240 million) would significantly exceed the agreed budget for 1997 (Rs. 80 million plus Rs. 30 million RFA). It was confirmed that the total 1997 budget would be available to CWSPU from the start of the year, and that its utilization would be monitored and arrangements made for additional funding from about March or April 1997, as required. IDA allocation for 1997 would be in the order of Rs. 580 million. The Government also noted that its total contribution to the project would amount to some Rs. 390 million, an increase which reflects reallocation between categories of expenditure, and prevailing levels of inflation.
7. The mission confirmed that, based upon the forecast implementation plan, the authorized allocation for Special Account should be increased to US\$ 3.0 million. GOSL has already requested IDA to increase the authorized allocation accordingly. The mission confirmed that it would recommend to IDA management an equivalent increased allocation for the advance to District offices. Based upon analysis of the anticipated expenditures by category agreed with the mission, GOSL indicated that it would request IDA to reallocate SDR 1 million from the unallocated category (DCA, Schedule 1, Category 7) to Program Unit Operating Costs (DCA, Schedule 1, Category 4).
8. A consultant has been commissioned by CWSPU to re-work the project's economic analysis to reflect actual costs and benefits based upon experience to date. The economic analysis will be available for IDA review by February 15, 1997.
9. 79% of CWSSP Partner Organizations (POs) are NGOs, and they are implementing 82% of the VWSS projects, while the rest are governmental and quasi-governmental organizations. Over 90% of CBO membership has been estimated to be among the poor (Dainis 1995), with high participation by women and youth, both in CBO meetings (where major decisions are made), and in terms of labor contributions. The

membership distribution in a sample of 25 CBOs from Matara District showed 54% males and 46% females.

10. Hygiene education has been less than fruitful up to now, and CWSSP is in the process of finalizing a more pragmatic, informal and simplified strategy to stimulate behavioral change focused on a few key messages.

11. NWSDB has completed one of the first batch of 6 pilot schemes under the STWSS component, and the remaining 5 are expected to be completed by June, 1997. NWSDB has provided a revised program which confirms that all schemes will be completed by October, 1998. For pumping schemes maintained by the NWSDB, the application of National Tariff implies about 60% less than the scheme specific user charges. Such concessions are contrary to CWSSP policy and act as disincentive for CBO participation in scheme specific O&M arrangements. The mission confirmed that only 2 out of 17 schemes will fall under the NWSDB management due to technical reasons.

Project Status

12. Physical. The project is currently operational in 3 districts covering 830 Grama Niladhari Divisions (GNDs) and 12 Small Towns, involving 86 Partner Organizations (POs) working with 652 CBOs and reaching 663,650 people (approx. 147,478 households). This includes the people served under the VWSS schemes, STWSS schemes, School Water Supply and Sanitation Program, and Village Sanitation Program. As of October 1996, a total of 830 VWSS projects have been launched, with about 17% completed. These 830 projects which cover approximately 2500 villages meet over 90% of the target of 2700 villages as outlined in the SAR. With 144 VWSS projects completed 432 villages have already received water supply. Over 7000 latrines and 41 School WSS schemes have been constructed. One STWSS project has been completed for 600 households. Please see Annex-2 for details.

13. Community Development and Participation. The project has also left an indelible mark on rural social capital in Sri Lanka. The web of rural institutions (652 CBOs) formed at the grass-roots level through partnership with local and national NGOs (86 POs) has created a collective force with a proven community ownership of assets: a) CBOs on the average contribute more than 25% of scheme costs, the rupee value contribution per household ranging between Rs. 94 to Rs. 11,746; b) participation by a high proportion of poor households (over 90% in most CBOs); c) high participation by youth (57%) and women (46% of CBO membership); and high involvement of NGO partners (79%) over governmental and quasi-governmental organizations. Many of these POs have by now developed best-practice methods, and CBO efforts to formalize its cohesiveness, generate new resources and sustain member interest by diversifying activities are indeed impressive. Where Operation and Maintenance (O&M) is concerned, a number of CBOs had devised ingenious methods for reporting disruptions to

their schemes and had developed creative approaches to expanding the range of activities in order to ensure institutional sustainability; from income generation, skills development, community upliftment, to affiliation with other national scale government funded or donor funded projects through which members could access housing loans or financial services for micro-enterprises.

14. Financial. At the end of September 1996, the project has spent Rs. 214 million against a target of Rs. 215 million for the year 1996. The disbursement to date is approximately SDR 6 million (36% of the credit). The cumulative financial status upto 1996 of the project is as follows:

Program Development	Rs. 94.6 Million
Water Supply	Rs. 319.2 Million
Sanitation	Rs. 19.3 Million
Hygiene Education	Rs. 3.2 Million
Project Management	
CWSPU	Rs. 123.2 Million
Revolving Fund	
Training	Rs. 17.4 Million
PPF	Rs. 19.0 Million
Technical Support Cell	Rs. 109.5 Million
Studies and Research	Rs. 1.6 Million
Future Project Preparation	
TOTAL	Rs. 707.0 Million

Project Performance

14. Physical. The pace of implementation was further scaled up during 1996: 401 new VWSS schemes were added (231 in 1995), 267 schemes are under construction (98 in 1995), 96 schemes have been completed (64 in 1995), and 179 schemes are at consolidation stage (81 in 1995). Similarly over 7000 latrines were completed in 1996 (558 in 1995). Please see Annex-3 for details. The coverage with VWSS scheme range from 80 households to 492 households. In a sample of 43 CBOs reviewed by the mission, 56% CBOs covered a range of 100-200 households; 23% to less than 100 households; 12% to 200-300 households and 9% to 300-400 households. The majority of projects cover a 3 4 square kilometer area. In a sample of 25 VWSS in Matara District, 59% covered an area ranging between 3-4 sq. km. 18% covered an area greater than 5 sq.km., while the rest covered an area smaller than 3 sq.km

15. Financial. The pace of project implementation, as reflected by its level of expenditure, has also shown significant improvement. At the end of October 1996, expenditure is already 50% more than in the total of 1995. Although in 1996 GOSL initially only allocated Rs. 40 million as counterpart funding for the project, based upon the demonstrated performance during the year this has been increased to Rs. 80 million, plus Rs. 15 million Reimbursable Foreign Aid (RFA). Nevertheless, progress remains

constrained by cash flow problems. Agreements to construct schemes which are ready for signature are being held up due to the non-availability of funds. CWSPU has initiated a number of actions to address this cash flow constraint, including claiming replenishment of its Special Account on a two weekly basis, which have helped but which have not resolved the problem. The increased rate of implementation justifies an increase in the Special Account initial deposit.

Project Forecast

16. Physical. CWSPU prepared a plan for the completion of the project, based upon the progress of community mobilization and scheme implementation to date, which was discussed with and reviewed by the mission. Two alternatives were discussed -- one assuming a continuation of current levels of performance, and one assuming a modest improvement in the time taken between initiating construction and initiating the "consolidation" phase. Both alternatives indicate that the project's construction phase could be completed, prior to the project's closing, in about 850 schemes (see Annex - 3), sufficient to achieve the targeted population coverage. Both alternatives indicated a further significant increase in overall levels of construction activity, especially in 1997.

17. Financial. Forecasts have been prepared accordingly for the two options (see Annexes 4 and 5). As both forecasts provide for the completion of construction of 850 schemes, both are broadly similar except in terms of the timing of expenditure. They each indicate that a significant increase in funding is required in 1997, and both reflect some adjustment from original cost estimates in terms of category of expenditure but remain generally consistent with total costs as estimated in US\$ 24.3 million and 16.9 million SDR terms. (Technical assistance and hygiene education components are reduced, and program development and water supply schemes expenditure are increased.)

18. The mission discussed the financial implications of the forecasts with GOSL. The Government noted that the 1997 counterpart funding requirement (Rs. 240 million) would significantly exceed the agreed budget for 1997 (Rs. 80 million plus Rs. 30 million RFA). It was confirmed that the total 1997 budget would be available to CWSPU from the start of the year, and that its utilization would be monitored and arrangements made for additional funding from about March or April 1997, as required. The Government also noted that its total contribution to the project would amount to some Rs. 390 million, an increase which reflects reallocation between categories of expenditure, and prevailing levels of inflation.

Other Findings

19. Documents Received. The following documents were received by the mission:
- CWSSP Status Report as of October 1996;
 - CWSSP Progress and revised Implementation Plan;

- CWSSP Financial Performance and Forecast;
- STWSSP Status Report, Financial, O&M Consolidation;
- Draft Policy for STWSS;
- Viability Assessment for STWSSP Scheme Management; and
- Draft report on STWSSP System Development for Management of Facilities.

20. Response to 1995 Audit Comments. The initial findings of the study by M/s Amerasekera and Co., which was commissioned in response to the auditor's comments on the 1995 accounts, indicate that the financial systems of CWSSP, at headquarters and at district offices, are adequate for the purposes of the project. Improvements are recommended to the process of preparation of the financial statements, and for enhancement of internal control by establishment of an internal audit function. MHC&PU agreed to implement these improvements by December 31, 1996.

21. Special Account. The existing authorized allocation in the Special Account (US\$ 1.2 million) is proving inadequate to meet the project's cash flow requirement. During discussions with Ms. Vimala Abraham of the World Bank's Loans Department it had been agreed to increase the authorized allocation in the project's Special Account. The mission confirmed that, based upon the forecast implementation plan, the authorized allocation should be increased to US\$ 3.0 million. GOSL agreed to request IDA to increase the authorized allocation accordingly. The mission confirmed that it would recommend to IDA management an equivalent increased allocation for the advance to District offices.

22. Adjustment of Credit Allocation by Category. Adjustments are underway to rectify items claimed from incorrect categories of the Credit. It was confirmed by the mission that claims for incentive grants towards the construction of latrines, under the sanitation component, should be claimed through the respective civil works category. Based upon analysis of the anticipated expenditures by category agreed with the mission, GOSL indicated that it would request IDA to reallocate SDR 1 million from the unallocated category (DCA, Schedule 1, Category 7) to Program Unit Operating Costs (DCA, Schedule 1, Category 4).

23. Economic Analysis. A consultant has been commissioned by CWSPU to re-work the project's economic analysis to reflect actual costs and benefits based upon experience to date. The mission reviewed the terms of reference of the consultants and confirmed that the study will recalculate the economic rate of return: (a) for water supply and sanitation schemes (by type as appropriate); and (b) for the project as a whole. The analysis would be undertaken using the original methodology but with updated parameters (wherever possible using actual costs/time savings, and including revised estimated costs where known), and, separately, also using a modified methodology where considered appropriate. The economic analysis will be available for IDA review by February 15, 1997.

Community Development

24. Achievements. The project has contributed to developing rural social capital by building capacity among CBOs (652 in all, as of today) and intermediary agencies (86 POs). The web of rural institutions which have been formed and strengthened at the village level has created a collective force able to assume creation, ownership, and responsibility for safeguarding assets via high participation by women, youth and the poor. As the CWSSP moves to the next phase of consolidation, these factors will play a greater role in ensuring community empowerment and project sustainability. The mission recommends a more intense focus on capacity building to enhance CBO autonomy prioritizing the O&M, and mechanisms to streamline PO best practice procedures. Please see the Special Attachment on Community Development issues.

25. Partner Organizations (POs). At project start-up more governmental (i.e. Pradeshiya Sabhas and Divisional Secretariats) and quasi-government organizations (Multi-Purpose Cooperative Societies), than non-governmental organizations (NGOs) undertook implementation. As the piloting phase progressed, NGO successes in effective project execution has led to their increased participation. At present about 79% of CWSSP partners are NGOs. However, three outstanding issues limit PO's performance potential:

- Given their range of size, skills and expertise, POs follow diverse (but not all necessarily ideal) approaches in the three key phases of the project implementation cycle: mobilization, construction and consolidation;
- Multiple constraints in diverse topographical and socio-economic contexts delay scheme completion beyond the standard 12 month contract: seasonal extremes of weather which hold up construction, hiccups in the funding flows as well as in collecting user contributions, and delays in obtaining material in the open market depending on national shortages (i.e. cement and pipes); and
- Current monitoring and evaluation (M&E) procedures (monthly progress reviews and overly complex M&E formats) slows down the diagnosis of priority problems and their quick resolution, detracting from focused interventions by project staff.

26. In order to remedy these shortcomings, and ensure optimal effectiveness during the expected peak load in the upcoming two years, the mission recommends:

- PO best practice to be culled into a model which could be mainstreamed;
- Review/revise standard duration of PO contracts and establish a phasing out period; and
- Use PO progress reports for troubleshooting and develop a diagnostic approach for "problem focused" rather than comprehensive monitoring.

27. Community Based Organizations (CBOs). Over 90% of CBO membership is from poor households (CWSPU 1995), with high participation by women and youths in terms of attendance at CBO meetings (where major decisions are made) and labor contributions. A sample of 25 CBOs from Matara District showed a membership of 54%

males and 46% females, 57% youths and 43% older (over 40 years) participants. Despite CBO ingenuity in rallying community support, developing mechanisms for O&M, generating new resources and seeking diversified activities to sustain member cohesion, three factors affect CBO autonomy, capacity and sustainability:

- Varying capacities in managing budgets, personnel and technical issues required for effective scheme completion influence CBO sense of dependency on POs/CWSSP;
- Member contributions (cash, labor, material), mechanisms for collecting user fees and sustaining optimal O&M vary depending on the level of CBO cohesiveness; and
- Despite common experience in water rights, resource management and user conflicts, lack of generic skills in conflict resolution leads to requests for special intervention by police, legal/local authorities, POs or CWSPU officials on a case by case basis.

28. Since these factors in unison influence scheme sustainability, the mission recommends more intense efforts to:

- Strengthen CBO skills in leadership, management, participatory and facilitative skills;
- Enhance CBO capacity (for lessons-learned wisdom and problem solving) through technical assistance to impart generic tools in conflict management;
- Allow for flexibility in the project duration, and member contributions over 20%;
- Facilitate shared experience among CBOs on planning for unexpected contingencies, strategies to ensure effective O&M, and arrangements to sustain user participation; and
- Assist CBOs to build sustainability through linkages to government and donor supported projects which would channel members to diversified activities (income generation, community infrastructure, skills development and social welfare).

29. CBO Training and Capacity Development. The CWSPU has conducted CBO capacity development training in the three districts focusing primarily on much needed financial management. In order to develop their sense of autonomy, CBOs require leadership, management, participatory and facilitative skills. An analysis of the training undertaken by CWSSP in the three project districts during the third quarter of 1996 revealed that only a small proportion of training resources are being devoted to CBO strengthening activities. Out of 65 training programs, only 12 (18%) were for CBO personnel. These included CBO development training, construction management, bookkeeping skills and caretaker training. Out of 2090 individuals trained during this period, only about 293 (15%) were CBO personnel. In terms of cost, out of a total of Rs. 722,159 expended on training during the third quarter of 1996, only 10% (Rs. 76,162) were devoted to training which included CBO personnel.

30. The mission recommends that CWSSP should review its training strategy and a) develop a standardized training package for CBOs on the foci outlined above; b) devote more resources to CBO training; and c) contract out some of the CBO training to POs with proven training expertise and capacity. The mission also recommends that officials affiliated with the project including Regional Directors be oriented on the participatory development strategies, including the importance of developing CBO autonomy and the need to overcome the dependency syndrome experienced by CBOs.

Hygiene Education

31. CWSSP's attempts to impart hygiene education has been less than fruitful up to now due to the difficulties in prompting behavior change in community sanitation practices, as confirmed by a study commissioned by CWSPU (June 1996). CWSPU has begun piloting a new participatory approach which focuses on hygiene interventions rather than on education as such. The mission recommends that CWSSP utilize this pilot to develop a pragmatic, informal and simplified strategy focusing on a few key messages. The responsibility for providing hygiene interventions could be transferred to the PO (i.e. the Community Facilitator). CBOs should also be supported to develop their own strategies to disseminate these key messages through a dynamic exchange within the community.

Small Towns Water Supply and Sanitation Component

32. Progress. NWSDB has completed one of the first batch of 6 pilot Towns covering over 800 households, and the remaining 5 are expected to be completed by June, 1997. Mobilization has started in another 5 towns, while the remaining 6 towns will be taken up by May, 1997. NWSDB has provided a revised program which confirms that all schemes will be completed by October, 1998. Please see Annex- 6 for details.

33. The mission visited the completed scheme and noted that a majority of households are yet to get house connections. The scheme is served by tapping excess water from the supply of a neighboring town managed by the NWSDB. As a result NWSDB is also managing this scheme and applying NWSDB procedures to provide house connections and National Tariff. The mission noted that this is likely to create inconsistency in the management and operation of the schemes under the CWSSP Policy, for two reasons: a) For example, in another NWSDB implemented Small Town pumping scheme, which will be maintained by the community, the estimated unit O&M charge is over Rs. 72 per household per month. In the completed scheme the application of National Tariff will result in a unit cost of Rs. 32. Such a concessional option is going to discourage other communities to accept and operationalize a scheme specific O&M cost; and b) The delay in providing house connections and NWSDB's active role in O&M, coupled with the incentive to pay lower user charges will instill apprehension in a neighboring

request private sector for training on maintenance and delivery of spare parts. The mission recommends that CWSPU should obtain formal clearance of the above from the Steering Committee in its next meeting.

candidate community, resulting in reluctance to contribute capital cost, encourage dependency on NWSDB, and further stretch NWSDB resource and capacity. The mission confirmed that only 2 out of 17 schemes will fall under the NWSDB management due to technical reasons (as NWSDB is already managing the schemes from which the new schemes were extended). The mission recommends that scheme-specific tariff should be strictly applied in all the Small Town Water Supply schemes.

34. Small Towns Policy. The draft Policy for the small towns has been reviewed by the mission. The mission confirms with appreciation that the principles of demand-responsive approach has been embodied in the draft Policy, including community cost sharing, and community responsibility for O&M. However, the Policy should be more focused and be precise on the following project rules: a) rules for the eligibility of Towns to participate; b) rules for cost sharing; c) rules for participation in planning, design, implementation, and management of the schemes; and d) the institutional arrangements for the application of rules. A revised draft will be available for IDA review by February 15, 1997.

35. Equipment for O&M. NWSDB has submitted a proposal for buildings and equipment for the O&M of the Small Town Water Supply schemes. The average cost is Rs. 375,000 per Town, which includes Office & furniture (50%), tools and kits (40%), and sundry (10%). The mission agrees in principle with the proposal for establishment of a properly functional O&M unit within the Towns. However, conforming to the principles of community ownership and autonomy for management of the schemes, the mission recommends that the project may reimburse the cost of the tools (equipments, test kits, 3 bicycles) which amounts not to exceed Rs. 150,000 per Town. Provided that the community is directly responsible for the management of the scheme with adequate statutory/legal power, have arranged adequate office space and furniture from its own source, and has designated office bearers with paid caretakers.

Handpumps

36. Status and Issues. The progress of implementation of the handpump option under the VWSS Program has been slow. Out of 619 requests for tube well handpumps only 122 (20%) have been installed so far. Review of the slow progress indicates both cash flow, technical and logistical problems. Out of the 619 requests, less than 50% have been recommended for drilling based on preliminary feasibility survey and less than 30% are successful. To minimize disappointment to the communities, NWSDB has requested District offices to submit the lists of selected villages at the start of community mobilization, so that they could conduct preliminary feasibility surveys and identify those areas in which handpump installation is feasible. Requests for tube well handpumps could then originate from only those feasible areas. Furthermore, where handpumps have been installed, many CBOs are not satisfied with their performance and maintenance arrangements. The mission agreed with CWSPU and NWSDB that: a) CBOs can directly seek private sector assistance for installation of handpumps; and b) CBOs can

- constituency of the CBO;
- mobilization procedures including PO contracting;
- construction procedures including procurement and contracting;
- general rules and regulations for O&M;
- roles and rights of stakeholders;
- consolidation procedures;
- conflict-resolving;
- financial management;
- technical - routine O&M; and
- best practice material and videos for dissemination and use by private agencies.

Monitoring and Evaluation

43. Regular meetings are being held at divisional, zonal, district and ministerial level and detailed formats are prepared for project monitoring. However, a system for report analysis and problem-solving has not been developed, resulting in most issues being referred to NSC for resolution. There are no reference manuals for the MIS system. CWSPU will develop technical and user MIS manuals for IDA review by May 31, 1997.

44. To ensure that both project implementation and consolidation are given equal attention, a set of key performance indicators have been agreed with the CWSPU for monitoring of main elements of the project. Please see Annex -7. IDA will closely monitor these results and an interim review will be carried out by the RMSL at the end of the first quarter of 1997.

Future Project

45. The GOSL has requested for a follow-up project for continuation of the activities to promote demand based rural water supply development in 6 more Districts. The mission agreed to recommend the request of GOSL to the IDA management for consideration. It has been agreed that funds available under this project earmarked for the future project preparation should be utilized to conduct a pre-feasibility study including source assessment, participatory demand assessment and willingness to pay for improved services in the proposed Districts by December 15, 1997. A TOR for the study will be available for IDA review by March 15, 1997.

46. Meanwhile the mission recommended the CWSPU and the MHC&PU to mobilize resources from government sources to implement those schemes which are at the development stage and beyond the scope of the current project finance. The mission also recommended GOSL to revise the VWSS Policy adopted under the current project to formulate and enunciate a National Rural Water Supply and Sanitation (NRWSS) Policy

applicable to all the villages irrespective of the source of financing. A draft NRWSS Policy should be available for IDA review by March 31, 1997.

Agreements Reached

47. A list of agreements reached and actions to be taken by GOSL and the IDA is attached as Annex - 8.

Next Step

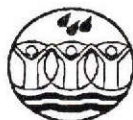
48. CWSPU will follow-up on the actions agreed and liaise closely with the Bank Resident Mission at Colombo to provide a monthly up date on the cash flow status. IDA will revise the Project Agreement according to the agreed scope of the project and finance plan, including revision of the Disbursement Schedule. The next supervision mission will be in June, 1997.

ANNEX 1

List of Persons Met
Community Water Supply and Sanitation Project (Cr. 2442 CE)
Supervision Mission December 1996

Name	Designation	Ministry/Agency
Mr. K.A.S. Gunasekera	Secretary	Housing, Construction & Public Utilities
Mr. H.T. Hewawasam	Director	Community Water Supply & Sanitation Project
Mr. Faiz Mohideen	Director General	External Resources Department
D.M.P.B Dassanayake	Chief Secretary	Sabaragamuwa Province
M. Atampawala	Chief Secretary	Uva Province
Albert Ratnayake	Chief Secretary	Southern Province
Mr. T.B. Madugalle	Chairman	National Water Supply & Drainage Board
Mr. Lal Premanath	DGM (RWS)	NWSDB
Mr. D.S.D. Jayasiriwardena	AGM (RWS)	NWSDB
Mr. Han Heijnen	Manager	Technical Support Cell, CWSPU
Ms. Disna Pathirage	Actng. Dy. Director	Technical, CWSPU
Mr. Sisira Kumarasiri	Dy. Director	Community Development, CWSPU
Mr. W. Piyasena	Dy. Director	Operation & Maintenance, CWSPU
Mr. K.D.C. Perera	Manager	Hygiene Education, CWSPU
Mr. Nihal Rambukwella	Manager	Training, CWSPU
Mr. Richard Conroy	Dy. Resident Representative,	UNDP
Ms. Manel DeSilva	Program Officer,	UNDP
Mr. Manfred Behnsen	Team Leader	GTZ Water Supply & Sanitation Project
Ms. Jeanine von Krimpen	First Secretary	Royal Netherlands Embassy

Annexure - II



Community Water Supply & Sanitation Project

Achievement at a glance as at October 31, 1996

Village Water Supply and Sanitation Sub Programme				
Description	Badulla	Matara	Ratnapura	Total
No. of Community projects launched	226	232	372	830
No. of Community projects Completed	44	55	45	144
No of Community projects under planning and/or construction	182	177	327	686
Total No. of villages covered	645	696	1116	2457
Total No. of village provided with water supply	132	165	135	432
Total No. of people reached	184,190	194,880	284,580	663,650
Total No. of people provided with water supply facilities	41,800	42,982	35,515	120,297
No. of Latrines completed.	2898	2780	1518	7196

School Water Supply and Sanitation Sub Programme				
Description	Badulla	Matara	Ratnapura	Total
No. of School WSS completed	9	14	18	41
No. of School WSS ongoing	238	115	240	593

Small Town Water Supply and Sanitation Sub Programme				
Description	Badulla	Matara	Ratnapura	Total
No. of Small Town WSS Projects Completed	-	1	-	1
Construction	2	2	2	6
Under Development	2	2	2	6

WB/gain/achiev.

WB/ 11.12.96, 1.10 p.m.

COMMUNITY WATER SUPPLY AND SANITATION PROJECT - IMPLEMENTATION PLAN

Village Water Supply & Sanitation Component

Average Constr. Period -- 12 months

DESCRIPTION	1994				1995				1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NEW PROJECTS ADDED	56	6		48	51	58	58	64	182	131	46	42								
ONGOING PROJ. DEV.	72	128	134	79	105	131	148	173	180	315	316	204	104	19	0	0	0	0	0	0
TRANSFERS FROM DEV. TO CONST.				55	22	25	41	33	57	47	130	158	142	85	19					
ONGOING CONSTRUCTION	36	33	22	19	70	82	103	98	115	163	181	250	335	430	385	246	104	19	0	0
TRANSFERS FROM CONST. TO CONSOL.		3	11	3	4	10	4	46	16	9	29	61	73	47	130	158	142	85	19	0
CUM. CONSOLIDATION		3	14	17	21	31	35	81	97	106	135	196	269	316	446	604	746	831	850	850
TOTAL	164	170	170	218	269	327	385	449	621	762	808	850	850	850	850	850	850	850	850	850

Total
850
850
850

Scheme Equivalents completed in period: 61.6 473.4 92.25 627.2
(404 new schemes plus 162 equivalent underway)

Average Constr. Period -- 15 months

DESCRIPTION	1994				1995				1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NEW PROJECTS ADDED	56	6		48	51	58	58	64	182	131	46	42								
ONGOING PROJ. DEV.	72	128	134	79	105	131	148	173	180	315	316	204	104	19	0	0	0	0	0	0
TRANSFERS FROM DEV. TO CONST.				55	22	25	41	33	57	47	130	158	142	85	19					
ONGOING CONSTRUCTION	36	33	22	19	70	82	103	98	115	163	181	267	392	477	515	404	246	104	19	0
TRANSFERS FROM CONST. TO CONSOL.		3	11	3	4	10	4	46	16	9	29	44	33	57	47	130	158	142	85	19
CUM. CONSOLIDATION		3	14	17	21	31	35	81	97	106	135	179	212	269	316	446	604	746	831	850
TOTAL	164	170	170	218	269	327	385	449	621	762	808	850	850	850	850	850	850	850	850	850

Total
850
850
850

Scheme Equivalents completed in period: 61.6 411 154.6 627.2
(404 new schemes plus 162 equivalent underway)

Community Water Supply and Sanitation Project - Revised Estimate										
Average Constr. Period -- 12 months		Rupees (Million)								
	1992	1993	1994	1995	1996	1997	1998	TOTAL	Est Sm.	Orig Sm.
Program Development		3.6	9.2	22.6	59.0	41.0	16.1	151.7	2.5	1.0
Water Supply (less comm. contr.)		3.9	23.6	68.6	239.0	648.3	33.5	1011.6	18.4	14.7
Sanitation		0.1	0.2	5.5	3.8	40.5	42.8	102.6	1.7	1.9
Hygiene Education		0.0	0.0	0.2	3.0	9.8	5.9	17.7	0.3	1.3
Project Management										
CWSPU		12.1	23.4	35.1	49.8	40.0	30.0	190.2	3.2	2.9
Revolving Fund										0.5
Training		3.2	4.1	4.9	5.2	3.4	1.7	22.5	0.4	0.4
Technical Assistance & Studies										
PPF	19.0							19.0	0.3	0.7
Technical Support Cell		45.7	27.9	21.0	15.0	14.0	14.0	137.5	2.3	3.0
Studies and Research					1.6			1.6	0.0	1.2
Future Project Preparation						25.0	35.0	60.0	1.0	1.1
TOTAL	19.0	64.9	85.3	160.9	376.9	621.7	278.1	1606.8	30.1	29.8
Financed by:										
GOSL	0.0	0.0	7.3	25.9	85.2	241.1	61.7	386.4		
IDA	19.0	64.9	78.0	135.0	281.7	650.6	216.4	1421.4		
TOTAL	19.0	64.9	85.3	160.9	376.9	821.7	278.1	1606.8		
Rs:SDR conversion	51.75	67.59	73.75	77.74	80	64	68.2			
Approximate Financing In SDR										
Financed by:										
SDR Million										
GOSL (SDR m.)	0.0	0.0	0.1	0.3	1.1	2.9	0.7	5.1		
IDA (SDR m.)	0.3	1.3	1.1	1.7	3.6	6.9	2.6	17.1		
TOTAL (SDR m.)	0.3	1.0	1.2	2.1	4.7	9.8	3.2	22.2		
Cumulative SDR										
SDR Million										
GOSL (SDR m.)	0.0	0.0	0.1	0.4	1.5	4.4	5.1			
IDA (SDR m.)	0.3	1.3	2.4	4.1	7.8	14.7	17.1			
TOTAL (SDR m.)	0.3	1.3	2.5	4.6	9.3	19.0	22.2			
IDA Disbursement										
Nov/Dec.										
SDR Allocation:	Category	To 31/10	Adjusts.	Disbursed	1996	1997	1998	TOTAL		
	1A	0.459	0.108	0.564						
	1B	0.074	0.064	0.138						
	2A	0.318	0.105	0.421						
	2B	0.066	0.060	0.145						
	3A	0.405	0.123	0.558						
	3B	0.286	0.070	0.356						
	Other Goods		0.062	0.062						
	Total CW+Goods	1.667		2.247	0.99	5.02	0.98	0.2		
	Spec. Grants				0.11	0.31	0.32	0.7		
	4	2.050	-0.993	1.099	0.19	0.48	0.54	2.5		
	5	1.992	0.390	2.382	0.47	1.11	0.61	4.5		
	6	0.251		0.251				0.3		
	Total	6.069	0.000	5.970	1.70	6.91	2.45	17.0		

Community Water Supply and Sanitation Project - Revised Estimate										
Average Const. Period -- 15 months										
	1992	1993	1994	1995	1996	1997	Repos (Million)		Est \$m.	Orig \$m.
							1998	TOTAL		
Program Development		3.8	9.2	22.6	59.0	41.0	16.1	151.7	2.5	1.0
Water Supply (less comm. contr.)		0.0	25.9	58.6	295.0	578.7	208.0	1104.5	18.4	14.7
Sanitation		0.1	3.2	6.5	13.5	40.5	42.8	102.6	1.7	1.9
Hygiene Education		0.0	3.0	0.2	3.0	9.5	5.0	17.7	0.3	1.5
Project Management										
CWSPU		12.1	23.4	38.1	49.6	40.0	33.3	193.2	3.2	2.9
Revolving Fund										0.5
Training		3.2	4.1	4.9	5.2	3.4	1.7	22.8	0.4	0.4
Technical Assistance & Studies										
PPF	19.0							19.0	0.0	0.7
Technical Support Cell		46.7	27.8	21.0	16.0	14.0	14.0	137.8	2.3	3.9
Studies and Research					1.6			1.6	0.0	1.2
Future Project Preparation						25.0	35.0	60.0	1.0	1.1
TOTAL	19.0	84.9	85.3	135.9	376.9	750.1	353.2	1810.3	33.2	29.8
Financed by:										
GOSL	0.0	0.0	7.3	25.9	65.2	216.0	65.0	366.6		
IDA	19.0	64.9	78.0	135.0	291.7	534.1	265.2	1423.7		
TOTAL	19.0	64.9	85.3	160.9	376.9	750.1	353.2	1810.3		
Rs:SDR conversion	61.75	67.39	70.75	77.74	80	84	88.2			
Approximate Financing in SDR										
Financed by:							SDR Million			
GOSL (SDR m.)	0.0	0.0	0.1	0.3	1.1	2.5	1.0	5.1		
IDA (SDR m.)	0.3	1.0	1.1	1.7	2.5	5.4	3.0	17.1		
TOTAL (SDR m.)	0.3	1.0	1.2	2.1	4.7	8.9	4.0	22.2		
Cumulative SDR							SDR Million			
GOSL (SDR m.)	0.0	0.0	0.1	0.4	1.5	4.1	5.1			
IDA (SDR m.)	0.3	1.3	2.4	4.1	7.8	14.1	17.1			
TOTAL (SDR m.)	0.3	1.3	2.5	4.5	9.3	18.2	22.2			
IDA Disbursement										
							Nov/Dec.			
	SDR Allocation	Category	To 31/10	Adjusts.	Disbursed	1996	1997	1998	TOTAL	
		1A	0.458		0.458					
		1B	0.074	0.052	0.126					
		2A	0.316		0.316					
		2B	0.003	0.092	0.149					
		3A	0.435		0.435					
		3B	0.286	0.067	0.353					
		Other Goods		0.061	0.061					
	Total CW+Goods		1.657		1.957	0.99	4.46	1.54	8.9	
	San. Grants					0.11	0.31	0.32	0.7	
	4		2.569	0.960	1.109	0.13	0.48	0.34	2.0	
	5		1.992	0.711	2.703	0.47	1.11	0.81	5.1	
	6		0.251		0.251				0.3	
	Total		5.909	0.000	6.940	1.70	6.36	3.01	17.0	

ANNEX 6**SMALL TOWN WATER SUPPLY SCHEMES****Summary**

1. Of the SAR target of 17 Small Town Water Supply and Sanitation (STWSS) schemes, six have been launched to date, and one has been completed in Denipitiya (Matara District). CBO mobilization has started in another 5 towns, while the remaining 6 will be initiated by May 1997, expecting completion by October 1998.

2. The six STWSS already launched are located two per project district: Kuruwita and Kalawana in Ratnapura District, Passara and Koslanda in Badulla District and Kirinda/Puhulwella and Denipitiya in Matara District. Project progress on these is:

<u>District</u>	<u>Schemes</u>	<u>Start of Community Mobilization</u>	<u>Start of Construction</u>	<u>Expected Completion</u>
Matara	Denipitiya	7/95	12/95	11/96
	Kirinda/Pub.	9/95	6/96	6/97
Badulla	Passara	7/95	12/95	2/97
	Koslanda	9/95	3/96	4/97
Ratnapura	Kuruwita	7/95	12/95	1/97
	Kalawana	9/95	2/96	2/97

Forecast for Completion of Remaining Eleven STWSS Schemes

3. According to the revised plan provided by NWSDB, completion of the 11 remaining STWSS schemes has been grouped into two phases and will follow the schedule below:

Group I

<u>District</u>	<u>Schemes</u>	<u>Start of Community Mobilization</u>	<u>Start of Construction</u>	<u>Expected Completion</u>
Matara	Hakmana	3/96	8/96	7/97
	Kekanadura	1/97	6/97	5/98
Badulla	Haliela	8/96	1/97	12/97
	Ambagasdowa	12/96	5/97	4/98
Ratnapura	Rakwana	12/96	5/97	4/98
	Pallebedda	8/96	2/97	12/97

Group II

<u>District</u>	<u>Schemes</u>	<u>Start of Community Mobilization</u>	<u>Start of Construction</u>	<u>Expected Completion</u>
Matara	Pitaheddara	3/97	8/97	6/98
	Akuressa	5/97	11/97	10/98
Badulla	Meegabakiula	3/97	9/97	8/98
	Welimada	5/97	11/97	10/98
Ratnapura	Kaltota	2/97	9/97	9/98

Denipitiya STWSS Scheme

4. The mission visited the completed scheme at Denipitiya. From a total of 1008 families living in Denipitiya, 840 (83%) households which expressed an interest in getting house connection formed a CBO named "Udara". INDECOS, a leading PO in Matara District served as the partner organization (PO). The project covered an area of 8 square Kilometers, requiring 16 km of pipe laying, and costing a total of Rs. 750,000.

In addition to provisioning household WSS, 7 school WSS and sanitation schemes have been launched under the Denipitiya scheme, costing an additional Rs. 578,215. The schools include a student body of 2,788. The entire cost of over Rs. 13 million was met through 71% project funding (almost Rs. 10 mil) and approximately 29% people's contributions (including house connections).

5. According to a participatory survey conducted at scheme inception, over one fourth of households (28%) were low income. Nearly 95% of the households were using unprotected shallow wells as their water source and a similar number expressed a desire to obtain house connections, while 5% indicated that they would do with a common standpost. A little over half (52%) of the respondents were agreeable to making a cash contribution to obtain water supply, 25% was willing to contribute labor and 23% wished to provide a combination of both in order to secure their access to water. Similarly the survey revealed that about 77% of the households in Denipitiya already had water seal latrines, 4% had pit latrines and 19% had none. Approximately 30% of the respondents wanted private sanitary latrines.

6. By the beginning of the construction phase, 502 households had decided to contribute Rs. 1,500 each raising Rs. 753,000 -- a little over the anticipated cost of the scheme. Approximately 228 households contributed their labor for excavating, backfilling, and for compaction of 20 metre trenches for pipe laying.

7. The Denipitiya scheme is served by tapping excess water from nearby Weligama scheme managed by the National Water Supply and Drainage Board (NWSDB). As a result, NWSDB has been selected for Operation and Maintenance (O&M) of the Denipitiya scheme as well. However, there are inconsistencies in the way that NWSDB has applied water tariffs, which may serve as a disincentive for neighboring communities wishing to execute a similar STWSS. In a

similar community-maintained STWSS implemented by NWSDB, the tariff has been established as Rs. 72 per unit, whereas in Denipitiya, the tariff has been set at Rs. 32 per unit. Such a concessionary rate would discourage candidate communities from accepting a scheme specific O&M cost, and may even prompt a reluctance to contribute to capital costs, encourage a dependency on NWSDB to solve community water needs issues and further stretch NWSDB resources and capacity.

Equipment for O&M

8. NWSDB has submitted a proposal for installation and equipment for the O&M of STWSS schemes. The average cost incurred for these is Rs. 375,000 per Town, which includes office and furniture (50%), tools and kits (40%) and sundry items (10%). The mission agrees in principle with the proposal to establish properly functioning O&M units within the Towns. However, in keeping with the guidelines for inculcating community ownership and autonomy in managing schemes, the mission recommends that the project reimburse the cost of the tools (equipment, test kits, 3 bicycles) which does not exceed the amount of Rs. 150,000 per Town. Such an arrangement is agreed to upon the condition that the community is directly responsible for managing the scheme with adequate statutory/legal power, has arranged adequate office space and furniture from its own resources and designated office bearers, including paid caretakers.

Small Towns Policy

9. The draft policy for the small towns has been reviewed by the mission. The mission confirms with the appreciation that the principles of a demand-responsive approach has been embodied in the draft policy, including community cost sharing, and community responsibility for O&M. However, the policy should be more focused and precise on the following project rules:

- a) rules for the eligibility of Towns to participate;
- b) rules for cost sharing
- c) rules for community participation in planning, design, implementation and management of the schemes
- d) institutional arrangements for the application of these rules.

NWSDB has agreed to submit a revised draft of the policy for IDA review by February 1997.

COMMUNITY WATER SUPPLY AND SANITATION PROJECT

Annex - 7

DRAFT

Monitoring Indicators								
Component	1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr
1. VWSSV Program								
- new								
- proj. dev. completed	142	85	19					
- constr. completed	73	47	130	158	142	85	19	
- cum. consol.	269	316	446	604	746	831	850	850
2. Village Sanitation								
- latrines completed	6500	6000	7800	8200	4800	3200		
3. School WSS Program								
- project completed	87	110	155	110	125	80		
4. STWSS Program								
- mobiliz. completed	2	3	3	2				
- constr. completed	3	2	1	2		4	2	2

ANNEX 8**LIST OF AGREEMENTS and ACTIONS**

<u>ACTIONS</u>	<u>TARGET DATE</u>	<u>REMARKS</u>
1. CWSPU will establish an internal audit function	Dec. 31, 1996	Follow up by RMSL
2. GOSL will request IDA to increase the authorized allocation to US\$ 3 mil	Dec. 31, 1996	Request forwarded to IDA
3. GOSL will request IDA to reallocate SDR 1 mil from the unallocated category (DCA Schedule 1, Category 7) to Program Unit Operating Costs (DCA, Sched 1, Cat 4)	Dec. 31, 1996	For IDA Review
4. CWSPU will commission a few effective POs to cull best-practice experience & develop a model for project development	Dec. 31, 1996	to be completed by March 1997
5. CWSSP District offices to facilitate lessons-learned sharing between CBOs by hosting monthly CBO meetings	Jan. 15, 1997	Begin meeting at District Level
6. CWSPU to develop guidelines for higher level staff, including Regional Directors on practices related to enhancing CBO autonomy.	Jan. 15, 1997	For IDA Review
7. CWSPU will submit the project Economic Analysis re-worked to reflect actual costs and benefits.	Feb. 15, 1997	For IDA Review
8. CWSPU will revise 12 month project duration adding a scheme specific phasing out period by POs.	Feb. 15, 1997	For IDA Review
9. CWSPU will review District level M&E procedures and further develop the decentralized "problem focused" monitoring approach underway.	Feb. 15, 1997	Submit new M&E procedure for IDA review
10. NWSDB will submit a draft of the revised Small Towns Policy.	Feb. 15, 1997	For IDA Review
11. CWSPU and NWSDB will submit TOR for study of handpump O&M needs, capacity and constraints of private sector.	Mar. 15, 1997 May 15, 1997	For IDA Review To be completed.
12. CWSPU will submit TOR for pre-feasibility study for future project preparation.	Mar. 15, 1997	For IDA Review
13. CWSPU will contract POs to develop training module for CBO strengthening.	Mar. 31, 1997	For IDA Review
14. CWSPU to arrange orientation for its staff and POs on conflict resolution, from reputed resource group.	Mar. 31, 1997	For IDA concurrence
15. CWSPU to develop a strategy with POs to link CBOs to national and donor funded development activities.	Mar. 31, 1997	For IDA review
16. GOSL will submit a draft National Rural Water Supply and Sanitation (NRWSS) policy.	Mar. 31, 1997	For IDA Review

Special Attachment

Community Development Issues Community Water Supply and Sanitation Project (Cr. 2442 CE) Supervision Mission December 1996

1. The Community Water Supply and Sanitation Project (CWSSP) which began implementation in February 1993, is operational in 3 districts and 830 Grama Niladhari Divisions (GNDs), involving 86 Partner Organizations (POs) working with 652 Community Based Organizations (CBOs) and reaching 663,650 people (approximately 147,478 households) at end October 1996. This includes the population covered under village water supply schemes (WSS), Small Town Water schemes, School Water Supply schemes, and village sanitation programs. At end October 1996, a total of 830 water supply/sanitation projects have been launched, with about 17% completed. *These 830 projects which cover approximately 2500 villages meet over 90% of the target of 2700 villages as outlined in the SAR.* Nearly one fifth of the villages in the program have been provisioned with water supply alone.

2. In addition to meeting and superseding some physical targets, CWSSP has left an indelible mark on rural social capital development in Sri Lanka. The web of rural institutions which have been formed at the grass-roots level (community based groups) through partnership with local and national NGOs has created a collective force with a proven sense of ownership of public assets. Through the mosaic of these partnered inter-relationships community groups have been able to assume the designing, planning, and construction of WSS and sanitation projects displaying a high degree of ownership and responsibility for safeguarding these public assets:

- Most CBOs contribute more than 25% of WSS costs, well over their expected contribution of 20% as outlined in the SAR
- The rupee value contribution per household ranges from Rs. 94 (mostly for shallow wells), to Rs. 11, 746 (Dainis 1995)
- High representation of poor households - over 90% in most CBOs (Dainis 1995)
- High participation by youth (57% of members in a sample of 25 CBOs in Matara)
- High participation by women (46% of members) in terms of their attendance at CBO general meetings where major decisions are taken as well as in their labor contributions
- High proportion of NGO partners (79%) as compared government and quasi-governmental agencies, and are completing about 82% of village schemes.

3. According to CWSSP quarterly progress reports, of the 762 projects initiated by end June 1996, 106 (14%) were completed, 216 (28%) were under construction and 440 (58%) were in the initial stages of project development. These 762 projects represents a coverage of over 44 percent of the overall number of GNDs in the three districts (1745).

The operational scale of WSS executed under the project range from as little as 80 households to as much as 492 households. In a sample of 43 CBOs reviewed by the mission, 24 (56%) served 100-200 households; 10 (23%) served less than 100 households; 5 (12%) served 200-300 households and 4 (9%) served 300-400 households. The majority of projects cover a 3-4 square

kilometer range. In a sample of 25 projects in Matara District, 13 (59%) covered an area ranging between 3-4 sq. km. Four (18%) covered an area greater than 5 sq.km., while the rest covered an area smaller than 3 sq.km.

4. The process of social mobilization and emphasis on community participation is enhanced via specific strategies such as:

- the entry activity of "Community Action" (where community members identify a simple development activity of their choice and are supported with Rs. 10,000 to execute it),
- mechanisms to ensure user fee contribution and collection of O&M fees,
- diversified activities to ensure CBO sustainability (i.e. income generation and skills development, community upliftment and social welfare and linkage to national and donor funded development projects)

These activities in tandem have contributed to further enhancing notions of community ownership of public assets leading to community empowerment in the process.

5. Nonetheless, given recent social upheavals throughout Sri Lanka, social cohesion and collective action is not easily come by and remains uneven in diverse contexts. On one hand, the sense of dependency on government institutions to provide public services still persists in some pockets. On the other, decision making processes and the access to and distribution of natural resources in a community may not be democratic or equitable everywhere. As the CWSSP moves to the next phase of consolidation, these factors will play a greater role in ensuring project sustainability. *Thus a more intense focus on strengthening rural social capital by capacity building to develop autonomous CBOs, and mechanisms to streamline best practice procedures would further ensure project success.*

Partner Organizations (POs)

6. Type and number of POs. At project start up more governmental (i.e. Pradeshiya Sabhas and Divisional Secretariats) and quasi-government organizations (Multi-Purpose Cooperative Societies), than non-governmental organizations (NGOs) undertook implementation. As they proved less efficient than NGOs in smooth project completion, the number of NGOs establishing a partnership with CWSSP grew. At present about 79% of CWSSP partners are NGOs, while the rest are governmental and quasi-governmental organizations.

7. Diversity of POs. The 86 POs working with CWSSP are a heterogeneous lot, displaying a range of competence, sophistication and capacity. Pending completion of a PO assessment by CWSSP, based on a cursory estimate, about 15% of POs may be classified as those achieving excellent implementation. About 50% show a satisfactory implementation record, but require further strengthening to achieve full development effectiveness. Another 15% of POs serve a limited area, yet deliver quality results, although their capacity to expand the scale of operations beyond a few GNDs is limited.

8. PO Implementation Strategies and Developing Best Practice. POs follow diverse approaches in the three key phases of the project implementation cycle: social mobilization, construction and operation and maintenance (O&M). While several have their own merits and demerits, a best

practice model should be developed from the implementation experience of effective POs which could be adopted with flexibility by all partners. Such a streamlined strategy may ensure quality along with effective implementation during the expected peak project load over the upcoming two years.

9. Duration of the Project Cycle and PO Contract. The standard duration of a PO contractual agreement (for the project development phase and for construction of WSS) is 12 months. This duration has proven insufficient given the countless constraints communities experience in the course of WSS implementation: seasonal extremes of weather which may hold up construction, hiccups in the funding flows as well as in collecting member contributions, and delays in obtaining material in the open market depending on national shortages (i.e. cement and pipes). The time taken to complete construction varied among CBOs depending on the complexity of the scheme (as one would have expected). Schemes which consists solely of shallow wells were constructed quickly, whereas gravity schemes requiring pipe laying over great distances took longer. Over two third of CBOs (67% in a sample of 27 CBOs reviewed by the mission) took 13 to 18 months to complete the project cycle. The varying duration reported by POs is:

<u>Months</u>	<u>No. of CBOs</u>
6-9	5 (19%)
12 - 18	18 (67%)
18 - 20	4 (14%)

The mission recommends that CWSSP review the average time taken by projects executed to date and revise the contract duration appropriately.

10. Phasing Out and PO Role in the Consolidation Phase. The PO's contractual obligation to a CBO ends at the completion of construction. Yet, CBOs are often not steady enough to stand completely on their own feet and sustain themselves as an institution at this point. *Thus, PO withdrawal needs to be phased out over a period of time, depending on the complexity of the scheme.* For example, shallow wells schemes which do not involve complex technical issues and similarly require only minor O&M, may only require a three months phasing out period. Gravity schemes, on the other hand may require six months as a phasing out period after construction is completed. The mission recommends that CWSSP review the feasibility of a phasing out period during which PO support to the CBO continues in a minimal manner.

11. Monitoring and Evaluation. POs report implementation progress to District offices on a monthly basis. In addition, the District Office undertakes a one-on-one progress review with each PO. While CWSSP's recent efforts to further decentralize the monitoring function to the zonal level is indeed a wise strategy, the mission recommends that *in order to enhance the optimal use of monitoring data for troubleshooting purposes, monitoring systems should be further simplified to a diagnostic approach so as to become "problem focused" monitoring, rather than comprehensive monitoring.* For example, a Monitoring & Evaluation officer attached to the District office could be assigned the task of reviewing PO monthly reports and forward them to the respective officers responsible for problems related to each phase in the

project implementation cycle: the Community Relations Officer for social mobilization related issues, the District Engineer for technical problems, and the O&M officer for problems encountered in the consolidation phase. Such delegation of responsibility would maximize the use of human resources at the District Office and simultaneously achieve the objective of efficiency.

12. Assessment of PO Capacity and Realistic Evaluation of Contractual agreements. Given that the capacity to effectively implement WSS projects varies among the POs, CWSSPU has begun a stock-taking assessment to determine the precise capacity levels of the numerous POs. Such an exercise would have the objective of determining what is required to strengthen mid-scale POs whose efforts could be further strengthened. The costs incurred by POs in project implementation, including administrative expenses, as well as the average duration for project completion (as mentioned in item 7 above) needs to be assessed in a realistic manner, so that PO contracts provide for appropriate remuneration and pragmatic timelines. Such a strategy would serve as an incentive to POs to execute projects in a timely and effective manner, and assure CWSSP of meeting its expected peak load targets over the remainder of the project period.

Community Based Organizations (CBOs)

13. Membership and Demographic Profile. Approximately 652 CBOs are currently formed and functional. A 1995 study by CWSSPU showed that over 90% of CBO membership were from among the poor. Women showed high participation in CBO activities, both in the general meetings held bi-weekly or monthly, and in terms of their high labor contributions to scheme construction. The gender distribution in a sample of 25 CBOs from Matara District showed 54% males and 46% females. The membership distribution of youths vs. older members (over 40yrs) in these CBOs was 57% youths and 43% older members.

14. CBO Capacity. The effectiveness and sustainability of a water scheme depends largely on CBO capacity. The capacity of a CBO is dependent on the educational and income levels of its core members, as well as the efforts expended by a PO to strengthen it. Although POs invest considerably in mobilizing a community, the extent to which CBO members' skills are developed in critical areas such as leadership, management, participatory and facilitative skills and conflict management is uneven. *The mission recommends that CWSSP invest greater resources and efforts to enhancing CBO capacity in the areas listed above in order to enhance CBO autonomy, self-reliance and project effectiveness.*

15. Enhancing CBO Autonomy. CBO autonomy can be developed by two strategies: a) capacity building assistance/training and b) specific activities which can be designed, planned and executed independently, such as activities undertaken by the CBO under Community Action. *CWSSP should review the training provided to CBOs and provide only such training which would enhance CBO capacity as outlined in para 24. CWSSP should develop procedural guidelines for District Offices on their minimal intervention in collective community decisions on any aspect of Community Action projects.*

16. CBO Sustainability. CBO sustainability may be gauged by its capacity to maintain service provision to the community long after the assistance provided by POs (managerial, financial or technical) has been withdrawn. Some key ingredients in ensuring CBO sustainability is their problem solving capacity (including conflict resolution, drawing lessons learned wisdom and transmitting such knowledge to similar situations), and degree of autonomy (ability to generate additional finances as necessary, manage budgets and personnel and undertake relevant decisions independently).

17. CBO Contributions to Project Implementation: Cash, Material, and Labor. While CBOs were expected to contribute a minimum of 20 percent of the project costs (either in cash or labor/materials), some CBOs had contributed over 38% of scheme costs. According to one source (Dainis 1995) the rupee value of such community contributions range from as little as Rs. 94 per household to as much as Rs. 11,746 per household. According to a leading PO in Matara (INDECOS), community contribution generally exceeds 25 percent. Reportedly, users are willing to contribute as much as 50 percent of the costs of a scheme, if it means they have exclusive access -- although this has been solely in reference to shallow wells. *The mission recommends that CWSSP consider more flexibility in the expected contribution from users above 20% in order to make the project even more client oriented and responsive to participants' needs.*

18. Operation and Maintenance by CBOs. Mission discussions with a sample of 20 CBOs from the three project districts revealed a number of ingenious methods devised for the collection of user fees, sustaining member interest and for O&M (i.e. users reporting disruptions to a scheme via a complaints registry placed in a household located in the middle of the village which included a section on how and when a O&M problem was addressed by the appointed caretaker). Some CBOs had begun collecting user fees with a plan to meet unexpected contingencies while others had incorporated a set of rules and terms for collecting user fees for O&M purposes (including penalties for those who delayed or failed to pay) into a constitution adopted through member consensus. Yet the capacity of all CBOs to collect and ensure full contribution by all users, and develop mechanisms by which to sustain CBO cohesiveness was uneven. The mission recommends that *CWSSP host informal but structured exchanges of information between CBOs in a district on a monthly basis in order to facilitate a 'lessons learned' process between CBOs with the aim of strengthening CBO capacity and ensuring better O&M management.*

19. Water Rights, Resource Management and User Conflicts. During the process of project implementation, most CBOs reportedly experience water rights related conflicts. They include legal disputes regarding right of way for pipelaying where common vs. private land ownership may be challenged by a community member, and access to a source, as well as shared water use and management. Depending on the level of pre existing social cohesiveness in a village, CBOs attempt such conflict resolution through adhoc methods involving a combination of persuasion, tact and the threat of social sanctions. Yet, lacking formal skills and tools by which to resolve such issues, many CBOs waste precious months of project preparation time in heated debates among community members. While nearly all CBOs encounter user conflicts, most had not developed generic skills in conflict resolution. Most such conflicts had been resolved As they

occurred through a special intervention (either on the part of a PO/NGO, a local government authority, or a legal authority), after much discussion and dialogue. *In order to minimize the negative impact of unresolved or improperly resolved conflict and to equip CBOs with generic skills in conflict resolution, the mission recommends that CWSSP secure technical assistance who could impart such skills to CBOs.*

20. Strategies to enhance CBO Sustainability. Discussions with a sample of 20 CBOs which have completed construction of their water supply schemes (or are very close to completion), revealed that only a few lacked a healthy sense of autonomy, in terms of generating additional resources and managing their O&M budgets. Similarly, most had ingenious ideas on how to generate new resources, diversify the activities of the CBO to sustain member interest, and ensure the continuity of the CBO in a manner that would prove useful to members in the long run. These ranged from income generation and skills development activities, and community upliftment activities such as establishing a Funeral Aid society or hygiene education, and affiliation with other national scale government funded or donor funded projects through which CBO members could access housing loans or financial services to set-up/enhance micro-enterprises. *An increased role by CWSSPU and POs at the early stages of project development to help identify linkages to other development initiatives would help ensure CBO success in meeting their sustainability objectives.*

Addendum to Special Attachment
Discussion on O&M with CBOs from Badulla and Ratnapura District

1. Twelve CBOs from Badulla and Ratnapura district participated in a discussion with CWSSP officials at Sausiripaya on December 3, 1996.

2. Among these CBOs were a few which had been formed at the very start of the project, while most had been formed during the past year or so.

3. The majority of these CBOs had executed water supply schemes covering between 4-5 sq. kilometers. The variation in the scale of projects is as follows:

2-3 sq. km = 3 CBOs

4-5 sq. km = 6 CBO

6 sq. km = 1 CBO

4. The time taken to complete construction varied among CBOs depending on the complexity of the scheme (as one would have expected). Schemes which consists solely of shallow wells were constructed quickly, whereas gravity schemes requiring pipe laying over great distances took longer. The duration reported by POs to complete construction is as follows:

<u>Months</u>	<u>No. of CBOs</u>
6-9	5
12 - 18	6
18 - 20	2

5. The number of users/beneficiary households that each CBO had been instrumental in provisioning with water varied from 80 to 390. A more precise breakdown is as follows:

<u>No. of user hhlds</u>	<u>No. of CBOs</u>
80 - 160	2
140-160	4
180 -200	3
350-400	2

6. Each CBO had begun collecting O&M fees long before construction was completed. The fees collected per household per month ranged from Rs. 5 to Rs. 20, and varies with each type of scheme as follows:

<u>Type of Scheme</u>	<u>No. CBOs reporting per month payment by user households</u>		
	<u>Rs. 5</u>	<u>Rs. 10</u>	<u>Rs. 20</u>
Gravity Scheme	2	6	2
Shallow Wells	3	1	
Deep Wells		1	
Tube wells		4	
Total:	5	12	2

7. Each CBO has appointed care takers, some trained other acquiring their skills through project participation (i.e. by undertaking the construction of tanks and pipe laying etc. under the guidance of a Technical Officer). A few CBOs had appointed as many as 5 caretakers, while others had identified only 1. The number of caretakers appointed by CBOs were as follows:

<u>No. of Caretakers</u>	<u>No. of CBOs reporting</u>
5	3
4	2
3	1
2	3
1	3

8. CBOs participating in the discussion were asked to enumerate the problems they had encountered so far in Operation and Maintenance activities. The multiple responses they provided are as follows:

<u>Problem Reported by CBO</u>	<u>No. CBOs reporting</u>
1. Difficulty collecting O&M fees	8
2. Missing required instruments to do O&M	6
3. Technical difficulties in the condition of pipes/tanks	4
4. Water Source sullied or unprotected	3
5. Quantity of water received/available different from plan	2
6. Access of water by those who have not contributed	2
7. Lack of training	2
8. Water use very high by some users	1

9. CBOs were asked to propose solutions to these problems or share with others the way they had resolved the above problems. Many ingenious methods and devices were proposed and discussed among the participants. Collectively the options presented were:

- Conduct a dialogue with the offending parties
- Discuss the matter publicly at the CBO monthly General Meeting
- Allocate the responsibility of collecting O&M fees to the caretaker rather than CBO
- Allocate responsibility of collecting O&M fees to cluster group leaders
- Get help from Police, Partner Organization or CWSSP district office as a last resort.

10. CBOs had some creative proposals for strategic interventions which would enhance O&M fee collection:

- Introduce a clause in the CBO constitution which outlined specific rules and regulations on O&M fees and the consequences faced by a user household for not adhering to them.
- Introduce a system of penalties for late fee payments
- Request members to bank their fees on a monthly basis to avoid the trouble expended by CBO leaders
- Allow a monetary commission to cluster group leaders as an incentive to get them to collect full fees
- Establish a competition among cluster groups to motivate leaders to get full user payments
- Allocate specific O&M duties to cluster group leaders/members

11. CBOs were asked to share their strategies for O& M and attending to repairs. Their responses ranged from the traditional to the extraordinary:

- Cluster leader informs caretaker
- user informs CBO official and he/she in turn informs caretaker
- take preventive measures by constant vigilance of water scheme by CBO/caretakers
- take special precautions by examining critical points in the water scheme
- conduct regular maintenance by cleaning tanks, etc on a fixed day of each month.
- Instill fear in users by invoking their set of obligations regarding O&M

12. CBO responses to resolving the issue of accessing water by users who had not participated in scheme construction nor contributed focused on two strategies:

- Charging the new user a fee that would be the equivalent of the days of labor due per household at time of construction plus an additional amount to compensate for their lost participation from the very beginning;
- Referring to peer pressure both in private dialogues and in public meetings to get the user to comply with CBO regulations

13. CBOs recognized the need to diversify into other sectoral activities in order to sustain user membership continuity. While most CBOs had many bright ideas, many lacked the knowledge of how best to bring these ideas into fruition. It was apparent that the role of POs and CWSSP was to facilitate such knowledge and channel the CBOs to sources of information about how to realize these ideas. The range of activities proposed by CBOs to sustain member continuity were:

- Begin income generating activities by providing loans to members
- Access some skills training for members through projects for micro-enterprise ventures
- Rally the members around simple community development activities
- Launch Hygiene education programs or latrine promotion programs
- Access housing loans for members to undertake house repairs
- Strengthen CBO managerial skills and develop CBO cohesiveness
- Do continuous monitoring of water users access to water and quality
- Establish a Funeral Aid Society which would serve as a binding issue for members
- Undertake community resource management



FAX Transmittal Sheet

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To: Bruce Gross, TWUWS

Fax No. (202) 477-0164

From: Susan Turnquist, RWSG-SA *ST*

Date: September 5, 1995

Subject: Sector Issues Paper

Pages including this sheet (11)

Message No. 95/1530

Hi, Bruce,

Susan Lee sent a request for the Sector Issues paper, and Bob Boydell indicated that the final version was issued in July, without significant changes from the version circulated in April, this is enclosed with this fax, and will be sent in addition by pouch.

Best regards.

Susan

- 1) Copy → *Mathys*
Liam
- 2) File

L. Panneer Selvam
Transmission Authorized by L Panneer Selvam, Acting Manager, RWSG-SA

**WATER SUPPLY AND SANITATION IN ASIA:
SECTOR ISSUES**

**Regional Water and Sanitation Group - South Asia
New Delhi**

July, 1995

SECTOR ISSUES IN WATER SUPPLY AND SANITATION

1. In the five years since the end of the International Drinking Water Supply and Sanitation Decade, numerous global meetings have considered lessons of the Decade, identified continuing and new issues, and reached agreement on several key principles for future approaches in WSS development. Foremost among the outcomes of the IDWSSD is the continuing need to reach the poor with WSS services. A central lesson from the decade has been the importance of involving potential users in planning as well as financing the services provided by projects. This note describes the issues currently facing the sector in Asia and those faced by the UNDP/World Bank Water and Sanitation Program (the Program) in trying to address them.

I. MAJOR ISSUES AFFECTING WSS SECTOR DEVELOPMENT

2. Although the achievements of the Decade included substantial increases in the percentage of people served by safe water and sanitation facilities, population growth and the failure of old systems absorbed much of that, with the result that little changed in the number of people still unserved. An estimated one billion people with low incomes still have no access to safe water, and 1.7 billion lack adequate sanitation. The challenge remaining is to provide these unserved people with adequate and sustained WSS services, and to improve the reliability, quality and choices of services to users who already have some access.

3. The Decade yielded several key lessons. One of these is the need to treat water as having economic in addition to social value. The investment required to serve unmet needs far exceeds the resources of governments or external donors. Resources must be mobilized from users as well. People can and will pay for services that they want. A second, related lesson is the importance of **demand**, or users' preferences, in developing WSS facilities. A demand orientation to sector development requires participatory strategies to enable users to voice their preferences, and often involves strengthening community capacity for informed and collaborative decision-making and ultimately for managing the services they have chosen.

A. Strengthening Institutional Capacities

4. **Issue: Transformation of Public Agencies.** In most countries sector planning and development is still essentially a "top-down" process with governments acting as direct providers of services rather than supporters of community-based initiatives. One reason for this is that public agencies often do not place (or cannot retain) professional staff at the local district or village level. The staff they do manage to field tend to be engineers, who lack the professional training or organizational incentives to provide meaningful support to local communities for participation in the development process.

Also supporting the status quo are the incentives and constraints operating at the center in these public agencies: long-standing traditions, existing distribution of authority and control over resources, pressure to meet service coverage targets, little or no accountability to users, and career advancement unrelated to performance. As a result, most community-participation support structures are not built into public institutional structures, but are limited to projects and programs supported by ESAs. Opportunities to support transformation of public agencies may arise when financial considerations encourage more resource mobilization from consumers and consequently more responsiveness toward consumers.

5. **Issue: Enhancing Community Capacities.** At the community-level, local institutions need to be strengthened to play an active role in the planning, financing and implementation of projects, and in the operation and maintenance of facilities. What "community participation" means in management and operational terms is often unclear, too limited or insufficiently supported within a project. Projects which rely on community participation in decision-making often require a longer period of project preparation than in top-down projects, but project timeframes do not always accommodate this. Mechanisms for assessing and strengthening community capacities must be developed or adapted to suit local conditions, and these tasks assigned to organizations with the incentives, resources, and skills to carry them out. Mechanisms for collaboration within and between levels of management must also be developed in each project so that management decisions can be taken at the lowest appropriate level. The current issue is how to do all of this effectively and efficiently.

6. **Issue: Supporting Involvement of NGOs and Private Sector.** NGOs can play a valuable role in several ways: (a) by providing needed support to communities when official sector agencies have no presence in the area, and (b) by helping villagers link up with available support services through educational campaigns and acting as a go-between when necessary. Intermediate level NGOs can serve as "umbrella" service organizations for NGOs working at the community level. In many cases NGOs may be more efficient than public sector agencies in providing sustainable WSS services. To play their supporting role effectively, NGOs themselves may need to be provided with training or materials on participatory promotion techniques in WSS development. Projects designed to involve them must also allow sufficient time for them to complete their tasks. Although NGOs offer a potential means to reach more low-income people, the issue is how to know when they have a comparative advantage, and what projects should provide in terms of incentives and support.

7. The private sector offers another major source of WSS services to complement or replace inadequate service from public agencies. Private sector involvement can (and does) take many forms at different levels: from rural water vendors to large capital intensive water and sewerage utilities; private manufacturers of pumps, latrines, other equipment; private consulting firms for planning of projects and programs; and so forth.

Identifying an effective mix of service providers for a given project is a task which quickly runs up against several issues. First, how can entrepreneurs make a profit in areas where incomes are low and water access is costly? Second, what is needed in an enabling regulatory framework to reconcile the need for private companies to operate profitably and the need for a government to ensure appropriate water resource management?

8. Issue: Facilitating an Appropriate Mix of Institutions in WSS.

Conditions vary from project to project around the globe, and the issue here is to develop strategies for identifying the institutional options in WSS service provision, and facilitating the most promising mix in a given project. In some projects, efforts have focused on improving the management, service quality and financial viability of public sector agencies. In others, public utilities have been increasingly supported by private sector involvement, such as in the engineering of public works and in sub-contracting of some responsibilities (such as meter reading, billing, pipe maintenance and repair, etc.) to private firms. Still other projects are pioneering arrangements by which NGOs contract to be support organizations to help communities develop and manage their own schemes.

B. Policy Reforms

9. Issue: Political Will. How serious and determined are governments to expand access of the poor sections of their populations to better water and sanitation services in both rural and urban areas? This is a fundamental issue which in the end will determine to what extent access is expanded and how rapidly. The short-term political capital earned by promises of free projects can undermine neighboring projects which require community contributions. "Free" projects also fall prey to the widely-shared experience of subsidized services not reaching the poorest, insufficient financing for O&M, consequent deterioration in services, and so on. The issue is the extent to which a government is able to discourage the easy promises of politicians and willing to create a policy environment which promotes a decentralized, participatory, demand-oriented approach.

C. Coherent Resource Management: Competition, Supply and Demand

10. Issue: Growing Pressures on a Finite Resource. In many parts of Asia there is growing pressure on available water resources, generated both by increasing competition between subsectors and by the deterioration of water quality. Complicating this competition is the tendency of water basins not to recognize political boundaries, with consequent opportunities for conflict over shared water sources. There is an obvious need for some degree of central planning and management, particularly in areas where water availability is becoming more limited. Rather than provide a rationale to minimize the "bottom-up/community participatory approach" which everyone agrees is needed, this suggests the need to identify cases in which clear roles defined for all levels of management have contributed to successful water management.

11. **Issue: Management of Supply.** The traditional approach to provision of drinking water supply is to develop new sources. However, growing supply limitations are forcing greater attention to other strategies such as conservation as well as protection of water quality, both for surface sources and groundwater. Among the greatest polluters of drinking water supplies is fecal matter, and efforts to improve sanitation coverage must continue. However, increasingly water supplies above and below ground are being affected by industrial wastes, mining, and agricultural runoff, with undetermined impacts on health. Groundwater overdrafts are also contributing in coastal areas to expanded saltwater intrusion, and in other areas to compaction of aquifer material which reduces aquifer capacities.

12. **Issue: Management of Demand.** Demand management is a major tool in improving coverage with lower investments in developing sources. A common tool for demand management is user charges, but this remains a difficult challenge for many public sector WSS agencies in urban areas who continue to suffer high losses from unaccounted for water as well as low rates of payment on water bills.

D. Financing WSS Services to Low Income Users

13. Although a populist position, which maintains that all people have a right to publicly-financed WSS services, has characterized much WSS policy in the past and seems to embody social justice, in practice the top-down, supply-driven financing associated with this has been inefficient, ineffective in reaching the poor, and unsustainable. The practice of standard estimation and aggregation of needs, followed by calculation of resources required to achieve coverage, has usually led to calls for a level of external resources which defies expectations, even exceeding the total volume of official development assistance. Such targets are unrealistic, self-defeating, and poor foundations for sector planning. The pre-UNCED conference in Dublin resisted this practice, issuing instead a document promoting core principles of "water as an economic good" and "responsibility at the lowest appropriate level."

14. **Issue: Cost Sharing.** Experiences of the Decade have taught that even low income users are willing and able to pay for safe water. In many cases, poor urban households are already paying water vendors many times more per unit than more affluent households pay for piped water. What is the appropriate level of cost-sharing in WSS projects by communities towards the capital costs of facilities, as well as the O & M costs? Existing projects demonstrate a considerable range. The issue is to identify and develop mechanisms for selecting appropriate levels of user contributions, which can accommodate economic heterogeneity and different preferences in choice of services, and which are easily enforced.

15. **Issue: Private Goods and Public Resources.** A principle of public finance holds that efficiency and equity both require that private financing should be used for financing private goods and public resources should be used only for financing public goods. The underlying belief is that the social unit involved (the government or a private consumer) is in the best position to weigh costs against benefits to itself, and will invest accordingly. Conventions of social justice intervene in this when it comes to a basic human need such as water, as do questions of who benefits more--the public or an individual--when that individual uses sanitation facilities instead of open ground. These public values pose the question of how we distinguish private and public benefits in water supply and sanitation. A strategy of offering a choice of service levels to communities, with subsidies for the most basic level of service, permits flexibility in balancing public and private benefits, and offers users the opportunity to invest according to their preferences. The issue is not to identify a blueprint solution to defining public goods and private benefits, but to recognize and promote successful mechanisms for balancing public and private investments, based on a general principle of allocating public resources only where private resources cannot meet resource requirements.

E. Strategic Differences in Urban and Rural Issues and Approaches

16. **Issue: Urban Sanitation and Drainage.** Excreta disposal in low-income urban neighborhoods is an acute issue affecting public health, through both immediate degradation of the local environment as well as through contamination of water supplies. The low-cost, on-site latrines promoted in rural areas are often a poor solution given the higher density of urban settlements. As Akhter Hameed Khan noted, a good solution has to overcome four barriers: psychological, economic, technical, and social (or organizational). Such solutions have been developed in some cases, such as the condominial sewerage systems of Brazil, the self-organized sewerage/latrine services in the large, low-income neighborhood of Orangi in Karachi, and in smaller self-help projects in several cities of India. The issue is to learn more about successful mechanisms for developing solutions which are socially, technically, financially, and institutionally appropriate to the specific conditions of different urban areas, and which can be adapted to future demands.

17. **Issue: Convenience in Rural Areas.** In Asia, rural villages without any safe water supplies are becoming less common, although some pockets do exist and in other areas seasonal shortages are routine. These communities continue to require attention to serve their unmet needs. However, a more widespread problem is in rural areas where safe water supplies are commonly available but only outside the household, often at a distance of 100 meters or more. Under these conditions water for the household will only be fetched in limited supplies, and more convenient (but unsafe) sources nearer the household will be used for various purposes. The quantity of water available

has a close bearing on hygiene practices and health. The more water available, the more will be used for washing hands, bathing children, and so forth. The issue is how to provide safe water which is convenient, reliable, and of sufficient quantity that users do not have to choose between labor-intensive safe supplies and convenient unsafe supplies. An important element in addressing this issue is continued efforts to promote health/hygiene education, which increases users' incentives to make the extra effort or investment to have and use safe water.

F. Technology

18. **Issue: Sustainability.** The notable success of the IDWSSD in developing and disseminating low-cost WSS technology stands as a major achievement, but the challenges have evolved into the next phase: monitoring the sustainable use and maintenance of these technologies, particularly in rural areas where handpumps require periodic maintenance and repair, plus ready availability of spare parts. Organizational issues have become recognized as an important component of appropriate technology. For instance, the use of village-level operation and maintenance (VLOM) is an important tool in many areas for sustaining the benefits of pumps, but experiences are uneven. Community caretakers, who are often women, have received varying levels of support or training, and operate with varying degrees of success. In some cases, a variety of technologies have been promoted in a given area, but not all are equally supported by availability of spare parts or experienced repair technicians. The issue remains to continue monitoring to identify problems and seek sustainable solutions, which may include introducing new roles for the private sector. One well-sustained project in China using deep tubewells included the following factors: (a) one village caretaker per pump; (b) a good institutional network from county to village; (c) a set of clear rules and regulations for O&M; (d) collection of affordable user fees; (e) regular periodic maintenance of facilities; and (f) promotion of proper water use and hygiene education.

19. **Issue: Options for Low-Cost Urban Sanitation.** As noted above in the discussion of urban sanitation, a range of low-cost sewerage technologies is essential to meet the vast needs of expanding low-income areas in all cities of Asia. The development of these technologies will require not only considerations of low cost, but also recognition of the sociocultural, organizational, training, and financing requirements to be operated sustainably. The issue for technology development is not solely technological, but to develop technologies within the context of the supporting social and institutional environments.

II. ISSUES RELATED DIRECTLY TO THE UNDP/WB PROGRAMME IN ASIA

20. **Moving from a focus on technology to institutional issues.** The Program initially focused on low-cost technology, but has shifted toward institutional issues which affect the provision and sustainability of services to the poor. Strengthening institutional capacity for demand-driven sector development implies supporting (1) organizational capacity at community level and within public agencies, as well as capacity for intermediation by NGOs and the private sector, (2) relevant policy reforms, (3) more coherent management across subsectors of the water sector as well as management of demand, (4) new strategies for financing WSS services, and (5) consideration of strategic differences in urban and rural approaches. The Program has not abandoned technology, however. Current issues for technology include monitoring the performance and sustainability of the low-cost technologies developed during the Decade, and identifying the social, financial, and institutional issues involved in demand-based technology selection and management, particularly for low-cost sewerage options in urban areas.

21. **Changes in the Program Environment.** The Program is currently coming to the end of a funding cycle, and given changes in the operating environment, changes to the Program are under consideration. Changes in the institutional environment include a merger with TWUWS within the Bank, new leadership in the Program, reorganization within UNDP, and general funding cutbacks within both partners which may affect the Program. Given these changes, the Program is focusing its efforts more sharply on three primary goals: building local capacity, supporting sustainable investments, and learning/disseminating lessons from sector experiences. These goals will drive the three areas of concentration: learning about institutions, participation, and demand; supporting large rural water supply programs, and supporting urban sanitation and water projects.

22. **Proposal for a Global Partnership.** In the meantime, however, the Program is also discussing a possible expansion to support more comprehensive approaches to water sector planning and management. This proposal, the Global Partnership, would continue much of the current organizational structure of the Program but would increase the Program's capacity to offer support and synthesize lessons in all major subsectors of the water sector. The issues which such a Program will have to face include maintaining a well-focused and clearly conveyed program strategy, recruiting or training staff with appropriate expertise, and collaborating effectively with a wider variety of partners, including client governments, NGOs, bilateral and multilateral donors/lenders, and the private sector.

23. Rural and Urban Strategies within a Comprehensive Sector Approach.

Depending on available funding from the principal partners or others, the Program may choose to continue twin streams of activities which focus on rural and urban areas, within the context of comprehensive water sector management. Each places different demands on the Program. For the rural poor, the keys are capacity building, investment, and learning in an environment which offers more opportunities to organize services through nontraditional forms rather than through public sector utilities. In urban low-income neighborhoods, the keys to sustainable provision of WSS services lay in improving the efficiency and accountability of formal institutions, in co-production of services by formal and nonformal organizations, and in addressing the issues of more options for sanitation, deteriorating water quality, and water pricing.

24. Intersectoral Issues. There is a growing trend in some countries, notably Indonesia, to shift development planning away from the traditional, fragmented emphasis on individual sectors and discrete projects and towards a more intersectoral, holistic and program approach. For the WSS sector, this means closer integration with planning in the health sector, infrastructure sector and water resource management and conservation, along with such cross-sectoral needs as human resource development, improved management, and overall capacity building at the planning and monitoring level. This integration is accompanied in some cases by a trend toward decentralization. If the Program moves ahead with a focus on comprehensive sector planning and management, it will take an important step forward in dealing more holistically with the use of water resources. However, this risks diverting attention from integrating the Program's efforts with other sectors such as public health, and reducing capacity to interact with health-oriented partners such as WHO and UNICEF.

25. Structured Learning. A key instrument in the Program's strategy is "structured learning," which supports adaptive project design as well as provides lessons for future projects. An issue for the Program has been to identify key topics for structured learning, develop a common framework for learning about these topics, select efficient methods for collecting and analyzing information, and synthesizing and disseminating these lessons. A number of lessons learned from the IDWSSD have resulted in new project approaches which incorporate a demand orientation, attention to institutional issues, and learning within projects; the task now for structured learning is to support the implementation of these principles through monitoring, evaluation, feedback, and continued learning of new lessons. Progress made in FY95 is continuing in the plans for FY96. The Program should continue to refine its strategy for structured learning, and may begin to consider how this strategy may be adapted by its clients and institutionalized as part of their capabilities.

26. **Selectivity.** In its "triangle" strategy of building capacity, supporting sustainable investments, and learning/dissemination, the Program must make choices about where and how to be involved. Criteria for selection have recently been adopted, based on a project's **characteristics** (flexibility, sufficient resources, and potential for learning and for impact on future practice), **environment** (collaborative task manager, cooperative government), and **location** (country of concentration). The need for selectivity will continue regardless of the form the Program takes; the issue will be to reconsider selectivity criteria in light of any new objectives or scope.

27. **The International Training Network (ITN).** The Project Document for RAS/92/001 which initiated the current funding cycle for the Program calls for the expansion of the ITN in East Asia with the establishment of new centers in at least three more countries. This has not been accomplished, and the question arises as to how vigorously the establishment of new centers should now be pursued. Three issues arise. First, the ITN concept originated in the mid-1980's when the IDWSSD was gathering momentum and the main emphasis of the Program was on development and dissemination of low-cost WSS technologies. Given the changing emphasis of the Program from technical to institutional issues, are the ITNs still a useful vehicle for training in the sector? Second, if ITNs do continue to play a useful role, what type of relationship between ITNs and the Program is mutually beneficial? Third, the ITNs have been heavily subsidized, but this funding is nearing an end. If there is a role for ITNs, how might they become financially self sufficient?


28. Having said this, it still appears that an ITN could play a useful supporting role in countries where sector development is just getting started, such as Mongolia and Vietnam; possibilities in those two countries should be explored.

5 September 1995

Prepared by Susan Turnquist, consultant, with reference to March 1995 draft by James Berna



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

Date: July 19, 1995
To: Ms Mira Mehta (Consultant) and Mr Himanshu Parikh (Consultant)
From: Peter Lochery, Manager, RWSG-SA 
Subject: TORs for consultancy for UN Inter-Agency cooperation with the Parliamentarians' Forum

Introduction: The UN System in India has been closely interacting with the Parliamentarians' Forum for Human Development primarily with the aim of promoting human development concerns at the national level. In the immediate context assistance is provided in terms of experience and software for the projects suggested by the MPs Local Area Development Scheme (MPLADS). Copies of the scheme and the Terms of Reference for UN Inter-Agency cooperation with the Parliamentarians' Forum are enclosed.

Background: As part of the MPLADS, Mr Jagmohan, MP has suggested schemes to be taken up in the squatter settlements in the Raghubirnagar JJ Resettlement Colony. A visit to the slum and discussions with Delhi Development Authority (DDA) were organized by the UN Inter-Agency Forum on 24 May 1995. The indications are that the implementing agency, DDA will be willing to work with the strategy to be developed by the UN system involving community planning, management and cost sharing.

Objective: The objective of this consultancy is to conduct a rapid survey to find out community preferences, arrive at an idea of demand and to assess current local capacities and gaps in planning, implementation and management.

Activities: The survey will be conducted by a team of two persons, an Urban Planner and an Engineer. The specific activities are:

1. to discuss with DDA their policies and programs for slum improvement as well as to understand in detail the projects implemented or proposed in Raghubirnagar;
2. to list the existing facilities and services and how the communities view and use them;
3. to visit the slum and talk to the people in groups as well as individually through structured questions and interviews in order to find out their preferences and priorities for different services;

4. to present technical options for water supply and/or sanitation services and the associated prices to specifically assess the willingness to pay of the community;
5. to assess the affordability of the services and to arrive at a sense of demand based on the willingness to pay;
6. to write a report containing the findings and recommendations; and
7. to present the report to a meeting of RWSG-SA, UNICEF and the MP to decide on the future course of action.


Duration: The total duration available to the Urban Planner will be six days. Four days will be used for discussions with DDA and visits to the slum, one day for writing the report and one day for presentation in the meeting. The involvement of the Engineer will be upto a total of four days. The Engineer will join the Urban Planner for two days during the slum visit for activity 4 in the preceding paragraph and contribute to the preparation and presentation of report.

Reporting and payment: The consultants will submit the final report two weeks after presenting it to the meeting. Payment will be made two weeks after the consultants provide a satisfactory final report.

cc: Von Sponeck, Mishra (UNDP), Ellis (WFP), ^{Am} Grover (TWUWS), Selvam (RWSG-SA),



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

Date: July 18, 1995
To: L P Selvam, India Team Leader
From: Peter Lochery, Manager, RWSG-SA 
Subject: TOR for your Mission to Lucknow from 19-27 July

1. You will be travelling to Lucknow to join the ongoing Uttar Pradesh Rural Water Supply & Environmental Sanitation Project Pre-appraisal Mission from 19 - 27 July 1995.
2. You will be providing support to the mission as per the details mentioned in the attached TOR issued by Shawki Barghouti, Chief, SA2AW.
3. You will be submitting a back-to-office report within 10 days of your return from Lucknow.

cc: Kleiner, Cuenco (SA2AW); Gross, Grover (TWUWS); Ramasubban, Dasgupta (RWSG-SA)




File: IND WP 8/1

THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: June 23, 1995

TO: Distribution

FROM: Shawki Barghouti, Chief, SA2AW 

EXTENSION: 84010

SUBJECT: **INDIA - Proposed Uttar Pradesh Rural Water Supply & Environmental Sanitation Project**
Preappraisal Mission - Terms of Reference

1. The mission will comprise of the following persons:

Participants	Dates
K. Cuenco	July 5 - August 9
S. Abhyankar	July 5 - August 9
K. Kleiner	July 13 - August 9
M. Whitbread	July 14 - July 25
M. Garn	July 24- August 5
S. Salman	July 17 - July 21
M. Viridy	July 24 - July 29
P. Selvam	July 19 - July 27
J. Cunningham	July 24 - July 28
Tasgaonkar	July 17 - July 21
X. Legrain	time to be determined
Secretary (SA2ND)	July 17 - August 9

2. Mr. Kleiner will lead the mission. You will aim at completing the White Cover SAR including annexes in the field as far as possible. Project Coordination Unit of Government of Uttar Pradesh (PCU) staff should be fully involved in the preparation of the SAR. Each mission member will be responsible for the preparation of TORs for required activities of consultants and NGOs in the project components for which he/she is responsible. The mission is expected to work as a team, that also means across the board assistance should be provided when requested.

3. You should reach full agreement with the GOUP on project scope design and conditionalities. Most important will be the agreement on reforms and policies which will be introduced in this sector as a result of the project which are the institutional reforms and reforms in the overall frame work policies. In more detail these are:

- (a) the Institutional Reforms which are aiming at reducing the Government activities in the sector to only a regulatory, controlling and monitoring role. These are (i) the handing over of technical and financial responsibilities for

- (d) Mr. Garn would be project advisor and would be responsible for carrying out an economic analysis of the project, finalizing criteria for village selection based on demand and poverty, reviewing the adequacy and feasibility of proposed capital and O&M cost recovery proposals and advice on institutional issues.
- (e) Mr. Salman would advise/review all project issues which require legal actions. In particular, he would look into the legal status of the established PCU, the WVSSCs, land acquisition, advice on actions regarding water rights issue with Bangladesh if required and draft the project conditionalities.
- (f) Mr. Virdy would be responsible for reviewing the proposed procurement for the project components, compiling a procurement plan, check final tender documents for phase 1 water supply works and draft the SAR text and tables on procurement. Upon return to Delhi, he would discuss his findings with NDO's procurement unit.
- (g) Mr. Selvam would be responsible for setting up the system for the "structured learning" process, finalizing the training proposal and for establishing of a project monitoring system.
- (h) Mr. Cunningham would be responsible for the development of TOR for a water resource policy and management study. This would include reviewing existing studies and legislation, obtaining agreement with GOUP on the study's scope and objectives and the institutional framework under which the study would be implemented.
- (i) Mr. Tasgaonkar would be responsible for the finalisation of technical and cost tables for phase 1 water supply facilities and the preparation of final TOR and design criteria for sulfage drainage facilities.
- (j) Mr. Legrain who is appraising a rural water supply project in Nepal at the same time would visit Lucknow to familiarize himself with the project and depending on the length of his stay, provide assistance in reviewing and finalizing project conditionalities regarding demand driven approaches, cost sharing and affordability and willingness to pay, formation of VWSSCs and stakeholder participation in design, procurement and supervision. Time permitting, mission members may also visit the Nepal appraisal team.
- (k) Mr. Kleiner would have the responsibility for the overall coordination and leading of the mission, and for the management of the discussion with the government. He would also be responsible for compiling of the project implementation program and would follow up on the proposed National Workshop on Rural Water Supply. Mr. Kleiner would also recruit a secretary

(from NDO) who would be responsible for compiling the SAR, revise text, provide secretarial service to mission members, make appointments for meetings and coordinate the use of vehicles.

5. At the conclusion of the mission, you will prepare an aide memoire which will be discussed with the relevant state government officials in Lucknow and the GOI in Delhi. The aide memoire should reflect clear agreement on the project components, costs and major issues, actions to be taken and the requirements for further processing of the project. Upon your return to Washington, you should prepare a back to office Report and a letter to the Government. You should also prepare a white cover SAR and the IEPS.

Distribution:
Messrs./Mmes.

Garn (TWUWS); Salman (LEGSA); Virdy (ASTTP); Cunningham (SA2NA); Selvam (RWSG-SA); Abhyankar (SA2RS); Kleiner, Cuenco, Whitbread, Legrain (SA2AW)

CC: Messrs./Mmes. Vergin, Uchimura (SA2DR); Perera (LOAAS); Godavitarne (SA2RS); Oblitas, Herman, Couzens (SA2AW)

KKLEINER

MAKLEINER\UTTARPRAMMISSION.TOR

ROUTING SLIP		Date
NAME		ROOM NO.
Bruce		
<input type="checkbox"/> URGENT	<input checked="" type="checkbox"/> For Action/Comment	Per Your Request
Appropriate Disposition	Information/Discard	Returned
Approval/Clearance	Note And Return	See My E-Mail
File	Per Our Conversation	Signature/Initial
RE:		
REMARKS		
<p>Looks like a very good initiative.</p> <p>- We need to coordinate comments from Program HQ</p> <p>- by who ??</p>		
From	Room No.	Ext.
Bruce		



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

Date: April 21, 1995
 To: **Brian Grover, Program Manager, TWUWS**
 From: **Peter Lochery, Manager, RWSG-SA** *[Signature]*
 Subject: Paper on Structured Learning in Rural Water Supply and Sanitation Projects: Concepts and Methods

1. Attached is the final draft of a paper on Structured Learning in Rural Water Supply and Sanitation Projects: Concepts and Methods, developed by Susan Turnquist, consultant and Rekha Dayal. We would greatly appreciate comments.
2. An earlier draft of the paper was circulated within the Group. This is intended to be a regional publication. If found to be relevant, the document can be prepared for publication by the Bank/Program.

Distribution: Briscoe, Gross, Garn, Jagannathan, Wakeman, Kinley (TWUWS); Dayal, Turnquist, Team Leaders, AKM, (RWSG-SA); Boydell, Pollard, Judd, (RWSG-EAP); IIG members in other regions.

EM sent to MG, VJ,
 ✓ WW: ~~re~~ asking if
 they've given any
 feedback to Lochery.

• if not, organize some
 HQ-coordinated
 review

7/14/95

1203/3

**STRUCTURED LEARNING IN
RURAL WATER SUPPLY AND SANITATION PROJECTS:
Concepts and Methods**

Susan Turnquist

Rekha Dayal

April 1995

**UNDP/World Bank Water and Sanitation Program
Regional Water and Sanitation Group - South Asia
New Delhi**

Draft, 13 April 4:30

FOREWORD

An important activity of the UNDP/World Bank Water and Sanitation Program, which is executed by the TWUWS Division of the Bank, is promotion of a "learning culture" and adaptive project design in rural water supply and sanitation (RWSS) projects targeted at peri-urban and rural poor communities. This activity is consistent with the current directions emerging in the World Bank towards greater attention to sustainability and the role of monitoring in achieving that. The Program is in the process of developing a structured learning and documentation approach for use by RWSS projects in adaptive project design. This technical paper has been prepared by RWSG-SA to support and strengthen the Group's capacity for selecting and learning about key variables in the new generation of RWSS projects. The paper draws on project experiences as well as on conceptual developments led by the TWUWS thematic group on Informal Institutions (IIG). The paper presents key variables and methodological tools for sector professionals associated with RWSS projects, including Bank managers, RWSG-SA staff and partners, government counterparts, consultants, and donors.

ACKNOWLEDGMENTS

The authors wish to thank all the members of the South Asia RWSG for their discussions, digressions, and comments, and particularly Peter Lochery, K.S. Ramasubban, and Aniruddha Dasgupta for their thoughtful reading of the final draft. Time constraints prevented us from incorporating all of the useful and thought-provoking contributions, but we enjoyed the discussions and hope future iterations will include these. Any errors remaining are, of course, our own.

**STRUCTURED LEARNING IN RURAL WATER SUPPLY AND SANITATION PROJECTS:
Concepts and Methods**

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Preface

1. The challenges facing the rural water supply and sanitation (RWSS) sector in developing countries of South Asia have been transformed significantly as a result of rapidly changing political, demographic, environmental and socioeconomic realities. Sustainability of RWSS services has become a central concern of the sector. Of particular concern is the need to identify appropriate institutional and technological options to serve low income groups in both rural and peri-urban areas. Formal utilities have often proved unable to reach these disadvantaged communities. Encouragingly, the international development community appears to have reached consensus on several key principles for the sector to meet these challenges. These principles have been generated out of a series of global initiatives following the International Drinking Water Supply and Sanitation Decade (IDWSSD) and are highlighted by the World Bank Development Report 1994, Infrastructure for Development. The challenge now is to identify and promote effective mechanisms for applying these principles in a new generation of RWSS projects.

2. The consensus on these principles comes at a time of rapidly changing conditions. First, depleting water resources and environmental pollution of ground water have forced the development community to recognize that water is a finite resource and has to be treated both as a social and an economic good. Second, there has been a visible shift towards decentralization in the sector policy environments of some countries; simultaneously experience has accumulated on methods of effective community involvement with a range of institutional options for community oriented service delivery. Third, demographic changes, pressures of urbanization and competing demands on government exchequer without any substantial increase in resources is compelling the sector to move towards greater public participation in financing facilities and more concerted and organized efforts for cost recovery.

3. Simultaneously, there is a growing sensitivity within development thinking toward the institutional context of projects, and improving capacity to analyze institutional factors. Although there are some economists who have long been concerned with the institutional context of economic systems, recent developments in economic theory have given more prominence to this area of theory development. The literature generated out of the New Institutional Economics (NIE) is particularly relevant for analyzing and addressing these issues and the authors have drawn on it to develop the paper.

4. This paper contributes to TWUWS structured learning initiatives directed towards improving performance and sustainability of World Bank projects. It describes concepts underlying the current topics in the structured learning agenda and discusses methods which can be used for structured learning in project implementation. The Regional Water and Sanitation Group - South Asia (RWSG-SA) is involved in operational support to Bank investments (including seven large RWSS projects in India, Nepal, Sri Lanka and Pakistan); participates actively in development of sector strategies in the region and is proactive in distilling, documenting and disseminating lessons learnt. It is proposed to follow this paper with a document which summarizes and analyzes structured learning experiences in five rural RWSS projects in India, Pakistan, Nepal and Sri Lanka. The two papers are thus expected to contribute to strengthening the collaboration with Sector Operating Divisions (SODs) of the country departments where the Program operates in South Asia¹, and to the global initiative by the Informal Institutions Group of TWUWS to document lessons in all regions.

¹Bangladesh, India, Nepal, Pakistan, Sri Lanka and to a limited extent in Bhutan.

**STRUCTURED LEARNING IN
RURAL WATER SUPPLY AND SANITATION PROJECTS:
Concepts and Methods**

I. Introduction

1. "Structured learning" is a strategy used by TWU to look systematically at selected topics in infrastructure projects. Topics emerge mostly out of past and current project experience, through project evaluation, mid-term reviews, discussions, desk reviews, workshops and so forth. This paper discusses the topics identified as key issues for rural water supply and sanitation (RWSS) projects in Asia, as suggested in the course of a workshop in Sri Lanka in September 1994. The paper presents fundamental concepts which underlie these issues and describes a variety of general methods, particularly based on qualitative data generation, which may be used for structured learning activities within projects to support adaptive project design.

II. Background

A. Recent Changes in the Bank's Environment and Goals

2. The Bank environment is becoming more receptive to calls for improved monitoring and evaluation of project sustainability. The current directions of World Bank work in the RWSS sector have been shaped significantly by the report of the Portfolio Management Task Force (PMTF),² a 1992 study of World Bank operations which was commissioned to examine the quality of the Bank's portfolio and to identify areas for reform of Bank practices to achieve greater efficiency and sustainability of projects. Among the key findings of the report were that the Bank's practices emphasized project activities up to the final disbursement of funds, to the detriment of attention on project sustainability during operation and maintenance of facilities. A major conclusion highlighted the need for the development of a "learning culture" in the Bank as well as in projects, and suggested that monitoring and evaluation (M&E) practices would need strengthening to support this institutional change.

3. Three reports³ following the PMTF have attempted to review evaluation results, analyze performance, develop M & E within the Bank projects and recommend actions. The OED report on M & E made particular mention of the structured learning efforts of the TWU, and especially the Water and Sanitation Division, as an activity in the forefront of efforts to develop a "learning culture" within the Bank as well as its projects. While the value of "good monitoring practices" is recognized, the OED report notes "In short, and while recognizing some impressive exceptions, the overall results of the 20-year M & E initiative have been disappointing." A forthcoming document on evaluation results for 1993 reports that sustainability ratings have remained low, but show improving trends for the operations approved most recently (i.e in the mid 1980s).⁴ To measure the sustainability of benefits, evaluators looked at eight factors: government commitment, the policy environment, institutional and managerial

²Effective Implementation Key to Development Impact, Report of the World Bank's Portfolio Management Task Force, September 22, 1992

³ These include (a) An Overview of Monitoring and Evaluation in the World Bank, Operations and Evaluation Department, Report No. 13247, The World Bank, Washington DC, June 30, 1994; (b) "Performance Indicators to Monitor Poverty Reduction," by Sonya Carvalho & Howard White, Second Draft (no date); and (c) Evaluation Results for 1993, Washington, D.C. World Bank, forthcoming & summarized in "OED Precis," Operations Evaluation Department, January 1995.

⁴ OED 1995 report; see fn 3.

effectiveness, beneficiary participation, and economic, technical, financial and environmental viability. The Bank appears to be at a stage where topical monitoring through structured learning is likely to contribute significantly to improving the performance of the sector and provide a knowledge base for a new generation of RWSS projects in which sustainability is a fundamental objective.

B. Emerging Issues in the Rural Water Supply and Sanitation Sector

4. In RWSS, concern for sustainability has been coupled with a concern for the growing gap between public resources and the needs of rural and urban low-income areas for RWSS services. Three key principles emerging out of a global consensus on water and sanitation are particularly relevant to the region: (i) water is an economic as well as a social good; (ii) service provision should be demand-oriented, so that users get services they want and are willing to pay for; and should be managed at the lowest appropriate level; and (iii) policy reform must provide appropriate incentives. These provide the context for the proposed activities.

5. Participation of primary stakeholders is an important factor in the new generation of projects which incorporate these themes. In particular, the inclusion of users in decision-making in all stages of RWSS project development is one of the surest ways of making these projects responsive to users' needs not only for services, but for appropriate capacity to manage those services. Only then can users reasonably be expected to contribute to project costs and to develop local capacity to maintain and operate facilities. Projects are faced with the question of how best to involve user communities in information sharing (community users offering local conditions and preferences, project field staff offering technical and financial possibilities) to facilitate shared decision-making about the most appropriate configuration of services and management responsibilities.

6. This focus on planning for sustainable use, operation and maintenance is a departure from the traditional approach used by public works bureaucracies. First, operation and maintenance are generally secondary, in agency priorities, to construction of new facilities. Second, these agencies usually are not suitably structured or staffed to meet the needs of poor rural communities, and particularly not to respond to these needs by involving the communities in making decisions. The needs of poor rural communities, to the extent that efforts have been made to serve them, have been largely addressed through supply-driven projects, which in many cases have been either not used or not maintained. If low-income rural communities are to have, use, and maintain safe drinking water supplies and appropriate forms of sanitation, this is likely to be contingent on the development of appropriate strategies to provide real choices to users, to facilitate collaboration between users and agencies, and to develop mechanisms by which communities may share costs and assume responsibility for operation and maintenance.

7. The new generation of RWSS projects in the South Asia portfolio are intended to build on these lessons and to incorporate more participatory decision making by all stakeholders, particularly users of RWSS services. The UNDP/WB W&S Program plans to assist these projects by supporting and documenting structured learning within projects. The topics selected for this work are the key issues which were identified by project managers in South Asia at the regional workshop on Preparing and Implementing Large-Scale Rural Water Supply and Sanitation Projects in Asia, held in Colombo, Sri Lanka in September 1994. These issues are considered important "markers" of the degree of progress toward a demand-orientation of projects. They include:

- a) **Site Selection**, where selection of communities for projects is contingent on community decision to commit resources for projects they want,

- b) **Selection of Levels of Service**, where choice of service levels reflect users' willingness to pay,
- c) **Cost-Sharing Arrangements**, where costs are increasingly borne by users, and
- d) **Roles of Intermediary Organizations**, where incentives are structured to encourage their involvement in building community capacity for self-organization.

8. These topics are largely "institutional" issues, or problems related to the rules in operation either within the project or the project environment. The rest of this paper will explore these topics using concepts from the social sciences and illustrations from RWSS projects in South Asia. The discussion of concepts is followed by a description of several methods, including strategic monitoring, a form of monitoring which may sometimes not require additional data collection. Some general comparisons are made of the strengths and weaknesses of each method, as well as the resources or skills needed to field that approach. It is hoped that this information will support the efforts of Bank and project staff to promote adaptive project design in project preparation, appraisal, and implementation, and will also serve as a platform for the development of a regional program on structured learning in RWSS.

III. Structured Learning: Key Concepts in the Current Agenda

9. The recent shift of attention in the RWSS sector to institutional issues involves the use of deceptively familiar concepts. For many in the sector, institutional issues are new landmarks in a well-known landscape. It is useful to take a fresh look at some of the institutional concepts increasingly employed in the sector, both to de-mystify some of the terminology and to build a shared understanding on which to build collaborative, comparative work. Concepts covered below include formal and informal institutions, stakeholders and participation, resource flows and decision-making, social capital and institutional intermediation.

A. Institutions

10. A first step is to define basic terms, and perhaps to challenge common perceptions. "Institution" in common parlance is often used to refer to particular organizations, but is used here to mean the set or pattern of roles, rules, and relationships which govern people, organizations, and their activities in a way that is consistent over time and with the consensus of a society or culture. Institutions may be formal (codified in law) or informal (unwritten), followed closely or loosely, and as they comprise "the rules of the game" they shape the incentives for individuals or organizations to act in some ways and not others. Government, private property, marriage, bureaucracy, and economic systems are all examples of institutions; a particular ministry, union, or nongovernment organization is not an institution, but rather an organization formed according to institutional rules (i.e., which define roles, operational rules, and relationships) to achieve specific goals. Organizations may come and go, but institutions tend to endure and be relatively resistant to change, which is why institutional development is a particularly challenging task.

11. One strategy for overcoming bureaucracy's institutionalized limitations in participatory development is to draw non-government organizations (NGOs), both intermediate and grass-roots, and development oriented agencies in the private sector,⁵ into projects. This strategy of collaboration draws

⁵ For purposes of this paper, these will be referred to as Private Development Organizations (PDOs). They include consulting firms, public interest research groups, and other organizations which generate their operating funds by marketing their products rather than by fundraising.

on the comparative advantage of different institutional forms, and can be an effective mechanism to help bridge the gap between communities and public agencies in a participatory manner. Yet this strategy presents a different challenge for participation, this time in the collaboration between government agencies and NGOs/PDOs. As governments who wish to work with NGOs have frequently found, differences in their respective institutional forms pose some difficulties for their collaboration. Many NGOs and PDOs operate by "informal" institutional arrangements which permit them more flexibility, freedom to experiment, and responsiveness to demand, while public agencies in general are governed by "formal" institutional arrangements intended to make them stable and accountable to their legislative mandate. The formal institutions around which bureaucracies are built are codified in legislation, policies, and operating rules which impose a high degree of inflexibility.⁶

12. A balance of flexible and bureaucratic institutional forms may offer the best strategy for providing a range of options for appropriate institutional support for sustainable water and sanitation services.⁷ Within South Asia a variety of experiments are in progress. In Pakistan, the government agencies are trying to provide community organizing services to strengthen capacity for decision-making in all stages of the World Bank-funded Community Infrastructure Project. In India, the Kerala Water Authority (KWA) has worked with a semi-autonomous cell, the Socio-Economic Unit (SEU), an autonomous unit within the KWA, to focus on community organizing in bilaterally-funded projects. In Nepal, a public fund (supported by an IDA credit) will soon be established by which rural communities, with assistance from NGOs, PDOs and other organizations with experience in RWSS, may apply for subsidies to develop their own water and sanitation services.

B. Stakeholders and Concepts of Participation

13. Operating within institutional frameworks are **stakeholders**, those individuals or organizations which play a role in organizing or applying the rules, in producing outputs or enjoying benefits, and whose performance is influenced by the incentives provided by the institutional environment. In RWSS, stakeholders may include users, community-based organizations, utilities, public works agencies, agency employees, intermediary organizations such as NGOs and PDOs, external support agencies, local governments, and so on. Stakeholders have different interests in the same process, and are likely to be working for different (though not necessarily incompatible) outcomes. For instance, public works agencies may be interested primarily in maximizing the resources they can control or in meeting construction targets; agency field staff may wish to minimize their time in the field (where their lower visibility may limit their advancement) and/or limit their field efforts to activities in which they feel confidence and superiority (i.e., make technical decisions without consulting the community); NGOs may be interested in promoting social justice (and less sensitive to time pressures); PDOs may be interested in earning a profit; local governments may worry most about pleasing their most influential constituents; and users may wish to receive reliable services at the lowest possible cost to themselves, or to exclude others from using services they wish to reserve for themselves. Participation of all

⁶ "Formal" and "informal" are somewhat unsatisfactory labels to represent the core differences between organizations traditionally responsible for RWSS and organizations which are increasingly becoming more involved either as intermediaries or in service delivery. Many "informal" organizations have long-standing legal status and routinely engage in contracts, for instance, while bureaucracies vary in their degree of flexibility. The terms "formal" and "informal" can perhaps best be considered as endpoints of a continuum, and the difficulty in collaboration between organizations at different points in the continuum is likely to be greater the farther apart they are on that continuum.

⁷ For a useful discussion of a variety of institutional forms ranging from public to private, see Kessides (1993).

stakeholders involves negotiating rules which are more or less compatible with the range of their interests.

14. The focus on institutions and stakeholders forces a re-examination of the challenges facing RWSS projects in aiming to improve sustainability of services. First, we pay attention to all the actors who have an interest in RWSS. The traditional supply-driven approach focuses on the producers, but these concepts help us see that there are many types of producers involved, that both producers and consumers are stakeholders, and that every category of stakeholder is operating according to incentives and rules (or institutions) which may or may not be evident to the other categories of stakeholder, but which collectively affect the sustainability of a project. Second, we give more weight to the importance of incentives when we shift emphasis from supply to demand-driven approaches, and consider how the incentives are mutually reinforcing, merely compatible, weak or absent, or in mutual opposition. Third, these concepts help us define our tasks. If we set for ourselves the task of trying to promote management at the lowest appropriate level, and to promote the idea of demand-responsive service provision, it is important to learn the rules which govern the actors, in order to understand what it is that we wish to change, and to understand what incentives may be effective and efficient levers of change.

15. "Participation", in this light, can consequently be seen as more than an attitude of involving "beneficiaries;" it becomes an arena for decision-making in which all stakeholders have a voice in working out project goals, assessing and mobilizing resources, configuring management responsibilities, and deploying resources appropriately. Management of projects and of services thus provided is no longer assumed to be the sole domain of a public agency which retains these decisions for itself. In the current structured learning agenda, the goal is to learn systematically about selected types of decisions in projects which attempt to involve all stakeholders (or their representatives) in these decisions and their subsequent implementation. We are also interested in learning whether the decision-making processes systematically exclude key stakeholders, such as women or members of a particular caste or religion, or whether communities adopt or develop locally appropriate strategies to include stakeholders who may often be excluded from public decision-making arenas.⁸ In RWSS, the exclusion of stakeholders, and particularly significant categories of users, from decision-making creates the risk that services will not be configured to meet either the needs of the community or their willingness to pay.

C. Institutional Frameworks, Resource Flows and Decision-making

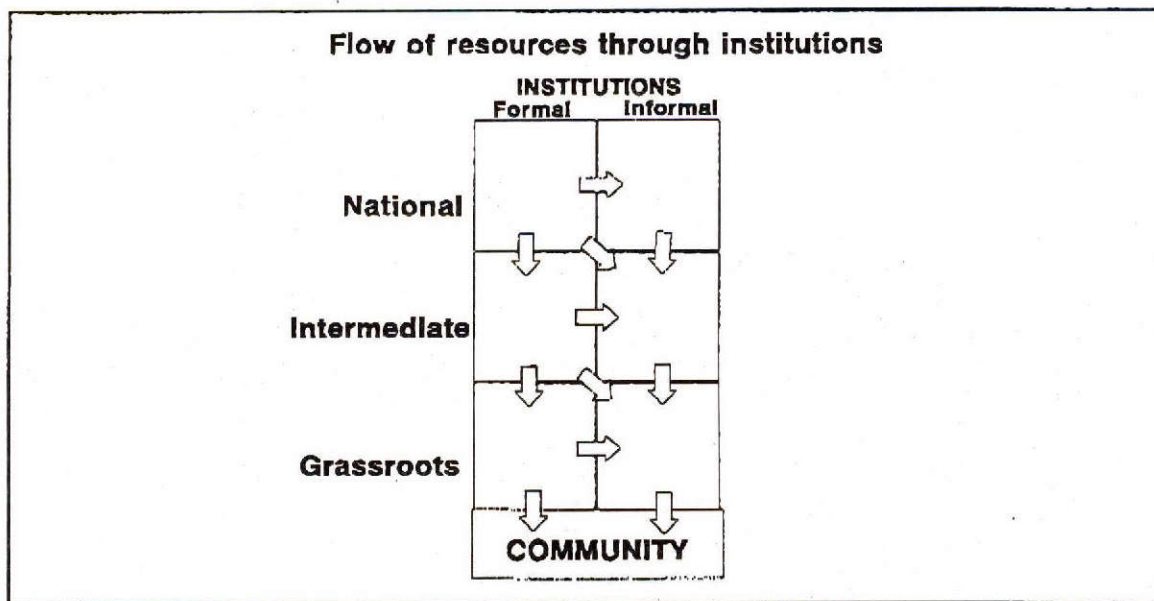
16. Decisions about the allocation and management of resources are a key element in project ownership and a marker of relationships between stakeholders. In several rural RWSS projects⁹ in which RWSG-SA is involved, for example, the question of who makes decisions about procurement for community schemes has arisen as an important issue in communities' understanding of their control over the project and subsequent ownership of facilities. Control over resource allocation is the bottom line indicator of true decision-making power. As external resources enter the institutional pipeline, decisions made at the point of entry (national or state levels) shape relationships and opportunities for subsequent decisions all the way through the rest of the pipeline, at each level in the public bureaucracy

⁸ Much political theory is based on the argument that individuals gain access to the political process through participation in groups, an argument known as pluralism. However, this has been challenged by the argument that the playing field is not level, and that many people are systematically excluded from participation in groups, and are therefore not represented in political decision-making.

⁹ JAKPAS in Nepal; RWSS in Pakistan; Karnataka project in India.

as well as in collaborative relationships with nongovernment stakeholders and with the communities.

17. The following figure, while oversimplified, illustrates the flow of resources from external or national sources as they move through different actors and are subject to decisions at various levels. The entire figure can be considered the "arena" of decision-making. Each of the cells represents a potential locus of decision-making. Different stakeholders will have a voice at different levels, or points in time. In traditional projects, many if not all decisions about resources have been made at national or state level by public agencies, governed by formal institutional rules. Many of these decisions may pre-empt choices which could be made at levels closer to the users/managers. In the new generation of projects, participatory approaches imply decision-making at levels closer to the users, which requires that external or national resources which first enter the flow at national or state levels, either through public agencies or (increasingly) through national-level NGOs, must be able to filter down to lower levels without prematurely narrowing the decision opportunities at lower levels for allocating those resources. Collaboration between levels, and between types of institutions, is needed to ensure that decisions are not pre-empted by one level or type of actor, but are taken at the most appropriate management level. How do we know which management level is most appropriate for a given decision? This is a task of project preparation: to engage all stakeholders in the process, so to speak, of developing the structure of decision-making which works best for that project to promote the sustainability of the services provided.¹⁰ In these new projects, rules are being created to govern collaborations between organizations which operate according to formal institutions and those which have informal rules. Structured learning is instrumental in examining these rules and their implementation to identify what works and where changes are needed in decision-making structures and processes.



¹⁰ In Picciotto and Weaving's "A New Project Cycle for the World Bank?" this structuring of decision-making would be initiated in the "listening" phase and concentrated in the "piloting" phase, with fine-tuning during the "demonstration" phase.

D. Community Capacity for Institutional Problem-Solving

18. Collaboration and shared decision-making which involve solving institutional problems such as who makes which decisions, hinge on a stakeholder organization's capacity for such activities. In the preceding paragraphs, the capacities of public agencies and NGOs has been discussed. Community capacity is also an important resource which, if communities are to be involved in any management capacity, a RWSS project must assess and (where necessary) strengthen. A community's capacity to solve institutional problems such as how to make collective decisions on cost sharing, levels of service, or O&M tasks and resources, may be a function of its "social capital", a term representing a capacity for self-organization.

19. Assistance in institutional problem-solving can be termed "institutional intermediation". If a community lacks sufficient capacity to identify external sources of information, solicit or generate information needed for decisions, make decisions, acquire specific skills, or fulfill commitments in RWSS service provision, the first problem requiring institutional intermediation is the development of that capacity; that is, to strengthen the community's social capital. Institutional intermediation may also be needed in communities which lack mechanisms for including specific categories of stakeholders, such as women or members of a particular caste or religion. Much of the work of the 1980s on participatory development was aimed precisely at this, and resulted in a variety of tools and methodologies which are now available for a new generation of RWSS projects. However, institutional intermediation is not fail-safe. For example, communities with long-standing conflicts may be resistant to such interventions. Intermediation must also be responsive to the differences among communities; that which works in one community may be inadequate for another. A pilot project in Pakistan experienced the withdrawal of one community partly on the basis of the community's difficulty in responding to efforts at community organizing.

E. The Current Institutional Issues in Rural RWSS in South Asia

20. With these ideas in mind, we can return to the problems identified as most significant in RWSS development in Asia, and consider how to approach them in practical ways. The problems include (i) how equity and transparency can be ensured in the site selection process, (ii) what mechanisms will best enable communities to choose the types and levels of service they want and are willing to pay for, (iii) how to organize community cost sharing to support at least part of the capital costs and all of the operation and maintenance costs, and (iv) what types of intermediation relationships and activities work effectively to develop institutional capacity, particularly, community capacity for RWSS decision-making.

21. **Site selection.** The process of selecting communities to receive technical and financial assistance in RWSS projects is vulnerable to poor information about communities, as well as to self-serving behaviors by those controlling the external resources or information, particularly when selection criteria are unclear. How are the selection criteria determined, what criteria are chosen, what is the quality of the information used to select communities, and how is the transparency of the selection process ensured? Without clear criteria, reliable information and an open selection process, communities may be selected which lack commitment to financing RWSS services, which have not been able to identify their "true" choices about service preferences, are already reasonably served or in which constraints to developing an effective community organization cannot be overcome. Monitoring of site selection decision processes and of the means by which information is generated for selecting potential sites could identify problems in, or mechanisms to ensure, transparency and accountability, and provide feedback on the users' satisfaction with these processes.

22. **Types/levels of service.** "Demand," in economic terms, is consumer preferences based on their ability to pay for their choices. Aggregating demand, or preference, for heterogeneous groups is only as accurate as the information available, and such information is easier to get in some cases than others. Preference aggregation analysis tells us, for instance, that small groups work better than large groups for revealing demand. In effect, preference aggregation is much more difficult in traditional projects where, if it is attempted at all, it would consist of defining the level of service based on available and often inaccurate information which does not take into account community heterogeneity or individual preferences. The preference aggregation problem of many types of public goods may thus more effectively be addressed by small, participatory projects.¹¹ A general mechanism to achieve agreements on types and levels of service may involve using small groups for decision-making, and then organizing a group comprised of representatives of each group to work out a comprehensive agreement. This process encourages wider participation than one large group would, and minimizes time and politicking costs to most community members. Structured learning could identify and describe mechanisms used to reach agreements on types and levels of service, including location of services within the community, and (most importantly) could identify how successful these mechanisms were in reflecting users' preferences before investments were carried out. Following up during operation and maintenance, structured learning could also help identify if user's preferences (as identified in the planning stage) translated into users' satisfaction with the services ultimately provided.

23. **Cost sharing.** The classic problem in providing public goods is known as the "free rider" problem, in which people who do not pay for the goods are still able to share in the benefits of those goods. This, of course, makes everyone who does pay feel inclined to stop paying. The free rider problem may not be an issue in many projects, but as a potential and significant threat to sustainability it must at least be examined. Publicly managed services avoid the free rider problem through taxation; community management requires other institutional strategies. In close-knit communities the social "tax" on free riders may inhibit this behavior by individuals; the price of social exclusion may be too high. In addition, a high degree of social capital may carry with it strong incentives for the community to accept (and limit) a certain amount of free riding, in the interest of the welfare of poorer members. In general, communities with sufficient social capital are likely to solve free rider problems at the community level better than any public agency can do, but those with insufficient social capital may find this a difficult problem.

24. South Asia provides many examples of the variety of responses to the free rider problem. In several projects communities required lower or no contribution from households known to be too poor to meet the full contribution; in other areas, communities decided on a sliding scale. In effect, the community allowed a certain degree of free riding. When this decision comes from the community, it builds on local knowledge and local relationships. In another case, when 11 out of 81 households withheld payment, the water users committee decided to establish rules regarding participation in and contributions to the water system, an assumption of authority that had no precedent and has been attributed to the project's community capacity building activities. The community is likely to be the best legislator, judge, and enforcer of the social contract concerning the new RWSS facilities. The purpose of structured learning is to identify the mechanisms used in the community to decide on cost sharing, to describe any conditions which facilitated these mechanisms, and to suggest the nature and extent of support from the facilitating agency that might be necessary if the community is having

¹¹ See Kessides (1993) for discussion of how alternative institutional options for the provision of infrastructure are shaped by the nature of the good involved, the conditions governing the provision of that good, the externalities and social objectives involved, and the characteristics of demand and service use. Ostrom *et al.* (1993) also discusses the particular difficulties in aggregating preferences in infrastructure development in low-income countries.

trouble coming to an agreement, or if the problem is not correctable.

25. **Intermediation.** In the RWSS sector, institutional intermediation is the activities undertaken to help communities develop needed capacity for self-organization of RWSS services, or to bridge the gap between communities and organizations which can help in the provision of these services. Intermediation is common to many NGOs, but other actors, from the private sector or the government, can provide these services. Without intermediation, many communities will not be able to make informed choices, develop mechanisms for financing O&M, or organize the management of O&M. Key questions for the sector are what types of intermediation relationships and activities work effectively to develop community capacity for these tasks, how to identify when these activities are necessary and what conditions facilitate intermediation, and how incentives should be structured to encourage the involvement of intermediaries. Structured learning about conditions, relationships, activities, and consequent community capacity will help identify successful intermediation structures and mechanisms.

F. Criteria for Good Solutions to Institutional Problems: Potential Indicators

26. Criteria for good solutions to these problems may be suggested by policy (i.e., does a given solution promote participatory decision-making?), but seeking criteria in policy alone can lead to a circular process of justifying policy rather than identifying needed adjustments. The establishment of criteria for good solutions is part of the process of project development, through agreement of stakeholders and the ultimate test of achieving sustainability. For example, a policy of the Program is to promote the participation of women. Operationalizing this policy in the past has perhaps fulfilled the criteria without leading to women's effective participation. The continuing assessment and development, through the work of PROWESS, of the Program's efforts to involve women, reveals an evolution in criteria for participation which reached beyond policy to look at effectiveness. As our understanding of the dimensions of participation has travelled from "participation as labor contribution" to "participation as control over decision-making and resource allocation," the criteria for good solutions to institutional problems may shift in advance of policy, and may in fact contribute to the next round of policy. The point here is that while we may look to policy objectives to help us judge whether an institutional problem has been solved effectively or not, we should not limit our thinking to policy guidelines alone.

27. The indicators suggested here for the sectoral issues described above draw on several explicit policies guiding the Program, including promoting a participatory or demand-based approach in project planning, implementation and management, involving women as significant stakeholders, recovering partial capital costs and full costs of operation and maintenance, and supporting changes in institutional arrangements which make RWSS services more responsive to users. This list is only suggestive, and we welcome ideas on substitutions or additions:

- 1) Do the decision-making processes recognize and overcome constraints to women's participation?
- 2) Do the decision-making processes recognize and overcome constraints to participation by relatively poorer households or communities?
- 3) Is there scope for making the decision-making processes more efficient without loss of effectiveness?
- 4) Are the decision-making processes transparent, and the decision-makers ultimately accountable to the users?

5) Does the project preparation process enable all stakeholders to have a voice in determining which decisions take place at which levels?

5) Are decision opportunities located at the lowest appropriate level?

28. It is clear that these indicators require qualitative information. In this early stage of structured learning about decision-making processes, we have not yet identified quick and easy quantitative shortcuts as "proxy" indicators for these. While these questions are posed as yes/no questions (and are therefore tempting to represent in quantified form), accurate answers to these will more likely fall along a continuum. However, rigorous data collection and analysis on these topics may yield quantifiable indicators in the future which will facilitate some standardization and comparisons.

IV. Methods for Structured Learning

29. Structured learning efforts can be organized in a variety of ways, and this section will identify and discuss only a few of the more common methods for data collection and analysis. For each method, the techniques and content of data collection are described. The strengths and weaknesses as well as the skills and resources needed for each are also briefly covered, to facilitate decision-making as to which method is appropriate to available resources and information needs. The methods described include process documentation, strategic monitoring, process evaluation, Participatory Planning Process (PPP) and participatory evaluation, and case studies. For more information on any of these methods, consult the bibliography for additional sources.

A. Strategic Monitoring

30. "Strategic monitoring" describes monitoring which is selective in its choice of topics, rather than comprehensive. This selective monitoring does not, therefore, replace the systematic monitoring of project performance or impact, which is usually built into projects. Rather, it entails a selective review of information already collected on a given topic, and, if needed, the collection of additional information, to monitor how a project is working with regard to the selected topic. This section describes strategic monitoring in complement with more traditional forms of monitoring. The following sections on other methods of structured learning are relevant for collection and analysis of additional, qualitative information as required.

31. **Techniques and Content.** For purposes of this paper "strategic monitoring" is defined as a management tool which allows systematic selection and analysis of a limited set of topics (refer para 5) that serve or appear to serve as important markers in achieving a particular sector, program, or project goal. The outcomes of the analysis are then fed back into the project design and sector policies. Selectivity, rigorous analysis, effective documentation, dissemination and incorporation of lessons into sector policies and project design constitute the guiding principles for strategic monitoring.

32. Given the limited project experience with successful institutional interventions, strategic monitoring is a promising tool for learning from on-going interventions and providing the feedback immediately for corrective action, adding to rather than replacing or superseding past and present monitoring effort. It is not to be perceived as yet another monitoring technique with its own jargon and standardized tools to be mastered and deployed and extensive data to be collected. The main focus of strategic monitoring is on the fit (or otherwise) of project interventions with the local social, institutional, and economic context rather than on the project and its performance per se. Strategic monitoring to a very large extent represents an invitation to sound common sense and contextual

understanding as guides for action and learning. The elements of strategic monitoring are therefore presented in the context of the traditional working frameworks of project preparation, implementation and monitoring and evaluation.

33. **Traditional Monitoring Framework.** Let us think of a standard water supply project and the key concepts that guide it. The operational level is normally driven by targets (coverage, lpcd, distribution points/handpumps, financial disbursements, etc). To know if targets are achieved performance monitoring is routinely carried out, focusing on outputs. The associated economic assessment is one of cost efficiency, i.e. trying to make the way the project is being implemented as efficient per unit of output as possible. All this is normally the ongoing concern of the project executive management.

34. At another more programmatic level the project has a given set of objectives (e.g. to bring down the incidence rate of water-related diseases to a certain level, to establish effective local management of O&M, to establish a certain level of cost-sharing between various stakeholders, etc.). To know if the objectives are being fulfilled impact monitoring is resorted to, normally on recurrent basis. The focus here is on improvements (rather than outputs), and on cost effectiveness (e.g. that the technology or organizational form chosen implies the most favorable ratio between inputs and levels of impact). These are issues normally addressed by policy makers/planners.

35. A third, and less frequently used type of monitoring focuses on change as analyzed to a large extent through careful examination of process issues and is referred to as process monitoring. This allows the system to emphasize and give adequate attention to the processes that help move the project objectives forward (or inhibit achievement of the objectives), rather than outcomes or events as the core of monitoring as well as learning from experience. In line with the above it can be seen as a form that uses qualitative rather than quantitative methods and is directed to policy and management issues at various levels of management in the sector and the relationship between them. The technique is described below in greater detail.

36. In practice most projects tend to be confined within these three mutually linked concepts of M & E. While being useful and even necessary for pursuing any project implementation, the routine MIS assumes that:

- the social and institutional context is a passive environment of the project interventions,
- the main determinant of project outcome is the 'delivery system'
- the decisive stakeholders are the executive management and the policy makers/planners, and that
- learning and experience is therefore confined to an analysis of input-delivery system- output; i.e. of reading events rather than viewing processes and impact brought about by change in policies and practices of the institutions involved.

37. Summarizing the three perspectives in a matrix form they would appear as follows:

TYPES OF MONITORING	YARDSTICK	FOCUS	RESULTS	ECONOMIC INDICATOR
Performance	Quantitative Targets	Delivery system	Outputs	Cost efficiency
Impact	Project Objective	Beneficiaries	Improvements in quality of life	Cost effectiveness
Process	Levels of management	Institutional context & practices	Transformation of thought, action & institutions	System efficiency

38. Looking at monitoring only it is important to bear in mind that all the three types of monitoring are equally important, but that they serve different purposes. Performance monitoring serves to enhance the efficiency of the project as agreed upon and is thus related to contractual fulfillment. Impact monitoring serves to ensure that the outcome of the project is in line with the objectives, and is thus related to a pre-determined policy. Process monitoring is used for intensive efforts to understand relationship between process and structure of the delivery systems as an input to institutional learning. However, all three types of conventional form of monitoring look at the project as an external instrument to be applied in an essentially neutral environment.

39. **Strengths and Weaknesses.** Strategic monitoring is a complementary perspective that gives adequate opportunities to examine projects in relation to emerging lessons in the sector, by focusing (1) on users rather than beneficiaries of a delivery system, (2) on institutional development rather than finding a fit with existing service delivery options; and (3) on processes rather than outcomes or events as the core of learning and experience. In relation to the M & E framework given above it can be seen as a strategic level, where the core of the learning agenda is to contribute to long term changes to the sector rather than to the more limited goals of projects/programs. Examples of such core issues include greater social and gender equity, sustainable water supply and sanitation, cost sharing, and demand aggregation.

40. **Skills and Resources Needed.** It is important to bear in mind that performance, impact and, to a lesser extent, process monitoring can be standardized and therefore requires primarily technical skills. Strategic monitoring, on the other hand, requires the professional experience, knowledge and ability to identify the key elements that are likely to contribute to bringing about the desired institutional change. It also implies knowing the strengths and limitations of a range of different types of methodologies to produce the information needed, such as case studies, surveys, Participatory Rural Appraisal (PRAs), longitudinal studies, and Knowledge Attitude and Practice (KAP) studies. It is, however, not essential that the project staff should possess all these skills; the paper is intended to provide information that will help them make decisions on for example, methods to be used, skill mix of missions and drawing of TORs.

41. Strategic monitoring by and large implies careful analysis and use of information available in the project MIS. However, it is important to recognize that in several cases additional information will need to be collected. Presumably, if the data is critical, the MIS can be reformulated to collect and use such information in subsequent rounds. The experience so far has been that in the initial stages of using a strategic monitoring approach, external resources are required to assist the project staff, consultants

and organizations involved in implementation. Ideally, the long term objective of using strategic monitoring will be to internalize the practice in order to improve the professionals' capacity to respond continually to changing policy and ground realities.

B. Qualitative Methods for Data Collection

1. Process Documentation

42. **Techniques and Content.** Process documentation entails a systematic recording of the activities and concerns of participants (users' groups, CBO or NGO, government officials, donors) through all project stages beginning with the initial contact with communities. This documentation is developed through field observations and interviews by field level staff, and summarized periodically in reports to task managers and the project steering committee; these reports are also shared with all participants at the field level to ensure transparency. The documentation is not open-ended, but rather focuses on topics selected in advance or along the way through consultations of the project steering committee and input from communities. An example of a topic is identification of mechanisms for achieving agreement on cost sharing. From the periodic reports themes emerge which can then be used to strengthen or redirect field efforts.

43. Process documentation has been used effectively in a variety of settings and sectors, but it requires support from the facilitating agency, which must be convinced that a participatory approach is necessary. Field-level personnel must be assured that this information will be used for improving facilitation of a participatory approach and for identifying what support the project should provide for this--not for evaluating the performance of field personnel.

44. **Strengths and Weaknesses.** Process documentation is a robust method for supporting adaptive project design, and particularly in the adoption of a participatory approach when this is new for an organization. It provides an early warning system for problem identification. It involves all stakeholders, can facilitate collaboration, and improves transparency of decision-making. A drawback is that, for full effectiveness, it requires a sponsor agency committed (or at least open) to the idea of organizational reform as needed to implement a participatory or service-oriented approach. It also involves a moderate level of organization by which documenters are trained and supervised, and documentation is summarized, disseminated appropriately, and acted upon. These conditions can be difficult to meet. Process documentation is also time-intensive and relatively long in duration.

45. **Skills and Resources Needed.** Process documenters (PD) need some training in qualitative data collection methodology, and must have personal qualities which facilitate talking with a wide variety of people, listening well, and writing clearly. PD supervisors should have university training in social science methodology, familiarity with field work, ability to synthesize and summarize the documentation of PDs, and be able to present succinct reports to high-level working groups and discuss them. The resources needed for process documentation are largely personnel costs and support of field work. The number of communities or project sites which could be managed by a single PD depends on several factors: the intensity of the planned work, the distance between communities, the size of communities, and so on. Individuals hired to work as community organizers should not also wear the hat of PD, as the objectivity needed for PD (therefore the reliability of the data) is compromised.

2. Process Evaluation

46. **Techniques and Content.** A similar approach to process documentation, called process

evaluation, was used in the JAKPAS¹² pilot project in Nepal, to develop and test institutional arrangements, tools and strategies for a participatory approach to community RWSS development. In contrast to process documentation, process evaluation is retrospective and less labor-intensive. However, both have been used in the development, at the pilot stage, of participatory methods and tools. JAKPAS was set up as a pilot project to develop the tools and strategies for subsequent use by a major rural RWSS project based on a partnership among the government, support agencies, and beneficiary communities. JAKPAS chose to hire several consultants to conduct case studies using process evaluation to address a variety of questions. In one of these, the JAKPAS purpose of the process evaluation was to assess the usefulness and efficiency of the various participatory tools and process they developed to facilitate community planning. A second looked at the tools used in non-formal education for health and technical support. Another study focused on factors contributing to sustainability. Each consultant conducted three case studies involving three different support organizations in three communities (for a total of 9 communities, selected from 55 communities, and 8 support organizations [NGOs]), in which support agency personnel and community group leaders were interviewed by the case study consultant about which participatory tools they had found most effective. Each consultant spent one week in each of the communities for interviews, for reviewing minutes of meetings, for focus group discussions and for observation, and wrote a report which included consideration of such issues as assessing community demand and determining ability and willingness to pay.

47. **Strengths and Weaknesses.** Process evaluation can be conceived and carried out after the fact; the issues need not be anticipated. It provides a relatively rapid and inexpensive way to generate high quality data. However, the use of case studies in process evaluation means that there is no sure way to know whether the conclusions are generally true for other sites not evaluated. On the other hand, the case studies may be used to develop quantitative indicators or to streamline qualitative indicators for more efficient evaluation of many sites.

48. **Skills and Resources Needed.** Process evaluation probably requires hiring consultants with specialized skills and experience in the topic to be evaluated. Consultants may not have experience specifically in process evaluation. In most cases, such consultants are probably available in country.

3. Participatory Planning and Evaluation

49. **Techniques and Content.** The Participatory Planning Process (PPP) was developed and applied initially for human resource development at grass root levels, most commonly within communities. However in recent years the method has been used successfully for project design, monitoring and evaluation and will be very appropriate for structured learning to draw lessons and feedback to an adaptive project design. The technique involves systematically planned and facilitated meetings of groups with defined objectives and outputs. The PPP technique can be applied as a management tool at any level in the system. There are no ready to use models and therefore designing and carrying out a PPP is particular challenge to any project team.

50. Participatory evaluation is a complementary tool for use particularly at the community level. A WB technical paper (No. 207, 1993) by Deepa Narayan, titled Participatory Evaluation: Tools for Managing Change in Water and Sanitation, offers a general framework of indicators groups into three objectives: sustainability, effective use, and replicability. It suggests that a predetermined framework, used in conjunction with a process which encourages the community to choose indicators important to them, provides a balance between too much and too little structure. Combining a predetermined

¹²ibid, footnote 2

framework and a participatory process also provides a balance between two goals of structured learning. First, it facilitates making the midcourse adjustments which are part of adaptive project design, by blending a set of preselected questions with the opportunity for the community to raise others. Second, the predetermined framework makes comparisons between projects more reliable, and thus contributes to a learning effort shared by a range of projects.

51. The process is facilitated by community workers but places beneficiaries in the lead role in identifying indicators of success. This both continues the process of building community capacity for problem solving, and facilitates the use of local knowledge systems in identifying and solving project problems. In addition, problems identified by the beneficiaries are more likely to be acted on promptly by them as well, to the extent that these problems are within their power to resolve.

52. **Strengths and Weaknesses.** There are some distinct advantages of the PPP as a technique for strategic monitoring. Conventional MIS systems rely on records and reports and would yield information such as: positions filled, objectives achieved, progress of workplan, costs/hardware disbursed etc. It would however not draw the project staff into the process effectively and capture their valuable on the ground experiences. Distinct advantages of PPP include

- (i) Equal representation of all stakeholders; PPP is thus likely to have a strong impact on efficiency as all key stakeholders/decision makers are involved in the process;
- (ii) Greater focus on issues and lessons learned rather than on results,
- (iii) Greater ownership by the project staff for decisions made, even if there were failures,
- (iv) A whole range of positive impacts on staff morale are possible, leading to professional empowerment and incentive to take initiative and be innovative as the process validate peoples' experiences, encourages information sharing and providing valuable suggestions, and
- (v) Utilization rate of recommendations is likely to be higher, with lower time lag. Having participated in the assessment, project staff and donors at all levels are likely to initiate action to implement emerging recommendations even before the final report is ready. Shorter feed back loops in the participatory evaluation process are promoted. Recommendations of a classical evaluation are sometimes implemented only after a complete feedback cycle of six to 12 months.

53. The approach also has several methodological advantages. For example, information gaps in paper reports are more likely to surface and be filled during intensive discussions. This is true especially for sensitive issues. The very act of the enquiry tends to have an impact on the institution under study, and how individuals behave as users of information; they are likely to have more realistic demands/recommendations as well. The anticipation of this type of process serves as an incentive to stakeholders to keep the project on track. The Handpump Training and Monitoring Project (HTMP) in Bangladesh in 1993 introduced semi-annual, intensive internal reviews involving the project director and other key staff of PHED, a donor representative, and RWSG-SA staff.

54. **Skills and Resources.** Initially the reviews will have to be organized and facilitated by an external resource person with experience in use of management tools such as Logical Framework Analysis (LFA) to prepare workplans, critical path analysis to assess progress and identify problems etc. Generally RWSS staff in countries are not likely to have the necessary skills. The processes can then be gradually internalized. The financial resources required for strategic monitoring by use of the PPP

are minimal and can often be accommodated within project M & E budgets. Similarly the Participatory Evaluation can be a part of a range of participatory methods, such as Participatory Rural Appraisal (PRA), participatory social assessments, being used more and more frequently in project design and implementation

4. Case Studies

55. **Techniques and Content.** Case studies may involve a wide range of methodologies, from interviews to quantitative data collection. They may focus on a unique case which captures a singular experience, or a set of case studies may be structured to provide comparative data. The latter plan improves the potential usefulness of the conclusions drawn, particularly when cases are selected for their variety on a selected factor (e.g., differences in intermediary organizations, in levels of cost sharing, in selection of service levels, etc.) Case studies also become more useful when they are designed before going out to collect data; not only should the general questions be identified in advance, but also the probing questions which will get beyond superficial information. This helps to focus the data collection so that essential points are likely to be covered, and time and resources are not sidetracked into collection of too much unnecessary and unusable data. The India team of RWSG-SA has been developing a set of case studies on successful small-scale experiences in RWSS service delivery to the poor, from which they hope to identify promising ideas for replication. The categories of information which are common to each case study are still tentative, but in general have included the following, with each category expanded into a set of key questions:

- a) Circumstances of Project Initiation
- b) Project Objectives and Outcomes
- c) Project Organization
- d) Beneficiaries
- e) Resources
- f) Problems Encountered and Project Decisions

56. **Strengths and Weaknesses.** Case studies are a versatile method, appropriate for a variety of purposes, and (in many cases) able to be fielded by data collectors without specialized skills. Although the information they provide will generally have limited validity, case studies serve as a window on a topic and as a starting point for developing more focused monitoring activities.

57. **Skills and Resources Needed.** The purpose and nature of the case study should determine whether a consultant is needed or a generalist can carry it out. If the focus of the case study is sufficiently limited, several days in the field are probably enough for a generalist to collect data sufficient for a five-to-ten page report, or a specialist to collect more than that.

C. Concluding Remarks

58. This brief exposition on structured learning, institutional issues, strategic monitoring, and qualitative methods has been intended simply to launch interested professionals on the path towards more institutionally-appropriate RWSS projects. A topic not covered is the selection of indicators for the specific topics of the current structured learning agenda. This reflects some ambivalence about being too prescriptive. However, the annex includes a list of questions which readers may find useful in priming their own thinking about projects in which they're involved.

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2. Process Evaluation

See JAKPAS documents:

"Capacity to Sustain RWSS Projects Assisted by JAKPAS"

"Water-Related Interventions in JAKPAS Assisted Projects"

"The Community Action Planning (CAP) Process in JAKPAS-Assisted Projects"

3. Participatory Planning and Evaluation

Narayan, Deepa, Participatory Evaluation: Tools for Managing Change in Water and Sanitation. World Bank Technical Paper No. 207, August 1993.

Chambers, Robert, 1994, "Participatory Rural Appraisal (PRA): Challenges, Potentials and Paradigm," World Development, vol. 22, no. 10, pp. 1437-1454.

4. Case Studies

RWSG-SA, and Ministry of Urban Affairs & Employment, Govt. of India, "People's Participation in Improving Sanitation: A Case of Kanpur Slums," Caselet No. 1, April 1995.

Note: this is the first in a forthcoming series of caselets from RWSG-SA, India country team.

ANNEX

Structured Learning: A Menu of Questions for Task Managers

Managers of RWSS projects may wish to consider how they can incorporate structured learning into a project as economically and productively as possible. This paper has described several methods of using existing data and collecting additional data deemed to be necessary. The questions are up to you. This annex suggests general questions in each of the topic areas discussed earlier; can you answer them with existing data? How important are the answers to the performance and sustainability of the project? Do the answers to these suggest other issues which may be key factors in performance or sustainability?

1) Cost Sharing

- What cost sharing arrangements ultimately prevailed in this project?
- What process was used to arrive at these arrangements?
- Who participated in the process?
- If costs are not distributed equally, what principles guided the distribution of costs?
- Do these arrangements provide incentives or disincentives for free riders?
- To what extent can the RWSS services bear the burden of free riders before service sustainability becomes threatened?
- How can the mechanisms for achieving cost sharing decisions be characterized in terms of equity, efficiency, adaptability, and transparency?

2) Decision-making: Types and Levels of Service

- Are any community members unhappy about decisions on types and levels of service?
- What types and levels of service were selected by the committee?
- How were decisions about service and costs sequenced?
- How can the mechanisms for achieving decisions on service levels and types be characterized in terms of equity, efficiency, adaptability, and transparency?

3) Site Selection

- What mechanisms (process, participants) were used to make decisions about site criteria?
- What site criteria were selected?
- How and by whom are sites selected?
- Did all sites selected meet the criteria? If not, why not?
- How can the mechanisms for achieving decisions on site selection (criteria, sites) be characterized in terms of equity, efficiency, adaptability, and transparency?

4) Institutional Arrangements

- Has the community been able to organize its participation in the project?
- Have decision-making processes resulted in agreements, or have community members had difficulty in achieving consensus?
- Has the project been responsive to community wishes?
- Do community members feel that decisions regarding the project are participatory?
- Have project decisions been widely supported by the community?
- Have community decisions resulted in higher contributions or greater efficiency in use of resources?
- Have any institutional problems arisen as a result of government agency institutional arrangements?
- Have any institutional problems arisen in the support organization?

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- Have any institutional problems arisen in the community?
- Does each group or level in the institutional arrangement have decision-making capacity necessary for its responsibilities, and are responsibilities located at the most appropriate level?
- Do the institutional arrangements associated with the project promote accountability, adaptability, efficiency, and equity? Have the trade-offs among these performance criteria produced satisfactory outcomes, or would a different set of trade-offs promote better results?



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

Date: March 21, 1996
To: **Rekha Dayal, Regional Program Adviser**
From: **Robert Boydell, Regional Manager, RWSG-SA**
Subject: TOR : Preparation of Scheme Completion Reports for Pilot Villages of the Karnataka RWSES Project

1. You will travel to Bangalore from 8th to 13th April 1996 to work with PPMU and the Om Consultants to finalise the Scheme Completion Reports (SCRs) for the Pilot Villages, as per guidelines prepared by you.
2. More specifically you will review and analyze the information gathered and prepare a comprehensive draft document on lessons learnt.
3. On return you will finalise the document for discussion during the annual meetings in Washington.

cc: Garn, Gross, Grover, Sara, Wakeman (TWUWS); Legrain (SA2AW)
Sham(NDO); Ram (RWSG-SA)
File: IND-WP 4/2-2

UNDP/WORLD BANK WATER & SANITATION PROGRAM

(Executing Agency: The World Bank)

Regional Water & Sanitation Group - South Asia
P. O. Box 416
Lodi Estate
New Delhi 110 003
India

Telephone: 4690488, 4690489
Telex: 31-61493 IBRD IN
Fax: 462 8250

March 27, 1996


Mr KAS Gunasekera
Secretary
Ministry of Housing, Construction
and Public Utilities
9th Floor, Sethsiripaya
Sri Jayewardenepura Kotte
Battaramulla
Sri Lanka

Dear Mr Gunasekera,

**UNDP Project SRL/93/002
Water and Sanitation Sector Development
Cooperating Agreement**

* It was a great pleasure to meet you again, during my recent mission to Sri Lanka. I am grateful that you were able to take time from your busy schedule to meet with us. As we agreed, I have made a brief summary of our meeting, which I trust you will find useful. We look forward to working with you in future, on this important project.

Yours sincerely,


Robert A Boydell
Regional Manager, RWSG-SA

cc : Manel de Silva, UNDP, Sri Lanka
Sumith Pilapitiya, World Bank, Sri Lanka
T Hewawasam, Han Heijnen, CWSSP Project, Sri Lanka
Brian Grover, Bruce Gross : UNDP/World Bank-WSP, Washington
K Minnatullah, RWSG-PK, Pakistan
Charles Pendley, RWSG-SA, India

Encl : *

Summary of Meeting with the Secretary, Ministry Housing Construction & Public Utilities, regarding the Cooperating Agreement for UNDP Project : SRI/93/002 - Colombo 15 March 1996.

Present:

K A S Gunasekera, Secretary
Manel de Silva, UNDP
Sumith Pilapitiya, World Bank Resident Mission.
R A Boydell, K N Minnatullah, RWSGSA

1. It was agreed that in accordance with the draft cooperating agreement between MHCPU and RWSGSA, which was in the process of being signed in Washington, that the RWSGSA should go ahead and advertise in the national press for a national consultant, who would be hired as soon as possible. This would be facilitated by the Bank's resident mission. It was also agreed that a budget revision should be undertaken soon after the signing of the agreement, which would consolidate the two separate budget lines for international consultants (5 and 6 months) in order to hire one international institutional advisor position for 12 months. Also, that existing project budget lines for training also be included under the cooperating agreement to be managed by the RWSGSA. Attached, as annex A, is a copy of the cooperating agreement being signed, and Annex B, which is a summary of the proposed budget revision. RWSGSA to participate in the interviews of the national officer and draft a job description and TOR for the international institutional adviser and submit CVs of possible candidates.
2. It was also suggested during the meeting that the RWSGSA should consider, as part of a possible extended cooperating agreement assuming responsibility, for recruitment of other national advisory staff to be appointed to the secretariat under project funding. This would include the national coordinator, the financial adviser and the participation adviser.
3. These discussions were confirmed at the tripartite review meeting which followed the meeting with the Secretary. It was agreed that MHCPU should write to RWSGSA, requesting an expansion of the cooperating agreement and suggesting a corresponding revision of the budget, to provide sufficient resources for the additional responsibilities and activities. Also attached is Annex C, which is indicative of a further budget revision that would be required to cover the expanded role discussed.



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வெளிநாட்டு வளந் இணையகണം
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DEPARTMENT OF EXTERNAL RESOURCES
 Ministry of Finance, Planning, Ethnic Affairs and
 National Integration

මහලේකම් මහාධනුරේථ (3 වැනි මහල)
 செயலகம், (3-ஆம் மாடி)
 The Secretariat, (3rd Floor)
 කු. පෙ. 277, කොළඹ 1
 அ. பெ. இல. 277, கொழும்பு 1
 P. O. Box 277, Colombo 1.

1995.10.27

Mr. Anthony Pellegrini
 Director
 Transportation, Water and Urban Development Department
 The World Bank
 1818 H Street NW
 Washington, DC 20433 USA

Dear Mr. Pellegrini:

SRL/93/002 - National Water Supply and Sanitation Development Programme:
 Letter of Agreement between the Government of Sri Lanka and the
 International Bank for Reconstruction and Development

- Reference is made to consultations between the officials of the Government of Sri Lanka (thereinafter referred to as "the government") and officials of the International Bank for Reconstruction and Development (hereinafter referred to as "Cooperating Agent") with respect to the participation of the Cooperating Agent in the implementation of UNDP assistance to project SRL/93/002 - National Sector Coordination Programme to be executed by the Government. The latter shall be represented for the purpose of such execution by the Ministry of Housing and Construction, with the Community Water Supply Programme Unit (CWSPU) serving as Implementing Agency.
- In accordance with the project document and with the following terms and conditions, we confirm our acceptance of the services to be provided by the Cooperating Agent Towards the implementation of this project. Their terms of reference should include appropriate provisions for close consultation between the Cooperating Agent and the Government on the implementation of all aspects of the services to be provided by the Cooperating Agent.
- The Cooperating Agent shall provide the services and facilities described in Attachment 1, Description of Services, of this letter of agreement and in manner described therein.

4. The government shall retain overall responsibility for the implementation of UNDP assistance to the project through its designated Programme Director.
5. The personnel recruited by the Cooperating Agent to the project shall work under the supervision of the national Programme Director. They shall be provided with the appropriate technical guidance and administrative support by the Cooperating Agent.
6. In the event of disagreement between the Project Director and the project personnel recruited by the Cooperating Agent, the matter under dispute shall be referred by the Programme Director to the Cooperating Agent for the purpose of finding a satisfactory solution. In the interim, the decisions of the Programme Director shall prevail.
7. Upon acceptance of this letter of agreement and pursuant to the programme budget of the programme support document and the workplan, the government agrees to the Cooperating Agent's requesting advances of funds directly from UNDP, incurring expenditure within the limits set out in Attachment 2 (Cooperating Agent Project Budget), and making the necessary financial arrangements directly with UNDP for the reimbursement of expenditures incurred by the Cooperating Agent as described in those attachments, subject to the following:
 - a. Expenditures for personnel services, are limited to salaries, allowances and other emoluments including the reimbursement of income taxes due to the Cooperating Agent's personnel under its rules and regulations and including travel costs on appointment to the project, duty travel within the project country or region and repatriation costs. The Cooperating Agent shall budget for the costs of such experts on the basis of estimated actual costs. The Cooperating Agent shall be reimbursed for the provision of such services on the basis of actual costs effective at the time of provision of such services. Adjustments in the expert months of services, referred to in attachment 2, may be made in consultation between the government and the Cooperating Agent if this is found to be in the best interest of the project and if such adjustments are in keeping with the provisions of the project document; and
 - c. Within the budgetary limitations of the project document, the government shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services, and transportation as may be required by the Cooperating Agent personnel in carrying out their assignment. However, expenditures for these services may be incurred by the Cooperating Agent within such amounts as may be specified in attachment 2.
8. A cumulative statement of expenditure shall be submitted by the Cooperating Agent at 30 June and 31 December of each year. The statement, to be prepared in accordance with the format given in attachment 3 will be submitted to the Government through the UNDP resident representative within 30 days following those dates. The Government will include the reported expenditure in the project delivery report.

9. The Cooperating Agent shall be recast and rephrase its project budget as necessary, and in collaboration with the government and UNDP, when submitting its statement of expenditure to the Government. Rephasings should be carried out in accordance with established UNDP practices, and subject to the expenditure flexibility provisions accorded by UNDP to the executing agent. The Government shall adjust its records and confirm the revision submitted by the Cooperating Agent.
10. The Cooperating Agent shall submit such reports relating to the project as may reasonably be required by the Programme Director in the exercise of his or her duties, as well as other reports required by the Government in connection with its obligations to submit reports to UNDP.
11. The Cooperating Agent shall submit candidates for the posts foreseen in section 1 of attachment 2 and obtain clearance from the government for the personnel to be assigned to the programme.
12. The Cooperating Agent shall enjoy the privileges, immunities and the facilities that are accorded to executing agencies and their personnel under the agreement concerning assistance concluded by the Government and the UNDP. The privileges and immunities to which the Cooperating Agent and its personnel are entitled may be waived only by the President of the Cooperating Agent.
13. Any changes to the programme document which would affect the work being performed by the Cooperating Agent in accordance with attachment I shall be recommended only after consultation with the Cooperating Agent.
14. Any amendments to those arrangements shall be effected by mutual agreement through an appropriate supplementary letter of agreement.
15. For any matters not specifically covered by this arrangement, the appropriate provisions of the project document and revisions thereof and the appropriate provisions of the financial regulations and rules of the Cooperating Agent shall, mutatis mutandis apply.
16. All further correspondence regarding the implementation of the agreement, other than signed letters of agreement or amendments thereto, should be addressed to L. Seneviratne, Director General, Department of External Resources.
17. The government and the Cooperating Agent shall keep the Resident Representative fully informed of all actions undertaken by them in carrying out this agreement.

If you are in agreement with the provisions set forth above, would you kindly sign and return to this office two copies of this letter. Your acceptance shall thereby constitute the basis for your organization's participation in the above named project

Yours sincerely,
For the Government of Sri Lanka



S.L. Seneviratne
Director General
Department of External Resources

Singed on behalf of the Cooperating Agent

Date

SRL/93/002 - Sri Lanka National Sector Coordination Program

Description of Services to be Provided by the Cooperating Agent for the Project:

In support of the project, the World Bank, through the Regional Water & Sanitation Group for South Asia (RWSG-SA), will provide the following support services :

A Support to be Provided :

1. Prepare job descriptions, identify, recruit and supervise the services of the National Officer and the international consultants provided for in the project budget. These persons will work under contract to the World Bank. The National Country Officer and consultants will be selected in close consultation with the Government and cleared by the government before being recruited.
2. Advise the implementing Agency regarding the qualifications required of the national consultants to be recruited by the CWSPU as Implementing Agency and review candidates. CV's if so requested. National consultants will work under contract to the Government.
3. Provide advice and assistance to the Implementing Agency in the preparation of Workshops to be held and in the organization of Study Tours, by identifying suitable countries and relevant organizations to be visited.
4. Review the draft Sector Development Plan that will be prepared as a principal output of the project.
5. Participate in the Tripartite Reviews.

B Operational and Financial Arrangements:

1. The National Officer will be the contact and liaison point for RWSG- SA support to the National Sector Coordinating Program.
2. Core RWSG-SA New Delhi based staff will undertake regular missions to Sri Lanka not less than four times a year for the purpose of technical advice and support and monitoring progress of the project in collaboration with the Implementing Agency and Project Director.
3. The Project Budget covering the costs of the above services is attached. An overhead charge (AOS) of 10% will be paid to the Cooperating Agent to defray the travel and administration costs involved in the provision of the above services.

Project Budget

Covering the Costs of Services to be Provided by the World Bank
(in US dollars)

Project Number : SRL/ 93/002
 Project Title : National Sector Co-ordination Programme
 Revision Code : A
 Source of Funds : 01 UNDP-IPF
 AOS Source of Funds : 01 UNDP -IPF
 Executing Agent : Government of Sri Lanka : Ministry of Housing, Construction and public Utilities.

Line	Budget Line	Description	Project Total (1995-1997)		Year 1 1995		Year 2 1996		Year 3 1997					
			m/m	\$. Cost	\$(AOS)	m/m	\$. Cost.	\$(AOS)	m/m	\$. Cost.	\$(AOS)			
10.		PROJECT PERSONNEL												
	11.	Experts												
	11.01	Institutional Adviser	5	89,100	8,910		3	50,750	5,075	2	38,350	3,835		
	11.02	Programme Consultant	6	72,000	7,200		3	42,000	4,200	2	30,000	3,000		
	11.99	Subtotal		161,100	16,110			92,750	9,275		68,350	6,835		
	15.	Travel Costs												
	15.01	Duty Travel		20,720	2,072			12,500	1,250		8,220	822		
	15.99	Subtotal		20,720	2,072			12,500	1,250		8,220	822		
	16.	Mission Cost												
	16.1	Mission costs		42,000	4,200		2,500	250			17,000	1,700		
	16.99	Subtotal		42,000	4,200		2,500	2,500			17,000	1,700		
	17.	National Professionals												
	17.01	National Officer	24	30,000	3,000	6	7,500	750	12	15,000	1,500	6	7,500	750
	17.99	Subtotal		30,000	3,000		7,500	750		15,000	1,500		7,500	750
	19.	Component Total												
99.	TOTAL		35	253,820	25,382	6	10,000	1,000	18	142,750	14,275	10	101,070	1,011

Attachment 3

STATEMENT OF EXPENDITURE
FOR THE PERIOD 1 January to 19 .

Project Number :
Project Title :

Budget component and line	Description	Expenditure					
		Disbursements		Unliquidated obligations at end of period		Expenditures year-to-date	
		MM	\$	MM	\$	MM	\$

10. Project Personnel

- 11. International professional
 - 11-01 International Professional 1
 - 11-02 International Professional 2
 - 11-99 Subtotal
- 12. OPAS
 - 12-01 OPAS 1
 - 12-02 OPAS 2
 - 12-99 Subtotal
- .13. Administrative
Support personnel
- 14. UNV
 - 14-01 Volunteer 1
 - 14-02 Volunteer 2
 - 14-99 Subtotal
- 15. Official Travel
- 16. Mission Costs

UNITED NATIONS
DEVELOPMENT
PROGRAMME

Attachment 3 (Continued)

Budget component and line	Description	Expenditure					
		Disbursements		Unliquidated obligations at end of period		Expenditures year-to-date	
		MM	\$	MM	\$	MM	\$
17	National professional 17-01 National Professional 1 17-02 National Professional 2 17-99 Subtotal						
19	Component total						
20	<u>Sub-contracts</u>						
21	Sub-contracts						
29	Component total						
30	<u>Training</u>						
31	Individual fellowships						
32	Group training						
33	In-service Training						
39	Component total						
40	<u>Equipment</u>						
41	Expendable equipment						
42	Non-expendable equipment						
43	Premise						
49	Component total						
50	<u>Miscellaneous</u>						
51	Miscellaneous						
52	Reports						
53	Sundries						
59	Component total						
99	PROJECT TOTAL						

ANNEXURE B : Proposed Early Revision of Budget Line for Institution Adviser and adding Training Costs

PROJECT BUDGET
Covering the Costs of Services to be Provided by the World Bank
(in US Dollars)

Project Number : SRL/93/002
 Project Title : National Sector Co-ordination Programme
 Revision Code : A
 Source of funds : 01 UNDP-IPF
 AOS Source of Funds : 01 UNDP-IPF
 Executing Agent : Government of Sri Lanka : Ministry of Housing, Construction and Public Utilities

Line	Budget Line Description	Project Total (1995-97)		Year 1 1995		Year 2 1996		Year 3 1997	
		m/m	\$Cost \$(AOS)	m/m	\$ Cost \$(AOS)	m/m	\$ Cost \$(AOS)	m/m	\$ Cost \$(AOS)
10.	PROJECT PERSONNEL								
11.	International Experts								
11.01	Institutional Adviser	12	161100 16110			6	92750 9275	6	68350 6835
11.99	Subtotal		161100 16110				92750 9275		68350 6835
15.	Travel								
15.01	Duty Travel		20720 2072				12500 1250		8220 822
15.99	Subtotal		20720 2072				12500 1250		8220 822
16.	Mission Cost								
16.1	Mission Costs		42000 4200		2500 250		22500 2250		17000 1700
16.99	Subtotal		42000 4200		2500 250		22500 2250		17000 1700
17.	National Professionals								
17.01	National Officer	24	30000 3000	6	7500 750	12	15000 1500	6	7500 750
17.99	Subtotal		30000 3000		7500 750		15000 1500		7500 750
19.	Component Total	36	253820 25382	6	10000 1000	18	142750 14275	12	101070 10107

Continued...

ANNEXURE B...

PROJECT BUDGET
Covering the Costs of Services to be Provided by the World Bank
(in US Dollars)

Project Number : SRL/93/002
 Project Title : National Sector Co-ordination Programme
 Revision Code : A
 Source of funds : 01 UNDP-IPF
 AOS Source of Funds : 01 UNDP-IPF
 Executing Agent : Government of Sri Lanka : Ministry of Housing, Construction and Public Utilities

Line	Budget Line Description	Project Total (1995-97)		Year 1 1995		Year 2 1996		Year 3 1997	
		m/m	\$Cost \$(AOS)	m/m	\$ Cost \$(AOS)	m/m	\$ Cost \$(AOS)	m/m	\$ Cost \$(AOS)
30.	TRAINING								
32.	Training/Study Tours								
32.01	Workshops		27000 2700		9000 900		9000 900		9000 900
32.02	Seminars		29400 2940		9800 980		9800 980		9800 980
32.03	Study Tours		65000 6500		21000 2100		22000 2200		22000 2200
32.99	Subtotal - Training/Study Tours		121400 12140		39800 3980		40800 4080		40800 4080
99.	TOTAL		375220 37522		49800 4980		183550 18355		141870 14187

ANNEXURE C: Proposed Budget Revision to Include National Professionals

PROJECT BUDGET
Covering the Costs of Services to be Provided by the World Bank
(in US Dollars)

Project Number : SRL/93/002
 Project Title : National Sector Co-ordination Programme
 Revision Code : A
 Source of funds : 01 UNDP-IPF
 AOS Source of Funds : 01 UNDP-IPF
 Executing Agent : Government of Sri Lanka : Ministry of Housing, Construction and Public Utilities

Line	Budget Line	Description	Project Total (1995-97)		Year 1 1995		Year 2 1996		Year 3 1997					
			m/m	\$Cost	\$(AOS)	m/m	\$ Cost	\$(AOS)	m/m	\$ Cost	\$(AOS)			
10.		PROJECT PERSONNEL												
	11.	International Experts												
	11.01	Institutional Adviser	12	161100	16110		6	80550	8055	6	80550	8055		
	11.99	Subtotal		161100	16110			80550	8055		80550	8055		
	15.	Travel												
	15.01	Duty Travel		20720	2072			12500	1250		8220	822		
	15.99	Subtotal		20720	2072			12500	1250		8220	822		
	16.	Mission Cost												
	16.01	Mission Costs		42000	4200	2500	250	22500	2250		17000	1700		
	16.99	Subtotal		42000	4200	2500	250	22500	2250		17000	1700		
	17.	National Professionals												
	17.01	National Officer	30	30000	3000	6	6000	600	12	12000	1200	12	12000	1200
	17.02	National Coordinator.	30	35000	3500	6	7000	700	12	14000	1400	12	14000	1400
	17.03	Finance Adviser	30	30000	3000	6	6000	600	12	12000	1200	12	12000	1200
	17.03	Participation Adviser	30	30000	3000	6	6000	600	12	12000	1200	12	12000	1200
	17.99	Subtotal		125000	12500		25000	2500		50000	5000		50000	5000
	19.	Component Total	132	348820	34882	24	27500	2750	54	165550	16555	54	155770	15577

Continued...

ANNEXURE C...

PROJECT BUDGET
Covering the Costs of Services to be Provided by the World Bank
(in US Dollars)

Project Number : SRL/93/002
 Project Title : National Sector Co-ordination Programme
 Revision Code : A
 Source of funds : 01 UNDP-IPF
 AOS Source of Funds : 01 UNDP-IPF
 Executing Agent : Government of Sri Lanka : Ministry of Housing, Construction and Public Utilities

Line	Budget Line Description	Project Total (1995-97)		Year 1 1995		Year 2 1996		Year 3 1997		
		m/m	\$Cost	\$(AOS)	m/m	\$ Cost	\$(AOS)	m/m	\$ Cost	\$(AOS)
30.	TRAINING									
32.	Training/Study Tours									
32.01	Workshops		27000	2700		9000	900		9000	900
32.02	Seminars		29400	2940		9800	980		9800	980
32.03	Study Tours		65000	6500		21000	2100		22000	2200
32.99	Subtotal - Training/Study Tours		121400	12140		39800	3980		40800	4080
99.	TOTAL		470220	47022		67300	6730		206350	20635
									196570	19657

**WATER SUPPLY AND SANITATION IN ASIA:
SECTOR ISSUES**

**Regional Water and Sanitation Group - South Asia
New Delhi**

July, 1995

SECTOR ISSUES IN WATER SUPPLY AND SANITATION

1. In the five years since the end of the International Drinking Water Supply and Sanitation Decade, numerous global meetings have considered lessons of the Decade, identified continuing and new issues, and reached agreement on several key principles for future approaches in WSS development. Foremost among the outcomes of the IDWSSD is the continuing need to reach the poor with WSS services. A central lesson from the decade has been the importance of involving potential users in planning as well as financing the services provided by projects. This note describes the issues currently facing the sector in Asia and those faced by the UNDP/World Bank Water and Sanitation Program (the Program) in trying to address them.

I. MAJOR ISSUES AFFECTING WSS SECTOR DEVELOPMENT

2. Although the achievements of the Decade included substantial increases in the percentage of people served by safe water and sanitation facilities, population growth and the failure of old systems absorbed much of that, with the result that little changed in the number of people still unserved. An estimated one billion people with low incomes still have no access to safe water, and 1.7 billion lack adequate sanitation. The challenge remaining is to provide these unserved people with adequate and sustained WSS services, and to improve the reliability, quality and choices of services to users who already have some access.

3. The Decade yielded several key lessons. One of these is the need to treat water as having economic in addition to social value. The investment required to serve unmet needs far exceeds the resources of governments or external donors. Resources must be mobilized from users as well. People can and will pay for services that they want. A second, related lesson is the importance of **demand**, or users' preferences, in developing WSS facilities. A demand orientation to sector development requires participatory strategies to enable users to voice their preferences, and often involves strengthening community capacity for informed and collaborative decision-making and ultimately for managing the services they have chosen.

A. Strengthening Institutional Capacities

4. **Issue: Transformation of Public Agencies.** In most countries sector planning and development is still essentially a "top-down" process with governments acting as direct providers of services rather than supporters of community-based initiatives. One reason for this is that public agencies often do not place (or cannot retain) professional staff at the local district or village level. The staff they do manage to field tend to be engineers, who lack the professional training or organizational incentives to provide meaningful support to local communities for participation in the development process. Also supporting the status quo are the incentives and constraints operating at the center in these public agencies: long-standing traditions, existing distribution of authority and control over resources, pressure to meet service coverage targets, little or no accountability to users, and career advancement unrelated to performance. As a result, most community-participation support structures are not built into public institutional structures, but are limited to projects and programs supported by ESAs. Opportunities to support transformation of public agencies may arise when financial considerations encourage more resource mobilization from consumers and consequently more responsiveness toward consumers.

5. **Issue: Enhancing Community Capacities.** At the community-level, local institutions need to be strengthened to play an active role in the planning, financing and implementation of projects, and in the operation and maintenance of facilities. What "community participation" means in management and operational terms is often unclear, too limited or insufficiently supported within a project. Projects which rely on community participation in decision-making often require a longer period of project preparation than in top-down projects, but project timeframes do not always accommodate this. Mechanisms for assessing and strengthening community capacities must be developed or adapted to suit local conditions, and these tasks assigned to organizations with the incentives, resources, and skills to carry them out. Mechanisms for collaboration within and between levels of management must also be developed in each project so that management decisions can be taken at the lowest appropriate level. The current issue is how to do all of this effectively and efficiently.

6. **Issue: Supporting Involvement of NGOs and Private Sector.** NGOs can play a valuable role in several ways: (a) by providing needed support to communities when official sector agencies have no presence in the area, and (b) by helping villagers link up with available support services through educational campaigns and acting as a go-between when necessary. Intermediate level NGOs can serve as "umbrella" service organizations for NGOs working at the community level. In many cases NGOs may be more efficient than public sector agencies in providing sustainable WSS services. To play their supporting role effectively, NGOs themselves may need to be provided with training or materials on participatory promotion techniques in WSS development. Projects designed to involve them must also allow sufficient time for them to complete their tasks. Although NGOs offer a potential means to reach more low-income people, the issue is how to know when they have a comparative advantage, and what projects should provide in terms of incentives and support.

7. The private sector offers another major source of WSS services to complement or replace inadequate service from public agencies. Private sector involvement can (and does) take many forms at different levels: from rural water vendors to large capital intensive water and sewerage utilities; private manufacturers of pumps, latrines, other equipment; private consulting firms for planning of projects and programs; and so forth. Identifying an effective mix of service providers for a given project is a task which quickly runs up against several issues. First, how can entrepreneurs make a profit in areas where incomes are low and water access is costly? Second, what is needed in an enabling regulatory framework to reconcile the need for private companies to operate profitably and the need for a government to ensure appropriate water resource management?

8. **Issue: Facilitating an Appropriate Mix of Institutions in WSS.**

Conditions vary from project to project around the globe, and the issue here is to develop strategies for identifying the institutional options in WSS service provision, and facilitating the most promising mix in a given project. In some projects, efforts have focused on improving the management, service quality and financial viability of public sector agencies. In others, public utilities have been increasingly supported by private sector involvement, such as in the engineering of public works and in sub-contracting of some responsibilities (such as meter reading, billing, pipe maintenance and repair, etc.) to private firms. Still other projects are pioneering arrangements by which NGOs contract to be support organizations to help communities develop and manage their own schemes.

B. Policy Reforms

9. **Issue: Political Will.** How serious and determined are governments to expand access of the poor sections of their populations to better water and sanitation services in both rural and urban areas? This is a fundamental issue which in the end will determine to what extent access is expanded and how

rapidly. The short-term political capital earned by promises of free projects can undermine neighboring projects which require community contributions. "Free" projects also fall prey to the widely-shared experience of subsidized services not reaching the poorest, insufficient financing for O&M, consequent deterioration in services, and so on. The issue is the extent to which a government is able to discourage the easy promises of politicians and willing to create a policy environment which promotes a decentralized, participatory, demand-oriented approach.

C. Coherent Resource Management: Competition, Supply and Demand

10. **Issue: Growing Pressures on a Finite Resource.** In many parts of Asia there is growing pressure on available water resources, generated both by increasing competition between subsectors and by the deterioration of water quality. Complicating this competition is the tendency of water basins not to recognize political boundaries, with consequent opportunities for conflict over shared water sources. There is an obvious need for some degree of central planning and management, particularly in areas where water availability is becoming more limited. Rather than provide a rationale to minimize the "bottom-up/community participatory approach" which everyone agrees is needed, this suggests the need to identify cases in which clear roles defined for all levels of management have contributed to successful water management.

11. **Issue: Management of Supply.** The traditional approach to provision of drinking water supply is to develop new sources. However, growing supply limitations are forcing greater attention to other strategies such as conservation as well as protection of water quality, both for surface sources and groundwater. Among the greatest polluters of drinking water supplies is fecal matter, and efforts to improve sanitation coverage must continue. However, increasingly water supplies above and below ground are being affected by industrial wastes, mining, and agricultural runoff, with undetermined impacts on health. Groundwater overdrafts are also contributing in coastal areas to expanded saltwater intrusion, and in other areas to compaction of aquifer material which reduces aquifer capacities.

12. **Issue: Management of Demand.** Demand management is a major tool in improving coverage with lower investments in developing sources. A common tool for demand management is user charges, but this remains a difficult challenge for many public sector WSS agencies in urban areas who continue to suffer high losses from unaccounted for water as well as low rates of payment on water bills.

D. Financing WSS Services to Low Income Users

13. Although a populist position, which maintains that all people have a right to publicly-financed WSS services, has characterized much WSS policy in the past and seems to embody social justice, in practice the top-down, supply-driven financing associated with this has been inefficient, ineffective in reaching the poor, and unsustainable. The practice of standard estimation and aggregation of needs, followed by calculation of resources required to achieve coverage, has usually led to calls for a level of external resources which defies expectations, even exceeding the total volume of official development assistance. Such targets are unrealistic, self-defeating, and poor foundations for sector planning. The pre-UNCED conference in Dublin resisted this practice, issuing instead a document promoting core principles of "water as an economic good" and "responsibility at the lowest appropriate level."

14. **Issue: Cost Sharing.** Experiences of the Decade have taught that even low income users are willing and able to pay for safe water. In many cases, poor urban households are already paying water vendors many times more per unit than more affluent households pay for piped water. What is the appropriate level of cost-sharing in WSS projects by communities towards the capital costs of facilities,

as well as the O & M costs? Existing projects demonstrate a considerable range. The issue is to identify and develop mechanisms for selecting appropriate levels of user contributions, which can accommodate economic heterogeneity and different preferences in choice of services, and which are easily enforced.

15. **Issue: Private Goods and Public Resources.** A principle of public finance holds that efficiency and equity both require that private financing should be used for financing private goods and public resources should be used only for financing public goods. The underlying belief is that the social unit involved (the government or a private consumer) is in the best position to weigh costs against benefits to itself, and will invest accordingly. Conventions of social justice intervene in this when it comes to a basic human need such as water, as do questions of who benefits more--the public or an individual--when that individual uses sanitation facilities instead of open ground. These public values pose the question of how we distinguish private and public benefits in water supply and sanitation. A strategy of offering a choice of service levels to communities, with subsidies for the most basic level of service, permits flexibility in balancing public and private benefits, and offers users the opportunity to invest according to their preferences. The issue is not to identify a blueprint solution to defining public goods and private benefits, but to recognize and promote successful mechanisms for balancing public and private investments, based on a general principle of allocating public resources only where private resources cannot meet resource requirements.

E. Strategic Differences in Urban and Rural Issues and Approaches

16. **Issue: Urban Sanitation and Drainage.** Excreta disposal in low-income urban neighborhoods is an acute issue affecting public health, through both immediate degradation of the local environment as well as through contamination of water supplies. The low-cost, on-site latrines promoted in rural areas are often a poor solution given the higher density of urban settlements. As Akhter Hameed Khan noted, a good solution has to overcome four barriers: psychological, economic, technical, and social (or organizational). Such solutions have been developed in some cases, such as the condominal sewerage systems of Brazil, the self-organized sewerage/latrine services in the large, low-income neighborhood of Orangi in Karachi, and in smaller self-help projects in several cities of India. The issue is to learn more about successful mechanisms for developing solutions which are socially, technically, financially, and institutionally appropriate to the specific conditions of different urban areas, and which can be adapted to future demands.

17. **Issue: Convenience in Rural Areas.** In Asia, rural villages without any safe water supplies are becoming less common, although some pockets do exist and in other areas seasonal shortages are routine. These communities continue to require attention to serve their unmet needs. However, a more widespread problem is in rural areas where safe water supplies are commonly available but only outside the household, often at a distance of 100 meters or more. Under these conditions water for the household will only be fetched in limited supplies, and more convenient (but unsafe) sources nearer the household will be used for various purposes. The quantity of water available has a close bearing on hygiene practices and health. The more water available, the more will be used for washing hands, bathing children, and so forth. The issue is how to provide safe water which is convenient, reliable, and of sufficient quantity that users do not have to choose between labor-intensive safe supplies and convenient unsafe supplies. An important element in addressing this issue is continued efforts to promote health/hygiene education, which increases users' incentives to make the extra effort or investment to have and use safe water.

F. Technology

18. **Issue: Sustainability.** The notable success of the IDWSSD in developing and disseminating low-cost WSS technology stands as a major achievement, but the challenges have evolved into the next phase: monitoring the sustainable use and maintenance of these technologies, particularly in rural areas where handpumps require periodic maintenance and repair, plus ready availability of spare parts. Organizational issues have become recognized as an important component of appropriate technology. For instance, the use of village-level operation and maintenance (VLOM) is an important tool in many areas for sustaining the benefits of pumps, but experiences are uneven. Community caretakers, who are often women, have received varying levels of support or training, and operate with varying degrees of success. In some cases, a variety of technologies have been promoted in a given area, but not all are equally supported by availability of spare parts or experienced repair technicians. The issue remains to continue monitoring to identify problems and seek sustainable solutions, which may include introducing new roles for the private sector. One well-sustained project in China using deep tubewells included the following factors: (a) one village caretaker per pump; (b) a good institutional network from county to village; (c) a set of clear rules and regulations for O&M; (d) collection of affordable user fees; (e) regular periodic maintenance of facilities; and (f) promotion of proper water use and hygiene education.

19. **Issue: Options for Low-Cost Urban Sanitation.** As noted above in the discussion of urban sanitation, a range of low-cost sewerage technologies is essential to meet the vast needs of expanding low-income areas in all cities of Asia. The development of these technologies will require not only considerations of low cost, but also recognition of the sociocultural, organizational, training, and financing requirements to be operated sustainably. The issue for technology development is not solely technological, but to develop technologies within the context of the supporting social and institutional environments.

II. ISSUES RELATED DIRECTLY TO THE UNDP/WB PROGRAMME IN ASIA

20. **Moving from a focus on technology to institutional issues.** The Program initially focused on low-cost technology, but has shifted toward institutional issues which affect the provision and sustainability of services to the poor. Strengthening institutional capacity for demand-driven sector development implies supporting (1) organizational capacity at community level and within public agencies, as well as capacity for intermediation by NGOs and the private sector, (2) relevant policy reforms, (3) more coherent management across subsectors of the water sector as well as management of demand, (4) new strategies for financing WSS services, and (5) consideration of strategic differences in urban and rural approaches. The Program has not abandoned technology, however. Current issues for technology include monitoring the performance and sustainability of the low-cost technologies developed during the Decade, and identifying the social, financial, and institutional issues involved in demand-based technology selection and management, particularly for low-cost sewerage options in urban areas.

21. **Changes in the Program Environment.** The Program is currently coming to the end of a funding cycle, and given changes in the operating environment, changes to the Program are under consideration. Changes in the institutional environment include a merger with TWUWS within the Bank, new leadership in the Program, reorganization within UNDP, and general funding cutbacks within both partners which may affect the Program. Given these changes, the Program is focusing its efforts more sharply on three primary goals: building local capacity, supporting sustainable investments, and

learning/disseminating lessons from sector experiences. These goals will drive the three areas of concentration: learning about institutions, participation, and demand; supporting large rural water supply programs, and supporting urban sanitation and water projects.

22. **Proposal for a Global Partnership.** In the meantime, however, the Program is also discussing a possible expansion to support more comprehensive approaches to water sector planning and management. This proposal, the Global Partnership, would continue much of the current organizational structure of the Program but would increase the Program's capacity to offer support and synthesize lessons in all major subsectors of the water sector. The issues which such a Program will have to face include maintaining a well-focused and clearly conveyed program strategy, recruiting or training staff with appropriate expertise, and collaborating effectively with a wider variety of partners, including client governments, NGOs, bilateral and multilateral donors/lenders, and the private sector.

23. **Rural and Urban Strategies within a Comprehensive Sector Approach.** Depending on available funding from the principal partners or others, the Program may choose to continue twin streams of activities which focus on rural and urban areas, within the context of comprehensive water sector management. Each places different demands on the Program. For the rural poor, the keys are capacity building, investment, and learning in an environment which offers more opportunities to organize services through nontraditional forms rather than through public sector utilities. In urban low-income neighborhoods, the keys to sustainable provision of WSS services lay in improving the efficiency and accountability of formal institutions, in co-production of services by formal and nonformal organizations, and in addressing the issues of more options for sanitation, deteriorating water quality, and water pricing.

24. **Intersectoral Issues.** There is a growing trend in some countries, notably Indonesia, to shift development planning away from the traditional, fragmented emphasis on individual sectors and discrete projects and towards a more intersectoral, holistic and program approach. For the WSS sector, this means closer integration with planning in the health sector, infrastructure sector and water resource management and conservation, along with such cross-sectoral needs as human resource development, improved management, and overall capacity building at the planning and monitoring level. This integration is accompanied in some cases by a trend toward decentralization. If the Program moves ahead with a focus on comprehensive sector planning and management, it will take an important step forward in dealing more holistically with the use of water resources. However, this risks diverting attention from integrating the Program's efforts with other sectors such as public health, and reducing capacity to interact with health-oriented partners such as WHO and UNICEF.

25. **Structured Learning.** A key instrument in the Program's strategy is "structured learning," which supports adaptive project design as well as provides lessons for future projects. An issue for the Program has been to identify key topics for structured learning, develop a common framework for learning about these topics, select efficient methods for collecting and analyzing information, and synthesizing and disseminating these lessons. A number of lessons learned from the IDWSSD have resulted in new project approaches which incorporate a demand orientation, attention to institutional issues, and learning within projects; the task now for structured learning is to support the implementation of these principles through monitoring, evaluation, feedback, and continued learning of new lessons. Progress made in FY95 is continuing in the plans for FY96. The Program should continue to refine its strategy for structured learning, and may begin to consider how this strategy may be adapted by its clients and institutionalized as part of their capabilities.

26. **Selectivity.** In its "triangle" strategy of building capacity, supporting sustainable investments, and learning/dissemination, the Program must make choices about where and how to be involved. Criteria for selection have recently been adopted, based on a project's **characteristics** (flexibility, sufficient resources, and potential for learning and for impact on future practice), **environment** (collaborative task manager, cooperative government), and **location** (country of concentration). The need for selectivity will continue regardless of the form the Program takes; the issue will be to reconsider selectivity criteria in light of any new objectives or scope.

27. **The International Training Network (ITN).** The Project Document for RAS/92/001 which initiated the current funding cycle for the Program calls for the expansion of the ITN in East Asia with the establishment of new centers in at least three more countries. This has not been accomplished, and the question arises as to how vigorously the establishment of new centers should now be pursued. Three issues arise. First, the ITN concept originated in the mid-1980's when the IDWSSD was gathering momentum and the main emphasis of the Program was on development and dissemination of low-cost WSS technologies. Given the changing emphasis of the Program from technical to institutional issues, are the ITNs still a useful vehicle for training in the sector? Second, if ITNs do continue to play a useful role, what type of relationship between ITNs and the Program is mutually beneficial? Third, the ITNs have been heavily subsidized, but this funding is nearing an end. If there is a role for ITNs, how might they become financially self sufficient?

28. Having said this, it still appears that an ITN could play a useful supporting role in countries where sector development is just getting started, such as Mongolia and Vietnam; possibilities in those two countries should be explored.

DANIDA assisted DPHE

Handpump Training and Monitoring Program



Notes

March, 1995. UNDP/World Bank Water and Sanitation Program RWSG-SA

htmp 06.

IMPORTANCE OF PROMOTING BUILDING LINKAGE BETWEEN TARA MANUFACTURERS, WHOLESSELLERS, RETAILERS, AND CONSUMERS IN ESTABLISHMENT OF SALES NETWORK FOR EASY AVAILABILITY

About 90,000 Tara handpumps have already been added to the rural water supply system particularly in the low water table areas in Bangladesh, the number being on increasing in the years to come. For a community managed sustainable rural water supply system, a healthy linkage between the Tara spare parts manufacturers, wholesalers, retailers, and consumers is to be established. A spontaneous growth of Tara spare parts sales network is the demand of the time. So all concerned should take immediate positive steps in this issue.

BACKGROUND:

Due to excessive ground water mining for irrigation and adverse effect of Farakka barrage at the upstream, water level in the Northern part of Bangladesh is declining significantly. As the water tables declines, more and more NO. 6 pump ceases to provide water, specifically during the dry season. The Government of Bangladesh has now adopted a low lift, direct action handpump, known as 'Tara' as the standard handpump to overcome the water problems in the low water table areas where static water level went down from 8 meter to 12 meter. Until now, around 90,000 Tara handpumps have been installed

predominantly in the northern region of the country. It is predicted that, by the year 2000, low water table area is likely to rise from the present about 25% to 50% throwing almost half of all the shallow tubewells in the affected areas (about 1200,000 Nos.) inoperative. To face this gigantic problem, more and more Tara tubewells would be coming up. This would further widen the existing Tara spare parts market about which both the manufacturers, wholesalers, retailers, and the consumers should be cognizant.

INTRODUCTION:

Sustainable Tara tubewell operation and maintenance requires a demand based availability of spares and services. The DANIDA assisted DPHE Handpump Training and Monitoring Project (HTMP) at the low water table area of the North-Western part of Bangladesh is functioning as a catalyst to increase the availability of Tara spare parts through promoting marketing environment and policy support activities. One of the main objectives of the HTMP is to promote availability of Tara spares in the project area through private sales outlets. This will support in achieving a sustainable village level operation and maintenance (VLOM) system. To assess the existing spares distribution a detailed survey was carried out in each sub-district of the project area. The survey revealed that the field situation in respect to Tara spares availability has changed considerably since the time of the project preparation. The two distinct changes are :

- (i) supply of spare parts by DPHE on payment basis as against free supply earlier;
- (ii) availability of limited spare parts through private sales outlets in the project area.

EXISTING PROBLEMS:

The main features of Tarapump are its simplicity, low cost and ease of maintenance. It has been specially design to make maximum use of materials and skills available in rural Bangladesh.

* But field experience suggests that, many existing Tara pumps remain inoperative for days together for want of minor spare parts like flap valves, O' rings etc. The

tubewell users complain that Tara spare parts are not available at even thana level shops and they think it troublesome and costly to buy a minor parts from the district level or even from DPHE thana stores as the incidental cost becomes higher than the price of the item itself. So they prefer collecting water from the nearby sources keeping their own tubewell inoperative.

* The second complain is about the high price of DPHE spare parts. DPHE's procurement process (through tenders) involves more than one intermediary agencies (profit makers) and departmental transportation cost up to thana stores make the selling price high even though it is sold on a non-profit basis.

* The third complain is that, the spare parts, which are presently available in the business shops are of very poor quality which does not ensure effective return of the money spent for buying the spares. In most cases, those under-specified spares create new troubles to their tubewells.

FINDINGS:

The analysis of existing problems gives emphasis to develop a well managed and dependable sale outlets (network) at the grass-root level as required for unhindered operation of rural water supply system in low water table areas where the new direct action low lift pump, known as 'Tara' now being installed.

HTMP will support an environment of private sector marketing of Tara spares by building linkage between consumers, retailers, wholesalers, and manufactures by organizing 'Manufacturers, Wholesellers, Retailers, and Consumers's Meet' and provide information on spare

parts consumption pattern and estimated annual demand.

- # DPHE to continue supply of spare parts on payment basis till a satisfactory private sector spare parts distribution system is in place.
- # The quality and price aspect will be left to the free market mechanism.
- # To ensure availability of quality spare parts besides DPHE the manufacturers and smaller enterprises should also encouraged to develop markets for regularly needed spare parts, such as leather cup seals at reasonable cost with stamping certification by relevant authority.
- # Caretakers and beneficiaries should be informed about the locations of sales outlets in their locality and they should be encouraged to buy spare parts with their user group contribution.
- # The Tara pump and tubewell are fabricated from locally available materials, using skills and tooling available within the country. Therefore, spares can also be made in workshops within the communities.
- # The Tara is a true VLOM pump which enjoys very high user acceptance. It can be installed at low cost and sustained at a cost of about \$0.05 per user per year (assuming a user group of 75 people). Average annual labor costs for maintenance come to \$0.04 per user, if hired mechanics are used (which is not always necessary, since the pump is serviceable for most routine O&M by a trained caretaker). It is robust and

reliable under field conditions and cost effective.

Changes needed in HTMP PRODOC:

The prevailing field condition of sales outlet of spare parts is different than the period (1989) when the PRODOC was prepared. Number of Tara pumps has increased in this 5 (five) years period. It resulted in increased demand for spare parts which has encouraged establishment of new sales outlets to acquire and sell spares of Tara pump.

- # Establishing a sales network by the project may confine the whole process of spare parts availability. For a number of users the spare parts will be available at such a location that the user of Tara would need to cover a long distance to get the spare parts. This will increase the non operative period of Tara pumps.
- # Making agreements with retailers or manufacturers would make HTMP accountable for supplying or controlling the supply or quality of spare parts. This goes against the free market options.

NEW STRATEGIC RECOMMENDATIONS:

Improvement of present distribution network of Tara spare parts requires the following activities:

- i) To build linkage between manufacturers, wholesalers, retailers and consumers.
- ii) To provide information on spare parts consumption pattern and estimated annual demand.
- iii) To ensure the quality aspect of spare parts of Tarapump for building confidence in the user community.

-
- iv) To standardize the quality aspect of Tara spare parts through a competent authority like BSTI certification by stamping in consultation of DPHE technical committee specifications.

take time to establish but some important financing and marketing steps may speed up the process.

LESSONS:

- # For the successful implementation of spare parts distribution and management system, training in O&M to the community and training in business management with special emphasis on advertising the product for the consumers, retailers, wholesalers and manufacturers is required.
- # Maintenance within the village is crucial for the long term sustainability of handpump water supplies.
- # Most Bangladeshi families have ready access to water from contaminated surface sources. Any alternative supply therefore must be convenient, reliable and cheap if it is to gain widespread acceptance.
- # Non-wearing parts of the pump must be durable and reliable, and parts subject to wear must be easy to service and inexpensive to buy.
- # A critical element of VLOM pumps is local manufacturing. In Bangladesh, the success of DPHE's rural water program a decade ago was bolstered by a network of manufacturers producing massive numbers of the New No. 6 handpumps. The same production network is needed for the Tara. It will

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DANIDA assisted DPHE

Handpump Training and Monitoring Program



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December, 1994.

UNDP/World Bank Water and Sanitation Program RWSG-SA

htmp 05.

THE BI-ANNUAL INTERNAL REVIEWS STRENGTHEN HTMP ACTIVITIES IN MORE EFFECTIVE, MEANINGFUL AND CONSISTENT WITH PROGRAM MANDATES

The Bi-annual Internal Reviews were planned for strengthening the management process in a participatory way with the participation of all actors in DANIDA funded DPHE Handpump Training and Monitoring Program. The Bi-annual Internal Review specifically focussed on four main components: Training; Monitoring; Spare Parts Distribution & Management; and Health & Hygiene Education. The interactive and participatory methodology have been followed in validation of agreed upon decisions. The review process had finalized the detailed Work Plan and Budget for 1995.

BACKGROUND:

The Department of Public Health Engineering (DPHE) is implementing the DANIDA assisted DPHE Handpump Training and Monitoring Program (HTMP) with technical and management assistance from UNDP/World Bank regional Water and Sanitation Group-South Asia (RWSG-SA) through its Bangladesh Country Office. The HTMP is being implemented in 15 thanas of greater Rajshahi District, and aims at evolving a nationally replicable model of:

- i) caretakers training for operation and maintenance of Tara handpump;
- ii) a monitoring system of Tara Handpump;

- iii) a distribution system and management of spare parts by private sector; and
- iv) health and hygiene education to promote good hygiene practices among the users.

INTRODUCTION:

The Bi-annual internal reviews were planned for strengthening the managerial process in participatory way involving all actors in HTMP. The second bi-annual internal review was held in Rajshahi during November 22-24, 1994. The bi-annual internal review was a follow up of the Internal Review and Mini workshop that took place in February 07-11, 1994. The objectives of the first review was

to formulate 1994 Work Plan for HTMP and to proceed accordingly. The Bi-annual Review focussed on the critical analysis of the success and failures of the tasks completed as per 1994 Work Plan, re-design of the activity plan based on the present situation, re-allocation of the 1994 budget and preparation of the estimated budget for 1995. Focussed discussions were held on interrelatedness of the objectives of HTMP-training, monitoring, hygiene education and spare parts.

OBJECTIVES:

The objectives of the bi-annual internal review of HTMP were several:

- (a) review the work progress of DPHE-HTMP in line with Work Plan & Budget 1994;
- (b) address the programmatic and management issues;
- (c) finalization of the draft Work Plan and Budget 1995 of DPHE-HTMP;
- (d) documentation of experiences; and
- (e) proposal of participatory evaluation (to DANIDA).

METHODOLOGY :

The Bi-annual Internal Review of DPHE-HTMP followed an interactive and participatory methodology leading towards optimum participation individuals and validation of agreed upon decisions. Discussions were centered around topics as indicated in the objectives section and directed towards developing concrete ideas to facilitate fulfillment of strengthening the HTMP activities. Both structured and unstructured approaches of deliberations were practiced. Presentations were followed by discussions providing observations, comments, questions and recommendations. The review process included broad

consultations with the project personnel, DPHE, field visits and discussions with local authorities, findings, policy options, suggestion and conclusions of the review have been broadly accepted by the DPHE, RWSG-SA and DANIDA. A continuing policy consultation process through reviews should stimulate project ideas and suggestions and should help in testing and refining project strategies. During the CY 1994, the first cycle of training of trainers (TOT) comprising Sub-Assistant Engineers, Tubewell Mechanics and NGO's field workers have been completed. The TOT has been carried out in collaborative style with the participation of DPHE, UNICEF, WHO, NGO's and RWSG-SA at local level. A limited caretaker's training has been conducted to demonstrate the training skills achieved during TOT. Organization of one manufacturers, whole sellers, retailers and consumers meet for creating an environment of private sector marketing of Tara spares has been finalized to arrange in January 1995.

Systematic Learning:

The Bi-annual Internal Review Mission emphasized that HTMP should be reviewed with the objectives of strengthening the management process in relation to systematic learning from the different HTMP activities. Stress was given on a decentralized community management of Tara pumps and strategic thinking regarding replication possibilities of the project.

Village Level Operation & Maintenance (VLOM) Concept:

Detail discussions were held on the Village Level Operation and Maintenance (VLOM) concept in grass roots level management. The Participatory Rural Appraisal (PRA) technique was deemed to be an effective tool

for implementing the objectives of this particular project.

Participatory Process :

Discussion on the application of participatory process in HTMP was held. The concept would help strengthen the partnership among the water user group, Government agencies, NGO's and donors. It would also reinforce the following :

- * dissemination of information;
- * strengthening of organizational set up;
- * improvement in technical skills; and
- * economic and social viability of the project.

It added further that for grass root level capacity building within HTMP area the following considerations are indispensable :

- o Getting the message;
- o Getting the message understood;
- o Getting the message accepted;
- o Doing something about it; and
- o Feed back.

Field Visit :

For a first hand on-site experience on HTMP activities, a field visit was undertaken by the review mission members. They visited the on-going HTMP basic computer training program at NTRAMS, Bogra. The Review Mission members were impressed with the training facilities available and the training curriculum offered by NTRAMS. They expressed their satisfaction with the HTMP

basic computer training. The Review Mission then visited Naogaon District, where the Water Supply and Sanitation situation was briefed. The Review Mission also visited a tubewell Site at Saluka Village, Hara paria Union Parishad of Naogaon Sadar thana. The pump installed some six month back was in good condition. The water quality and discharge were satisfactory and the platform was clean. The trained CTF could perform minor repairs without intervention of the Tubewell Mechanic. The female users present at the pump site were also found to be conversant with the VLOM characteristics of the Tara pump and they demonstrated their knowledge and familiarity with Tara pump components and spares.

Mid Term Evaluation :

The tentative date for a week long Mid Term Evaluation of HTMP was scheduled for the first week of March, 1995. The mid term evaluation will be participatory and include representation from DANIDA, DPHE and RWSG-SA as well.

Documentation of lesson learnt :

Based on the experience of the major components of HTMP, case studies may be prepared for publication as Infrastructure Notes of Transportation, Water and Urban Development Department, World Bank.

HTMP Extension :

DPHE participants raised issues regarding HTMP's extension both time and spatial coverage wise. It should be encouraged to utilize HTMP outputs (Training and Monitoring Modules) to increase HTMP oriented coverage in other adjoining low water table areas where Tara pumps are in operation on a no cost basis.

Study Tours:

The possibility of arranging study tours for the project personnel to similar projects in the region was also discussed. It was agreed that DPHE will prepare a proposal for the study and submit it to DANIDA for arrangement of funds.

OUTPUTS:

- # The Bi-annual Internal Review came out with a result in identifying perceived and actual constraints, affecting HTMP program performance, as well as, devise concrete steps and actions to overcome them.
- # Finalized the yearly work plan & budget 1995 for DPHE-HTMP in line with the main objectives of HTMP and within the approved project budget.
- # Discussed and resolved important management and personnel issues.

Provided an outline of an infrastructure notes for publication based on HTMP experiences.

CONCLUSION:

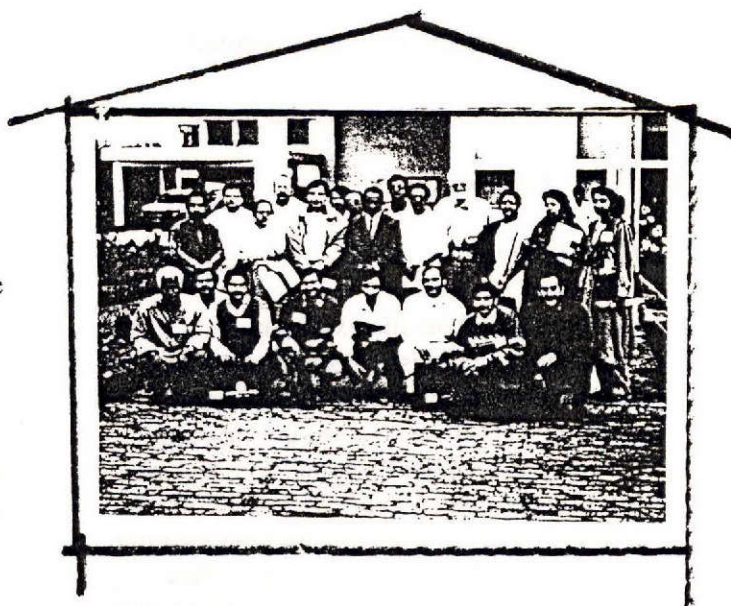
The HTMP Bi-annual Internal Review meeting ended with a clearly identified and agreed upon Work Plan and vision for future activities. The review meeting was productive, interactive and transcended the usual management discussion. Participants largely came with a sense of identity and strong resolve to take the HTMP to a new height. The discussions throughout meeting was guided by the intent to achieve greater impact through carrying out the project objectives and to build partnership among

DPHE, RWSG-SA, other donors and NGO's to improve the poor's access to safe water and sanitation. The 1995 Work Plan & Budget of HTMP reflects its strategic thinking and commitments on ways of making HTMP more effective, meaningful and consistent with Program mandate.

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DANIDA assisted DPHE

Handpump Training and Monitoring Program



Notes

September, 1994. UNDP/World Bank Water and Sanitation Program RWSG-SA htmp 04.

ENHANCING USER'S CAPABILITIES IN OPERATION & MAINTENANCES OF NEW DIRECT ACTION TARA PUMP TECHNOLOGY BY INNOVATIVE AND PARTICIPATORY STYLE OF TRAINING

Capacity building within the user's communities, is critical in sustaining a water supply system that is not only efficient, cost effective but eventually empowers the users to operate and maintain the new direct action Tara pump technology. The training of trainer's (TOT) in HTMP illustrates the process of transferring O&M skills to the user groups by Mechanics and NGO's field workers in growing low water table areas of North-western Bangladesh.

BACKGROUND:

Bangladesh has achieved tremendous progress in providing nearly universal access to safe drinking water in the rural areas. However, O&M problems and inequities in access remain, affecting sustainability and service quality of RWSS. In the growing low water tables areas ordinary suction handpumps become inoperable during dry winter month in North-western Bangladesh. This has necessitated public provisioning of a new lift mode pump in the low water table areas, locally known as the Tara pump, that can access water form up to 15 meters depth, and serve the needs of 100 people. Each year since 1986, 10,000-15,000 Tara pumps are being installed in low water table areas of the country. However, in the absence of user level

O&M capabilities and spare parts availability, large numbers of the pumps are not working at any given time and thus defeating the goal of universal access of pure drinking water and increasing dependence on the public maintenance program. Due to dispersed nature of rural communities and lack of effective systematic learning procedures in the Public sector, O&M responsiveness is inadequate rendering the existing Rural Water Supply & Sanitation operationally unsustainable.

THE PROJECT:

Department of Public Health Engineering (DPHE), Government of Bangladesh (GOB) implemented, DANIDA funded and RWSG-SA managed Handpump Training and Monitoring Project (HTMP) was launched in

September 1993 to address these weaknesses of the Tara Pump program. Specifically, the project aims at increasing O&M capabilities of user communities through caretaker training, monitor functioning and use of selected numbers of Tara pumps and supporting an environment of private sector marketing of Tara spares. The project operates in fifteen low water table sub-districts of North-West Bangladesh covering an area of 4500 Sq. Km., and serving more than 3 million people. Training of Trainers (TOT) and training of pump caretakers (volunteers from within the user group) are the key elements of the HTMP training component. By now, the first cycle of TOT for 100 (Hundred) numbers of trainers training has been completed with support from the project staff. The trainers, who are DPHE mechanics and community workers of NGOs, have initiated training of pump caretakers. The training of trainer's followed participatory technique, consultative process and planning a participatory program based on SARAR PROCESS. The active caretakers are largely women members of the user group, as women are the predominant users of the pumps and are always available on site. Inclusion of women in the caretakers training is therefore vital to build community capacity as well as encourage community participation in O&M of RWSS.

The TOT was carried out for the purpose of transferring the O&M skills to the user groups by mechanics and NGO field workers, who due to their social background are ideal communicators to rural communities, and thereby build community O&M capabilities. Despite the usual initial logistical difficulties the HTMP training program has achieved the following accomplishments within the first year of operation. This note describes the impressive achievements of the training component.

FINDINGS:

- # TOT being carried out in an interactive multimedia mode, proved highly successful in educating the trainers on the technology, diagnostics and maintenance of the pumps, hitherto unknown to them. The size of the group trained was twenty which was based on the findings of a needs assessment survey and proved a more appropriate size compared to earlier UNICEF-DPHE training group of 30-40 participants.
- # The trainers in turn used similar but more illustrative and hands on techniques in training the caretakers and their families in the O&M of the pumps.
- # The poor, mostly illiterate female caretakers are beginning to assume control and responsibility for the O&M of the pumps in areas covered under caretaker training.
- # The average downtime is reducing in the areas where the training program are being carried out.
- # In areas, where training program are being carried out, repair cost for maintenance of Tara pumps are reducing to an extent as caretakers use better judgement in procuring quality spares from the market and can do repair by themselves without taking assistance from mechanics.

LESSONS:

- * Sustainable RWSS depends on O&M skills at beneficiary / user level.

Public sector provisioning of routine O&M is

operationally ineffective, time consuming and expensive. Breaking out of this dependence through VLOM training can pave the way for self sustaining RWSS.

* Training Methods and size of group are critical.

Past training on Tara Pump maintenance was less effective in disseminating knowledge to the user group. Participatory and multi-media modules and a manageable size for greater interaction and sharper focus towards dissemination and hands-on demonstration to ultimate user group is key to achieving objectives of training O&M skills to the user community.

* Empowerment and placing responsibility on user groups are vital in promoting sustainable O&M.

Unless the user group who are the ultimate beneficiary of the training program, are trained, held responsible for O&M and empowered to take decisive action, public sector dependence with all the attendant inefficiencies and costs will remain, affecting development of a sustainable RWSS.

* Capacity building through training reduces O&M costs and pump down-time.

HTMP experience suggests that supposedly free of cost Government supported O&M, actually costs the users and the service provider more and pump down-time is longer. Trained user-caretakers have strong interest and motivation to maintain their pumps in the most efficient and cost-effective manner, costing them less cash and labor.

THE SARAR PROCESS:

Five Characteristics

SELF-ESTEEM

The self-esteem of groups and individuals is acknowledged and enhanced by recognising that they have the creative and analytic capacity to identify and solve their own problems.

ASSOCIATIVE STRENGTHS

The methodology recognizes that when people from groups, they become stronger and develop the capacity to act together.

RESOURCEFULNESS

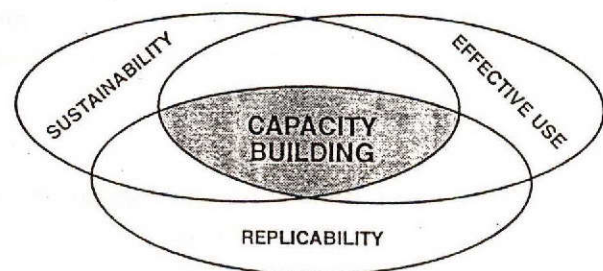
Each individual is a potential resource to the community. The method seeks to develop the resourcefulness and creativity of groups and individuals in seeking solutions to problems.

ACTION PLANNING

Planning for action to solve problems is central method. Change can be achieved only if groups plan and carry out appropriate actions.

RESPONSIBILITY

The responsibility for follow-through is taken over by the group. Actions that are planned must be carried out. Only through such responsible participation do results become meaningful.



SOME GUIDELINES FOR PLANNING PARTICIPATORY ACTIVITIES:

If you want to SUCCEED, you need to:

- S** Set a brief, clear task rather than lecture or ask questions.
- U** Use hands-on, multi-sensory materials rather than rely only on verbal communications.
- C** Create an informal, relaxed climate.
- C** Choose a growth-producing activity.
- E** Evoke feelings, beliefs, needs, doubts, perceptions, aspirations.
- E** Encourage creativity, analysis, planning.
- D** Decentralize decision-making.

If you do, you will:

- Share power.
- Broaden the base of participation.
- Equalize status.
- Draw out talents, leadership, mutual respect.
- Ensure relevance.
- Enhance personal confidence, self-esteem, skills, resourcefulness.
- Develop capacity for practical action.

To Learn More

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DANIDA assisted DPHE

Handpump Training and Monitoring Program



Notes

June, 1994.

UNDP/World Bank Water and Sanitation Program RWSG-SA

htmp 03.

MONITORING SYSTEM FOR PERFORMANCE OF TARA PUMPS AND ENHANCING ITS O&M CAPABILITIES

Low cost water supply using handpump technology encompasses many economical, social and technical constraints. Monitoring the performance of such water supply project is often difficult and complex. This can be greatly helped by using Management Information System (MIS). The DANIDA funded Hand Pump Training and Monitoring Program is being implemented by the Department of Public Health Engineering with the management and technical assistance from UNDP/World Bank Water and Sanitation Program through RWSG-SA aiming to establish a monitoring system for performance of Tarapump and enhancing its O&M capabilities in declining water table area in Bangladesh in a sustainable way.

BACKGROUND :

The Government of Bangladesh through the Department of Public Health Engineering (DPHE) has decided to install Tara pumps to provide safe water in the areas where the ground water table has either gone beyond the suction limit of the traditional suction Handpump (No. 6) or has a tendency of lowering below the suction limit within the near future. The Tara handpump is a direct action pump suitable for lifts upto 15m. The Handpump Training and Monitoring Program (HTMP) funded by DANIDA, being implemented by the Department of Public Health Engineering (DPHE) with the technical

and management assistance from UNDP/World Bank Water and Sanitation Program covers 15 low water table thanas in the greater Rajshahi district in the North-Western part of Bangladesh and involves 10,000 - 12,000 Tara Handpumps.

INTRODUCTION:

In DPHE, data are collected in the field and transmitted through the territorial Sub-assistant Engineers, the Sub-divisional Engineers, the Executive Engineers and the Superintending Engineers to the Head Office for compilation and storage. Data handling is, therefore, slow and is considered by field staff as a burden and

a one-way communication from which the field level does not benefit. Furthermore, the data collection at the field level is regarded largely as a Head Office control function rather than a useful management tool.

In order to strengthen the relevance of the data collection, the data handling should be brought nearer to the field level, where the data are most needed. Computer processing of data are, therefore needed to be transferred from the Head Office to the district level. HTMP is expected to establish a computerized monitoring system, ultimately a capacity building exercise for a sustainable program by DPHE.

OBJECTIVES :

The main objectives of Monitoring and Evaluation:

- * To physically inspect the conditions of different elements of the pumps.
- * To investigate Tara pump and other pump's technical performance in the intervention area.
- * To identify and record interventions carried out including spare parts used, through direct observation or through interview of the caretaker.
- * To assess users attitude and reaction on operation and maintenance of the pumps.
- * To assess effectiveness of the caretakers' training.
- * To appraise whether hygienic practices are being followed.
- * To record the involvement of community in the O&M of the pump.

- * To record source and cost of spares.
- * To appraise the quality of the spare parts.
- * To evaluate the feasibility of replicating such a system for other Water and Sanitation Programs.

METHODOLOGY:

The methodology of the Monitoring System includes:

Selection of pumps for Monitoring:

Selection of pumps for routine, random and quarterly monitoring is being conducted by following criteria:

Criteria followed for selection of 300 pumps for routine monitoring were as follows:

- (i) All pumps should be of the current design.(i.e. after 1990-91 ADP);
- (ii) Information on pumps should be available (date of installation, type of pump, borehole etc.);
- (iii) It must be a community pump with user group 50-75 size (actual users);
- (iv) pump should have easy accessibility to ensure regular monitoring;
- (v) Water quality is good and the pump is in extensive use;
- (vi) If possible, pumps installed by government , donors, NOG's and community themselves, should be included to have a comparative analysis of the impact of the project implementation strategy on maintenance and pump performance.

Monitoring of additional 1000 pumps will be carried out on a random sampling basis in every month.

Monitoring of all pumps on a quarterly basis based on DPHE's routine monitoring formats.

Development of Monitoring formats:

Monitoring inspection formats were developed by consultative and iterative process with the participation of DPHE, UNICEF, WHO and RWSG-SA (Dhaka, Delhi). The first monitoring format was drafted in line with the recommendations made in HTMP project launching workshop during November 22-24, 1993. This format was revised to a final form both in Bengali and English with detail discussions with field level personnel by four step modifications. Keeping in view the indicators, the revised final formats are comprehensive, compact and easy to handle while collection of data in the field and entering in the computer.

HTMP Monitoring Format

INSPECTION FORM FOR ROUTINE MONITORING		INSPECTION NO							
DANIDA ASSISTED DPHE HANDPUMP TRAINING AND MONITORING PROJECT AT RAJSHAH									
DISTRICT :	THANA :		INSPECTOR BY :		CHECKED BY :				
MONITORING PERIOD :									
PUMP INFORMATION		PUMP NO. NO ->							
PUMP IN OPERATION	YES	NO	YES	NO	YES	NO	YES	NO	
ENGINE WHEN NOT IN OPERATION (DATE)									
ANY INTERVENTION SINCE LAST MONITORING	YES	NO	YES	NO	YES	NO	YES	NO	
HOW LONG PUMP REMAINED OUT OF OPERATION (M)									
WHO INTERVIEWED IT (CT/OP/SD)	DPHE	CTY	DPHE	CTY	DPHE	CTY	DPHE	CTY	
WATER QUALITY SATISFACTORY	YES	NO	YES	NO	YES	NO	YES	NO	
WATER DISCHARGE SATISFACTORY TO USER	YES	NO	YES	NO	YES	NO	YES	NO	
FOOT VALVE LEAKING	YES	NO	YES	NO	YES	NO	YES	NO	
PUMPING HARD	YES	NO	YES	NO	YES	NO	YES	NO	
IS IT DUE TO WATER IN PUMP BODY	YES	NO	YES	NO	YES	NO	YES	NO	
PLATFORM CONDITION GOOD	YES	NO	YES	NO	YES	NO	YES	NO	
PUMP HEAD READY	YES	NO	YES	NO	YES	NO	YES	NO	
PUMP CONCRETE BASE CRACKED	YES	NO	YES	NO	YES	NO	YES	NO	
PLATFORM BASE CRACKED	YES	NO	YES	NO	YES	NO	YES	NO	
DRAINAGE FACILITY AVAILABLE	YES	NO	YES	NO	YES	NO	YES	NO	
SURROUNDING CLEAN	YES	NO	YES	NO	YES	NO	YES	NO	
ARE SPARE PARTS EASILY AVAILABLE	YES	NO	YES	NO	YES	NO	YES	NO	
SOURCE OF SPARE PARTS	DPHE	MARKET	DPHE	MARKET	DPHE	MARKET	DPHE	MARKET	
REASONS FOR NOT PURCHASING									
UNWILLING TO PAY	YES	NO	YES	NO	YES	NO	YES	NO	
NON AVAILABILITY	YES	NO	YES	NO	YES	NO	YES	NO	
HIGH PRICE	YES	NO	YES	NO	YES	NO	YES	NO	
ANY PARTS REPLACED	YES	NO	YES	NO	YES	NO	YES	NO	
IF YES WHICH PARTS :									
1. LEATHER CUPRAL									
2. PISTON FLAP VALVE									
3. FOOT VALVE FLAP VALVE									
4. O'RING									
5. WINDO CHECK NUT									
6. WASHER									
7. TOP GUIDE BUSH									
8. BOTTOM CONNECTOR									
9. TOP CONNECTOR									
10. HANDLE RETAINER									
11.									
12.									
REMARKS									

Basic data collection:

Data collection of HTMP monitoring is being conducted basically by the tubewell mechanics and duly checked by the Sub-Assistant Engineers concerned in the project area.

Random inspection:

Random inspection of the collected filled data format is being inspected by the project personnel and concerned EE's, SE DPHE Rajshahi Circle.

Collection of data on software issues:

Collection of data on caretaker's family training, spare parts distribution & management (SPDM), and health and hygiene education (HHE) is being also included to monitor the effects.

Data processing and interpretation:

Data processing and interpretation will be conducted with the development of computer MIS software packages for storing, retrieval and analysis of field data and generation of reports.

Dissemination of findings:

The HTMP monitoring system would help to enhance capacity building exercise for a sustainable monitoring program in the rural water supply of low lying water table areas by a new direct action lift pump, locally known as 'Tarapump' and to judge by the following factors to take strategies and decision in future RWS program:

- a) Performance and maintenance of pumps.
 - 1) downtime (the elapsed time before the pump repaired);

- 2) frequency of repair;
 - 3) level of intervention;
 - 4) availability of spare parts;
 - 5) community involvement; and
 - 6) acceptability of the technology.
- b) Caretaker's Training for the Operation and Maintenance of the Pump.
 - c) Distribution and Management of Spare Parts by Private Sector.
 - d) Health and Hygiene Education.

WHAT MONITORING MEANS:

Monitoring is a continuous process of data collection and analysis in order to check whether pumps, their components and related health practices are properly functioning according to plan and to take timely remedial action.

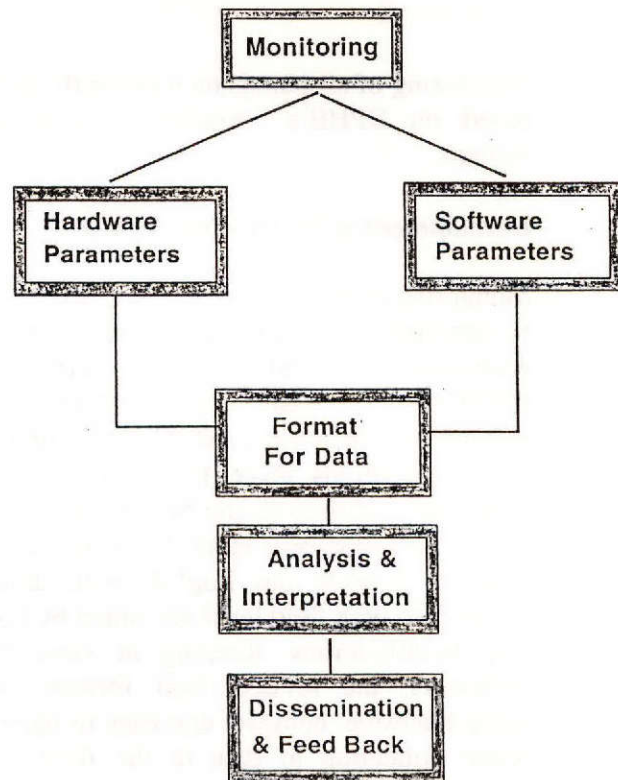
KEYWORD FOR MONITORING:

- o *Early Warning;*
- o *Remedial Action;*
- o *Management Tools; and*
- o *Regular Check.*

MONITORING AND EVALUATION ARE INSTRUMENT TO:

- # Learn and Improve
- # Show Results
- # Justify that Investment is sustainable.

MONITORING FLOWCHART



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DANIDA assisted DPHE

Handpump Training and Monitoring Program



Notes

March, 1994. UNDP/World Bank Water and Sanitation Program RWSG-SA htmp 02.

TRAINING NEEDS ASSESSMENT FOR HANDPUMP TRAINING AND MONITORING PROGRAM

Training need's assessment is an effective activity to compare the situations before and after training at predetermined intervals. The success of Handpump Training and Monitoring Program (HTMP) greatly depends on the quality of the training program, training materials, and training implementation strategy. The approach of present traditional training procedure does not have much impact. This program emphasizes to develop a well defined participatory method for Training of Trainers and Caretaker's Family Training.

INTRODUCTION:

Training is a process which encourages the member of a group to learn how to learn. In an effective training process a careful blend of three strategies- adapt, adopt and retain on the part of both the trainer and trainee work synergistically. Training mainly aims at changing the behavioral pattern of individual or group and it is also not easy to assess the benefits of training in quantifiable term. But assessing the effectiveness of training evaluation is a must. Evaluation must be integrated into the entire learning process. From a practical standpoint, the purpose of evaluation is to compare situation before and after training at predetermined intervals to the degree to which the training endeavor has

achieved its objectives and adjust the training program accordingly.

DESCRIPTION:

The Department of Public Health Engineering (DPHE) with assistance from UNDP/World Bank Regional Water and Sanitation Group - South Asia (RWSG-SA) is implementing the Handpump Training and Monitoring Program (HTMP) in 15 Thanas of greater Rajshahi district. Training of caretakers and their supervisor/trainers is the key component of this program. Success of such a program mainly depends on the quality of the training program, training materials and training implementation strategy. Accordingly a training needs assessment study has been undertaken by

fielding a consultant for a duration of six weeks.

OBJECTIVES:

The objectives of the study are to :

- 1) Assess the training needs for caretakers and trainers of the caretakers;
- 2) Formulate a strategic planing for implementation of the training program under HTMP.

FINDINGS & RECOMMENDATIONS:

Training of Trainers

- 1) A comprehensive training package is not available at the moment. There is no TOT manual to conduct a need based training for the trainers to improve and maintain the standard of training.
 - # Manual should include training techniques and methodologies, focusing on communication skills and use of participatory methods of training.
 - # In the Manual, emphasis should be given to community participation and hygiene promotion. The Manual should be in Bangla.
- 2) TWMs and SAEs are trainers by virtue of their official positions without consideration of their attitude and motivation. Therefore, training is not becoming effective.
 - # Trainers should have at least 10 years of schooling and extensive training on Training of Trainers (TOT).
- 3) Supervision and monitoring for the Training of Trainers (TOT) program is

essential.

- # Supervision and monitoring should be initiated to strengthen on a continuous basis with definite indicators for the progress.

- 4) The Trainers (SAEs and TWMs) emphasize on hardware aspects and importance of software like communication, motivation, community participation, health & hygiene education and required skills on training methods and techniques are considered secondary.

- # Training activity should be considered as an integrated component of Water Supply and Sanitation Program. Assessment of trainers' knowledge, skills and attitude regarding training activities should be carried out to equip them with skill and orientation for need based training courses.

- 5) To organize and to conduct a TOT course, professional trainers and communication specialists are required. DPHE does not have a training institute to conduct a TOT on communication process, methodology and skills.

- # A training institute with required experience and reputation may be involved to conduct the TOT courses.

Caretakers' Training

- 1) It has been observed that one-day caretakers training is too short a period to fully train the caretakers on O&M of pumps. The caretakers with one-day training have to depend on TWM for even small repairs. This type of training will neither fulfill the program objectives nor reduce the work load of the TWMs.

A two days training course for the Handpump Caretakers' Training will provide opportunity to practice the skills and discuss health issues, problems and preventive measures.

2) Existing caretakers selection is not appropriate. The existing selection criteria for caretakers is governed by the site where the pump is installed. The pumps, in most cases, are installed on the properties of influential persons who are able to contribute the most. It is a clear deviation from the principles of community participation which is the main objective of the program.

The community, including influential person of the area, should participate in the planning, site selection and O&M of the pump.

3) Women participation in the O&M is limited. It has been observed that very few women participate in the caretakers' training sessions.

While preparing the training schedule, problems concerning women participation should be given due importance and they should be motivated to attend the sessions.

4) It has been observed in the field that the follow-up training were not carried out in a planned or systematic way. Follow-up training helps asses the weakness of the trainees as well as of the training.

There should be a provision for regular follow-up training in the original plan of the caretakers training program.

5) No comprehensive caretakers training manual has been developed. Without having a well designed instructional manual, it is difficult for the trainers to maintain the quality

and uniformity of the caretakers training.

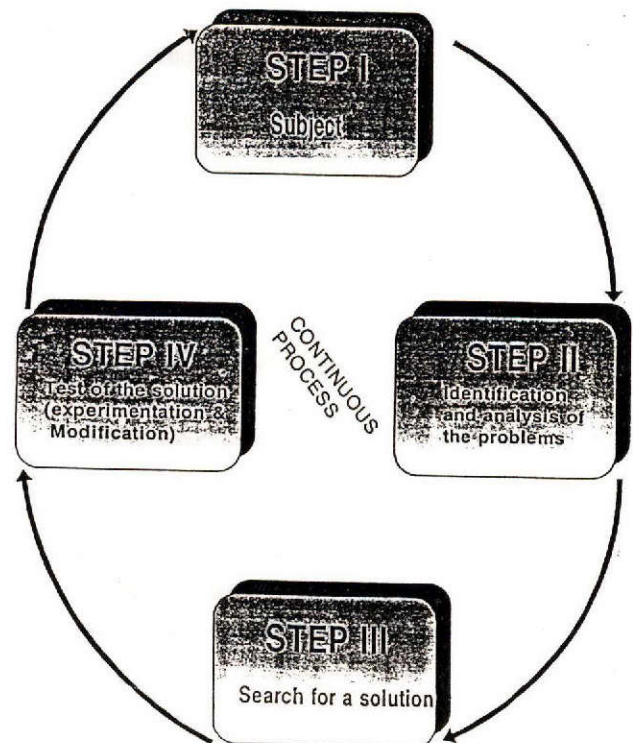
It is suggested that the Manual should contain the following:

o Objectives and benefits of the training; importance of community participation; sustainability; technology, its comments and function; preventive health measures, core health messages and role of a caretaker in a community.

6) There is no reference or teaching materials available particularly on hygiene education. An easy to understand reference materials should be provided to the caretakers for the retention of their training.

Besides trainers and trainees manuals, teaching and reference materials are also required for effective learning.

TRAINING STEPS



Traditional Teaching vs. Participatory Training:

In the training field today, the most widely used training approach is what is known as *didactic teaching*. The use of participatory approaches is relatively new.

The traditional Didactic style is a *content-focused* approach in which information is largely passed in one direction from the outside expert to the learner. Social marketing, which involves mass propagation of messages, is a derivative of this approach.

The Participatory style is a *learner-centered* approach in which the focus is on the learners developing abilities and skills to diagnose and solve their own problems. The trainer merely facilitates a process of competency-building and self-discovery for the learners, whose needs, experience and goals are the focus of the training.

How We Learn

1% through taste
2% through touch
3% through smell
11% through hearing
83% through sight

What We Remember

10% of what we read
20% of what we hear
30% of what we see
50% of what we see and hear
80% of what we say
90% of what we say and do

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DANIDA assisted DPHE

Handpump Training and Monitoring Program



Notes

December, 1993. UNDP/World Bank Water and Sanitation Program RWSG-SA htmp 01.

RURAL WATER SUPPLY IN LOW WATER TABLE AREA AND THE VITALITY OF DANIDA ASSISTED DPHE HANDPUMP TRAINING & MONITORING PROGRAM

Bangladesh has achieved commendable success in provision of rural water supply (RWS) during recent plan periods. However, the declining water table phenomenon and its various implications pushed RWS into a challenged circumstances and raised a series of challenges before the sector. Comprehensive, strategic approaches may help to overcome the constrained situation facing by RWS sector. This program is aimed at to weigh the consequences of declining water table and identify appropriate strategies and innovative measures to counteract the problems and to promote RWS in a sustainable way.

BACKGROUND:

The achievement made in RWS in Bangladesh is **commendable**. Today over 85 percent of the rural population have access to hand tubewells within 150 meters of their homes compared to 40 percent in 1981. But there are also areas where service provisions are at a level or even non existent. These are **unserved and undeserved areas** or simply known as **problem areas**.

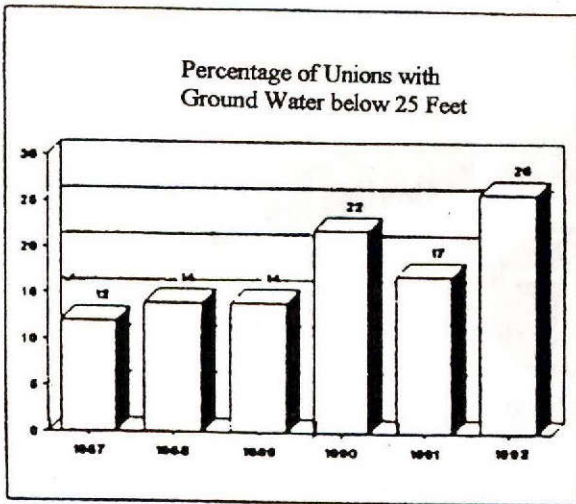
- Coastal saline areas;
- **Declining water table areas;**
- Iron problem areas;
- Areas with stony layers;

Among the above, past study, current situation and future trend confirm that the single most problem is with the declining water table phenomenon, evident since the early eighties.

PROBLEM AREA :

From hydrogeological consideration, the distinct problem areas are primarily the following:

In recent years the water table has been declining in Bangladesh because of increased agricultural irrigation and adverse effect of Farakka Barrage. In 1986 only 12% of Unions had ground water below the suction level (8 meters). In 1991 26% of unions had groundwater below the suction level.



DPHE/UNICEF have initiated a study to predict the future groundwater fluctuations. Some early predictions indicated that by the year 2000 as much as 50% of the traditionally high water table areas may have water levels below the suction limit for at least part of the year.

DECLINING WATER TABLE :

Area where water table is a problem is generally termed as low water table areas (LWTA) and simple suction mode handpump (i.e., No. 6 handpump) can not abstract water from below 25 feet (approx. 8 meters). As the water table declines, more and more No. 6 pumps will cease to provide water, especially during the dry season- April to June- when the water table is at its lowest. Even if we assume that only 20% of the tubewells are affected this still means that about 150,000 public tubewells will cease to function at the peak of the dry season.

A direct action deep-set handpump (Tara handpump) is the solution at the moment. In the 1980s the Tara pump was developed to lift water at depth of up to 12 meters. Approximately 60,000 Tara pumps have already been installed in low water table areas,

and 90% of them were found to be in working order according to DPHE's report.

RURAL WATER SUPPLY PROJECTS:

Rural Water Supply in the shallow water table area (SWTA)

Rural Water Supply in the low water table area (LWTA)

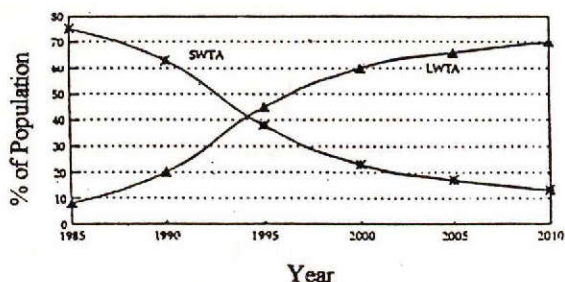
Rural Water Supply in the coastal belt area (CSA)

In terms of population as well as geographical coverage the SWTA is predominantly large. The phenomenon of water table depletion has a direct influence on the dynamics of SWTA. With the gradual depletion of water table, the SWTA is reducing and by an equal extent the LWTA is increasing.

CONSEQUENCES OF EXPANSION OF LWTA:

From a study it is indicated that by the year 2000 about 50 percent of the rural population will fall under the LWTA. Current trend confirms that at least 35 percent will come under LWTA. Whatever the exact figure is, it is obvious that a huge number of existing No. 6 handpumps will become inoperable before completion of their economic life. As a solution more and more Tara handpumps are being deployed against affected No. 6 tubewells. The required nos. of Tara handpumps in the coming years will be enormous. The size of the RWS program to take care of this unavoidable situation will also be remarkable.

Percentage of Rural Population Under SWT & LWT Areas at Different Plan Periods upto Year 2010



THE VITALITY OF DPHE HTMP :

The performance and the maintenance of the Tara Pump under normal field conditions was tested by the UNDP/World Bank Water and Sanitation Program under a Tara Pump Performance Monitoring (TPPM) Project and it resulted in modifications of the Tara Pump and identification of some weakness in the maintenance and spare parts distribution system which will influence long term sustainability of services. For operation and maintenance of Rural Water Supply System, Spare parts distribution and management plays a vital role. To reduce the downtime of an temporary unserviceable pump for want of spares, the availability of spares is very important. At present spare parts are distributed by DPHE. The caretakers are paying for it. In principle, the maintenance of the pumps is the joint responsibility of the caretakers and TWM's. Spare parts for the No. 6 pumps installed by DPHE are distributed through DPHE. Because of the presence of more than 1 million private handpumps, the spare parts for the No. 6 are readily available through the private sector throughout Bangladesh. But in case of Tara pumps the situation is different. For easy availability of spare parts of Tara, distribution by private sector by increasing the number of sales outlets are to be considered for better O&M of Tara.

DPHE, UNICEF and DANIDA have expressed interest in continuing the TPPM Program, with a wider scope, to include preventive and corrective measures for successful implementation of the future Tara Program such as; DPHE and UNDP/World Bank Regional Water and Sanitation Program accordingly drafted a Project Document " Rural Water Supply Training and Monitoring Program". In continuation of DANIDA's long standing support through UNICEF to the sector, DANIDA carried out an appraisal of the proposal in 1990. Based on the Appraisal Report a Technical Assistance Project Proforma (TAPP) was prepared in 1991 by DPHE and approved in 1992. Later the project was named "Handpump Training Monitoring Project". DANIDA provides the financial assistance for the project through UNDP/World Bank Water and Sanitation Program.

THE IMPLEMENTATION OF HTMP :

The Handpump Training and Monitoring Project (HTMP), a demonstration project, covering 15 low water table thanas of Rajshahi Circle, will be implemented by DPHE with assistance from UNDP/World Bank Water and Sanitation Program in close co-operation with DANIDA, UNICEF, WHO and NGOs. All Tara Pumps within 15 thanas, estimates to be 10,000-12,000 pumps by the end of the program period, are included in the project.

PROJECT AREA :

The project area comprised of 15 thanas under DPHE Rajshahi Circle.

Rajshahi [1. Paba 2. Godagari 3. Tanore 4. Mohanpur 5. Bagmara 6. Charghat 7.

	Bagha.]
Naogaon	[8. Naogaon Sadar 9. Manda]
Nowabgong	[10. Nowabgong Sadar 11. Nachole 12. Gomostapur]
Natore	[13. Natore Sadar 14. Singra 15. Lalpur]

THE MAIN OBJECTIVES OF THE PROJECT:

- # Establishing a monitoring system for the performance of the Tara pumps and the maintenance of the Tara and other pumps.
- # Proper caretakers' training and Tara pump spare parts distribution through the private sector.
- # Awareness among Tara pump caretakers' about the impact of safe water, safe excreta disposal and good hygienic practices on health.

MAIN ELEMENTS OF THE PROJECT:

- o Monitoring of Tara Pumps
- o Effective Caretakers Training
- o Effective Spare Parts Distribution
- o Health Hygiene Education and Sanitation Promotion

OUTPUT OF THE PROJECT :

The evaluation result of this project, after completion will serve as preparatory assistance to the future national program.

DPHE staff and the consultants will work side by side. AS a result technical skill will be

transferred to DPHE staff from the consultants with respect to Tara Pump Improvement and Management of Tara Pump Maintenance System with maximum users involvement. Training and Monitoring capacity for Rural Water Supply is expected to be established within DPHE at the end of the Project.

Training will be provided to both Trainer's and Care Takers under close supervision of the project. Training courses will include training methodology, use of training materials both on technical aspect of Tara Pump O&M and software promotion of sanitation and health & hygiene. Training on effective monitoring of Tara handpumps will also be provided to SAEs and TWMs.

With the development of a replicable training and monitoring package and through pilot implementation with close participation of DPHE, it is envisaged that management of similar training and monitoring activities will improve significantly.

FOR MORE INFORMATION

DANIDA assisted DPHE Handpump Training and Monitoring Project
 DPHE Building
 Laximpur, Rajshahi, Bangladesh.
 Tel: (88 0721) 2351, 2246
 Fax: (88 0721) 2083.

UNDP/ World Bank Water and Sanitation Program, RWSG-SA
 Flat No. 01-01, Priyo Prangan,
 2 Paribagh, Dhaka, Bangladesh.
 Tel: (88 02) 865241, 504472, 504249
 Fax: (88 02) 865351



UNDP-World Bank Water and Sanitation Program

The World Bank 1818 H Street, NW Washington, DC 20433 Tel.: (202) 473-9785 Fax: (202) 522-3228

FAX COVER SHEET

DATE: October 4, 1997 NO. OF PAGES: 5

TO: Mr. Even Fontaine Ortiz PHONE:
Executive Secretary FAX: (41 22) 917 8033

FROM: Bruce Gross PHONE: (202) 473-3080
Deputy Program Manager FAX: (202) 522-3228

SUBJECT: UN Training Programs and Activities

Dear Mr. Ortiz:

Attached, as requested, is the updated information on the International Training Network for Water and Waste Management (ITN). The ITN is largely independent of the UNDP-World Bank Water and Sanitation Program these days, but I have listed myself as a contact point for the time being. That might change after the global ITN meeting in December. I have also attached a list of current ITN Centers.

I apologize for not having made the September 30 deadline.

Sincerely,

Bruce Gross

Attachments

JIU REPORT A.213: TRAINING INSTITUTION PROGRAMME AND ACTIVITIES IN THE UNITED NATIONS SYSTEM

ACRONYM	INSTITUTION	ESTABLISHMENT	AIMS / OBJECTIVES	TRAINING ACTIVITIES	REPORTING PROCEDURES	FINANCES
ITN	<p>International Training Network for Water and Waste Management</p> <p>Coordinator: Piers Cross</p> <p>INUWS - World Bank 1818 H Street NW Washington, DC 20433 USA</p> <p>473-3080 Tel: (1 202) 473-0475 Fax: (1 202) 477-0484 Telex: 522-3228 Cable:</p> <p>E-mail: Home Page:</p> <p>Contact: Bruce Gross Deputy Manager, UNDP - World Bank Water and Sanitation Program The World Bank 1818 H Street NW Washington, DC 20433 E-mail: bgross@worldbank.org Home Page: www.wsp.org</p>	<p>- founded in 1984 as a component of UNDP/World Bank Water and Sanitation Program, to promote the establishment of a "network" of collaborating local, regional and international institutions in order to strengthen and enhance internal capacity for training, education, information education, information dissemination and research activities on appropriate, low-cost water supply and sanitation</p>	<p>- to contribute to the improvement in effectiveness and coverage of water supply and sanitation for low-income population groups in the urban fringe and rural areas of developing countries</p>	<p>- training, institutional strengthening and information dissemination; - training materials include sets of audio-visual and printed materials on low-cost water supply and sanitation approaches</p>		<p>- support by governments, multilateral and bilateral non-governmental agencies</p> <p>GVA 6935</p>

**UNITED NATIONS SYSTEM INSTITUTIONS, CENTRES, ORGANIZATIONS, PROGRAMMES AND FUNDS
OFFERING TRAINING ACTIVITIES**

Please indicate which category listed below applies to your institution, and indicate resolutions, etc.

CATEGORIES OF UNITED NATIONS SYSTEM TRAINING INSTITUTIONS		
NAME OF INSTITUTION:		
I	Established by the legislative bodies of the United Nations as an entity thereof (i.e. UNITAR, Turin Centre, etc.)	
II	Established by the legislative bodies of the United Nations but not as an entity thereof (i.e. University of Peace, etc.)	
III	Established within the framework of institution-building (please indicate whether or not your institution is national, regional, sub-regional, etc., and with whom you are affiliated)	
IV	Bearing the name of the a United Nations system organization but without any official status vis à vis the United Nations	The ITN was started as part of the UNDP-World Bank Water + Sanitation Program, executed by the
V	Has a training component but not as its main mandate	World Bank.

GVA 6935

ITN Centres

Mr. Mathew N. Kariuki
NETWAS (Network for Water and Sanitation)
Magadi Road
P.O. Box 15575
Nairobi, Kenya
Telephone: (254-2) 501-301 to 03; 504-163
Telefax: (254-2) 506-112
E-mail: Netwas@Ken.healthnet.org

Dr. Cheik Toure
Centre Regional Pour l'Eau Potable et l'Assainissement a Faible
Cout (CREPA)
B.P. 369
Ouagadougou, Burkina Faso
Telephone: (226) 303868
Telefax: (226) 310-361

Dr. Paul Taylor
Institute of Water and Sanitation Development (IWSD)
Box MP 422, Mount Pleasant
Harare, Zimbabwe
Telephone: (263-4) 303288
Telefax: (263-4) 303280
E-mail: root@iwsd.uz.zw@internet

Dr. Eugene Larbi
Managing Director
TREND Group
P.M.B.
University Post Office
Kumasi Ghana
Telephone: (233-51) 28294/5
Telefax: (233-51) 28296

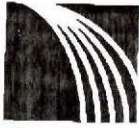
Professor Kumar J. Nath
All India Institute of Hygiene and Public Health (AIHH & PH)
Department of Sanitary Engineering and Environmental
Sanitation
110 Chittaranjan Avenue
Calcutta - 700 073, India
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Cable: HEALTHINST CALCUTTA

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Ms. Hana Sotoyo
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Telefax: (62-21) 720-5793

Ms. Rory Villaluna
Training Network Centre, ITN Philippines
LWUA-MWSS Complex
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Katipunan Road
Balara, Quezon City
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Telephone: (63-2) 971757
Telefax: (63-2) 9223434
E-mail: itnphil@compass.com.ph

Professor M. Feroze Ahmed
ITN Centre - Bangladesh
Department of Civil Engineering
BUET
Dhaka 1000, Bangladesh
Telephone: (880-2) 502-196
PABX: (880-2) 505-171 to 77
<http://www.agni.net/itn>



UNDP-World Bank Water & Sanitation Program

Regional Water & Sanitation Group - South Asia, Post Box 416, 55, Lodi Estate, New Delhi 110 003, India

FAX COVER SHEET

DATE : May 1, 1997

NO. OF PAGES : Two

TO : Bruce Gross, TWUWS
Washington

Fax : 001202-4770164/5223228

FROM : Bob Boydell
RWSG-SA

PHONE : 91-11-469 0488, 91-11-469 0489

FAX : 91-11-462 8250

EMAIL : RWSGSA@WORLDBANK.ORG

Subject : Global ITN Meeting

3756/1

Bruce,

The attached is self-explanatory.

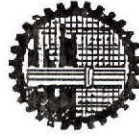
Regards,

Bob

1) Copy for Piers Cross when he's here next week
2) File ITN

Transmission authorized by : Robert Boydell, Manager, RWSG-SA

Professor M. Feroze Ahmed, PhD, FIE, MASCE
DEPARTMENT OF CIVIL ENGINEERING
Bangladesh University of
Engineering and Technology
Dhaka - 1000, Bangladesh



পূরকৌশল বিভাগ
বাংলাদেশ প্রকৌশল বিশ্ববিদ্যালয়, ঢাকা-১০০০

Tel: PABX 505171-7, 864640-4, Ext.7300(Off.), 7181(Res.); Direct 866250(Off.),860366(Res.); Fax: (880 - 2) 863026

Mr. Iftekher Haider
Project Officer
RWSG-SA, Bangladesh Country Program
The World Bank
3A Paribagh, Dhaka-1000

24 April, 1997

Subject : Global ITN Meeting

Dear Mr. Haider

The proposed Global ITN meeting appears to be a good initiative to strengthen existing links as well as to establish new links among the ITN centers. The ITN centers operating or ceased to operate in different parts of the world had many common objectives but never been in a true network. This proposed forum may provide an opportunity to discuss the past and future of the ITN concept.

The ITN-Bangladesh will participate if the proposed meeting is organized to discuss the issues described in the EM's attached to your letter.

Thanking you.

M. Feroze Ahmed
Project Director, ITN-Bangladesh

cc: Professor M. Mujibur Rahman
Professor Eli Dahi
Mr. Akhtaruzzaman

File -

SAS
Nepal

The World Bank/IFC/MIGA
O F F I C E M E M O R A N D U M

DATE: April 21, 1997 02:03am

TO: BRIAN GROVER (BRIAN GROVER@A1@WBHQB)
TO: ROBERT BOYDELL (ROBERT BOYDELL@A1@DELHI)

FROM: RWSG-SA Dhaka, TWUWS (RWSG-SA, DHAKA@A1@DHAKA)

EXT.:

SUBJECT: RE:Attached Note for Discussion with SOD

THUR/24

Dear Brian/Bob

Hope the training went well and was not too tiring! Attached is a Note along with TORs for a National Country Officer (NCO) for Nepal. This is with reference to our discussion in Dhaka, for getting clearance from the SOD. The note incorporates the comments to redefine the core activities, deleting the potential ITN.

I would appreciate follow-up.

I will be in Dhaka until Thursday 24th, should you need any clarifications.

regards

Rekha

Attached to this message is a BINARY document. You cannot use ALL-IN-1 to display or print it. You must first transfer the attachment to your PC using the FAP option. Then you may process the file with the same software that was used to create it.

CC: BARBARA E. EVANS (BARBARA E. EVANS@A1@DELHI)
CC: K MINNATULLAH (K MINNATULLAH@A1@DELHI)
CC: RWSG-SA (file NEP-WP1/6) (RWSG-SA@A1@DELHI)
CC: TASHI TENZING (FYI) (TASHI TENZING@A1@NEPAL)
CC: BRUCE GROSS (BRUCE GROSS@A1@WBHQB)

NOTE ON STATUS OF THE PROGRAM DEVELOPMENT IN NEPAL

Introduction

1. The UNDP/WB Water and Sanitation Program has been active in Nepal in the Rural Water supply and Sanitation sector for several years including implementation of the JAKPAS pilot project until June 1996. During the past one year RWSG-SA has initiated a dialogue with HMG, specifically the Ministry for Local Development (MLD) and the Department of Water Supply and Sewerage (DWSS) of the Ministry for Physical Planning and Housing (MHPP) to develop a work plan and establish a long term presence in Nepal. The initiative is based on the outcomes of the Country Workplanning Consultations in February 1996 and a formal request from MHPP to establish a Country Office in order to facilitate development and implementation of projects that address the needs of the urban and rural poor.

The Program's Strategy

2. The Program has a pyrimidical structure with a small headquarters team and five regional offices, including the RWSG-SA based in New Delhi, that operates in six countries of the region with country offices established in Bangladesh, India, Pakistan and Sri Lanka. The Nepal activities are currently handled out of the Regional office of the Program in New Delhi. Based on the demand expressed by the Government and key sector partners at the Workplanning Consultation in February 1996 in Kathmandu, the Program now proposes to establish a country presence with a few selected activities, including the SSP pilot, as the first building block along with selected regional activities and cooperation with the SAARC Secretariat.

3. The RWSG-SA has also been very pro-active for Systematic Learning from implementation experiences, documenting lessons and disseminating them through, published documents, workshops, electronic media, participating in networks etc. Two Regional Workshops: the first, focusing on RWSS is to be held in October 1997 in Manila and is a follow on to the Regional Workshop held in 1994 in Colombo; the second, on Urban Sanitation was held in February 1997 in Dhaka. The Group would like to continue to be involved in systematic learning from implementation experiences of the National Rural Water Supply and Sanitation Fund Development Board that was established as a follow-on to the JAKPAS pilot.

4. The current workprogram of RWSG-SA in Nepal thus includes a set of activities aimed to initiate a Pilot Project for SSP for Two Small Towns and possibly a strategic monitoring exercise (study) of the 113 schemes completed by the JAKPAS pilot. More specifically:

Preparation of the Pilot Project for SSP for Two Small Towns

A. Background

5. The Program has developed and gathered considerable global and regional experience in use of a Strategic Sanitation Planning approach for holistic planning for urban environmental sanitation services for cities and towns. The approach stipulates that the plan be an outcome of a dialogue among various stakeholders, including the local government, NGOs, private sector and above all the various sections/communities that can contribute substantially to sustainable development of the urban environment. In particular, the SSP emphasizes low income areas as a high priority for interventions.

6. Capacity building a central principle of the Program strategy is achieved by support to sustainable investments, strengthening sector policies and documenting and disseminating lessons of experience. The RWSG-SA, as mentioned above, is pro-active to Systematically Learn from implementation experiences, document lessons and disseminate them through, published documents, workshops, electronic media, by participating in networks etc. As an example, the Regional UES workshop in Dhaka will be followed by National workshops (tentatively June 1997 in Nepal) using the participants as resource persons to involve a wider group.

7. The RWSG-SA has started the process of assisting the MLD to prepare a pilot project for two small towns (Byas and Siddharthnagar) in the Terai region of Nepal, by providing technical assistance for design of a comprehensive plan to guide self reliant investments by the municipalities and people to improve the urban environment. The strategy will focus on using demand based and participatory service delivery mechanisms in partnership with various stakeholders rather than the past practices of a supply driven project based approach. The two towns were selected as sites for the Pilot through a systematic process of data gathering and field visits by RWSG-SA staff and Consultants; and by applying defined criteria that included assessment of the planning and implementation capacity and interest of the municipality to participate in the pilot. The basic data required for program planning has been collected by a national consultant and the RWSG-SA has had one round of discussions with the Mayors and officials of the two municipalities. A Working Group consisting of representatives of MLD, RWSG-SA and the two Municipalities met in January 1997 to formulate the project proposal. The Program Coordinator of the GTZ supported Urban Development Through Local Efforts (UDLE) project was invited to participate in the Working Group meetings to ensure synergy and coordination from the design stage.

8. The UDLE has been working with MLD and MHPP since 1987 to strengthen the capacities of the municipalities such as Byas and Siddharthnagar for comprehensive planning to improve the infrastructure. The project provides for several inter-linked activities to build capacities of the municipalities to plan and manage urban development. These are: (i) Municipal Organization Development and Administration (MODA); (ii) Financial management ((FiMa); (iii) Integrated Action Planning (IAP); Urban Hygiene

and Environment Education Programs (UHEEP); and (iv) solid Waste management. Other interesting features of the UDLE are support to the Urban Development Training Center (UDTC) in Pokhara and to the Town Development Fund Board (TDFB). The TDFB operates since 1988 as a semi-autonomous financial intermediary in the role of an urban development Bank. Until June 1996 the World Bank also contributed to the TDFB.

The Country Context

9. Almost 90% of the Nepalese population lives in rural areas. However, urban centers are growing rapidly at a national urbanization rate of 7.2% per annum (one of the highest in the world), particularly in the Terai (plains) region. One unique feature of the small towns in Nepal is their strong rural character with only 10%-20% of the area exhibiting features associated with the classic urban environment. However the increasing pace of urbanization with a swelling population of low income communities living in poor housing with no amenities is a serious emerging problem. The small towns have the opportunity to benefit from the lessons of such urban progression in the Kathmandu valley and in neighboring countries and try to address the problem before it reaches unmanageable proportions.

Project Purpose:

10 There are 49 designated municipalities in Nepal (in general any area with more than 20,000 population and basic urban infrastructure can be declared a municipality). Many municipalities are in fact rural in character. Rapid urbanization of areas has outpaced the provision of basic services, resulting in the emergence of a:

- shortage of drinking water (only 65 percent of the total population has access to safe drinking water);
- lack of sanitary facilities (for example only 20 percent of solid waste is collected and less than 35 percent of households have toilet facilities);
- clogged drainage; and
- haphazard growth.

11. Although services have been provided by respective municipalities and related government agencies, they have been largely inadequate and unsatisfactory. Efforts by the communities to address these issues have been almost non-existent. While municipal structure provides for technical staff, poorly structured municipal finance coupled with inadequate experience in planning and implementing infrastructure projects limit the capacity of the municipalities to provide the services required and address these pressing UES problems.

Project Objectives

12. The SSP pilot project would have two primary objectives: First, the core objective would be to provide sustainable adequate sanitation services to low income urban communities in the two selected towns; and second, to produce evidence of the viability of some innovative ideas to improve the sustainability and effectiveness of investments in urban sanitation.

13. These ideas will be developed through the project, into detailed project rules and subsequently their implementation will be monitored to evaluate (a) their practicality in a project or program context (questions of how to do it), and (b) their impact on both the timely and effective implementation of the project and in the longer term, on the sustainability of the services i.e. whether the rules as implemented promote proper use and adequate operation and maintenance of facilities.

14. Experience suggests that successful infrastructure provision requires:

- demand orientation - in other words, sanitation services should be responsive to the expressed needs of users and their willingness to bear some or all of the costs associated with meeting those needs;
- attention to incentives, particularly those which relate to the sound management of completed facilities;
- a commitment to sound finances;
- a concern with cities as a whole, rather than with discreet projects; a wide view of sanitation which encompasses stormwater drainage, sullage disposal, the disposal of human wastes and solid waste management.
- horizontal unbundling of technologies - in other words, recognition that there are other options than centralized systems serving complete cities.
- unbundling of responsibilities - in other words adopting different institutional arrangements and/or making different organizations, institutions, groups and individuals responsible for the supply of services:
 - at the household, neighborhood and city-wide levels (vertical unbundling); and
 - at different locations within the city (horizontal unbundling).
- a small steps approach which sees the provision of sanitation as a process rather than a series of large projects.

All of these elements of sustainable infrastructure development have implications for both the planning and implementation stages of the sanitation pilot project and will be tested.

Target Group

15. For the core objective, low income urban communities in Byas and Siddhartnagar; and for the secondary objective, low income urban communities throughout Nepal through the building of municipal capacity at the local level.

Project Impacts

16. Improved health through improved sanitary conditions, improved effectiveness of municipal finance structures to sustain investments in sanitation infrastructure.

Implementation Team

Phase I (one year)

(a) National Country Officer

17. The Project requires an architect planner or engineer to initially support national level planning activities including workshops and training programs with key staff and community members from the selected municipalities.

(b) Technical Assistance Team

18. The consultancy team for preparation of the sanitation plans would consist of three professional staff; an engineer, municipal finance specialist and institutional/ community participation specialist. This team will work with the municipalities in their planning activities. Essentially the team will be absorbed by the municipality and work within the existing municipal structure to help evaluate the needs and potentials of each town to provide sustainable sanitary infrastructure. This will include both technical and organizational analysis and an evaluation of the long term growth and development prospects for the town. The project would also provide logistical support to assist the municipality in its planning (i.e. funds for surveying and mapping equipment, computers etc.)

Phase Two (One Year)

19. In the second phase there will be inputs from a team of two; an engineer or architect-planner and a monitoring and evaluation specialist. This team will assist the municipality to implement the plans identified in Phase I

Methodology

20. The starting point for a sanitation pilot project would be the preparation of a plan for sanitation in the selected towns, taking into account the needs and demands of the low income communities but also looking at the wider sanitation networks of the town, so that investments in community level services are not isolated from the existing infrastructure. The preparation of the plan would include the development of proposals for funding of specific pilot activities in identified areas. These would be developed into proposals for local financing (through the private sector, national finance institutions, community financing etc.). Where major trunk level deficiencies are identified proposals for major investment from other donor sources may also be a possibility. This approach, which takes into account local funding availability, helps to promote the independence and integrity of town level government, and its role in planning and facilitating the provision of services.

Implementation Plan

21. To initiate the sanitation pilot a series of activities are planned;

Phase I (One Year)

- Development of interest at the national level (workshop/seminars/meetings) and identification of willing Town level government partners.
- Design the Pilot with the Partners :
 - identify other partners (financial bodies, community groups etc.);
 - decide on cost sharing arrangements, institutional responsibilities etc.; and
- Preparation of sanitation plans for 2 towns and financing proposals

Phase II (One Year)

- Implementation of the pilot (planning and construction at selected localities)
- Documentation and dissemination of experience

Coordination with Other Projects

22. The obvious axis for coordination is with the GTZ funded UDLE (Urban Development Through Local Efforts) program which supports municipalities in Nepal to plan and finance infrastructure. Financing arrangements for investments in sanitation would be set up through standard UDLE procedures and any sanitation planning would be coordinated with the UDLE planning team who provide support for wider programmatic planning at municipal level. Coordination and support would also be provided through the Regional Water and Sanitation Group with parallel projects planned and under implementation in Pakistan, India and Bangladesh.

B. Learning from Implementation of the NRWSSFB Project

23. The RWSG-SA was responsible for implementation of the JAKPAS (Janata Ko Khane Pani Ra Safai Karyakaram/ Peoples' Water and Sanitation Program) pilot project

that ran for 39 months and tested alternate service delivery options for RWSS in partnership with the people assisted by NGOs/CBOs and the private sector. The pilot was a precursor to the establishment of the NRWSSFB project that became effective with a \$18m IDA credit in July 1996. The Regional Group has prepared a comprehensive Project Completion Report that documents the lessons from the pilot. The Group would now like to examine the implementation experiences after one year of implementation and possibly in the future at the Mid Term and final conclusion of the project. The longitudinal Systematic Learning exercise is expected to contribute both to project efficiency and to assessing the replicability of a different institutional arrangement for service delivery for RWSS.

24. The above exercise is part of a initiative by the Program to do a comparative analysis of lessons from innovative projects around the world and recommend best practices. For purposes of the Study, the Program/RWSG-SA has developed an analytical framework that focuses on four selected themes: Selection/Eligibility Criteria, Cost Sharing Arrangements, Service/Technology Options and Management at the Lowest Appropriate Level. These are based on key principles generated out of the WSS Decade and are considered to contribute to sustainability of investments in WSS. It will be particularly interesting to see to what extent piloting contributes to better design and implementation of investments.

Dialogue with SAARC

25. We have initiated a dialogue with the SAARC Secretariat in Kathmandu including meetings with Mr. Naeem U. Hasan, Secretary General and two Directors Mr. Ashok Attri (India) and Mr. Liaquat Ali Choudry (Bangladesh). We have also familiarized ourselves with the mandate, functioning and collaborative mechanisms. The response to our initiatives has been encouraging.

Terms of Reference

Position Title

National Country Officer

Reports To (Position Title)

Regional Manager, UNDP/WB Water and Sanitation Program - Regional Water and Sanitation Group for South Asia

Name of Present Supervisor

Dr Robert A Boydell

Purpose of Position : Overall the position supports the role of the UNDP-World Bank Water and Sanitation Program (Program) in Nepal. The incumbent will be responsible to establish a Country Office and develop and implement the Nepal Workplan, in particular the Pilot Project for Strategic Sanitation Planning for Byas and Siddhartnagar, in close collaboration of HMG, UNDP, WB RMN and other multi-lateral and bilateral ESAs. The NCO will lead a multi-disciplinary team of short term consultants and be responsible for all activities of the Program in Nepal, as well as contribute to the intellectual capacity of the Regional Team.

Duties and Responsibilities of Position**A. Operations Responsibilities :**

- establish and advance the role of the RWSG-SA in Nepal

- Provide intellectual leadership and guidance and be responsible to prepare and implement the Work Plan for the Program activities in Nepal
- establish contacts with the Government and project entities at the highest level to facilitate processing and implementation of on-going projects; and,
- liaise with and advise the government (senior most bureaucrats), appropriate World Bank divisions and World Bank Resident Mission in Nepal (RMN), UNDP, UNICEF, and bilateral partners on sectoral and cross-cutting issues relating to policy, institutional, strategy and project implementation, including complex issues needing in-depth analysis and solutions;
- facilitate the Program's understanding of the complexities of an evolving political and socio-cultural milieu by monitoring developments and providing local insights;
- be in the forefront of developing sector policies and strategies in conjunction with the HMG, focusing on community based participatory approaches; and advise government of play the role of a facilitator rather than implemented as envisaged in the Eighth Plan ;
- participate in the Program's regional and international networks and provide intellectual & operational support and comments to Program's activities;
- be responsible for documentation and dissemination of experiences/lessons learned in Nepal in particular and the Region in general;
- Coordinate and integrate inputs from the Regional and Headquarters teams; and,
- where the Program is involved in Bank-assisted projects, the incumbent will provide with local expertise to enable it, in a cost effective manner, share responsibility with Headquarters in undertaking sector work activities, and in identifying, preparing appraising and supervising rural water supply and sanitation projects;
- prepare regular reports showing progress and recommending future actions.

Administrative and Budgetary Responsibilities :

- administration of the operations in Nepal; and
- preparation of the annual budgets for Nepal and management of the same.

Level of Contacts

The position requires contacts on policy matters with the senior-most hierarchy in the government and partner ESAs and Regional Organizations

Level of Difficulty of Assigned Duties :

Tasks	Nature of Complexity	Level of Responsibility Exercised
Advancing the role of the Group in RWSS sector and cross-sector development activities in Nepal. This will include independently developing, reviewing and supervising the work keeping in view the objectives of the Program.	<p>Identifying activities for and preparing annual work plans which caters to the demands of the fast changing environment of the sector within the overall objectives of the program</p> <p>Identification of real issues through analysis of a broad range of problems and constraints</p>	<p>Extensive contact with other agencies/organizations involved in the sector to issues and solutions</p> <p>Extensive and intensive multilevel meetings and exchange ideas and accumulate data</p> <p>Managing and coordinating field studies</p> <p>Negotiating with the government on major policy issues having long-term consequences</p>
Liaisoning with and advising the government, appropriate World Bank divisions and World Bank Resident Mission in Nepal (RMN), and bilateral and multilateral agencies on sectoral and cross-cutting issues relating to policy, institutional, strategy and project implementation, including complex issues needing in-depth analysis and solutions;	<p>Interacting with MLD, MHPP & Municipalities</p> <p>Coordinating sectoral and cross-cutting issues with a host of agencies & professionals involved in the sector and striving for consensus</p> <p>Complex nature of issues relating to beneficiary ownership of services instead of traditional service delivery practices</p>	<p>Taking the main role in coordinating the plethora of issues in the sector and working toward available solutions and strategies</p> <p>Strategic supervision of projects and programs in the sector</p> <p>Continuously advocating participatory development and beneficiary ownership as a means for sustainable</p>

		development
Be responsible for documentation & dissemination of experiences/lessons learned in Nepal in particular	Community participating being a relatively new phenomenon for the government, a variety of opportunities for documenting successes and failures are in the formal & informal systems which have to be documented and disseminated	Documenting experiences or conducting specific studies with the objective to disseminate for the benefit of planners and project designers

Supervisory Controls :

(i). Assignments to the incumbent are made by the Regional Manager, UNDP/WB Water and Sanitation Program - Regional Water and Sanitation Group for South Asia, on the basis of the self-prepared work program and overall Nepal Work Plan and in consultation with the Government, appropriate World Bank divisions and World Bank Resident Mission in Nepal. Terms of Reference of tasks are prepared by the incumbent. No detailed instructions are issued. All work is self managed and priorities and deadlines follow the agreed work program under broad guidelines and little supervision.

(ii) Work in progress is routinely discussed with the Regional Manager and staff at RWSG-SA. The finished products receive the usual overall review and accordingly get finalized or incorporated into main reports.

Supervisory Responsibilities

- Professional positions directly supervised:

Consultant (as required) Short-term

support staff Three/four

Skills and Knowledge Required :

Advanced University Degree (Master Degree) in Environmental Engineering, Social Sciences

Minimum 10-15 years of experience in Water Supply and Sanitation and/or Rural/Urban Development with extensive knowledge, grasp and understanding of project formulation, negotiation and resource mobilization; sectoral and cross-sectoral issues; and management of personnel, administration and budgetary management skills.

Good knowledge of Nepal/HMGs policies, administrative practices and procedures.

Proficiency in languages :

English - read and speak fluently, and write proficiently
Nepali - read and speak fluently

Excellent interpersonal skills and ability to work in an inter-disciplinary regional team and conduct extensive interactions with senior staff in Headquarters, Region, RMN and other bilateral and multilateral agencies and high ranking government officials.

Extensive knowledge of project related regulations i.e., Bank's rules and guidelines etc.

Extensive knowledge of usage of computers for the purposes of preparing documents, presentation

Other factors :

The incumbent is invited by senior-most government circles and project entities from time to time for consultation and assistance on policy, as well as project related issues.

The incumbent is invited as a lead resource person in seminars, workshops etc.

The incumbent assists in formulating and presenting the Bank's viewpoint in periodic joint Bank-Government project and program review meeting.

THE
RURAL WATER SUPPLY AND SANITATION
FUND BOARD
STRATEGY PAPER ON MONITORING AND EVALUATION

Prepared by:

M&E Support Team, RWSG-SA
in consultation with
JAKPAS

June 22, 1995

RURAL WATER SUPPLY AND SANITATION FUND BOARD:
STRATEGY PAPER ON MONITORING AND EVALUATION

I. INTRODUCTION

1. The mission was carried out between May 7 and June 20, 1995, in the form of repeated visits to JAKPAS and in close conjunction and coordination with those of Rekha Dayal, Regional Program Adviser of RWSG/SA. Its purpose was (a) to assess the prevailing information system at JAKPAS, and (b) to assist the JAKPAS team in further developing it against the requirement of JAKPAS as well as of the proposed Fund Board. Apart from scrutinising the existing formats and corresponding files, a series of intensive discussions were held with the JAKPAS team. The mission also included a brief field visits to review approaches and instruments. The TOR for the mission is found in Appendix I.

2. Most of the review and subsequent consolidation of the proposed strategy was carried out jointly with the JAKPAS staff. Various drafts on the issues raised in this report were circulated for comments and the outcome of the mission should therefore in a very real sense be seen as a joint product, in keeping with the role of RWSG-SA as a facilitating support unit. It should be stressed that the calibre, commitment, and operational experience of the present JAKPAS management and staff is very high by any standard, a fact that considerably facilitated the task at hand.

3. An extensive review and discussion of the existing formats and information points is found in Appendix II. In addition, the following appendices are attached as elaborations of specific points:

- Draft Protocol for Impact Monitoring (III)
- Guidelines for Post-Implementation Reports (IV)
- Proposed Table of Contents and structure of the Fund Board 'Manual for M&E' (V)
- Organisation and management of the Fund Board information system (VI)
- A note on the evaluation of tranche 1 and 2 schemes (VII)

4. As an outcome of the discussions held with the JAKPAS team it was agreed that they would undertake a revision of the M&E formats and instruments in consonance with the strategy arrived at. Furthermore, the JAKPAS team would, as part of this work, also finalise the appropriate indicators outlined in the discussions held.

5. In conjunction with this report three related reports were prepared and submitted separately to RWSG-SA:

- Report on Project (Project) Cycle
- Report on Health, Sanitation, and Hygiene (HSH) activities
- Terms of Reference/Guidelines for the Development Phase

BRIEF ANALYSIS OF THE JAKPAS MIS AND M & E EXPERIENCE AND ITS RELEVANCE FOR THE FUND BOARD

6. The present approach to MIS and M&E in JAKPAS is marked by the fact that JAKPAS itself represents an exploratory mobilisation phase towards the proposed Fund Board. Consequently there is no lack of information as such, but it is disjointed and point specific with few possibilities to gain an overview. This is readily agreed to by the JAKPAS team, and considerable time was spent on exploring both the conceptual foundations and the core structure of an overall information system satisfying the role of JAKPAS as well as that of the Fund Board.

7. It should be stressed that the somewhat unsystematic information currently available forms a very good base on which to assess not only the achievements (and shortfalls) of JAKPAS itself. It also provides, together with the operational experience gained over three years, a basis for the necessary revisions and further development of the proposed M&E system for the Fund Board (e.g. of the approach outlined in DAN's report as well as the draft Manual for M&E by J.Pfohl).

8. It goes without saying that a review of the information system of an undertaking like JAKPAS also raises issues about the viability and objectives of the operations reflected in the information. This was particularly so with respect to the overriding purpose of JAKPAS (as well as the proposed Fund Board) of making room for, if not actively facilitating, community management. A systematic review of the MIS highlighted the very limited openings for communities to share in actual decision-making, and therefore to also being accorded rights and responsibilities (rather than compliance). To a large extent this can be attributed to the deployment of SARAR and similar participatory tools to the virtual exclusion of concrete and more tangible management provisions, particularly during the initial launching period of the JAKPAS. However valuable such tools are as dialogue and interactive instruments they are likely to fail if not backed up by concrete measures, particularly in the vital area of control over funds or financial management.

9. One of the major problems encountered in designing an appropriate information system was the somewhat ambiguous roles having been accorded to the JAKPAS and the Fund Board, including the relation between the two. This ambiguity has been further compounded by the number of actors involved in the formulation of the Fund Board/Programme itself: JAKPAS, DAN, IDA/SA2 (Washington), RWSG-SA (Delhi), and HMG (which in itself comprises different stakeholders).¹ However, it goes without saying that no information system can be designed if the role and purpose of the main activities are not clearly understood.

¹ In fact, an important analysis that should be undertaken as apart of the 'strategic learning' process mooted by the RWSG is an assessment of the formulation process itself - who, how, when, and why different individuals/bodies got involved in the mobilisation of experience and knowhow. As has been stressed also by the World Bank, of critical importance is not so much the resources finally put together in the implementation of a water supply programme, but how they were mobilised. This applies not only to financial resources but also to professional knowhow and experience.

10. From the experience so far it appears most relevant to define JAKPAS as a mobilisation phase with the following broad purposes:

- to explore an institutional framework that would imply a more effective and varied resource mobilisation (financial, organisational, technical/professional) for RWSS than the present supply driven and departmentally executed programme;
- to develop the instruments and procedures that would sustain the proposed Fund Board

11. Similarly, the overriding objective of the proposed Fund Board, and consequently the yardstick against which JAKPAS' efforts and proposed instruments and procedures should be assessed, is to promote community/user management of water supply as well sanitation and hygiene.

12. The overall role of the Fund Board can broadly be said to be to

- respond to requests from communities, directly or via SOs, for assistance in the RWSS sector and to make available such assistance on the basis of sound economic, financial, and technical criteria
- ensure that such assistance is both cost effective and of required quality
- continuously assess and facilitate active user management

13. In terms of the information system this means that the focus must be on the institutional framework, in this case on whether or not the procedures, criteria, and instruments which govern the relations between the JAKPAS, the SAs, the SOs and the communities actually lead to an effective deployment of resources that over the project cycle are increasingly managed by the communities/users rather than the JAKPAS or the SA/SOs. It also means that the information requirement covers, to varying degrees, the entire project cycle. At the same time the information requirements of the Fund Board are less extensive than that of JAKPAS and more strategically focused on (a) the quality of the product/output, (b) the nature of community management, and (c) the risks inherent in allowing for a necessary level of freedom and flexibility of the various actors engaged in the programme (SAs, SOs, WUCs).

14. A conscious risk-taking, and corresponding necessity to accept 'failures' both at the SO and the community level, must be regarded as a defining characteristic of the proposed Fund Board. As such it is not dissimilar to the many SSI programmes supported by IDA, programmes that because they try to sponsor entrepreneurship (in this case community entrepreneurship) also have to accept failures or bankruptcies as one necessary (and not necessarily negative) indicator of dynamic performance. In this connection JAKPAS' role would be develop instruments that would enable the Fund Board to assess the risks involved, including highlighting the danger of creating a new straitjacketing programme to replace the old one.

15. MIS and M&E is not only a question of gathering information on relevant issues. Even more important is for whom and to where. In other words the location and ownership of information generated at the instance of JAKPAS, is as important as the actual content of the information. Seen from the viewpoint of community project/scheme management as also being a question of community

information management. In particular, there is absolutely no reason why information generated by and for the community - information on Healthy Homes, community mapping and time studies carried out as part of the SARAR approach - should not be retained locally, or at the most with the SO in question, rather than at the JAKPAS office.² Similarly, records on progress of activities, such as field reports from visits by the SHH and CAP supervisors or even sheer time records of such visits, are virtually absent at the SO level (and unknown at the WUC level). The limited information available on Projects relates primarily to contracts and procurement.

16. The M&E system as it exists today is linked to the above MIS both in terms of 'compliance monitoring' with contracts as its main point of reference, 'development monitoring' focussing on the perceptions of the users of the services and facilities provided. Of these the compliance monitoring has received far greater attention by JAKPAS rather than on delegating responsibility and encouraging initiatives. To a certain extent this a natural concern given the fact that at the initial phase (i.e. tranche one) selection criteria were not clearly defined, and the pilot project was under pressure to get something on the ground. All this necessitated a need for tightening up the relations with SOs as well as follow up of intended activities. The focus on compliance monitoring was reinforced by the points raised by the various IDA supervision missions. It is critical therefore that the overall monitoring system for the Fund Board reflects its purpose and objectives more than its prescriptions or directives. Follow-up on progress of the non engineering inputs was found to be particularly fluid in the absence of reliable monitoring information.

17. An overall assessment of the information system as it exists within JAKPAS today is
- that most of the information required for an adequate MIS & M&E is in the process of being collected (or has already been collected)
 - the system is somewhat disjointed and strong on specific points but weak as an overall tool for operational management as well as for policy-review or -revision
 - neither the MIS nor the M&E system adequately reflect, or lend support to, the main objective of the proposed Fund Board: to facilitate and promote community management of integrated water supply and sanitation services
 - with some revisions of the existing formats and procedures, and systematisation of their interrelations and use, a viable and adequate system for M&E can be put in place

PROPOSED STRATEGY FOR MONITORING AND EVALUATION

18. In setting up the overall information system to guide the RWSSP Board it is of vital importance to stress that the Fund Board is not a traditional project. In other words it is not an executing agency or organization but one that is set up to make available the resources, inputs and know how to communities to improve their water supply, sanitation and related health situation. It has to be

² Leaving aside the management and ethical issues involved, there are also strong methodological reasons why such data are inherently meaningless at a programme management level. See Appendix VIII.

recognized that there are inherent differences between a testing and operational activity. The information system must therefore reflect the fact that it is not the Fund Board that is responsible for the execution of the work, a responsibility which falls on the community itself or those organisations that the Fund Board contracts to provide the necessary supporting services. This is the main differences between JAKPAS and the Fund Board

19. The information system should also reflect the fact that from a Fund Board point of view this implies a risk when compared to the normal project framework: the Fund Board does not control or cannot assume management responsibilities for field operations, the responsibility for which must be assumed by independent Support Organisations and the communities themselves. Given the conditions prevailing in Nepal an important demand on the information system is therefore to be able to assess that risk and to make such an assessment the basis for decisions to go ahead with any specific (scheme) project.

20. The very thrust of the information system must finally reflect that fact that the ultimate objective is to enable the communities themselves to take decisions on matters effecting their own water supply and sanitation conditions, not as beneficiaries but as clients and managers. While initially the capacity of the communities may vary and in many ways be limited in this respect, an information system that does not reflect or lend to support to this objective will ultimately only reinforce an externally and supply driven water supply and sanitation sector.

Management Information System (MIS) and Monitoring and Evaluation (M&E)

21. Monitoring and Evaluation is a part of the overall managerial processes for the RWSS Fund Board. In broad terms any information System can be divided into two mutually interactive components, the MIS and the M&E.

Management Information System (MIS).

22. Basically this is the information flow that directly feeds into operational decisions within a given set of rules, instruments, and procedures. As such it often takes the form of checks, of yes/no informations, on whether or not a particular scrutiny or assessment has been done by the responsible professional staff prior to taking a decision. It is informations that once used is seldom retrieved or used again and should therefore be 'archived' and not be retained to clutter the information system. In short, MIS represents the information directly related to management decision making and the concern is not so much with the content per se but that it is available, reliable and timely. Consequently once it has served the purpose of decision making it has no further use at the Fund Board level. For example, whether or not a project put up for approval by the JAKPAS/Fund Board has been subjected to the checks and scrutinies laid down, and by the relevant executive, is a type of information that forms an integral part of MIS. Similarly, information on the lead time of

decisions/activities to be undertaken by the JAKPAS/Fund Board itself (e.g. period between receipt of proposal to decision on approval or rejection, including engagement of SA for appraisal) forms part of the MIS. In other words, information relating to actions or decisions by the management of an organisation (as distinct from decisions or activities of other parties such as SOs or communities/WUCs) are vital for enhancing the performance.

Monitoring and Evaluation (M & E)

23. Basically this deals with information that is required to assess whether or not the instruments, procedures (or staff composition) need to be revised. Most often this is based on assessment of the nature, quality, and impact of the outputs and should enable an identification of where changes are required in the 'delivery system'. It keeps track of ongoing activities, milestones achieved, personnel matters, supplies and equipment, and money spent in relation to budget allocated. Monitoring and evaluation is not a decision making but a performance and impact improvement and a compliance tool. It helps measure the magnitude and direction of change. It is analytical and examines delays in relation to objectives.

24. A basic characteristic of MIS is that it provides information on performance within the given set of rules and procedures. It should not be confused with information that assesses the fallout or results of these procedures or questions the purpose and direction of activities generated by them. The latter is the core of monitoring, a type of information system that is structured with the specific purpose of providing a perspective on the utility, direction, and impact of the activities undertaken.

25. While routine monitoring is carried out for day to day follow-up of an activity during implementation to ensure that operations are proceeding as planned and are on schedule, evaluation is the long term learning process from operational experiences. The information for M & E should be easily retrievable and systematically analysed and revised periodically.

26. Although the two components frequently do and must overlap in terms of their contents, the way the information is collected, treated, where and how it is to be stored, and for whom it is intended are quite different.

Management Information System for the Fund Board

27. This section describes the MIS system, of which monitoring and evaluation is an integral part. In terms of the information system the requirements of the Fund Board are logically less extensive than that of JAKPAS; and more strategically focused on: (a) the quality of the product/output, (b) the nature of community management, and (c) the risks inherent in allowing for a necessary level of freedom and flexibility of the various actors engaged in the programme including SAs, SOs, WUCs.

28. The key information points and instruments are discussed within the framework of the three phases of the Project cycle. Each of the information points are discussed in detail in Appendix I, along with an assessment of its relevance, its likely validity, its use, and the implications for its storage and

accessibility. The purpose of such a review is not only to provide a manual, but equally important to indicate the pitfalls and risks that are, and in many cases must be, associated with the decisions that the information is intended to facilitate.

29. Pre-development phase

The *purpose* of the Pre-development Phase is to:

- mobilise and assess proposals from communities/SOs for specific projects
- assess and mobilise the professional inputs required to process the proposals and provide necessary support
- arrange for an interactive (community/SO/SA) process whereby a viable and locally entrenched project proposal can be developed.

The *role* of the respective parties during this phase is

- **Fund Board:** to assess, the quality of the proposing parties in terms of the overall aims and objectives of the Fund Board, including an assessment of the proposed site
- **SO:** to assist the communities to forward a request for assistance from the Fund Board; to familiarise itself, and explain to the communities, the policies and criteria of the Fund Board
- **Communities:** to discuss with the SO and endorse the initial proposal forwarded to the Fund Board,

The main thrust of the *information system* during this phase is:

A. **The MIS system:** to provide a basis for decision-making on:

- SO selection
- capacity formation (training, quality promotion)
- preliminary Project/project selection

B. **The M&E system:** to provide benchmark assessment on SO characteristics and competency.

30. Development Phase.

The *purpose* of the Development Phase is to:

- generate a concrete Project Implementation proposal.

The SO and the community should ensure that all activities and salient features of the proposal are known to all households effected by the proposed project, including provisions for HS improvements and educational/awareness creating activities. More specifically, the responsibility of the SO is to: (a) facilitate community discussions and endorsements of the proposal, through such

means as SARAAR methodologies etc; (b) facilitate the formation of a WUC; and (c) ensure the technical soundness of the community proposal. The responsibility of the community /WUC is to: (a) ensure that all households are aware of the issues underlying the proposed project, including its operational outline; (b) evolve an O&M plan with responsibilities and provisions similarly known to all households; (c) keep track of the inputs and services provided by the SO; (d) formally endorse the proposal finalised with the assistance of the SO and submit it to the RWSS Fund Board for consideration.

The *roles* of the various parties during this phase are:

- **The Fund Board:** provide financial assistance as agreed upon; undertake supporting and monitoring site visits; ensure that WUC actively follows and participates in the process leading up to the Implementation proposal; assess the final proposal;
- **The SO:** undertake the required project preparation activities ; facilitate and promote an increasing community involvement; assist the community in establishing the required level of management for engaging in construction, operation and maintenance of the proposed Project; assist the WUC in technical specifications of the proposed project.
- **Community/WUC:** collect cash contribution as per agreement, under the guidance and support of the SO ensure that all households are aware of the salient features of the proposed Project, including its quality parameters and O&M plan; maintain records of the SARAAR investigations as well as services provided by the SO; endorse the final payment to the SO, as recommended by the Fund Board.

The main thrust of the *information system* during this phase is:

The MIS:

- to provide information on active community involvement in decisions regarding: (a) project specification; and (b) SO services.
- to provide a basis for payment to SOs

The M&E:

- to assess the relative role of SO and community/WUC in project preparation
- to assess the extent to which the proposal is entrenched in and known to the community

31. Implementation Phase

The *purpose* of the Implementation Phase is to:

- provide such hardware and software assistance to the community as has been agreed to in the Project Implementation Phase contract
- progressively increase the capacity and involvement of communities as clients

- and managers of the services provided as well as of the assets created ensure that a requisite awareness of, and involvement in, quality control is generated in the community

The *role* of the respective parties during this phase is:

WUC/community: to act clients in the construction of the water supply Project; to coordinate the activities and inputs of the community; to disseminate all relevant information regarding the project implementation to the community; to maintain transparent accounts of all Fund Boards related to project construction, O&M, sanitation etc. entrusted to the WUC by the Fund Board or the community

SOs: to act as professional advisor and supervisor during the construction of WS Project; to facilitate and promote awareness of the project activities throughout the community; to transfer such managerial and technical knowhow to the WUC as would enable an effective local management of the facilities and assets created

SAs: to ensure the requisite level of technical assessment and follow up on behalf of the Fund Board; to undertake training of nominated WUC members in quality control and asset/Project management

Fund Board: to monitor overall programme and project momentum; to release financial assistance to WUC and SO as per payment schedules and performance assessments laid down in the contract; to make available to the WUC through the SO such methodological tools and instruments as agreed as per the contract; to jointly with the WUC and the SO prepare a Contract Completion Report.

The main thrust of the *information system* of the Fund Board during this phase is:

- to provide a basis for efficient and responsive decision-making at the Fund Board level with respect to the project cycle as a whole
- to ensure mutual compliance of all parties with the Implementation Phase Contract
- to assess the efficiency and direction of the institutional momentum (WUC, SO, SA, and the Fund Board) against the objectives laid down for the programme as a whole.

Guiding Principles for M & E

32. An effective M & E system needs to be well thought out and built around the "what, why, and who collects and who uses" principles. It should be open minded and capable of using constructive criticism and be willing to communicate freely with participating stakeholders. Consequently, well organized reporting with effective feed back and dissemination mechanism is central to the design of the M & E system. It is critical that valid information is readily available and provided to all who need it, at different organizational levels.

33. The thrust of the information system must similarly reflect the fact that the ultimate objective is to enable the communities themselves to take decisions on matters effecting their own water supply

and sanitation conditions, not as beneficiaries but as clients and managers. While initially the capacity of the communities may vary and in many ways be limited in this respect, an information system that does not reflect or lend to support to this objective will ultimately only reinforce an externally and supply driven water supply and sanitation sector.

34. A final critical aspect of the M&E system, particularly in relation to the purpose and objectives of the Fund Board, is that the information generated is stored with the appropriate actors. Responsibility for, access to, and ownership of information are key ingredients in any affective management. Insofar as management is to be established and promoted at the community level this is also therefore the level to which the maximum project (scheme) level information generated should go.

Objectives of M & E

35. The system aims to monitor and evaluate:

- (a) the quality of both technical and social development product and output;
- (b) the nature of community management, as evident from the process and extent to which communities themselves take decisions on matters effecting their water supply and sanitation conditions, not as beneficiaries but as clients and managers.
- (c) the risks inherent in allowing for a necessary level of freedom and flexibility of the various actors (SOs, SAs, CBOs, WUCs) This implies that the focus must be on the institutional framework, in this case whether or not the procedures, criteria, and instruments which govern the relations between the Fund Board, the SAs and the SOs and the communities actually lead to an effective deployment of resources that over the project cycle are increasingly managed by the communities/users rather than the Fund Board or the SA/SOs.

Components of M&E

36. A comprehensive M & E system is proposed for the Fund Board with five elements/types of monitoring with specific objectives: (i) *Compliance Monitoring* with contracts as its main point of reference; (ii) *Development Monitoring* focusing on how the quality and thrust of the services provided progress over time; (iii) *Community Monitoring* focusing on the perceptions of the community/users/WUC of the services and facilities provided. These are all directly related to the MIS system with which it shares the basic information points. In addition to these there are two other components of monitoring that require their own approach and information flows: (iv) *Impact Monitoring* which attempts to assess the changes generated by the activities/inputs/services in terms of the long term objectives of the Fund Board; and finally (v) *Strategic Monitoring*, which is geared to documenting, disseminating and using 'lessons learnt' within the Fund Board and outside - for further policy revisions and formulations as well as for incorporating lessons from elsewhere.

(i) Compliance Monitoring

37. There are three basic aspects that this should deal with: (a) financial, opening up towards ensuring cost effectiveness, including cutting 'leakages'; (b) performance, related to activities; and (c) quality control of outputs.

38. Although they are closely linked with the MIS (e.g. the decisions on releasing payments to SOs in any given instance), the overall profile and performance of the participating SOs (and communities) is the concern of the M&E. It is of vital importance for the Fund Board to maintain an overview of the reliability of the 'delivery system' activated through contractual arrangements with, and mobilisation of, an array of non-government bodies.

39. However, there is a degree of uncertainty about what constitutes the required level of compliance (and compliance with what/whom) when one moves from one stakeholder to the other. For example, in most of the stipulated social development activities performance monitoring is made difficult because of the vagueness of the activities themselves, including the outputs. Of primary importance here is (a) who defines the activities and their specific outputs (if the Fund Board is the only party that prescribes these, SOs and communities are reduced to extension agents of the Fund Board rather than independent partners or clients in the overall programme); and (b) what are the indicators against which performance is assessed.

40. With quality control the situation becomes even more fluid. Not only are criteria and indicators difficult to set, for hardware as well as software; but more critical question is that of who sets the quality criteria and/or who carries out the quality control. In other words, who decides whether specifications or expectations have been met. In a very real sense these questions determine who is the final client. To the extent that the answer is the Fund Board it also takes on the responsibilities and role of the client, with communities remaining beneficiaries rather than turning into owners/users.

41. In the Fund Board system of compliance monitoring the main instruments are the 'payment visits'. It is during these visits (and possible follow up visits by a specialist SA) that performance, quality control and partly also the financial statements submitted by the SO/WUC are verified by way of different monitoring forms to be filled by the Fund Board representative and 'discussed' with the SO and WUC³. However, being the primary monitoring instruments during the Project Cycle they are blunt instruments for assessing anything beyond compliance with Fund Board stipulations. And even within that limited perspective, they are not very effective instruments for follow-up on financial compliance. While they will be retained with suitable modifications there is a need to further develop the other compliance tools.

³ It was agreed with the JAKPAS team that the monitoring forms currently in use for these visits would be drastically revised, to be more heavily geared to monitoring SO-WUC interactions as well as user level awareness than on physical activities as such.

On Financial Compliance:⁴

42. The way by which the Fund Board is to maintain a measure of financial control over disbursements effected under SO contracts is basically a function of two considerations:

- the level of risk that the Fund Board must accept in order to make room for community and SO initiatives, versus the need to ensure contractual compliance and sound financial management
- the practicality of the measures adopted, both in terms of information value, Fund Board and SO capacity, and relevance

43. As regards the level of acceptable risk it needs to be emphasised that the basic purpose behind the proposed Fund Board is that of assisting a movement of the communities from being recipients and beneficiaries of external support, to being clients and managers of their own water supply and sanitation facilities. The overall thrust of the financial management and control system of the programme facilitated by the Fund Board must reflect this purpose, by (a) avoiding a situation where the SOs (and WUCs) feel themselves, as financially responsible to the Fund Board rather than to the community, for example by having an overly ambitious or tight accountability to the Fund Board; (b) being transparent, simple, and accessible to all stakeholders; and (c) making it possible to assess even the necessary risks on a continuous basis.

44. In evolving a financial follow up and control approach it is equally important that the system reflects, and makes allowance for, the practicalities as they exist in Nepal and/or the relevance of the indicators used for ensuring contractual compliance. For example, procurement is normally preceded by calling for quotations or tenders, depending upon the financial volume involved. The local practice of generating such quotations/ tenders would under conditions of more mature market economies be labelled as rigged, having almost invariably been supplied by one person and/or his network. In such situations it would be a mistake to focus on compliance with formal procurement principles, rather than on quality control and reasonable alignment with going market rates.

45. The role of SO audits as carried out by their own auditors should in this context be used at the point of SO selection as (a) an indicator of administrative (rather than financial) quality of those SOs that wish to participate in the programme, and (b) as a possible indicator of financial management capability. Even so, more pertinent than a full audit report would be a simple statement from the SO's or SA's own auditor that the last, say, three years audits were unqualified. To require the SOs to accept an external Fund Board audit can, and indeed should, be regarded as an unacceptable form of outside interference.

⁴ For financial compliance and follow up it has been suggested by the IDA missions that audited statements from the respective SOs should accompany claims for final (third) payment of each contracted phase. From a purely technical point of view this does not appear as a feasible or meaningful proposition. Audited statements cover by definition the entire financial operations of an organisation, including Fund Boards that have no bearing on the contracts between the SO and the Fund Board. It also relates to a financial year which may coincide badly with the payment claims to Fund Board.

46. In order to assess the risk (in terms of weak or non-existent financial management capacity as well as in terms of 'leakage') it was agreed with JAKPAS that a certified book inspection should be undertaken pertaining to **all funds** received by **all SOs** under contract with JAKPAS for the first and second tranche. This would provide a baseline cum benchmark study which in itself should result in an assessment of the risks involved.⁵

47. Depending upon the outcome of the above study it is suggested that: (a) a limited number of book inspections are carried out on a sample of SOs (and Projects) each year, by a chartered accountant on retainer with the Fund Board; and (b) that timesheets are to accompany the financial claims from the SOs, with WUC required to maintain similar records of community visits of SO staff. The latter is particularly important during the project formulation period/development phase when the very interaction with, and presence among, the community of the SO staff is the primary 'product' that the SO has to deliver. The reconciliation of these time sheets would be one of the concrete verification points of the 'payment visits'.

(ii) Development Monitoring

48. This is the core of the whole monitoring system and its capacity to be continuously respond to its objectives. There are three areas that are of major concern, each related to the overall objectives of the Fund Board itself:

- monitoring the *institutional framework* (in particular the capacity and responsiveness of SOs and their ability to combine support to with disengagement from the community)
- monitoring the nature and quality of *community management*. In overall programme terms this is the one objective that the Fund Board is directly set up to promote, and it is therefore at the heart also of the 'strategic monitoring' or 'structured learning'
- monitoring the *impact* on actual water use management, sanitation, health and hygiene behaviour, and overall quality of life (including possible economic benefits, particularly with respect women)

49. The *institutional framework* monitoring has, by virtue of the prominent role played by them in the overall programme, to be focused on the SOs. The baseline for this is the intake and selection process. While it implies a considerable measure of subjective or discretionary assessment, it is important that each SO engaged by Fund Board is given a ranking along an ordinal scale according to its (a) relation to community management as evidenced by its track record, by its field record, and by its proposed staff; (b) its technical competence in the sector on the same basis, and (c) its management competence. This ranking should form the baseline of each SO, and should be followed up in connection with the Phase Proposals submitted, the Payment Visits, and the strategic monitoring

⁵ The TOR for such an assessment has been prepared by the JAKPAS management and an SA commissioned to carry out the study. The SA has been on a field visit with the JAKPAS M & E staff and Institutional Development consultant to ensure understanding of the field situation while carrying out the study.

(see below). In essence it requires few modifications in the existing formats, except an addition in the formats prepared for the payment visits which should include specific references to SO-community/WUC interactions. The follow up ranking should be undertaken by the respective Portfolio Manager (PM) in consultation with the M&E functionary. The point to stress here is that it is the movement over time along these ordinal scales that are critical, not the absolute or relative value as such. This minimises the distortive aspect of subjective assessments. It goes without saying that these rankings can not be compared over SOs, but over time it should be possible for the Fund Board to state the extent to which there is a positive move in the 'delivery system' as a whole.

50. The nature and quality of the *community management* is partly related to the movement over time of SOs with respect to their relation to communities; it would appear that the less dominant the SO, the more scope for the WUC developing management capacity. More importantly, however, it pertains to the effective use the community and the WUC makes of these openings. Separate indicators, including the 'when' and 'by whom' need to be developed, using basically the same opportunities provided through the 'payment visits'. In this connection there may be a need for recognising a difference between 'construction management' and 'asset management', as these in an environment like Nepal tend to relate to different interest and to different stakeholders, even within the communities. For example, construction is associated both with the pulling power (frequently politically defined or claimed) of particular individuals or groups with aspirations for leadership as such. And it certainly invites economic interests as it involves sizeable cash flows. Asset formation devolves frequently around a different set of people (users), primarily women for whom a working Project represents a vital interest which is not primarily politically or economically defined.

51. The final assessment of the community management should be undertaken through specific post-implementation visits, only focusing on community management as such. These should be undertaken on a sample basis (at least one Project for each SO) and should be carried out (a) at the completion of the involvement of Fund Board (i.e. after the third payment of the Implementation Phase, and (b) one year later. It is important that the last one is undertaken as it can safely be assumed that community management has not had time settle beyond the somewhat artificial creation of WUCs charged essentially with construction management. An outline of such reports are enclosed in Annex....

52. It is strongly recommended that the responsibility for continued assessment of community management as outlined above is with a responsible agency, with the relevant expertise, outside the Fund Board.⁶ Such assessments, to be useful, require considerable experience and objectivity if they are to yield insights for the programme as a whole, and not only on the particular Projects visited. It would be unfair to expect the operational executives at the Fund Board (PMs or contracted core SAs) to have that kind of experience, time, or capacity to distance themselves from their own 'products'.

53. With respect to '*performance monitoring*' two issues are critical. First, in a programme like JAKPAS (and even more for the Fund Board) it is important that as much of the rationale behind and

⁶RWSG-SA would be an effective option as this is an area where the RWSG has a direct interest and where a direct involvement would enhance the overall programmatic objective.

specification of the activities is defined by the party responsible for the execution of the Project. In other words, the Fund Board should require that the SOs applying to participate, should in their proposals provide not the general objectives of JAKPAS/Fund Board but the specific objectives of the community project; including the social development activities. For example, by reflecting the specific characteristics of the community and its environment. The Fund Board objectives should be seen as overall guidelines rather than as objectives that can be monitored Project by Project. If this is not done there is a danger that the intended mobilisation of resources, know-how, and initiative does not take place, and the whole venture becomes one of prescriptive contractors driven by the Fund Board. These specific objectives should be referred to in the contract and it is against these that compliance should be monitored. For the Implementation phase the WUC/Community is already required to do this in the form of 'Agree-to-do' endorsements forming part of the Joint SO/WUC Implementation Phase proposal.

54. Secondly, the performance indicators need to be defined even with respect to the generalised activities outlined by JAKPAS, particularly with respect to social development activities to support use of the demand responsive approach. One such indicator has already been referred to, namely that of 'time spent by SO staff in the community'. In many ways this is a core indicator as the very presence is a prerequisite for the interaction.

55. Finally, with respect to the *quality monitoring* (or 'quality control'), it is stressed that the important thing is that this must be related to the notion of 'client'. Assuming that the Fund Board is not the client (JAKPAS has for obvious reasons to assume a large part of client responsibility as being a testing phase), the quality of the services provided to the client must be part of Fund Board's responsibility. Such an assessment is currently done at the time of the SO intake, site appraisal, and 'payment visits'. Quality control of the output, including the actual quality control during implementation and construction, must however leave room for active community follow up. It is imperative that the WUC is provided information on and specifically asked to take an active interest in, the essential and critical works that will determine the durability of construction (e.g. joints, cement/sand ratio, etc.). As construction managers the WUC should also be required to record their 'supervisory' comments in the WUC minutes, as part of the 'Agreed to do' endorsements.

(iii) **Community monitoring**

56. Initially this was given great emphasis in JAKPAS almost to the exclusion of other monitoring approaches and needs. The concrete expression of this is the three processes of Healthy Home Survey, Community Mapping, and Time Studies. Apart from their value as activating dialogue instruments, of the three, the first one has been posited as a baseline for impact monitoring, the second and third are also inputs to design and decision-making where the JAKPAS/Fund Board has been defined as one of the consumers of the information.

57. Without going into the debate surrounding participatory versus other methods of monitoring processes and impacts at the community level, the value of the three instruments are no doubt considerable. However, that value is determined to a great extent by two considerations: for whom are they undertaken, and who is to use the information. In the present practice of JAKPAS there is a

curious paradox coming out as the information gathered, ostensibly through participation, is retained by JAKPAS centrally. By definition participatory monitoring only makes sense if the result are retained by, and hopefully revisited by, the community itself. Secondly, it should also be emphasised that participatory generated information is not only highly context specific. Its validity is similarly determined by the context, i.e. it relates to the perceptions of the community members rather than to externally defined or objective truths. If taken out of the context their relevance is uncertain, this is in fact the reason that externally generated information processes such as sample surveys are considered contextually blind and frequently irrelevant from a process point of view. Thirdly, because they are gathered by a large number of different actors with little uniformity, they are in principle very difficult to aggregate or use in a comparative sense over Projects or over time.

58. Because of the above it is strongly recommended that the participatory information tools are seen as owned by, retained by, and (primarily) used by the community itself. This specifically refers also to the 'impact assessments' at the community level if/when the same tools are used for follow up. If in the process the community feels that some questions appear irrelevant when viewed how they themselves would like define important issues they should be allowed to do so in consultation with the SO in question.

59. From a Fund Board point of view the primary importance of these participatory tools are, for reasons stated above, not their information content but their powers of generating a dialogue within the community as well as between the community and the SO on the interrelations between water supply, sanitation, and hygiene. At a more abstract level this might be called creating a capacity for 'concept management', i.e. a capacity to understand, and act upon, the interrelations of different issues making up an 'integrated water supply, health education, and sanitation project' for which they are supposed to be the ultimate clients.

(iv) **Impact monitoring**

60. Impact monitoring in the JAKPAS design is proposed to be achieved through a revisit of all Projects where the KAP surveys were carried out in 9 Projects of tranche one, by DAN and in 30 Projects of tranche two, by DEVTECH. The same structured format was used for both rounds of KAP. Apart from the fact the experience gained from carrying out these KAP studies need to be fed into the structure of the formats as such, the limitations of using KAP studies only, on such a scale, should also be recognised.

61. First of all it is important to bear in mind that KAP studies, methodologically speaking, are market surveys and it is that area that they have been most successfully used. It is also in this respect that they have their greatest value for this programme, i.e. as initial calibrations of the profile and content of services for which there is a (dormant) market. However, as follow up tools they are considerably more problematical, particularly if one wants to find out reasons for changing profiles. They are also taxing in terms of sheer processing and analysis, with follow up assessment having to rely on theoretical models that in themselves are frequently the subject of considerable academic debate.

62. Secondly, sustainability of community managed services is the area of significant interest from the point of view of impact. This will not be apparent until a Project has effectively survived for a minimum of five years.

63. For these reasons it is strongly recommended that a selective and intensified longitudinal survey method is used, based on a strategic sample of communities/Projects i.e. a combination of case studies and survey repeated for the same cases over time. They are referred to as 'Sentinel Studies' with the particular cases acting as standing monitoring points. These studies would act both as benchmark and follow up studies. A draft protocol for the Impact Studies are found in Appendix IV⁷

(v) **Strategic Monitoring**

64. Strategic monitoring" describes monitoring which is selective in its choice of topics, rather than comprehensive and complements the more traditional forms of M & E proposed for the Fund Board. This selective monitoring will not, therefore, replace the systematic monitoring of the Fund Board program. The outcomes of the analysis will be fed back into the Fund Board design and ultimately contribute to development of RWSS sector strategies. This is particularly relevant in the case of the Fund Board as it is an innovative approach to address the demand for WSS services in remote and poor communities in rural Nepal. Given the limited experience with successful institutional interventions, strategic monitoring is a promising tool for examining the fit between a program and its institutional environment.

65. The Fund Board will strategically monitor identified "marker" indicators using the sentinel surveys described above. Initially the Fund Board M & E team will select quantitative as well as process indicators, such as: (i) the per capita cost of Projects, (ii) comparison among communities of the level of community contributions made towards capital cost and O & M, and factors and processes influencing the levels of contribution; (iii) analyses of data to give a view of the degree to which Fund Board rules are being followed, would be gathered as evidence rather than anecdotal information on which to base discussions with SOs and policymakers; and (iv) selection of topics for further investigation and analysis of financial, procedural, capacity-building processes based on emerging lessons.*

66. While strategic monitoring will use existing data to a great extent, it is recommended that the sentinel surveys be carried out by organizations external to the Fund Board. The time and skills required for design and analysis is not likely to be available with the Fund Board secretariat.

⁷ As with the monitoring of community management (or 'lessons learnt') it is recommended that the RWSG/SA plays an active role in mounting and guiding the execution of these impact studies. Access to information and experience elsewhere is of paramount importance both in carrying them out and in analysing the information gained.

* Correspondence between the RWSG regional office and World Bank headquarters on per capita costs and community contributions analyzed preliminary data in this way for Indonesia's WSSLIC project and provided the basis for more focused questions about project rules.

67. The information system should also reflect the fact that from a Fund Board point of view this implies a risk when compared to the normal project framework, i.e. the Fund Board does not control or cannot assume management responsibilities for field operations. Given the conditions prevailing in Nepal an important demand on the information system is therefore to be able to assess that risk and to make such an assessment the basis for the decisions to go ahead with any specific project.

APPENDICES

- I. Terms of Reference for the M&E support mission
- II. Review and assessment of information points in JAKPAS
- III. Draft Protocol for Impact Monitoring
- IV. Guidelines for Post-Implementation Reports
- V. Proposed Table of Contents and structure of the Fund Board 'Manual for M&E'
- VI. Organisation and management of the Fund Board information system
- VII. A note on the evaluation of tranche 1 and 2 schemes



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

APPENDIX I

Date: April 17, 1995
To: Mr. Gordon Tamm, Consultant
From: Peter Lochery, Manager, RWSG-SA *[Signature]*
Subject: Terms of Reference for Mission to Nepal, May 7-13, 1995

1. Scope

You will undertake a joint mission to Nepal with Rekha Dayal, Regional Program Adviser (travelling under separate TOR, attached), from May 7-13, 1995. You will join the JAKPAS M&E Support Team, and advise and assist with the initial work started during April 1995. You will review the JAKPAS monitoring and evaluation methods and experiences to date, particularly their relevance for operational and managerial decisions. Based on the review, you will assist JAKPAS staff to meet the requirements of the Aide Memoire dated March 1995. The tasks will include but not be limited to the following:

- (i) Evaluate the review undertaken on the collection and validity of information for key operational indicators, and clarify the rationale for the information demanded, the contract management procedures and the feedback to support organizations.
- (ii) Evaluate the JAKPAS M&E system and the modifications recommended from an operational perspective by the JAKPAS M&E Support Team, to facilitate day to day financial and technical management. Make any further recommendations necessary for improvements in continuity and qualifications of monitoring staff.
- (iii) Evaluate the work done to date by the M&E Support Team in assisting JAKPAS M&E staff to develop the required analysis, content and workplan to prepare the interim M&E (impact evaluation) report, which will cover Tranche I schemes completed to date. This includes making any additional recommendations to JAKPAS staff on the preparation of initial model Project Completion Reports (PCR) and reviewing the draft interim M&E report.

2. Outputs

You will deliver the following reports before departing from Kathmandu on May 13, 1995.

- (i) Evaluation of the M&E system, with recommendations on monitoring staff, information demanded, contract management procedures and feedback to support organizations.
- (ii) Review of and recommendations for the model PCR format and the interim M&E report (including revised drafts, if necessary).

3. **Tentative Workplan**

April 24-May 3 Review relevant documentation in Delhi & prepare a brief note on your initial findings.

May 7 Meet with JAKPAS core staff to organize tasks and define responsibilities

May 8-10 Work with M&E Support Team

May 11-12 Prepare outputs and agree follow-up action.

4. On return to Delhi, you will submit a BTOR to me within fourteen days summarizing your findings.


cc: Dayal (RWŠG-SA); Notley (JAKPAS); Legrain (SA2AW); Gross, Garn, Wakeman (TWUWS).

File: NEP-WP 2/2



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

APPENDIX I

Date: April 18, 1995
To: Rekha Dayal, Regional Program Adviser, RWSG-SA
From: Peter Lochery, Manager, RWSG-SA 
Subject: Nepal JAKPAS: Terms of Reference for Technical Support to Review and Strengthen the Monitoring and Evaluation System

1. You will undertake a joint mission to Nepal with Gordon Tamm, Consultant, (travelling under separate TORs, attached) from 7th-13th May, 1995, to review the JAKPAS monitoring and evaluation methods and experiences to date; particularly on its relevance to make operational and managerial decisions. You will coordinate the task and work closely with the consultant to ensure the outputs are produced by 13th May 1995.

More specifically:

- (i) You will assist JAKPAS by reviewing the work done to date by the JAKPAS & E Support team in defining the indicators and preparing a systematic action plan to monitor Health and Sanitation Education activities and their impact.
- (ii) You will review in consultation with the CTA, the possibilities to define and organize an appropriate and complementary workplan for specific structured learning initiatives and outputs, taking account of the current heavy workload of JAKPAS staff.
- (iii) You will review the analysis done on the investigation of delays between completion of the development phase and the signing of contracts for the implementation phase, whether the delays can be reduced and their likely future impact on the scheme cycle and make recommendations concerning required modifications to the scheme cycle.

2. Outputs:

You will deliver the following outputs before departing from Kathmandu.

- (i) Report of review of indicators and systematic workplan to monitor HSE activities.
- (ii) Report on recommendations for complementary workplan for specific structured learning activities and outputs.
- (iii) Report on recommendations and rationale for possible changes to scheme cycle.

3. In addition, you will participate in a one day meeting, scheduled tentatively for May 15, 1995, to discuss the final draft report "Community Handpumps in Terai Region: Assessment of Operation and Maintenance".
2. On return you will submit a BTOR to me within fourteen days summarizing your findings.

cc: Notley (JAKPAS); Legrain (SA2AW), Gross, Gam, Wakeman (TWUWS); Mudgal (RWSG-SA).

File: NEP-WP 2/2

REVIEW AND ASSESSMENT OF INFORMATION POINTS IN JAKPAS

(To be finalised)

DRAFT PROTOCOL FOR IMPACT MONITORING

INTRODUCTION

Improved water supply, sanitation and health education are assumed to have a positive impact on quality of life in at least the following major respects:

- reduction in incidence of water-borne diseases through improved water quality/quantity and personal hygiene
- time savings and reduction in domestic drudgery through greater accessibility
- enhanced overall domestic productivity through decrease in person days lost

However, all of these depend on a number of associated behavioural and attitudinal changes as well as on the reliability and functionality of the improved facilities, over time and over socio-economic groups. Similarly, all of them are critically dependent on time as such with the improvements having to 'settle in' before any discernible impact can be expected.

In the case of the Fund Board the major approach taken in order to ensure a sustained project impact within the shortest possible time-span is that of promoting active community management of the improved facilities and services as the carrying principle, from planning and design to construction and service delivery. This means that any one project supported by the Fund Board may be different from another in scope and relative importance given to different activities. Consequently, project impact must be assessed against the specific mix of activities of any given project.

Purpose

The purpose of the impact monitoring to be undertaken by the Fund Board is

- (a) at the Programme level:
 - to assess the extent to which, and how, effective community management is actually brought about in the supported projects
 - to assess the extent to which, and how, such community management impacts on the reliability and functionality of the facilities created
- (b) at the Project level:
 - to assess the extent to which, and how, the project activities actually translate into assumed benefits (health improvement, time savings, and enhanced domestic productivity)
 - to assess the validity and relevance of key criteria for project selection and approval as a basis for possible adjustments or revisions

- to identify possible changes in domestic water consumption (drinking, washing, bathing, cooking, etc) in relation to the overall range of water sources available (tapstand, ponds, streams, rainwater, etc) and the consequences for design and appraisal criteria

Approach

The impact monitoring will be carried by way of recurrent data collection in a standing sample of projects. As such it can be seen as a purposeful sample of longitudinal case studies, i.e. projects selected because of special characteristics and which are then followed at regular intervals over time.

Sample: At least one project for each SO should be selected, with additional projects added for every tranche. The total sample per tranche should be evenly distributed over the following range of characteristics:

- high, medium, and low relative scores on overall level of community services and facilities (schools, health centres, postal services, etc.)
- high, medium, and low relative scores on infrastructure/accessibility (distance to motorable roads, bus connections, telephone, markets, etc.)

Within these efforts should be made to have projects evincing both a high degree of community activity during the Implementation Phase, and of low or erratic community response.

The total sample in each tranche should not be less than 12 and not more than 18.

Methodology: The methodology will comprise three basic components: key informants, intensive KAP sample surveys, and quantitative measurements through observations. In order to sustain the momentum and to ensure that the seasonal variations are covered, the assessments will be driven by 3 visits per year by a monitoring team over a minimum of 2 years per project. The visits will coincide with the major seasonal variations and therefore take place once in or around May (dry season), once in September/October (monsoon), and once in or around January. The team will comprise the Monitoring Specialist of the Fund Board along with an SA unit. It will be actively assisted by the RWSG-SA who will provide the professional guidance and analytical support.

(a) *Key informants.* In each project three tapstands should be selected, representing upstream, middle, and downstream locations in the water distribution system. At each of these tapstands three households should be requested to act as standing key informants or 'sentinel households'. Each household should be provided with simple visual recording formats on which to note down incidence of diarrhoea per household member, frequency of use of different water sources over purpose per day, and incidence of water shortage or breakdown at the tap. The formats need not (and should not) contain any text but be illustrated as to their respective purpose and content, with the household indicating incidence or occurrence by simple tickmarks. These records will form the basis and point of departure for discussions with the households during the visits of the monitoring team.

It is important that the households are approached with a request to participate rather than being nominated by the visiting monitoring team, and that the purpose of their contribution is made clear. It is likewise important that during the recurrent visits of the monitoring team discussions with these households are carried out as social and supportive events, to encourage the households and minimise 'informant fatigue'.

(b) *KAP surveys.* Focal and limited KAP surveys will be carried out with respect to the 'sentinel households' as well as an additional minimum of 6 households from other tapstands. The format of these surveys should be a concentrated and focal version of the KAP questionnaire used by JAKPAS for the first and second tranche projects. These surveys will be carried out once a year, i.e. twice for any selected project.

(c) *Observations/verifications.* During each visit of the monitoring team will carry out the following observations:

- water quality through application of the WWF field kits. This will be undertaken at intake, at tapstand, and at household drinking water storage, implying a total of water samples in the range of 13-15/project/per visit.
- sources used by purpose. This should be undertaken by accompanying a household member from each selected tapstand to the source used for (a) drinking water (in case this being other than the tap, e.g. in connection with work in the fields), (b) bathing, (c) washing, (d) other (e.g. for cattle during the dry season). Attempts shall be made to measure time from household and volume of water used/source.
- physical inspection of condition of key components of the WS scheme (intake, storage/BP tank, valves, tapstands and platforms, drainage) as well as of sanitation facilities.

GUIDELINES FOR POST-IMPLEMENTATION REPORTS (PIR) I-II

PURPOSE AND SCOPE

1. The fulfilment of the contractual obligations regarding a specific project/scheme has been checked off through 'Contract Completion Report' (CPR), being the combination of the 'Project Completion Report' by the WUC/SO and the final payment visit report on the part of the PM/JAKPAS. The effective contractual links between the JAKPAS/Fund, the SO, and the WUC/community is then terminated as and when the last payment is effected.

2. Beyond the Contract Completion Report there is a need to assess the process generated by the services delivered and investments made. Such an assessment has no direct relevance for the completed projects but should serve as a learning tool and feedback to the Fund Board, indicating the need for possible policy changes.

3. The purpose of this assessment is threefold:

First, it should assess the extent to which the basic objective of JAKPAS/Fund is being met, i.e. the extent of community management of the water and sanitation facilities is actually engendered. It is important to stress that the local management activated during the application and implementation of any particular project does not necessarily represent a socially viable commitment to manage the facilities once they have been put on the ground. This includes an assessment of the relation between the SO, the WUC, and JAKPAS as it evolved during the implementation phase, particularly in terms of fostering an effective management or client role at the community level.

Secondly, it should identify issues that have a bearing on the operational policies and guidelines of the JAKPAS/Fund itself, e.g. on selection of schemes and SOs, on the various instruments and guidelines in use such as contract, follow up formats, procurement guidelines etc.

Thirdly, it should provide information on the specific SOs - their capacity and performance both as facilitators, as professional bodies, and as contractors. This should then be used in the continuous (re)assessments in connection with ongoing implementations contracted to the same as SO as well as SO intakes for forthcoming tranches.

4. The reason why this should be undertaken separate from the Contract Completion Report, and therefore through a separate visit from the last payment visit, is that it is normally only when the contracted work has been completed and signed off that people are willing to discuss 'what actually happened' without the fear of compromising or halting external funds.

It is also at that time when people are mentally prepared to look upon the facilities provided as being theirs rather than something managed or provided by an SO (or the JAKPAS/Fund).

APPROACH

5. The assessment should be carried out on a sample of projects, with at least two projects for each participating SO in any one tranche being selected (in case of large variations in an SO portfolio of projects more may be taken up at the discretion of the M&E Manager). This would on the average imply a sample of 25-30% of the total number projects in a tranche.
6. Each project selected will be assessed twice: first directly after the completion of the project/final payment, and the second one year later to allow for a full annual cycle of local water management.
7. The focus of the assessment will be the main objective of the Fund - i.e. the extent to which community management and effective ownership has emerged, either as a result of the programme interventions or as a result of local or contextual factors. It is important that this focus is kept and that the assessment is not allowed to give in to the temptation of 'trying to know everything'. The reason for this is that if the assessment is to be useful and effective, it must be possible to carry out with the limited capacity available to the Fund staff. Furthermore, it is important that the focus of attention is riveted on what is the main concern of the programme rather than trying to assess longer term impact etc, a task which requires much more specialised approaches.
8. The assessment will be carried out by a small team consisting of a PM (other than the one that had been responsible for this particular project), one other member from the Fund staff, and one technically qualified SA. At least one of the team members must be a woman. On a recurrent basis RWSG/SA (New Delhi) will assist the Fund both through hands on training and participation in field assessments and in compilation and analysis of the findings.
9. At the project/community level the assessment and collection of information will be done as structured group discussions with tapstand households, with the tapstands being similarly sampled so that at least three are included (one upstream, one midway, and one at the end of the distribution system). In addition a separate structured discussion will be held with the WUC. A quick visual inspection of the main physical points of the WS should also be carried out (intake, storage/BPT, tapstands).

10. The issues to be probed during these group discussions include:

(a) at the tapstand level

- existence (or otherwise) of a tapstand committee, including knowledge/views on its responsibilities
- views/expectations/experience of level of service (volume/frequency of water availability, water quality)
- whether or not tapstand households was involved in 'quality control' during installation, and if so how? why? on what points? experience with respect to SO and WUC members behaviour and reaction?
- payments made to the WUC: how often? amounts? why/what for? how/to whom?
- breakdowns if any, and if so whether reported to whom and what action
- knowledge of names of WUC members and of community mechanic?
- knowledge of what WUC and mechanic are expected to do?
- views/expectations/experience with respect to WUC and mechanic? Knowledge of WUC meetings called and points discussed or decisions taken?
- knowledge of changes in the WUC membership and why?
- knowledge of how much money in WUC bank account?
- credibility of WUC as system managers and as trustees of community funds
- views on need to improve WUC functioning, community management or service level, and if so how?
- views on and experience of SO inputs and activities (including staff)
- knowledge of how WUC was formed/nominated and the SO role in this?
-

(b) at WUC level

- changes in composition of WUC since formation/last visit, and if so why and how
- status of record keeping (contract, accounts, minutes of meetings, frequency of meetings, attendance, mapping, time budgeting, healthy homes survey etc)
- actual activities undertaken by WUC, including decisions (repairs, procurement, collection of O&M levies, reports from/instructions to mechanic, sanitation and HE activities, support to tapstand committees, etc)
- information kept by WUC on SO activities during implementation/contract phase (time-sheets of SO staff presence in community, employment of SARAR tools, sanitation and HE activities etc) as against Implementation Proposal and Contract
- involvement of WUC in procurement and implementation in relation to SO activities
- training/instructions (if any) given by SO in construction management and quality control, procurement, financial management/book-keeping, preventive maintenance, health and sanitation issues, etc

- ways by which WUC publicise, or otherwise keep the community/consumers informed of status of scheme, O&M rates, decisions, meetings etc.
- ways by which WUC changes membership, on what grounds and how

(c) at project level (overall assessment made by the team)

- performance of SO with respect to facilitating active community management
- transition from WUC as construction management group to asset/user management group
- project selection in relation to programme Fund objectives
- SO selection in relation to capacity to respond to and act on Fund objectives
- possibilities to enhance cost-effectiveness and -efficiency

STRUCTURE OF THE REPORTS

10. The reports should be written SO-wisely, thus comprising at least two projects.
11. Report I, based on a visit immediately after the completion of the implementation (including final payment having been made) should consist of two parts with the following basic headings:

Introduction

Should contain a brief overview of the communities, along with a summary statement of the main features of the different projects and the SO in question

Part A. Lesson learnt

This part highlights the principled issues that relate to the working of the JAKPAS/Fund and its policies, procedures, and instruments. It should form the basis of the Annual Process Monitoring Report from the Fund to the Board

1. Community management

Summary assessment of the composition, efficiency, and credibility of the WUC. Existence (with proof such as bank statements) of an O&M fund, including O&M plans and designated O&M functionaries/responsibilities.

Conclusions and recommendations:

- (a) Extent to which improvements can/need be effected through changes in Fund procedures and instruments (e.g. contracts, formats, information, training, etc)
- (b) areas/issues which may require revision of policy (e.g. selection of SOs and of schemes, extent of local contribution, package of components to be included in a Project Implementation Proposal, etc)
- (c) issues that may need further intensive follow up, e.g. through special studies.

2. Scheme functionality

Summary assessment of extent to which facilities/services provided through this programme are functional and therefore 'worth' managing and maintaining from a local/consumer point of view.

Conclusions and recommendations:

- (a) extent to which improvements can be effected through changes in design criteria, in procurement policies, in quality control instruments, or in steps designed to ensure adequate local involvement in design
- (b) areas which may require revision of policy (technical selection criteria, BCR/time savings, etc)
- (c) issues/areas which may require further studies or intensive follow up (e.g. appropriate techniques and material, quality control, relevance and content of software inputs, etc)

Part B. SO/Project specific report

This section should provide the observations that substantiate Part A. However, it should also specifically address the quality of the performance of the SO in question, and should as such be retained by the Fund management for any possible action with respect to the SO, present and future.

11. Report II, based on a field visit at least one full calendar year later to the same projects/communities as under I above will be a consolidated report, with no separate section on the specific SO. Its main purpose is to assess the level of community management after a period of 'settling in' of the facilities as well as of the community's relation to the facilities and their local management structure. It should have the following main headings:

1. Community management

- level of activity of WUC (frequency and records of meetings during past year, godown/store of spare parts, accounts, etc)
- Changes made in the composition of the WUC and why
- Repairs undertaken and by whom
- Collection of O&M, extent and volume of contribution)
- system caretaker and O&M
- awareness about and accountability of O&M fund
- activities/initiatives on HES by WUC

2. Functionality of facilities

- working condition and state of WS (inlet, storage/BP tank, reticulation system, tapstands)
- working condition, state, and possible expansion of Sanitation facilities

3. Overall conclusions and recommendations

- with respect to nature, quality, and capacity of community management
 - * issues that can be effected through revisions of Fund instruments, procedures and policies
 - * issues that can be effected by closer interaction with or selection of SOs (and SAs)
 - * issues that need further studies or assessment (e.g. through comparisons with other similar assessments)

POST-IMPLEMENTATION REPORT (PIR) - I

Projects: - Khanikola
- Adamghat
Ghimire
- Salanghat

Assessment Team: - Puru Risal
- Prakash
-
-G.Tamm

RWSG-SA
SO: DevTec

Tranche: I

Date of visit: May 18, 1995

Introduction

This constitutes the first Post-Implementation Report undertaken by JAKPAS. It thus also acted as a pilot case for developing the approach and general structure in assessing the community management situation in a post-implementation situation.

Salient features of the projects

All the projects were located along the highway corridor, with the dominant activity being small business and trade along with agriculture. The communities are all relatively well off with good access to general community service facility and infrastructure (schools, pukka roads, health services). All of them had earlier had gravity w.s. that were now out of order. Literacy rates appeared also relatively high.

[Copy basic scheme facts here]

PART A

1. Community management

General observations: The composition of the WUCs carried few characteristics of being either representative or popularly 'elected', but had in all cases very clear overtones of being 'construction interest groups', i.e. was composed of people who either had a political standing or whose primary interest or 'qualification' were financial. In no case had the WUC met after the major works were under way and ongoing, which meant that no meetings had been held in the last 6 months. Books (in the two cases they were available) were not kept even by the modest standards one might apply to village level committees although WUC secretaries knew by head the situation (largely due to the fact that these were business communities).

Discussions with tapstand/consumers revealed simmering misgivings about the credibility and integrity of the WUC, particularly as regards its leading members handling money. Discussions also revealed an apparent greater belief in women as members of WUC, both as regards honesty in financial matters and in commitment to efficient operational management. Greatest obstacle to this as voiced by women was time.

No provisions/plans made for O&M, with mechanic being nominated (but no remuneration agreed upon) in tow of the cases, both of whom were extremely young.

Conclusions and recommendations:

(a) It is very likely that the WUC originally formed at the instance of the JAKPAS conditionalities is going to be marked by a set of interests associated primarily with construction (lure of funds, political credit as fixing the outside support, time to spare). It is as a consequence also very likely that these interests have less commitment in asset management when the cash flow is considerably less and the political capital to be gained similarly less - whereas the drudgery is more. While this may be inevitable it emphasises the need for transparency and openness, both with respect to financial deals and accounts and with respect to making clear provisions for changing the composition of the WUC during the preparation of the Implementation Phase Proposal

Recommendation: As part of the formation of the WUC as well as of the general process of formulating the Implementation Phase Proposal with the community at large, the notion of having a possible mandatory statute in the rules governing the WUC may be introduced to the effect that a general body meeting should (s)elect the WUC anew after the completion of the project. Such a new committee should preferably have a majority of women. Depending upon the outcome of PIR-II assessment this provision may be introduced also in the Implementation Phase Contract. The purpose of such a move is to provide a vehicle for the transition from 'construction management' to 'user management' as the logic underlying the constitution of the WUC.

(b) In this case selection of projects/communities reflected perhaps the 'wild west' era of the first tranche when the priority was of getting something started. Whatever the reason, it meant that communities already having a high level of overall community

service (and having received an earlier WS through govt funds - now defunct and in disuse) and with a very high degree of accessibility as being on the highway had been approved by JAKPAS. In addition they had an obvious paying capacity way above the nominal contribution required by JAKPAS (with which the WUCs also agreed). This emphasises a need to further clarify the policy content of selection criteria beyond that of scheme economics or time budgets alone.

Recommendation: On the assumption that two guiding principles of the Fund are (a) to *enhance the reach* of available resources so as to ensure a coverage of backward or under-served communities, and (b) to ensure that *subsidies are inversely related to capacity to pay*, the cases at hand illustrate the need for broader selection criteria than the scheme specific ones currently deployed. It is therefore recommended that the JAKPAS introduces, and the Fund adopts, criteria related to

(i) the overall level of community services available at a specific project site (e.g. existence/distance to health centre, to postal services, to primary/secondary schools, pukka roads, or area specific projects relating to health services or NFE by an NGO, etc) ; and

(ii) a proxy indicator for the general socio-economic standing of the community (e.g. female literacy)

The purpose of this would be both to provide a push to SOs to go beyond the point of 'least resistance' or least effort, and to steer the investments (and subsidies) away from the areas/locations with the greatest pull. Such criteria may be introduced into the Terms of Reference for the Development Phase.

In addition, it might be considered to introduce a portion of the funds available for every tranche for such projects scoring high on these indicators, with the proviso that they then have to substantially increase their up-front contribution to the capital costs (say from NRs 230/capita to a minimum of 50% of the capital cost estimated in the Implementation Phase Proposal, with the highest contribution getting highest priority).

(c) Many of the specific problems associated with the involvement of the SO in question seems to stem from the fact that it was a commercial undertaking, i.e. a private company, that in addition was faced with a community similarly dominated by a high degree of business acumen. It appears doubtful whether private companies should be contracted as SOs for which a high degree of contextual sensitivity and commitment to transfer of know-how and management clout to the client/community is required more than technical proficiency (which is or should be the strong point of companies).

Recommendations: It is strongly recommended that in the future the selection of SOs should be confined to non-profit organisations, with private companies being engaged in the field where their comparative advantage is the most apparent, i.e. as SAs or otherwise for assignments that require well-defined professional inputs or services such as specific trainings etc.

(d) There appears to be little push for enhancing cost efficiency in the present procedures and instruments. The inputs of the SO during the Development Phase goes largely unaccounted as being bulk payments for non-measurable services. The procurement of materials during the Implementation Phase is similarly having little or no built in cross-check as the real financial manager of the construction is the SO (holding all accounts and effecting all procurement, admittedly by 'keeping the WUC informed').

This is clearly unsatisfactory as one of the long term objectives of the Fund must be to enable a more judicious use of scarce resources for a greater reach. The yardstick cannot be a comparison with Govt unit or per capita costs (with which JAKPAS seems to compare favourably) but that of findings means of introducing a downward push on expenditure in the contractual arrangements as such. The stake of, and formal rules governing the effective involvement of, the community do not appear conducive for such a pressure coming from the WUC. This suggests the need for (a) reviewing the role and definition of the Development Phase as such, and (b) enhancing the role of the community/WUC as the client, particularly in terms of its involvement in the financial management of the Implementation Phase.

Recommendations: The JAKPAS/Fund should consider a movement away from Development Phase as a contracted package of activities towards a more regular market oriented approach of directly inviting Project Proposal (i.e. Implementation Phase Proposals) from communities/SOs. Given the conditions prevailing in Nepal and given the highly varying quality of SOs available, a move towards such a situation might be taken in the following way:

- * abolishing the Development Phase as a contracted period of software activities, focusing instead on the product - i.e. the Implementation Phase Proposal (or more correctly, an integrated Project Proposal)

- * providing interested and qualified SOs with limited financial assistance to prepare, jointly with given communities, Project/Implementation Phase Proposals in accordance with guidelines or TORs

- * providing more intensive capacity training/support to SOs professionally weaker in this specific sector but still with a credible track record in terms of community services

- * stipulate, as part of the guidelines for a Project or Implementation Phase Proposal, that a bank account should be opened with the WUC as part of the local level management preparations. This account will work as the basic procurement account for the Implementation Phase, to be operated jointly by the WUC and the SO.

The purpose of these proposals is to (i) minimise funding for the inherently non-assessable activities currently provided for in the Development Phase Contracts; (ii) focus attention on the quality and local entrenchment of the proposal rather than the process of community awareness (which is left for the specific SO to ensure, using the tools provided by JAKPAS/Fund or otherwise); and (iii) to bring the community more squarely into the picture as financial (co)managers and clients

2. Scheme functionality

General observations: It was noted that while some technical specifications were clearly sub-optimal most tapstand households appreciated the newly installed schemes. However, three observations have a more general bearing on the programme as a whole.

(a) It was noted that in one case the WUC - out of the O&M fund, at its own initiative and with the seeming concurrence of the SO - had increased the number of tapstands beyond the carrying capacity of the scheme. This change from the agreed design had been effected without the PM or SA noticing it or being made aware. This incidence in

itself highlights the need to reassess the nature, role and content of the periodic 'payment visits' on the part of JAKPAS staff, including tightening up of contractual provisions with respect to SOs and WUCs role and responsibilities.

Recommendations: Although this might be an isolated instance, occurrences like these seriously jeopardise both the potential impact, intended service level, and therefore credibility of any specific project. It is strongly recommended that

(i) final payment should not be made if actual construction results in deviation from the agreed design, unless specifically approved by JAKPAS/Fund in advance

(ii) the monitoring format for the second and final payment visits specifically includes crosschecking tapstands - numbers and location - against the agreed design, to be countersigned by the PM

(b) The construction and design of the storage tank in one instance was clearly overly costly and cost-inefficient (cf Part B).

Recommendation: In order to promote, wherever possible and feasible, locally more appropriate and cost-effective specific techniques or designs, it is suggested that JAKPAS (and later the Fund) periodically assesses a sample of schemes in terms of its key construction components with a view to find out whether or not more appropriate solutions (materials, designs) can be promoted.

(c) The introduction of HES activities, as well as the Healthy Home Survey, had clearly failed to register or create much momentum. This might either depend on too weak a promotion/appreciation by the SO, thus failing to transmit the purpose and rationale for these activities, or on too neat a separation between 'software' activities during a Development Phase and 'hardware' during an Implementation Phase in programmatic terms (with the former seen as a distinct and imposed 'waiting room' for the actual delivery of the 'goods'), or on contextual factors (social, cultural, or environmental). While this in itself is all too common a problem in most integrated WSS efforts, it points at the need to continuously reassess the modalities of promoting enough and locally sustained interests in these fields.

Recommendations: The above observation and conclusion supports the recommendation above to do away with the Development Phase as a contracted period of software activities, and moving towards Project/Implementation Phase Proposals that are in themselves integrated. This means that it should, within certain specified parameters, be possible for the communities with SO facilitation and assistance to arrive at their own balance of hardware and software. Furthermore, the findings of the various participatory assessments in the field of HSE as carried out as part of the formulation for the Project/Implementation Phase Proposal should be retained by the WUC so as to at least enable it to make some follow up exercise on its own or with the assistance of the SO.

PART B

~~Be~~ To be prepared ~~and~~ by Mr Rival (Social Scientist/SA)
~~Puri's~~ report inserted here, with minor modifications as discussed]

TABLE OF CONTENTS AND PROPOSED STRUCTURE OF M&E MANUAL FOR THE FUND BOARD

Section I Concept and purpose of the M&E System

- 1.1. Programme Information: MIS and M&E
- 1.1.1. Management Information System (MIS)
- 1.1.2. Monitoring and Evaluation (M&E)
- 1.2. The Project Cycle, MIS and M&E

Comment: Most of the contents for Section I can be taken verbatim from GT's report on M&E, as found under the relevant headings

Section II Monitoring and Evaluation in the Fund

- 1.1. Guidelines Principles and Objectives of M&E
- 1.2. Strategy for M&E
 - Compliance monitoring
 - Development monitoring
 - Participatory monitoring
 - Impact monitoring
 - Strategic monitoring
 - Indicators
 - Policy Indicator
 - Technical Indicators
 - Social Development Indicators

Comment: Most of the contents of Section II can be taken verbatim from GT's report on M&E, along with RD's note on 'Indicators'

Section III Organization and management of the M&E

Comment: This has to be developed based on GT's Appendix VII.

Section IV Instruments and formats

Comment: This should include all formats, instruments and protocols as currently under revision or finalization by JAKPAS, including GTs Appendices IV & VI (first part)

Section V Resources for M&E

- 1.1. Financial
- 1.2. Staff
- 1.3. Equipment

ORGANISATION AND MANAGEMENT OF THE FUND BOARD INFORMATION SYSTEM

GENERAL

A basic principle introduced by JAKPAS, and recommended for the Fund Board, is that information management should not be delinked from operational management, either in terms of individuals or in terms of a separate unit within the Secretariat of the Fund Board. It is of vital importance that all Fund Board professional staff, as well as its core SAs, are involved in monitoring as well as in operational issues.

Even so, it is necessary that a particular officer is designated as being responsible for the coordination, practical administration and follow up of information required as per the M&E strategy. S/he will double as Portfolio Manager, but with a workload which makes it possible to effectively coordinate and administer the information system as well. The proposed Terms of Reference (Job Description) for this position is attached.

Management Information System

The critical points of the MIS - i.e. those that ensure that the necessary pre-conditions for taking any specific decision have been met with relevant dates, as well as where/who is currently handling a specific issue - should be extracted from the relevant documents and formats and entered into a computerised MIS system in the network of the Secretariat. They should be routinely available to the senior management.

In order to keep a constant watch on the management performance of the Fund Board itself, it is recommended that every fourth Secretariat Staff Meeting includes on its agenda a comprehensive review and assessment of lead times in processing and administering the Fund Board responsibilities of the Project Cycle. This should be based on monthly reports compiled by the Programme Information Specialist. The objective should be to identify and remove bottlenecks and constraints - individually (e.g. by better workload distribution), procedurally (e.g. by continuously reassessing the need and justification for specific administrative provisions), or in terms of specific institutional actors (e.g. SOs, SAs, Secretariat, Fund Board, World Bank) - in order to enhance the efficiency and responsiveness of the overall institutional framework.

In addition each PM or other professional staff must directly bring to the attention of the senior management of the Fund Board Secretariat observations regarding deviations or deficiencies on SA performance. This is particularly important as SAs constitute the main technical or specialised capacity of the Fund Board, and substandard performance on their part immediately puts the credibility of the whole programme at stake.

Monitoring & Evaluation

While the Head of the Operation/M&E Unit shall be overall responsible for the quality and efficiency of the M&E efforts of the Fund Board, the day to day responsibility shall lie with the Programme Information Specialist.

In order to ensure that the Fund Board has standing access to professional support and guidance, the Secretariat will be routinely assisted by the UNDP World Bank RWSG-SA office in New Delhi. In particular such assistance shall be provided in the following fields:

- Impact Monitoring
- Post-Implementation assessment (Strategic monitoring)
- Finalisation of TORs for special studies
- Compilation and preparation of periodic M&E reports to the Fund Board

**TERMS OF REFERENCE (TOR)
(Job Description)**

Portfolio Manager/Monitoring and Information Systems Specialist

General:

With a primary responsibility as Portfolio Manager, although with a limited workload in terms of number of SOs/Projects, s/he will be responsible for the coordination and administration of the overall programme information system of the Fund Board including both MIS and M&E. As such s/he will assist, and report to, the Operation/M&E Unit Head.

Specific:

A. Tasks related to MIS

1. Compile and analyse monthly data on the Project Cycle for presentation at staff meetings.
2. Ensure that corresponding data on the Project Cycle are recorded and made available by the Portfolio Managers.
3. Follow up and with the respective PMs and SA pursue the effective inclusion of communities/WUC in the MIS, as clients as well as contracted parties

B. Tasks related to M&E

1. Follow up, and with the respective PMs and SAs pursue, community monitoring as per the Monitoring Strategy
2. Ensure that current versions of monitoring formats are available to all PMs and SAs
3. Ensure that entries in such formats are complete before being incorporated in the monitoring process
4. Undertake such revisions in monitoring formats as may be decided by the STAC meetings
5. Coordinate the supporting inputs of RWSG-SA to the monitoring system
6. Plan, coordinate, and participate in Post-Implementation assessments and Impact Monitoring
7. Administrate and follow up such studies as may be decided from time to time.
8. Assist in the preparation of, and be administratively responsible for, the recurrent monitoring reports to be brought out by the Secretariat of the Fund Board.

Monitoring & Evaluation Report of First & Second Tranche Schemes

Reviewing the documentation surrounding the issue of Baseline and Impact assessments, including the recommendations of the March 1995 SA2 Aide Memoire (paras 52-62), it appears that both the nature and role of monitoring as such, as well as the methodologies and reporting to be pursued, are not clear.

First, for reasons indicated in the main report it would be methodologically (and policy-wise) extremely unsound to use the data generated through participatory approaches (i.e. Healthy Homes, Community Mapping, Time Scheduling) as basis on which to aggregate overall profiles for the respective tranches. The value of participatory information lies in its (a) contextual relevance, and (b) the extent to which the information can be viewed as owned by the community (rather than by external agents). Aggregating them and subjecting them to standard statistical tools would not only undermine much of the participatory value as such, i.e. that a successful participatory approach maximises the perceptions that the participants (rather than outside observers) have of their own situation. It would also mean that the weakest point of such information is made systematic use of, i.e. aggregating data collected by a large number of unrelated actors (SOs as well as community members) with few common approaches or common understandings, and few possibilities for standardised methods of data generation.

We would therefore strongly argue against using the participatory information as anything beyond scheme specific and community 'owned' baselines and follow up. At that level their value is considerable, a value that is quickly lost and most likely distorted when used as a basis for aggregate statistically processed profiles. As starting points for getting a project discussion in the community off the ground they have an immense potential, and the extent to which a WUC takes an active interest in following up the issues raised would also reflect a community project management in the broadest sense of the term.

Second, the utility of KAP studies for successive follow up on the scale envisaged is tricky, methodologically as well as in terms of the considerable costs and efforts involved. As pointed out in the main report KAP studies are primarily market assessment studies, their strength being to justify and calibrate delivery of services or inputs. As tools for assessing impact (i.e. outcomes or changes related to a specific input or activity rather than registering change in general) they have met with highly varying degrees of success. The impact assessment to be undertaken by JAKPAS regarding the first tranche - that of a follow up KAP study of the 9 schemes originally studied by DAN - should therefore if at all carried out have as a primary purpose to assess the utility of using KAP studies for follow up purposes. Regardless of the comments made by DEVTEC in their KAP study of second tranche schemes on the need for revising the original format used by DAN, it is then absolutely imperative that for the follow up study they are indeed retained.

Although KAP is a powerful tool, its power is critically dependent on its use for market assessments rather than as design or evaluation tools. A sounder way to use KAP in the Fund Board context would therefore be to attain a profile of the potential "market" for Fund Board "investments", e.g. by carrying it out on a (stratified and /or purposive) sample basis prior to and delinked from proposals generated through SOs. The purpose would be to get a non-conditioned baseline profile of "RWSS situation and perceptions", possibly on area specific basis, which would then be used as the Fund's own benchmark when assessing proposed schemes as well as Development and Implementation phase proposals. On the basis of such a benchmark the Fund would then be in a position to actively 'market' the provision of support services to areas or socio-environmental situations where the KAP indicates a more genuine link between demand for schemes (which will always be there) and needs for improved RWSS conditions.

However, due to the methodological and professional demands required to carry and KAP studies, this should only be undertaken if there is policy need, if, for example, the Fund Board sets to actively reach out with its investments into backward or under-served communities as a policy parameter, rather than applying such criteria ex-post proposals.

For baseline-cum-outcome assessments it is instead recommended that very much simplified composite indicators are used, particularly concentrating on service levels. The initial baseline data on those are already compiled as part of the pre-feasibility reports, and they can and should form part of the Contract Completion Reports where they should form a separate section for easy reference.

ROUTING SLIP		Date	9/22
NAME		ROOM NO.	
Dunn, Michael			
cc: Andrew Macom			
URGENT	For Action/Comment	Per Your Request	
Appropriate Disposition	Information/Discard	Returned	
Approval/Clearance	Note And Return	See My E-Mail	
File	Per Our Conversation	Signature/Initial	
RE:			
REMARKS			
<p>sent to ABM 9/22/94</p>			
From	Room No.	Ext.	
Dunn, Gm			



Skillicorn & Balthes Associates

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September 7, 1994

Ref: Briscoe1.let

John Briscoe
Division Chief TWUWS
World Bank
1818 H. St. N.W.
Washington D.C. 20433

John,

It was good to talk with you again. I sometimes feel I've been completely divorced from my past. The occasional reminder that it's not really so - is a welcome one.

I've taken the liberty of enclosing my portion of a report I prepared for your department. I have no idea what the final document, which is being directly submitted to Arun Mudgal by VKI, looks like. It presumably contains my offering as well as a piece on the attached fishery and site drawings prepared by Gorm Jeppesen.

Look the report over if you have the time. It will give you a reasonable primer on what's happening in duckweed at the moment. Could you then please hand it over to Bruce Gross. He should keep it for his files and send a copy directly to Arun.

I'll take up your offer on room (and board?) when I'm next passing through Washington. Get out your golf clubs.

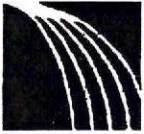
Regards,



Record Removal Notice

File Title Regional Water and Sanitation Group [RWSG] - South Asia [SA] - Water and Sanitation - Correspondence and Reports		Barcode No. 1812016		
Document Date September 7, 1994	Document Type Report			
Correspondents / Participants Paul Skillicorn, Skillicorn & Balthes Associates				
Subject / Title Pondicherry Duckweed Project Consultant Report - Duckweed Component				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td>Withdrawn by Kim Brenner-Delp</td><td>Date September 22, 2023</td></tr></table>	Withdrawn by Kim Brenner-Delp	Date September 22, 2023
Withdrawn by Kim Brenner-Delp	Date September 22, 2023			

Black Book - Sri Lanka



FAX Transmittal Sheet

UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group
55, Lodi Estate, P. O. Box 416
New Delhi 110 003, India
FAX Number: (91-11) 462 8250
TEL: (91-11) 469 0488/9, TELEX: 31-61493 IBRD IN

To: Ms Marie Robinson, Chief SA1IN
cc: Mr Graeme Lee, SA1IN
Mr Fakhruddin Ahmed, SA1DR
→ Mr Brian Grover, Program Manager, TWUWS
→ Mr Robert Boydell, Regional Manager, RWSG-SA (HQ visitor)
From: K M Minnatullah, Regional Program Officer, RWSG-SA
Date: December 18, 1996
Subject: Sri Lanka - Community Water Supply & Sanitation Project
CR.2442-CE, Mid-term Review Mission, Aide Memoire

Pages including this sheet (1+32)

Message No. 96/3399

Marie,

Please find herewith final draft of the MTR Aide-Memoire for the Community Water Supply and Sanitation Project (CR.2442-CE).

The Project implementation is going very well and to our satisfaction. In this project, we are very much encouraged to note that partnership with NGOs can work. This could serve as an example of a well designed project, with well managed implementation and full support from the Government.

I will send the full supervision report in few days. We have shared the Aide-Memoire with Mr Bentjerodt already.

Regards,

Transmission authorized by K M Minnatullah, Acting Manager, RWSG-SA

FINAL DRAFT

**SRI LANKA
COMMUNITY WATER SUPPLY AND SANITATION PROJECT (CR. 2442-CE)
MID-TERM REVIEW MISSION
AIDE MEMOIRE, DECEMBER 1996**

Introduction

1. A mission from the International Development Association (IDA) visited Colombo Sri Lanka from November, 28 to December 10, 1996 to conduct the Mid-term Review of the Community Water Supply and Sanitation Project (CWSSP). The mission comprised Messrs./Mmes. K M Minnatullah (mission leader, RWSG-SA), Graeme Lee (SAHN), Nandini Gunewardena (ASTHR), and Miriam Witana (RMSL). The mission visited 6 schemes in Ratnapura and Matara Districts, held discussions with 20 Community Based Organizations (CBOs), 10 Partner Organizations (POs), staff of the Regional and Central offices of the Community Water Supply and Sanitation Project Unit (CWSPU), Chairman and staff of the National Water Supply and Drainage Board (NWSDB), Director General of the External Resources Department (ERD), and the Secretary Ministry of Housing Construction and Public Utilities (MHC&PU). The mission also met with the donor agencies including the UNDP, GTZ. The mission wishes to thank the members of the CBOs, POs, and all the officials for their participation, support and hospitality. The findings of the mission are as follows, and is subject to confirmation of the IDA Management. A list of persons met is attached as Annex- 1.

Summary

2. As of October 1996, a total of 830 Village Water Supply and Sanitation (VWSS) projects have been launched, with about 144(17%) completed. These 830 projects which cover approximately 2500 villages meet over 90% of the target of 2700 villages as outlined in the SAR. With 144 VWSS projects completed 432 villages have already received water supply. Over 7000 latrines and 41 School Water Supply and Sanitation schemes have been constructed. One Small Town Water Supply and Sanitation (STWSS) project has also been completed for 600 households.

3. The project's construction phase could be completed prior to project closing in about 850 VWSS schemes, 45,000 latrines and 1,200 schools, and 17 STWSS schemes, sufficient to meet the targeted population coverage. Financial forecasts prepared for the completion indicate that a significant increase in funding is required in 1997, and reflect some adjustment from original cost estimates in terms of category of expenditure but remain generally consistent with total costs as estimated in US\$ and SDR terms. (Technical assistance and hygiene education components are reduced, and program development and water supply scheme expenditures are increased.)

4. Cash flow continued to remain the major constraint and caused delays in launching and completion of water supply, sanitation and school sub components of the project. However, CWSPU obtained supplementary allocation of Rs. 40 million over the original allocation of Rs. 40 million, plus Rs. 15 million Reimbursable Foreign Aid (RFA) during FY 1996.

5. About 66% of the project period has elapsed during which 36% (approximately 6 million SDR) has been disbursed. Disbursement has more than doubled during 1996 as compared to 1995 and is continuing to accelerate. The disbursement lag against the SAR estimates is SDR 3.5 million (30%) as of December 6, 1996. The disbursement schedule in the SAR was based on linear projections. However, the project design for participatory, adaptive and partnership approach required piloting, refinement of procedures, followed by scaling-up. Such implementation requires an exponential projection with an initial lag phase which has been confirmed by the project expenditures and the recent take off experienced by the project since 1995. It has been agreed with The Government of Sri Lanka (GOSL) to revise the disbursement schedule to meet project forecast for the remaining project period.

6. The GOSL noted that the 1997 counterpart funding requirement (Rs. 240 million) would significantly exceed the agreed budget for 1997 (Rs. 80 million plus Rs. 30 million RFA). It was confirmed that the total 1997 budget would be available to CWSPU from the start of the year, and that its utilization would be monitored and arrangements made for additional funding from about March or April 1997, as required. IDA allocation for 1997 would be in the order of Rs. 580 million. The Government also noted that its total contribution to the project would amount to some Rs. 390 million, an increase which reflects reallocation between categories of expenditure, and prevailing levels of inflation.

7. The mission confirmed that, based upon the forecast implementation plan, the authorized allocation for Special Account should be increased to US\$ 3.0 million. GOSL has already requested IDA to increase the authorized allocation accordingly. The mission confirmed that it would recommend to IDA management an equivalent increased allocation for the advance to District offices. Based upon analysis of the anticipated expenditures by category agreed with the mission, GOSL indicated that it would request IDA to reallocate SDR 1 million from the unallocated category (DCA, Schedule 1, Category 7) to Program Unit Operating Costs (DCA, Schedule 1, Category 4).

8. A consultant has been commissioned by CWSPU to re-work the project's economic analysis to reflect actual costs and benefits based upon experience to date. The economic analysis will be available for IDA review by February 15, 1997.

9. 79% of CWSSP Partner Organizations (POs) are NGOs, and they are implementing 82% of the VWSS projects, while the rest are governmental and quasi-governmental organizations. Over 90% of CBO membership has been estimated to be among the poor (Dainis 1995), with high participation by women and youth, both in CBO meetings (where major decisions are made), and in terms of labor contributions. The

membership distribution in a sample of 25 CBOs from Matara District showed 54% males and 46% females.

10. Hygiene education has been less than fruitful up to now, and CWSSP is in the process of finalizing a more pragmatic, informal and simplified strategy to stimulate behavioral change focused on a few key messages.

11. NWSDB has completed one of the first batch of 6 pilot schemes under the STWSS component, and the remaining 5 are expected to be completed by June, 1997. NWSDB has provided a revised program which confirms that all schemes will be completed by October, 1998. For pumping schemes maintained by the NWSDB, the application of National Tariff implies about 60% less than the scheme specific user charges. Such concessions are contrary to CWSSP policy and act as disincentive for CBO participation in scheme specific O&M arrangements. The mission confirmed that only 2 out of 17 schemes will fall under the NWSDB management due to technical reasons.

Project Status

12. Physical. The project is currently operational in 3 districts covering 830 Grama Niladhari Divisions (GNDs) and 12 Small Towns, involving 86 Partner Organizations (POs) working with 652 CBOs and reaching 663,650 people (approx. 147,478 households). This includes the people served under the VWSS schemes, STWSS schemes, School Water Supply and Sanitation Program, and Village Sanitation Program. As of October 1996, a total of 830 VWSS projects have been launched, with about 17% completed. These 830 projects which cover approximately 2500 villages meet over 90% of the target of 2700 villages as outlined in the SAR. With 144 VWSS projects completed 432 villages have already received water supply. Over 7000 latrines and 41 School WSS schemes have been constructed. One STWSS project has been completed for 600 households. Please see Annex-2 for details.

13. Community Development and Participation. The project has also left an indelible mark on rural social capital in Sri Lanka. The web of rural institutions (652 CBOs) formed at the grass-roots level through partnership with local and national NGOs (86 POs) has created a collective force with a proven community ownership of assets: a) CBOs on the average contribute more than 25% of scheme costs, the rupee value contribution per household ranging between Rs. 94 to Rs. 11,746; b) participation by a high proportion of poor households (over 90% in most CBOs); c) high participation by youth (57%) and women (46% of CBO membership); and high involvement of NGO partners (79%) over governmental and quasi-governmental organizations. Many of these POs have by now developed best-practice methods, and CBO efforts to formalize its cohesiveness, generate new resources and sustain member interest by diversifying activities are indeed impressive. Where Operation and Maintenance (O&M) is concerned, a number of CBOs had devised ingenious methods for reporting disruptions to

their schemes and had developed creative approaches to expanding the range of activities in order to ensure institutional sustainability: from income generation, skills development, community upliftment, to affiliation with other national scale government funded or donor funded projects through which members could access housing loans or financial services for micro-enterprises.

14. Financial. At the end of September 1996, the project has spent Rs. 214 million against a target of Rs. 215 million for the year 1996. The disbursement to date is approximately SDR 6 million (36% of the credit). The cumulative financial status upto 1996 of the project is as follows:

Program Development	Rs. 94.6 Million
Water Supply	Rs. 319.2 Million
Sanitation	Rs. 19.3 Million
Hygiene Education	Rs. 3.2 Million
Project Management	
CWSPU	Rs. 123.2 Million
Revolving Fund	
Training	Rs. 17.4 Million
PPF	Rs. 19.0 Million
Technical Support Cell	Rs. 109.5 Million
Studies and Research	Rs. 1.6 Million
Future Project Preparation	
TOTAL	Rs. 707.0 Million

Project Performance

14. Physical. The pace of implementation was further scaled up during 1996: 401 new VWSS schemes were added (231 in 1995), 267 schemes are under construction (98 in 1995), 96 schemes have been completed (64 in 1995), and 179 schemes are at consolidation stage (81 in 1995). Similarly over 7000 latrines were completed in 1996 (558 in 1995). Please see Annex-3 for details. The coverage with VWSS scheme range from 80 households to 492 households. In a sample of 43 CBOs reviewed by the mission, 56% CBOs covered a range of 100-200 households; 23% to less than 100 households; 12% to 200-300 households and 9% to 300-400 households. The majority of projects cover a 3-4 square kilometer area. In a sample of 25 VWSS in Matara District, 59% covered an area ranging between 3-4 sq. km. 18% covered an area greater than 5 sq.km., while the rest covered an area smaller than 3 sq.km

15. Financial. The pace of project implementation, as reflected by its level of expenditure, has also shown significant improvement. At the end of October 1996, expenditure is already 50% more than in the total of 1995. Although in 1996 GOSL initially only allocated Rs. 40 million as counterpart funding for the project, based upon the demonstrated performance during the year this has been increased to Rs. 80 million, plus Rs. 15 million Reimbursable Foreign Aid (RFA). Nevertheless, progress remains

constrained by cash flow problems. Agreements to construct schemes which are ready for signature are being held up due to the non-availability of funds. CWSPU has initiated a number of actions to address this cash flow constraint, including claiming replenishment of its Special Account on a two weekly basis, which have helped but which have not resolved the problem. The increased rate of implementation justifies an increase in the Special Account initial deposit.

Project Forecast

16. Physical. CWSPU prepared a plan for the completion of the project, based upon the progress of community mobilization and scheme implementation to date, which was discussed with and reviewed by the mission. Two alternatives were discussed -- one assuming a continuation of current levels of performance, and one assuming a modest improvement in the time taken between initiating construction and initiating the "consolidation" phase. Both alternatives indicate that the project's construction phase could be completed, prior to the project's closing, in about 850 schemes (see Annex - 3), sufficient to achieve the targeted population coverage. Both alternatives indicated a further significant increase in overall levels of construction activity, especially in 1997.

17. Financial. Forecasts have been prepared accordingly for the two options (see Annexes - 4 and 5). As both forecasts provide for the completion of construction of 850 schemes, both are broadly similar except in terms of the timing of expenditure. They each indicate that a significant increase in funding is required in 1997, and both reflect some adjustment from original cost estimates in terms of category of expenditure but remain generally consistent with total costs as estimated in US\$ 24.3 million and 16.9 million SDR terms. (Technical assistance and hygiene education components are reduced, and program development and water supply schemes expenditure are increased.)

18. The mission discussed the financial implications of the forecasts with GOSL. The Government noted that the 1997 counterpart funding requirement (Rs. 240 million) would significantly exceed the agreed budget for 1997 (Rs. 80 million plus Rs. 30 million RFA). It was confirmed that the total 1997 budget would be available to CWSPU from the start of the year, and that its utilization would be monitored and arrangements made for additional funding from about March or April 1997, as required. The Government also noted that its total contribution to the project would amount to some Rs. 390 million, an increase which reflects reallocation between categories of expenditure, and prevailing levels of inflation.

Other Findings

19. Documents Received. The following documents were received by the mission:
- CWSSP Status Report as of October 1996;
 - CWSSP Progress and revised Implementation Plan;

- CWSSP Financial Performance and Forecast;
- STWSSP Status Report, Financial, O&M Consolidation;
- Draft Policy for STWSS;
- Viability Assessment for STWSSP Scheme Management; and
- Draft report on STWSSP System Development for Management of Facilities.

20. Response to 1995 Audit Comments. The initial findings of the study by M/s Amerasekera and Co., which was commissioned in response to the auditor's comments on the 1995 accounts, indicate that the financial systems of CWSSP, at headquarters and at district offices, are adequate for the purposes of the project. Improvements are recommended to the process of preparation of the financial statements, and for enhancement of internal control by establishment of an internal audit function. MIIC&PU agreed to implement these improvements by December 31, 1996.

21. Special Account. The existing authorized allocation in the Special Account (US\$ 1.2 million) is proving inadequate to meet the project's cash flow requirement. During discussions with Ms. Vimala Abraham of the World Bank's Loans Department it had been agreed to increase the authorized allocation in the project's Special Account. The mission confirmed that, based upon the forecast implementation plan, the authorized allocation should be increased to US\$ 3.0 million. GOSL agreed to request IDA to increase the authorized allocation accordingly. The mission confirmed that it would recommend to IDA management an equivalent increased allocation for the advance to District offices.

22. Adjustment of Credit Allocation by Category. Adjustments are underway to rectify items claimed from incorrect categories of the Credit. It was confirmed by the mission that claims for incentive grants towards the construction of latrines, under the sanitation component, should be claimed through the respective civil works category. Based upon analysis of the anticipated expenditures by category agreed with the mission, GOSL indicated that it would request IDA to reallocate SDR 1 million from the unallocated category (DCA, Schedule 1, Category 7) to Program Unit Operating Costs (DCA, Schedule 1, Category 4).

23. Economic Analysis. A consultant has been commissioned by CWSPU to re-work the project's economic analysis to reflect actual costs and benefits based upon experience to date. The mission reviewed the terms of reference of the consultants and confirmed that the study will recalculate the economic rate of return: (a) for water supply and sanitation schemes (by type as appropriate); and (b) for the project as a whole. The analysis would be undertaken using the original methodology but with updated parameters (wherever possible using actual costs/time savings, and including revised estimated costs where known), and, separately, also using a modified methodology where considered appropriate. The economic analysis will be available for IDA review by February 15, 1997.

Community Development

24. Achievements. The project has contributed to developing rural social capital by building capacity among CBOs (652 in all, as of today) and intermediary agencies (86 POs). The web of rural institutions which have been formed and strengthened at the village level has created a collective force able to assume creation, ownership, and responsibility for safeguarding assets via high participation by women, youth and the poor. As the CWSSP moves to the next phase of consolidation, these factors will play a greater role in ensuring community empowerment and project sustainability. The mission recommends a more intense focus on capacity building to enhance CBO autonomy prioritizing the O&M, and mechanisms to streamline PO best practice procedures. Please see the Special Attachment on Community Development issues.

25. Partner Organizations (POs). At project start-up more governmental (i.e. Pradeshiya Sabhas and Divisional Secretariats) and quasi-government organizations (Multi-Purpose Cooperative Societies), than non-governmental organizations (NGOs) undertook implementation. As the piloting phase progressed, NGO successes in effective project execution has led to their increased participation. At present about 79% of CWSSP partners are NGOs. However, three outstanding issues limit PO's performance potential:

- Given their range of size, skills and expertise, POs follow diverse (but not all necessarily ideal) approaches in the three key phases of the project implementation cycle: mobilization, construction and consolidation;
- Multiple constraints in diverse topographical and socio-economic contexts delay scheme completion beyond the standard 12 month contract: seasonal extremes of weather which hold up construction, hiccups in the funding flows as well as in collecting user contributions, and delays in obtaining material in the open market depending on national shortages (i.e. cement and pipes); and
- Current monitoring and evaluation (M&E) procedures (monthly progress reviews and overly complex M&E formats) slows down the diagnosis of priority problems and their quick resolution, detracting from focused interventions by project staff.

26. In order to remedy these shortcomings, and ensure optimal effectiveness during the expected peak load in the upcoming two years, the mission recommends:

- PO best practice to be culled into a model which could be mainstreamed;
- Review/revise standard duration of PO contracts and establish a phasing out period; and
- Use PO progress reports for troubleshooting and develop a diagnostic approach for "problem focused" rather than comprehensive monitoring.

27. Community Based Organizations (CBOs). Over 90% of CBO membership is from poor households (CWSPU 1995), with high participation by women and youths in terms of attendance at CBO meetings (where major decisions are made) and labor contributions. A sample of 25 CBOs from Matara District showed a membership of 54%

males and 46% females, 57% youths and 43% older (over 40 years) participants. Despite CBO ingenuity in rallying community support, developing mechanisms for O&M, generating new resources and seeking diversified activities to sustain member cohesion, three factors affect CBO autonomy, capacity and sustainability:

- Varying capacities in managing budgets, personnel and technical issues required for effective scheme completion influence CBO sense of dependency on POs/CWSSP;
- Member contributions (cash, labor, material), mechanisms for collecting user fees and sustaining optimal O&M vary depending on the level of CBO cohesiveness; and
- Despite common experience in water rights, resource management and user conflicts, lack of generic skills in conflict resolution leads to requests for special intervention by police, legal/local authorities, POs or CWSPU officials on a case by case basis.

28. Since these factors in unison influence scheme sustainability, the mission recommends more intense efforts to:

- Strengthen CBO skills in leadership, management, participatory and facilitative skills;
- Enhance CBO capacity (for lessons-learned wisdom and problem solving) through technical assistance to impart generic tools in conflict management;
- Allow for flexibility in the project duration, and member contributions over 20%;
- Facilitate shared experience among CBOs on planning for unexpected contingencies, strategies to ensure effective O&M, and arrangements to sustain user participation; and
- Assist CBOs to build sustainability through linkages to government and donor supported projects which would channel members to diversified activities (income generation, community infrastructure, skills development and social welfare).

29. CBO Training and Capacity Development. The CWSPU has conducted CBO capacity development training in the three districts focusing primarily on much needed financial management. In order to develop their sense of autonomy, CBOs require leadership, management, participatory and facilitative skills. An analysis of the training undertaken by CWSSP in the three project districts during the third quarter of 1996 revealed that only a small proportion of training resources are being devoted to CBO strengthening activities. Out of 65 training programs, only 12 (18%) were for CBO personnel. These included CBO development training, construction management, bookkeeping skills and caretaker training. Out of 2090 individuals trained during this period, only about 293 (15%) were CBO personnel. In terms of cost, out of a total of Rs. 722,159 expended on training during the third quarter of 1996, only 10% (Rs. 76,162) were devoted to training which included CBO personnel.

30. The mission recommends that CWSSP should review its training strategy and a) develop a standardized training package for CBOs on the foci outlined above; b) devote more resources to CBO training; and c) contract out some of the CBO training to POs with proven training expertise and capacity. The mission also recommends that officials affiliated with the project including Regional Directors be oriented on the participatory development strategies, including the importance of developing CBO autonomy and the need to overcome the dependency syndrome experienced by CBOs.

Hygiene Education

31. CWSSP's attempts to impart hygiene education has been less than fruitful up to now due to the difficulties in prompting behavior change in community sanitation practices, as confirmed by a study commissioned by CWSPU (June 1996). CWSPU has begun piloting a new participatory approach which focuses on hygiene interventions rather than on education as such. The mission recommends that CWSSP utilize this pilot to develop a pragmatic, informal and simplified strategy focusing on a few key messages. The responsibility for providing hygiene interventions could be transferred to the PO (i.e. the Community Facilitator). CBOs should also be supported to develop their own strategies to disseminate these key messages through a dynamic exchange within the community.

Small Towns Water Supply and Sanitation Component

32. Progress. NWSDB has completed one of the first batch of 6 pilot Towns covering over 800 households, and the remaining 5 are expected to be completed by June, 1997. Mobilization has started in another 5 towns, while the remaining 6 towns will be taken up by May, 1997. NWSDB has provided a revised program which confirms that all schemes will be completed by October, 1998. Please see Annex- 6 for details.

33. The mission visited the completed scheme and noted that a majority of households are yet to get house connections. The scheme is served by tapping excess water from the supply of a neighboring town managed by the NWSDB. As a result NWSDB is also managing this scheme and applying NWSDB procedures to provide house connections and National Tariff. The mission noted that this is likely to create inconsistency in the management and operation of the schemes under the CWSSP Policy, for two reasons: a) For example, in another NWSDB implemented Small Town pumping scheme, which will be maintained by the community, the estimated unit O&M charge is over Rs. 72 per household per month. In the completed scheme the application of National Tariff will result in a unit cost of Rs. 32. Such a concessional option is going to discourage other communities to accept and operationalize a scheme specific O&M cost; and b) The delay in providing house connections and NWSDB's active role in O&M, coupled with the incentive to pay lower user charges will instill apprehension in a neighboring

candidate community, resulting in reluctance to contribute capital cost, encourage dependency on NWSDB, and further stretch NWSDB resource and capacity. The mission confirmed that only 2 out of 17 schemes will fall under the NWSDB management due to technical reasons (as NWSDB is already managing the schemes from which the new schemes were extended). The mission recommends that scheme-specific tariff should be strictly applied in all the Small Town Water Supply schemes.

34. Small Towns Policy. The draft Policy for the small towns has been reviewed by the mission. The mission confirms with appreciation that the principles of demand-responsive approach has been embodied in the draft Policy, including community cost sharing, and community responsibility for O&M. However, the Policy should be more focused and be precise on the following project rules: a) rules for the eligibility of Towns to participate; b) rules for cost sharing; c) rules for participation in planning, design, implementation, and management of the schemes; and d) the institutional arrangements for the application of rules. A revised draft will be available for IDA review by February 15, 1997.

35. Equipment for O&M. NWSDB has submitted a proposal for buildings and equipment for the O&M of the Small Town Water Supply schemes. The average cost is Rs. 375,000 per Town, which includes Office & furniture (50%), tools and kits (40%), and sundry (10%). The mission agrees in principle with the proposal for establishment of a properly functional O&M unit within the Towns. However, conforming to the principles of community ownership and autonomy for management of the schemes, the mission recommends that the project may reimburse the cost of the tools (equipments, test kits, 3 bicycles) which amounts not to exceed Rs. 150,000 per Town. Provided that the community is directly responsible for the management of the scheme with adequate statutory/legal power, have arranged adequate office space and furniture from its own source, and has designated office bearers with paid caretakers.

Handpumps

36. Status and Issues. The progress of implementation of the handpump option under the VWSS Program has been slow. Out of 619 requests for tube well handpumps only 122 (20%) have been installed so far. Review of the slow progress indicates both cash flow, technical and logistical problems. Out of the 619 requests, less than 50% have been recommended for drilling based on preliminary feasibility survey and less than 30% are successful. To minimize disappointment to the communities, NWSDB has requested District offices to submit the lists of selected villages at the start of community mobilization, so that they could conduct preliminary feasibility surveys and identify those areas in which handpump installation is feasible. Requests for tube well handpumps could then originate from only those feasible areas. Furthermore, where handpumps have been installed, many CBOs are not satisfied with their performance and maintenance arrangements. The mission agreed with CWSPU and NWSDB that: a) CBOs can directly seek private sector assistance for installation of handpumps; and b) CBOs can

request private sector for training on maintenance and delivery of spare parts. The mission recommends that CWSPU should obtain formal clearance of the above from the Steering Committee in its next meeting.

37. A study will be conducted to assess the O&M needs for the handpump and the capacity and constraints of the private sector to meet the requirement of handpump users. The study should recommend practical measures to facilitate the private sector to provide service. A TOR for the study will be provided for IDA review by March 15, 1997 and the study completed by May 15, 1997.

Procurement Arrangements

38. General Procurement Procedures. Procedures for local procurement have been developed and circulated at various times during project implementation. There is a need to compile these procedures into one document and disseminate this information through all levels of project staff, initially in draft form, followed by a workshop for discussion and review if necessary. CWSPU, with the assistance of TSC will complete this activity by June 30, 1997.

39. PVC Pipes & Fittings. A system was developed whereby district rates were set by a 'price fixing committee', based on quotations, and suppliers were registered and informed of the rates set. The private sector is very much involved in the supply of this item, with moves to set up dealer networks and make available sufficient stocks. However, the time lag between setting of rates and actual time of material requirement has often resulted in suppliers not willing to keep to the agreed rates. The price fixing committee may need to consider recommending an escalation factor.

Research and Development

40. Design Review. As more schemes move into the operations phase, it would be necessary for a design review to be carried out to ascertain the necessity to revise design criteria (such as demand projections, storage capacities) and engineering estimates for use during formulation of the next project. Representative samples from each district and each category should be studied. CWSPU, with the assistance of TSC, will carry out this study by June 30, 1997.

41. Handpump Study. This study is detailed in paragraph 37.

42. Systems and Procedures Manuals. A comprehensive set of manuals, based on technological options is to be developed by CWSPU with the assistance of TSC by June 30, 1997, covering the following aspects:

- procedures for project eligibility;
- procedures for PO assessment and selection;

- constituency of the CBO;
- mobilization procedures including PO contracting;
- construction procedures including procurement and contracting;
- general rules and regulations for O&M;
- roles and rights of stakeholders;
- consolidation procedures;
- conflict-resolving;
- financial management;
- technical - routine O&M; and
- best practice material and videos for dissemination and use by private agencies.

Monitoring and Evaluation

43. Regular meetings are being held at divisional, zonal, district and ministerial level and detailed formats are prepared for project monitoring. However, a system for report analysis and problem-solving has not been developed, resulting in most issues being referred to NSC for resolution. There are no reference manuals for the MIS system. CWSPU will develop technical and user MIS manuals for IDA review by May 31, 1997.

44. To ensure that both project implementation and consolidation are given equal attention, a set of key performance indicators have been agreed with the CWSPU for monitoring of main elements of the project. Please see Annex -7. IDA will closely monitor these results and an interim review will be carried out by the RMSL at the end of the first quarter of 1997.

Future Project

45. The GOSL has requested for a follow-up project for continuation of the activities to promote demand based rural water supply development in 6 more Districts. The mission agreed to recommend the request of GOSL to the IDA management for consideration. It has been agreed that funds available under this project earmarked for the future project preparation should be utilized to conduct a pre-feasibility study including source assessment, participatory demand assessment and willingness to pay for improved services in the proposed Districts by December 15, 1997. A TOR for the study will be available for IDA review by March 15, 1997.

46. Meanwhile the mission recommended the CWSPU and the MHC&PU to mobilize resources from government sources to implement those schemes which are at the development stage and beyond the scope of the current project finance. The mission also recommended GOSL to revise the VWSS Policy adopted under the current project to formulate and enunciate a National Rural Water Supply and Sanitation (NRWSS) Policy

applicable to all the villages irrespective of the source of financing. A draft NRWSS Policy should be available for IDA review by March 31, 1997.

Agreements Reached

47. A list of agreements reached and actions to be taken by GOSL and the IDA is attached as Annex - 8.

Next Step

48. CWSPU will follow-up on the actions agreed and liaise closely with the Bank Resident Mission at Colombo to provide a monthly up date on the cash flow status. IDA will revise the Project Agreement according to the agreed scope of the project and finance plan, including revision of the Disbursement Schedule. The next supervision mission will be in June, 1997.

ANNEX 1

List of Persons Met Community Water Supply and Sanitation Project (Cr. 2442 CE) Supervision Mission December 1996

Name	Designation	Ministry/Agency
Mr. K.A.S. Gunasckera	Secretary	Housing, Construction & Public Utilities
Mr. H.T. Hewawasam	Director	Community Water Supply & Sanitation Project
Mr. Faiz Mohideen	Director General	External Resources Department
D.M.P.B Dassanayake	Chief Secretary	Sabaragamuwa Province
M. Atampawala	Chief Secretary	Uva Province
Albert Ratnayake	Chief Secretary	Southern Province
Mr. T.B. Madugalle	Chairman	National Water Supply & Drainage Board
Mr. Lal Premanath	DGM (RWS)	NWSDB
Mr. D.S.D. Jayasiriwardena	AGM (RWS)	NWSDB
Mr. Han Heijnen	Manager	Technical Support Cell, CWSPU
Ms. Disna Pathirage	Actng. Dy. Director	Technical, CWSPU
Mr. Sisira Kumarasiri	Dy. Director	Community Development, CWSPU
Mr. W. Piyasena	Dy. Director	Operation & Maintenance, CWSPU
Mr. K.D.C. Perera	Manager	Hygiene Education, CWSPU
Mr. Nihal Rambukwella	Manager	Training, CWSPU
Mr. Richard Conroy	Dy. Resident Representative,	UNDP
Ms. Manel DeSilva	Program Officer,	UNDP
Mr. Manfred Behnsen	Team Leader	GTZ Water Supply & Sanitation Project
Ms. Jeanine von Krimpen	First Secretary	Royal Netherlands Embassy



Community Water Supply & Sanitation Project

Achievement at a glance as at October 31, 1996

Village Water Supply and Sanitation Sub Programme				
Description	Badulla	Matara	Ratnapura	Total
No. of Community projects launched	226	232	372	830
No. of Community projects Completed	44	55	45	144
No. of Community projects under planning and/or construction	182	177	327	686
Total No. of villages covered	645	696	1116	2457
Total No. of village provided with water supply	132	165	135	432
Total No. of people reached	184,190	194,880	284,580	663,650
Total No. of people provided with water supply facilities	41,800	42,982	35,515	120,297
No. of Latrines completed.	2898	2780	1518	7196

School Water Supply and Sanitation Sub Programme				
Description	Badulla	Matara	Ratnapura	Total
No. of School WSS completed	9	14	18	41
No. of School WSS ongoing	238	115	240	593

Small Town Water Supply and Sanitation Sub Programme				
Description	Badulla	Matara	Ratnapura	Total
No. of Small Town WSS Projects Completed	-	1	-	1
Construction	2	2	2	6
Under Development	2	2	2	6

MR/Salasachety.s

WB/ 11.12.96, 1.10 p.m.

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COMMUNITY WATER SUPPLY AND SANITATION PROJECT - IMPLEMENTATION PLAN

Village Water Supply & Sanitation Component

Average Constr. Period -- 12 months

DESCRIPTION	1994				1995				1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NEW PROJECTS ADDED	56	6		48	51	58	58	64	182	131	46	42								
ONGOING PROJ. DEV.	72	128	134	79	105	131	148	173	180	315	316	204	104	19	0	0	0	0	0	0
TRANSFERS FROM DEV. TO CONST.				55	22	25	41	33	57	47	130	158	142	85	19					
ONGOING CONSTRUCTION	36	33	22	19	70	82	103	98	115	163	181	250	335	430	385	246	104	19	0	0
TRANSFERS FROM CONST. TO CONSOL.		3	11	3	4	10	4	46	16	9	29	61	73	47	130	158	142	85	19	0
CUM. CONSOLIDATION		3	14	17	21	31	35	81	97	106	135	196	269	316	446	604	746	831	850	850
TOTAL	164	170	170	218	269	327	385	449	631	762	808	850	850	850	850	850	850	850	850	850

Total
850
850
850

Scheme Equivalents completed in period: 61.6 473.4 92.25 627.2
(404 new schemes plus 162 equivalent underway)

Average Constr. Period -- 15 months

DESCRIPTION	1994				1995				1996				1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NEW PROJECTS ADDED	56	6		48	51	58	58	64	182	131	46	42								
ONGOING PROJ. DEV.	72	128	134	79	105	131	148	173	180	315	316	204	104	19	0	0	0	0	0	0
TRANSFERS FROM DEV. TO CONST.				55	22	25	41	33	57	47	130	158	142	85	19					
ONGOING CONSTRUCTION	36	33	22	19	70	82	103	98	115	163	181	267	392	477	515	404	246	104	19	0
TRANSFERS FROM CONST. TO CONSOL.		3	11	3	4	10	4	46	16	9	29	44	33	57	47	130	158	142	85	19
CUM. CONSOLIDATION		3	14	17	21	31	35	81	97	106	135	179	212	269	316	446	604	746	831	850
TOTAL	164	170	170	218	269	327	385	449	631	762	808	850	850	850	850	850	850	850	850	850

Total
850
850
850

Scheme Equivalents completed in period: 61.6 411 154.6 627.2
(404 new schemes plus 162 equivalent underway)

Community Water Supply and Sanitation Project - Revised Estimate										
Average Constr. Period - 12 months										
	1992	1993	1994	1995	1996	1997	Rupees (Million)			
							1998	TOTAL	Est Sm.	Orig Sm.
Program Development		3.8	9.2	22.6	59.0	41.0	16.1	151.7	2.5	1.0
Water Supply (less comm. contr.)		0.0	20.9	66.8	230.0	648.3	133.5	1101.0	18.4	14.7
Sanitation		0.1	0.2	5.5	13.5	40.5	42.6	102.6	1.7	1.9
Hygiene Education		0.0	0.0	0.2	3.0	9.5	5.0	17.7	0.3	1.5
Project Management										
CWSPU		2.1	23.4	38.1	49.6	40.0	30.0	193.2	3.2	2.9
Revolving Fund										
Training		3.2	4.1	4.9	5.2	3.4	1.7	22.5	0.4	0.4
Technical Assistance & Studies										
PPF	19.0							19.0	0.3	0.7
Technical Support Cell		45.7	27.8	21.0	5.0	14.0	4.0	137.5	2.3	3.9
Studies and Research					1.6			1.6	0.3	1.2
Future Project Preparation						25.0	35.0	60.0	1.0	1.1
TOTAL	19.0	54.9	65.3	160.9	378.9	821.7	278.1	1606.8	30.1	29.8
Financed by:										
GOSL	0.0	0.0	7.3	25.9	66.2	241.1	51.7	385.4		
IDA	19.0	64.9	78.0	135.0	291.7	580.6	216.4	1421.4		
TOTAL	19.0	64.9	85.3	160.9	378.9	821.7	278.1	1606.8		
Rs:SDR conversion	61.75	67.39	70.75	77.74	80	84	88.2			
Approximate Financing in SDR										
Financed by:								SDR Million		
GOSL (SDR m.)	0.0	0.0	0.1	0.3	1.1	2.9	0.7	5.1		
IDA (SDR m.)	0.3	1.0	1.1	1.7	3.6	8.9	2.5	17.1		
TOTAL (SDR m.)	0.3	1.0	1.2	2.1	4.7	9.8	3.2	22.2		
Cumulative SDR								SDR Million		
GOSL (SDR m.)	0.0	0.0	0.1	0.4	1.5	4.4	5.1			
IDA (SDR m.)	0.3	1.3	2.4	4.1	7.8	14.7	17.1			
TOTAL (SDR m.)	0.3	1.3	2.5	4.5	9.3	19.0	22.2			
IDA Disbursement:										
						Nov/Dec.				
	SDR Allocation	Category	To 31/10	Adjusts.	Disbursed	1996	1997	1998	TOTAL	
		1A	0.458	0.106	0.564					
		1E	0.074	0.064	0.138					
		2A	0.316	0.105	0.421					
		2B	0.338	0.590	0.148					
		3A	0.435	0.123	0.558					
		3B	0.265	0.070	0.356					
		Other Goods		0.062	0.062					
		Total CWA-Goods	1.657		2.247	0.99	5.02	0.98	9.2	
		San. Grants				0.11	0.31	0.32	0.7	
		4	2.069	0.350	1.069	0.13	0.48	0.34	2.0	
		5	1.992	0.590	2.382	0.47	1.11	0.51	4.8	
		6	0.251		0.251				0.3	
		Total	5.969	0.000	5.970	1.70	6.91	2.45	17.0	

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Community Water Supply and Sanitation Project - Revised Estimate										
Average Constr. Period -- 15 months	Rupees (Million)							Est Sm.	Orig Sm.	
	1992	1993	1994	1995	1996	1997	1998	TOTAL		
Program Development		3.8	9.2	22.6	39.0	41.0	16.1	151.7	2.6	1.0
Water Supply (less comm. contr.)		0.0	20.6	68.6	230.0	576.7	208.6	1104.5	18.4	14.7
Sanitation		0.1	0.2	5.5	13.5	40.5	42.8	102.6	1.7	0.9
Hygiene Education		0.0	0.0	0.2	3.0	9.5	5.0	17.7	0.3	0.5
Project Management										
CWSPU		12.1	23.4	38.1	49.6	40.0	30.0	193.2	3.2	2.9
Revolving Fund										0.5
Training		3.2	4.1	4.9	5.2	3.4	1.7	22.5	0.4	0.4
Technical Assistance & Studies										
PF	19.0							19.0	0.3	0.7
Technical Support Cell		45.7	27.8	21.0	15.0	14.0	14.0	137.5	2.3	3.9
Studies and Research					1.5			1.5	0.0	1.2
Future Project Preparation						25.0	35.0	60.0	1.0	1.1
TOTAL	19.0	64.9	65.3	160.9	376.9	750.1	353.2	1810.3	33.2	29.3
Financed by:										
GOSL	0.0	0.0	7.3	25.9	85.2	215.0	88.0	386.6		
IDA	19.0	64.9	78.0	135.0	291.7	534.1	265.2	1423.7		
TOTAL	19.0	64.9	85.3	160.9	376.9	750.1	353.2	1810.3		
Rs: SDR conversion	61.75	67.39	70.75	77.74	80	84	88.2			
Approximate Financing in SDR:										
Financed by:								SDR Million		
GOSL (SDR m.)	0.0	0.0	0.1	0.9	1.1	2.6	1.0	5.1		
IDA (SDR m.)	0.3	1.0	1.1	1.7	3.5	6.4	3.0	17.1		
TOTAL (SDR m.)	0.3	1.0	1.2	2.1	4.7	8.9	4.0	22.2		
Cumulative SDR								SDR Million		
GOSL (SDR m.)	0.0	0.0	0.1	0.4	1.5	4.1	5.1			
IDA (SDR m.)	0.3	1.3	2.4	4.1	7.8	14.1	17.1			
TOTAL (SDR m.)	0.3	1.3	2.5	4.5	9.3	18.2	22.2			
IDA Disbursement										
						Nov/Dec.				
SDR Allocation	Category	To 31/10.	Adjusts.	Disbursed	1996.	1997	1998.	TOTAL		
	A	0.458		0.458						
	B	0.074	0.062	0.136						
	2A	0.316		0.316						
	2B	0.088	0.060	0.148						
	3A	0.435		0.435						
	3B	0.286	0.037	0.363						
	Other Goods		0.081	0.081						
	Total CW+G Goods	1.657		1.907	0.99	4.46	1.54	8.9		
	San. Grants				0.11	0.31	0.32	0.7		
	4	2.089	-0.960	1.129	0.13	0.46	0.34	2.9		
	5	1.092	0.711	2.703	0.47	1.1	3.81	5.1		
	6	0.251		0.251				0.3		
	Total	5.969	0.000	5.969	1.70	6.35	3.01	17.0		

ANNEX 6

SMALL TOWN WATER SUPPLY SCHEMES

Summary

1. Of the SAR target of 17 Small Town Water Supply and Sanitation (STWSS) schemes, six have been launched to date, and one has been completed in Denipitiya (Matara District). CBO mobilization has started in another 5 towns, while the remaining 6 will be initiated by May 1997, expecting completion by October 1998.

2. The six STWSS already launched are located two per project district: Kuruwita and Kalawana in Ratnapura District, Passara and Koslanda in Badulla District and Kirinda/Puhulwella and Denipitiya in Matara District. Project progress on these is:

<u>District</u>	<u>Schemes</u>	<u>Start of Community Mobilization</u>	<u>Start of Construction</u>	<u>Expected Completion</u>
Matara	Denipitiya	7/95	12/95	11/96
	Kirinda/Puh.	9/95	6/96	6/97
Badulla	Passara	7/95	12/95	2/97
	Koslanda	9/95	3/96	4/97
Ratnapura	Kuruwita	7/95	12/95	1/97
	Kalawana	9/95	2/96	2/97

Forecast for Completion of Remaining Eleven STWSS Schemes

3. According to the revised plan provided by NWSDB, completion of the 11 remaining STWSS schemes has been grouped into two phases and will follow the schedule below:

Group I

<u>District</u>	<u>Schemes</u>	<u>Start of Community Mobilization</u>	<u>Start of Construction</u>	<u>Expected Completion</u>
Matara	Hakmana	3/96	8/96	7/97
	Kekanadura	1/97	6/97	5/98
Badulla	Haliela	8/96	1/97	12/97
	Ambagasdowa	12/96	5/97	4/98
Ratnapura	Rakwana	12/96	5/97	4/98
	Pallebedda	8/96	2/97	12/97

Group II

<u>District</u>	<u>Schemes</u>	<u>Start of Community Mobilization</u>	<u>Start of Construction</u>	<u>Expected Completion</u>
Matara	Pitabeddara	3/97	8/97	6/98
	Akuressa	5/97	11/97	10/98
Badulla	Meegahakiula	3/97	9/97	8/98
	Welimada	5/97	11/97	10/98
Ratnapura	Kaltota	2/97	9/97	9/98

Denipitiya STWSS Scheme

4. The mission visited the completed scheme at Denipitiya. From a total of 1008 families living in Denipitiya, 840 (83%) households which expressed an interest in getting house connection formed a CBO named "Udara". INDECOS, a leading PO in Matara District served as the partner organization (PO). The project covered an area of 8 square Kilometers, requiring 16 km of pipe laying, and costing a total of Rs. 750,000.

In addition to provisioning household WSS, 7 school WSS and sanitation schemes have been launched under the Denipitiya scheme, costing an additional Rs. 578,215. The schools include a student body of 2,788. The entire cost of over Rs. 13 million was met through 71% project funding (almost Rs. 10 mil) and approximately 29% people's contributions (including house connections).

5. According to a participatory survey conducted at scheme inception, over one fourth of households (28%) were low income. Nearly 95% of the households were using unprotected shallow wells as their water source and a similar number expressed a desire to obtain house connections, while 5% indicated that they would do with a common standpost. A little over half (52%) of the respondents were agreeable to making a cash contribution to obtain water supply, 25% was willing to contribute labor and 23% wished to provide a combination of both in order to secure their access to water. Similarly the survey revealed that about 77% of the households in Denipitiya already had water seal latrines, 4% had pit latrines and 19% had none. Approximately 30% of the respondents wanted private sanitary latrines.

6. By the beginning of the construction phase, 502 households had decided to contribute Rs. 1,500 each raising Rs. 753,000 -- a little over the anticipated cost of the scheme. Approximately 228 households contributed their labor for excavating, backfilling, and for compaction of 20 metre trenches for pipe laying.

7. The Denipitiya scheme is served by tapping excess water from nearby Weligama scheme managed by the National Water Supply and Drainage Board (NWSDB). As a result, NWSDB has been selected for Operation and Maintenance (O&M) of the Denipitiya scheme as well. However, there are inconsistencies in the way that NWSDB has applied water tariffs, which may serve as a disincentive for neighboring communities wishing to execute a similar STWSS. In a

similar community-maintained STWSS implemented by NWSDB, the tariff has been established as Rs. 72 per unit, whereas in Denipitiya, the tariff has been set at Rs. 32 per unit. Such a concessionary rate would discourage candidate communities from accepting a scheme specific O&M cost, and may even prompt a reluctance to contribute to capital costs, encourage a dependency on NWSDB to solve community water needs issues and further stretch NWSDB resources and capacity.

Equipment for O&M

8. NWSDB has submitted a proposal for installation and equipment for the O&M of STWSS schemes. The average cost incurred for these is Rs. 375,000 per Town, which includes office and furniture (50%), tools and kits (40%) and sundry items (10%). The mission agrees in principle with the proposal to establish properly functioning O&M units within the Towns. However, in keeping with the guidelines for inculcating community ownership and autonomy in managing schemes, the mission recommends that the project reimburse the cost of the tools (equipment, test kits, 3 bicycles) which does not exceed the amount of Rs. 150,000 per Town. Such an arrangement is agreed to upon the condition that the community is directly responsible for managing the scheme with adequate statutory/legal power, has arranged adequate office space and furniture from its own resources and designated office bearers, including paid caretakers.

Small Towns Policy

9. The draft policy for the small towns has been reviewed by the mission. The mission confirms with the appreciation that the principles of a demand-responsive approach has been embodied in the draft policy, including community cost sharing, and community responsibility for O&M.

However, the policy should be more focused and precise on the following project rules:

- a) rules for the eligibility of Towns to participate;
- b) rules for cost sharing
- c) rules for community participation in planning, design, implementation and management of the schemes
- d) institutional arrangements for the application of these rules.

NWSDB has agreed to submit a revised draft of the policy for IDA review by February 1997.

C.M.F.

Monitoring Indicators								
	1997				1998			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr	No./qtr
Component								
1. VWSSV Program								
- new								
- proj. dev. completed	142	85	19					
- constr. completed	73	47	130	158	142	85	19	
- cum. consol.	269	316	446	604	746	831	850	850
2. Village Sanitation								
- latrines completed	6500	6000	7800	8200	4800	3200		
3. School WSS Program								
- project completed	87	110	155	110	125	80		
4. STWSS Program								
- mobiliz. completed	2	3	3	2				
- constr. completed	3	2	1	2		4	2	2

ANNEX 8

LIST OF AGREEMENTS and ACTIONS

<u>ACTIONS</u>	<u>TARGET DATE</u>	<u>REMARKS</u>
1. CWSPU will establish an internal audit function	Dec. 31, 1996	Follow up by RMSL
2. GOSL will request IDA to increase the authorized allocation to US\$ 3 mil	Dec. 31, 1996	Request forwarded to IDA
3. GOSL will request IDA to reallocate SDR 1 mil from the unallocated category (DCA Schedule 1, Category 7) to Program Unit Operating Costs (DCA, Sched 1, Cat 4)	Dec. 31, 1996	For IDA Review
4. CWSPU will commission a few effective POs to cull best-practice experience & develop a model for project development	Dec. 31, 1996	to be completed by March 1997
5. CWSSP District offices to facilitate lessons-learned sharing between CBOs by hosting monthly CBO meetings	Jan. 15, 1997	Begin meeting at District Level
6. CWSPU to develop guidelines for higher level staff, including Regional Directors on practices related to enhancing CBO autonomy.	Jan. 15, 1997	For IDA Review
7. CWSPU will submit the project Economic Analysis re-worked to reflect actual costs and benefits.	Feb. 15, 1997	For IDA Review
8. CWSPU will revise 12 month project duration adding a scheme specific phasing out period by POs.	Feb. 15, 1997	For IDA Review
9. CWSPU will review District level M&E procedures and further develop the decentralized "problem focused" monitoring approach underway.	Feb. 15, 1997	Submit new M&E procedure for IDA review
10. NWSDB will submit a draft of the revised Small Towns Policy.	Feb. 15, 1997	For IDA Review
11. CWSPU and NWSDB will submit TOR for study of handpump O&M needs, capacity and constraints of private sector.	Mar. 15, 1997 May 15, 1997	For IDA Review To be completed.
12. CWSPU will submit TOR for pre-feasibility study for future project preparation.	Mar. 15, 1997	For IDA Review
13. CWSPU will contract POs to develop training module for CBO strengthening.	Mar. 31, 1997	For IDA Review
14. CWSPU to arrange orientation for its staff and POs on conflict resolution, from reputed resource group.	Mar. 31, 1997	For IDA concurrence
15. CWSPU to develop a strategy with POs to link CBOs to national and donor funded development activities.	Mar. 31, 1997	For IDA review
16. GOSL will submit a draft National Rural Water Supply and Sanitation (NRWSS) policy.	Mar. 31, 1997	For IDA Review

Special Attachment

Community Development Issues Community Water Supply and Sanitation Project (Cr. 2442 CE) Supervision Mission December 1996

1. The Community Water Supply and Sanitation Project (CWSSP) which began implementation in February 1993, is operational in 3 districts and 830 Grama Niladhari Divisions (GNDs), involving 86 Partner Organizations (POs) working with 652 Community Based Organizations (CBOs) and reaching 663,650 people (approximately 147,478 households) at end October 1996. This includes the population covered under village water supply schemes (WSS), Small Town Water schemes, School Water Supply schemes, and village sanitation programs. At end October 1996, a total of 830 water supply/sanitation projects have been launched, with about 17% completed. *These 830 projects which cover approximately 2500 villages meet over 90% of the target of 2700 villages as outlined in the SAR.* Nearly one fifth of the villages in the program have been provisioned with water supply alone.

2. In addition to meeting and superseding some physical targets, CWSSP has left an indelible mark on rural social capital development in Sri Lanka. The web of rural institutions which have been formed at the grass-roots level (community based groups) through partnership with local and national NGOs has created a collective force with a proven sense of ownership of public assets. Through the mosaic of these partnered inter-relationships community groups have been able to assume the designing, planning, and construction of WSS and sanitation projects displaying a high degree of ownership and responsibility for safeguarding these public assets:

- Most CBOs contribute more than 25% of WSS costs, well over their expected contribution of 20% as outlined in the SAR
- The rupee value contribution per household ranges from Rs. 94 (mostly for shallow wells), to Rs. 11, 746 (Dainis 1995)
- High representation of poor households over 90% in most CBOs (Dainis 1995)
- High participation by youth (57% of members in a sample of 25 CBOs in Matara)
- High participation by women (46% of members) in terms of their attendance at CBO general meetings where major decisions are taken as well as in their labor contributions
- High proportion of NGO partners (79%) as compared government and quasi-governmental agencies, and are completing about 82% of village schemes.

3. According to CWSSP quarterly progress reports, of the 762 projects initiated by end June 1996, 106 (14%) were completed, 216 (28%) were under construction and 440 (58%) were in the initial stages of project development. These 762 projects represents a coverage of over 44 percent of the overall number of GNDs in the three districts (1745).

The operational scale of WSS executed under the project range from as little as 80 households to as much as 492 households. In a sample of 43 CBOs reviewed by the mission, 24 (56%) served 100-200 households; 10 (23%) served less than 100 households; 5 (12%) served 200-300 households and 4 (9%) served 300-400 households. The majority of projects cover a 3-4 square

kilometer range. In a sample of 25 projects in Matara District, 13 (59%) covered an area ranging between 3-4 sq. km. Four (18%) covered an area greater than 5 sq.km., while the rest covered an area smaller than 3 sq.km.

4. The process of social mobilization and emphasis on community participation is enhanced via specific strategies such as:

- the entry activity of "Community Action" (where community members identify a simple development activity of their choice and are supported with Rs. 10,000 to execute it),
- mechanisms to ensure user fee contribution and collection of O&M fees,
- diversified activities to ensure CBO sustainability (i.e. income generation and skills development, community upliftment and social welfare and linkage to national and donor funded development projects)

These activities in tandem have contributed to further enhancing notions of community ownership of public assets leading to community empowerment in the process.

5. Nonetheless, given recent social upheavals throughout Sri Lanka, social cohesion and collective action is not easily come by and remains uneven in diverse contexts. On one hand, the sense of dependency on government institutions to provide public services still persists in some pockets. On the other, decision making processes and the access to and distribution of natural resources in a community may not be democratic or equitable everywhere. As the CWSSP moves to the next phase of consolidation, these factors will play a greater role in ensuring project sustainability. *Thus a more intense focus on strengthening rural social capital by capacity building to develop autonomous CBOs, and mechanisms to streamline best practice procedures would further ensure project success.*

Partner Organizations (POs)

6. Type and number of POs. At project start up more governmental (i.e. Pradeshiya Sabhas and Divisional Secretariats) and quasi-government organizations (Multi-Purpose Cooperative Societies), than non-governmental organizations (NGOs) undertook implementation. As they proved less efficient than NGOs in smooth project completion, the number of NGOs establishing a partnership with CWSSP grew. At present about 79% of CWSSP partners are NGOs, while the rest are governmental and quasi-governmental organizations.

7. Diversity of POs. The 86 POs working with CWSSP are a heterogeneous lot, displaying a range of competence, sophistication and capacity. Pending completion of a PO assessment by CWSSP, based on a cursory estimate, about 15% of POs may be classified as those achieving excellent implementation. About 50% show a satisfactory implementation record, but require further strengthening to achieve full development effectiveness. Another 15% of POs serve a limited area, yet deliver quality results, although their capacity to expand the scale of operations beyond a few GNDs is limited.

8. PO Implementation Strategies and Developing Best Practice. POs follow diverse approaches in the three key phases of the project implementation cycle: social mobilization, construction and operation and maintenance (O&M). While several have their own merits and demerits, a best

practice model should be developed from the implementation experience of effective POs which could be adopted with flexibility by all partners. Such a streamlined strategy may ensure quality along with effective implementation during the expected peak project load over the upcoming two years.

9. Duration of the Project Cycle and PO Contract. The standard duration of a PO contractual agreement (for the project development phase and for construction of WSS) is 12 months. This duration has proven insufficient given the countless constraints communities experience in the course of WSS implementation: seasonal extremes of weather which may hold up construction, hiccups in the funding flows as well as in collecting member contributions, and delays in obtaining material in the open market depending on national shortages (i.e. cement and pipes). The time taken to complete construction varied among CBOs depending on the complexity of the scheme (as one would have expected). Schemes which consists solely of shallow wells were constructed quickly, whereas gravity schemes requiring pipe laying over great distances took longer. Over two third of CBOs (67% in a sample of 27 CBOs reviewed by the mission) took 13 to 18 months to complete the project cycle. The varying duration reported by POs is:

<u>Months</u>	<u>No. of CBOs</u>
6-9	5 (19%)
12 - 18	18 (67%)
18 - 20	4 (14%)

The mission recommends that CWSSP review the average time taken by projects executed to date and revise the contract duration appropriately.

10. Phasing Out and PO Role in the Consolidation Phase. The PO's contractual obligation to a CBO ends at the completion of construction. Yet, CBOs are often not steady enough to stand completely on their own feet and sustain themselves as an institution at this point. *Thus, PO withdrawal needs to be phased out over a period of time, depending on the complexity of the scheme.* For example, shallow wells schemes which do not involve complex technical issues and similarly require only minor O&M, may only require a three months phasing out period. Gravity schemes, on the other hand may require six months as a phasing out period after construction is completed. The mission recommends that CWSSP review the feasibility of a phasing out period during which PO support to the CBO continues in a minimal manner.

11. Monitoring and Evaluation. POs report implementation progress to District offices on a monthly basis. In addition, the District Office undertakes a one-on-one progress review with each PO. While CWSSP's recent efforts to further decentralize the monitoring function to the zonal level is indeed a wise strategy, the mission recommends that *in order to enhance the optimal use of monitoring data for troubleshooting purposes, monitoring systems should be further simplified to a diagnostic approach so as to become "problem focused" monitoring, rather than comprehensive monitoring.* For example, a Monitoring & Evaluation officer attached to the District office could be assigned the task of reviewing PO monthly reports and forward them to the respective officers responsible for problems related to each phase in the

project implementation cycle: the Community Relations Officer for social mobilization related issues, the District Engineer for technical problems, and the O&M officer for problems encountered in the consolidation phase. Such delegation of responsibility would maximize the use of human resources at the District Office and simultaneously achieve the objective of efficiency.

12. Assessment of PO Capacity and Realistic Evaluation of Contractual agreements. Given that the capacity to effectively implement WSS projects varies among the POs, CWSSPU has begun a stock-taking assessment to determine the precise capacity levels of the numerous POs. Such an exercise would have the objective of determining what is required to strengthen mid-scale POs whose efforts could be further strengthened. The costs incurred by POs in project implementation, including administrative expenses, as well as the average duration for project completion (as mentioned in item 7 above) needs to be assessed in a realistic manner, so that PO contracts provide for appropriate remuneration and pragmatic timelines. Such a strategy would serve as an incentive to POs to execute projects in a timely and effective manner, and assure CWSSP of meeting its expected peak load targets over the remainder of the project period.

Community Based Organizations (CBOs)

13. Membership and Demographic Profile. Approximately 652 CBOs are currently formed and functional. A 1995 study by CWSSPU showed that over 90% of CBO membership were from among the poor. Women showed high participation in CBO activities, both in the general meetings held bi-weekly or monthly, and in terms of their high labor contributions to scheme construction. The gender distribution in a sample of 25 CBOs from Matara District showed 54% males and 46% females. The membership distribution of youths vs. older members (over 40yrs) in these CBOs was 57% youths and 43% older members.

14. CBO Capacity. The effectiveness and sustainability of a water scheme depends largely on CBO capacity. The capacity of a CBO is dependent on the educational and income levels of its core members, as well as the efforts expended by a PO to strengthen it. Although POs invest considerably in mobilizing a community, the extent to which CBO members' skills are developed in critical areas such as leadership, management, participatory and facilitative skills and conflict management is uneven. *The mission recommends that CWSSP invest greater resources and efforts to enhancing CBO capacity in the areas listed above in order to enhance CBO autonomy, self-reliance and project effectiveness.*

15. Enhancing CBO Autonomy. CBO autonomy can be developed by two strategies: a) capacity building assistance/training and b) specific activities which can be designed, planned and executed independently, such as activities undertaken by the CBO under Community Action. *CWSSP should review the training provided to CBOs and provide only such training which would enhance CBO capacity as outlined in para 24. CWSSP should develop procedural guidelines for District Offices on their minimal intervention in collective community decisions on any aspect of Community Action projects.*

occurred through a special intervention (either on the part of a PO/NGO, a local government authority, or a legal authority), after much discussion and dialogue. *In order to minimize the negative impact of unresolved or improperly resolved conflict and to equip CBOs with generic skills in conflict resolution, the mission recommends that CWSSP secure technical assistance who could impart such skills to CBOs.*

20. Strategies to enhance CBO Sustainability. Discussions with a sample of 20 CBOs which have completed construction of their water supply schemes (or are very close to completion), revealed that only a few lacked a healthy sense of autonomy, in terms of generating additional resources and managing their O&M budgets. Similarly, most had ingenious ideas on how to generate new resources, diversify the activities of the CBO to sustain member interest, and ensure the continuity of the CBO in a manner that would prove useful to members in the long run. These ranged from income generation and skills development activities, and community upliftment activities such as establishing a Funeral Aid society or hygiene education, and affiliation with other national scale government funded or donor funded projects through which CBO members could access housing loans or financial services to set-up/enhance micro-enterprises. *An increased role by CWSSPU and POs at the early stages of project development to help identify linkages to other development initiatives would help ensure CBO success in meeting their sustainability objectives.*

16. CBO Sustainability. CBO sustainability may be gauged by its capacity to maintain service provision to the community long after the assistance provided by POs (managerial, financial or technical) has been withdrawn. Some key ingredients in ensuring CBO sustainability is their problem-solving capacity (including conflict resolution, drawing lessons learned wisdom and transmitting such knowledge to similar situations), and degree of autonomy (ability to generate additional finances as necessary, manage budgets and personnel and undertake relevant decisions independently).

17. CBO Contributions to Project Implementation: Cash, Material, and Labor. While CBOs were expected to contribute a minimum of 20 percent of the project costs (either in cash or labor/materials), some CBOs had contributed over 38% of scheme costs. According to one source (Dainis 1995) the rupee value of such community contributions range from as little as Rs. 94 per household to as much as Rs. 11,746 per household. According to a leading PO in Matara (INDECOS), community contribution generally exceeds 25 percent. Reportedly, users are willing to contribute as much as 50 percent of the costs of a scheme, if it means they have exclusive access -- although this has been solely in reference to shallow wells. *The mission recommends that CWSSP consider more flexibility in the expected contribution from users above 20% in order to make the project even more client oriented and responsive to participants' needs.*

18. Operation and Maintenance by CBOs. Mission discussions with a sample of 20 CBOs from the three project districts revealed a number of ingenious methods devised for the collection of user fees, sustaining member interest and for O&M (i.e. users reporting disruptions to a scheme via a complaints registry placed in a household located in the middle of the village which included a section on how and when a O&M problem was addressed by the appointed caretaker). Some CBOs had begun collecting user fees with a plan to meet unexpected contingencies while others had incorporated a set of rules and terms for collecting user fees for O&M purposes (including penalties for those who delayed or failed to pay) into a constitution adopted through member consensus. Yet the capacity of all CBOs to collect and ensure full contribution by all users, and develop mechanisms by which to sustain CBO cohesiveness was uneven. The mission recommends that *CWSSP host informal but structured exchanges of information between CBOs in a district on a monthly basis in order to facilitate a 'lessons learned' process between CBOs with the aim of strengthening CBO capacity and ensuring better O&M management.*

19. Water Rights, Resource Management and User Conflicts. During the process of project implementation, most CBOs reportedly experience water rights related conflicts. They include legal disputes regarding right of way for pipelaying where common vs. private land ownership may be challenged by a community member, and access to a source, as well as shared water use and management. Depending on the level of pre-existing social cohesiveness in a village, CBOs attempt such conflict resolution through adhoc methods involving a combination of persuasion, tact and the threat of social sanctions. Yet, lacking formal skills and tools by which to resolve such issues, many CBOs waste precious months of project preparation time in heated debates among community members. While nearly all CBOs encounter user conflicts, most had not developed generic skills in conflict resolution. Most such conflicts had been resolved As they

Addendum to Special Attachment
Discussion on O&M with CBOs from Badulla and Ratnapura District

1. Twelve CBOs from Badulla and Ratnapura district participated in a discussion with CWSSP officials at Sausiripaya on December 3, 1996.
2. Among these CBOS were a few which had been formed at the very start of the project, while most had been formed during the past year or so.
3. The majority of these CBOs had executed water supply schemes covering between 4-5 sq. kilometers. The variation in the scale of projects is as follows:

2-3 sq. km = 3 CBOs
 4-5 sq. km = 6 CBO
 6 sq. km = 1 CBO

4. The time taken to complete construction varied among CBOs depending on the complexity of the scheme (as one would have expected). Schemes which consists solely of shallow wells were constructed quickly, whereas gravity schemes requiring pipe laying over great distances took longer. The duration reported by POs to complete construction is as follows:

<u>Months</u>	<u>No. of CBOs</u>
6-9	5
12 - 18	6
18 - 20	2

5. The number of users/beneficiary households that each CBO had been instrumental in provisioning with water varied from 80 to 390. A more precise breakdown is as follows:

<u>No. of user hhlds</u>	<u>No. of CBOs</u>
80 - 160	2
140-160	4
180 -200	3
350-400	2

6. Each CBO had begun collecting O&M fees long before construction was completed. The fees collected per household per month ranged from Rs. 5 to Rs. 20, and varies with each type of scheme as follows:

<u>Type of Scheme</u>	<u>No. CBOs reporting per month payment by user households</u>		
	<u>Rs. 5</u>	<u>Rs. 10</u>	<u>Rs. 20</u>
Gravity Scheme	2	6	2
Shallow Wells	3	1	
Deep Wells		1	
Tube wells		4	
Total:	5	12	2

7. Each CBO has appointed care takers, some trained other acquiring their skills through project participation (i.e. by undertaking the construction of tanks and pipe laying etc. under the guidance of a Technical Officer). A few CBOs had appointed as many as 5 caretakers, while others had identified only 1. The number of caretakers appointed by CBOs were as follows:

<u>No. of Caretakers</u>	<u>No. of CBOs reporting</u>
5	3
4	2
3	1
2	3
1	3

8. CBOs participating in the discussion were asked to enumerate the problems they had encountered so far in Operation and Maintenance activities. The multiple responses they provided are as follows:

<u>Problem Reported by CBO</u>	<u>No. CBOs reporting</u>
1. Difficulty collecting O&M fees	8
2. Missing required instruments to do O&M	6
3. Technical difficulties in the condition of pipes/tanks	4
4. Water Source sullied or unprotected	3
5. Quantity of water received/available different from plan	2
6. Access of water by those who have not contributed	2
7. Lack of training	2
8. Water use very high by some users	1

9. CBOs were asked to propose solutions to these problems or share with others the way they had resolved the above problems. Many ingenious methods and devices were proposed and discussed among the participants. Collectively the options presented were:

- Conduct a dialogue with the offending parties
- Discuss the matter publicly at the CBO monthly General Meeting
- Allocate the responsibility of collecting O&M fees to the caretaker rather than CBO
- Allocate responsibility of collecting O&M fees to cluster group leaders
- Get help from Police, Partner Organization or CWSSP district office as a last resort

10. CBOs had some creative proposals for strategic interventions which would enhance O&M fee collection:

- Introduce a clause in the CBO constitution which outlined specific rules and regulations on O&M fees and the consequences faced by a user household for not adhering to them.
- Introduce a system of penalties for late fee payments
- Request members to bank their fees on a monthly basis to avoid the trouble expended by CBO leaders
- Allow a monetary commission to cluster group leaders as an incentive to get them to collect full fees
- Establish a competition among cluster groups to motivate leaders to get full user payments
- Allocate specific O&M duties to cluster group leaders/members

11. CBOs were asked to share their strategies for O& M and attending to repairs. Their responses ranged from the traditional to the extraordinary:

- Cluster leader informs caretaker
- user informs CBO official and he/she in turn informs caretaker
- take preventive measures by constant vigilance of water scheme by CBO/caretakers
- take special precautions by examining critical points in the water scheme
- conduct regular maintenance by cleaning tanks, etc on a fixed day of each month.
- Instill fear in users by invoking their set of obligations regarding O&M

12. CBO responses to resolving the issue of accessing water by users who had not participated in scheme construction nor contributed focused on two strategies:

- Charging the new user a fee that would be the equivalent of the days of labor due per household at time of construction plus an additional amount to compensate for their lost participation from the very beginning;
- Referring to peer pressure both in private dialogues and in public meetings to get the user to comply with CBO regulations

13. CBOs recognized the need to diversify into other sectoral activities in order to sustain user membership continuity. While most CBOs had many bright ideas, many lacked the knowledge of how best to bring these ideas into fruition. It was apparent that the role of POs and CWSSP was to facilitate such knowledge and channel the CBOs to sources of information about how to realize these ideas. The range of activities proposed by CBOs to sustain member continuity were:

- Begin income generating activities by providing loans to members
- Access some skills training for members through projects for micro-enterprise ventures
- Rally the members around simple community development activities
- Launch Hygiene education programs or latrine promotion programs
- Access housing loans for members to undertake house repairs
- Strengthen CBO managerial skills and develop CBO cohesiveness
- Do continuous monitoring of water users access to water and quality
- Establish a Funeral Aid Society which would serve as a binding issue for members
- Undertake community resource management



UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM

Black Book

FEB 26 1996

Date: February 8, 1996
To: Marie Garcia Zamor Chief SA1IN
From: Robert A Boydell, Manager, RWSG-SA
Subject: Sri Lanka: RWSGSA country Workplan Consultation.

- * 1. Please find herewith copy of the proceedings of the Country Workplan Consultation recently hosted by UNDP in Sri Lanka. I am pleased to report that the meeting was very well attended and that we had positive feed back from our counterparts in Government and the external support agencies as to the role and potential areas of work for the RWSGSA in the coming year.
2. The main areas of work were seen to be training and capacity building, establishing monitoring and evaluation mechanism in projects, documentation and dissemination of lessons and good practice, applied research and continued support to the rural water supply and sanitation sub sector and to environmental sanitation in peri urban areas. It was felt that by concentrating in these areas we would be providing foundations for the development of good sector policy and development strategy leading to sound investments.
3. The other strong message we received was that the UNDP funded National Water Supply and Sanitation Development Project should be the vehicle and framework for the RWSGSA activities in Sri Lanka and that the appointment of a National Country Officer is essential in order to establish a focal point for this. The NCO would be based in the program management group of MHCPU and report to the National Program Director for day to day supervision. The RWSGSA would provide support and back-stopping and would participate in the drawing up of detailed quarterly work plans. After receiving your final endorsement of the cooperating agreement with GOGL and UNDP we will recruit the NCO as quickly as possible. I have also attached a draft of the terms of reference for the NCO which is also with Government for final clearance which is delayed due to the recent bomb incident.
4. The Pakistan and Bangladesh consultations were equally useful and I will forward copies of the proceedings when finalized in the next few days. I very much look forward to discussing these during our annual work-planning meetings in Washington which are planned to be held during the period April 29 to May 10.

Encl : *

cc. Grover, Gross TWUWS. Pendley, Minnatullah RWSGSA. Lee, Moes SA1IN. Pilapitiya SA1SL.

NATIONAL SECTOR DEVELOPMENT PROGRAMME - SRI LANKA

TITLE: NATIONAL COUNTRY OFFICER

REPORTING TO: National Programme Director, NSDP and Regional Manager,
RWSG-SA

UNIT: Secretariat of the NSDP

LOCATION/DURATION: Ministry of Housing, Construction & Public Utilities, Colombo
24 months

BACKGROUND AND SCOPE OF POSITION

Pursuant to the signing of a UNDP Document for the National Water Supply and Sanitation Development Programme (Project No.: SRL/93/002) in February 1995 between the Government of Sri Lanka and UNDP a coordination mechanism consisting of the National Sector Coordination Committee (NSCC) supported by the National Coordination Secretariat (NCS) are being established to develop and coordinate inter-sectoral plans and actions to ensure the orderly and sustainable development of the water and sanitation sector.

Overseeing the National Sector Development Programme (NSDP) is one of the most important tasks of the National Sector Coordination Committee. The primary emphasis of the NSDP is expected to be in rural, estate and poor peri-urban areas. The NSDP will define an overall national policy, strategy, resource availability and necessary support programmes. The NSDP will also include special studies and investigations relevant to identifying solutions to important sector issues.

Detailed sector development needs will be defined in a number of important sub-areas described in the programme document and a draft Sector Development Plan will be prepared as a principal output of the project. The Programme is to be executed by the Ministry of Housing, Construction and Public Utilities on behalf of the Government of Sri Lanka, with the Community Water Supply Programme Unit (CWSPU) acting as Implementing Agency.

Within this framework, a Letter of Agreement has recently been signed between the Government of Sri Lanka and the World Bank, as Cooperating Agent to provide relevant support services to the programme. As a cooperating agency the World Bank, through the Regional Water and Sanitation Group for South Asia (RWSG-SA) will, in collaboration with UNDP and the NSDP, recruit an experienced Sri Lankan national to serve as a member of the NSCP secretariat.

MANAGEMENT & REPORTING

The NCO will report directly to the National Programme Director in the Ministry of Housing, Construction and Public Utilities. In addition, the NCO will act as the focal point for RWSG-SA activities in Sri Lanka, liaising with the regional group in Delhi. Quarterly workplans will be prepared jointly with RWSG-SA and NSCP. RWSG-SA will provide professional advice and support. The detailed duties and responsibilities of the officer are described below.

DUTIES AND RESPONSIBILITIES:

Background

1. Become familiar with the history, organization, issues and unsolved problems of the rural and urban water and sanitation sector in Sri Lanka.

Sector Support

2. Participate actively in the identification of training needs relevant to the sector and in the development of programmes/projects and other activities aimed at addressing these needs, including workshops and TCDC interchanges.
3. Provide strategic supervision to relevant sector projects and programs and participate in project identification, appraisal and supervisory missions by ESA's and tripartite reviews as and when required.
4. Identify sector support needs and activities, including applied research and special studies and contribute to the formulation of specific requests for assistance to address these needs.
5. Maintain close collaboration with the NSCC, NCS, and any working groups appointed by these bodies, UNDP, World Bank Resident Mission, relevant government ministries and departments. It is proposed that regular (at least monthly) briefing meetings are held with relevant representatives from the government, donors and project staff and others to build consensus around important issues.
6. Participate in working groups and support the preparation of the draft Sector Development Plan which will be prepared as a main output of the Project.
7. Advise the Implementing Agency on the qualifications required of the national consultants to be recruited and review CV's if and when necessary.
8. Prepare job descriptions (TOR) and identify, recruit and supervise the services of international experts and consultants provided for in the programme budget in close consultation with GoSL, and ensure clearance from the Government prior to recruitment.
9. Participate in establishing guidelines and procedures for the screening and assessment of new proposals for activities in the sector originating from government, donors, NGO's and others to ensure their compliance with the principles of sustainable use and management of water resources.

Documentation and Reporting

10. Identify relevant "best practices" and prepare case studies of relevant sector activities which have a high learning potential in collaboration with RWSG-SA.
11. Ensure that supervisory missions/field visits are adequately documented through BTOR's which are submitted to RWSG-SA.

12. Assume responsibility for the timely preparation and dissemination of all documentation from the activity and the UNDP-World Bank Program, including periodic issue and discussion papers, minutes of meetings, study reports, manuals and guidelines, monthly activity reports and other documentation.
13. Prepare quarterly work plans in consultation with RWSG-SA, and budgets, disbursement requests and financial reports as may be required.

Other Support

14. Manage at national level logistic requirements and other administrative matters related to the smooth functioning of the Cooperating Agent Agreement.
15. Provide advice and assistance to the Implementing Agency in the preparation of workshops, meetings and study trips.
16. Arrange and participate in meetings, seminars, etc. in Sri Lanka or elsewhere as may be deemed necessary and relevant to the success and effectiveness of the project.

Professional Development

17. Keep abreast of current developments in principles, strategies and activities of the UNDP-World Bank Water and Sanitation Program and support and promote program priorities within Sri Lanka.
18. Keep abreast of current developments in the fields of sector planning and policy formulation, operational and action research, participatory project implementation and evaluation tools and methods.

UNDP-World Bank Water & Sanitation Program
Regional Water & Sanitation Group - South Asia

Country Level Consultation

Sri Lanka

Trans Asia Hotel - Colombo

January 16, 1996

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Back-Ground

1. The joint UNDP World Bank Water and Sanitation Program (Program), which evolved from the International Drinking Water Supply and Sanitation Decade, consists of a number of regional, inter-regional and country projects funded largely by UNDP and supplemented by a number of bilateral agencies. Other donors providing supplementary funds are: Norway, Sweden, Switzerland, United Kingdom, and the Netherlands. In South Asia the Program's core funding is through the UNDP regional project RAS/92/001 "**Water and Sanitation for Asia**" and a Regional water and Sanitation Group for South Asia (RWSG-SA) was established at New Delhi in 1991 to cover the South Asian countries including Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka.

2. The objective of the Program is to facilitate countries to improve the service delivery for providing poor people with access to water supply and sanitation systems on a sustainable basis. The Program works in partnership with countries and at regional and global levels to learn from new and innovative project design, implementation and to disseminate best practices within the country, regionally and globally to enable capacity building for the key partners for sustainable service delivery. To achieve the primary objective a set of intermediate goals set by the Program are:

- building local level capacity;
- learning and dissemination;
- supporting sustainable investment;

3. The regional project "**Water and Sanitation for Asia**" was designed to achieve the above intermediate goals through the following activities:

- set the groundwork to increase access of the poor people to safe water and sanitation through human resource development, institutional reorganization and training, and improved sector planning and reform;
- establish networks for in-country and intercountry exchange of information, skill and technologies for supporting sustainable service delivery; and
- promote and support investment in scaling up water and sanitation program to meet the needs of the poor.

Work-planning

4. The foundation of the Program activities is laid through the preparation of the country work plans, which is carried out annually. The country level work plans are prepared with due consideration to the local context, and in the past were largely an internal exercise. In response to the findings of the recently concluded Tri-partite review of the regional project, in September 1995, it has been agreed to introduce more and direct stakeholder participation through "**Country Level Consultation**" for the preparation of the workplan starting with FY1996/97 workplan. It was further agreed that the consultative process should include the major sector actors including government agencies, beneficiaries/NGOs, private sector donors. The Tri-partite

review was attended by government and donor representatives from the South Asian countries.

5. This report presents the findings of the Country Level Consultation (CLC) carried out by the RWSG-SA and hosted by the UNDP and the Government of Sri Lanka held at Colombo on January 15, 1996. The agenda of the CLC is attached as Annex I, UNDP letter of invitation is attached as Annex-II.

Summary of the Consultation Meeting

6. Inaugural Session: The CLC was inaugurated and chaired by the Secretary Ministry of Housing Construction and Public Utilities My/HC & PU, UNDP Representative and the World Bank representative. In his welcome address the Secretary, My/HC & PU highlighted that for the first time the UNDP/WB Programme has opened up its planning process to a broad group of sector actors. He hoped that an honest and frank exchange of ideas, resources and efforts will lead toward finding better partnership to expand access to Water & Sanitation for the unserved poor. He emphasized that the meetings outcome will be judged by the relevance, realism and support generated among the various members

7. The UNDP Representative in her inaugural address mentioned about the collaboration it had with the Programme since 1987 with the formulation of the District Development Plans. She also highlighted the need for involving the country level partners to share experiences and to discuss issues and constraints in implementing the regional programme. The inaugural addresses are attached as Annex-III & IV. A total of 27 delegates from External Affairs Department, My/HC & PU, water and sanitation sector agencies, Clean Settlement Unit, Plantation Sector, NGOs, and Donors including GTZ, WHO, UNDP, World Bank, Swiss/Helvetas participated. A list of delegates is attached as Annex-V.

8. The inaugural session was followed by an introduction and expectation session for the delegates. The expectations which ranks highest includes: assistance to the sector to improve coordination, to minimize duplication of efforts, and eliminate wastage of resources; To understand more about the Programme and its role in sector development in the future. List of expectations is attached as Annex-VI.

9. The Program Manager and the Regional Manager for RWSG-SA presented the objectives of the Program, the consultation process and the Program activities in South Asia. The Programme Manager briefly elaborated the content, objective and outputs of the CLC. He has elaborated that the Strategy of the Programme is to assist participating countries to build capacity for better policy, institutional and human resources development, to carry on learning from experiences and disseminating lessons and thereby supporting investments, for sustainable service. He also discussed about the Programme planning process which start with the CLC followed by Regional Retreat, Annual Managers Meeting and finally the Annual Workplan. Presentation slides are attached as Annexes-VII and VIII. He emphasized that the objective of the consultation is to guide future planning and implementation of water & sanitation activities in Sri Lanka within the regional and global context.

10. He also briefly discussed about the newly evolving "Global Water Partnership" in which

efforts will be made to look more holistically at the global water resource and support strategies for judicious utilization of this depleting resource. When implemented the Program will be one window of operation under the Partnership with other water-related global programs under one umbrella.

11. The Regional Manager of RWSG-SA explained the evolution of the Program, the Programs current Partnership arrangements with UNDP, Bilateral and the World Bank, the structure of the Program and what has been learned in water supply and sanitation development, broader lessons, the RAS Project, staffing at regional and country level. He also elaborated the focus of activities, selection criteria for identifying projects of opportunities. And finally he concluded with key areas of activities in each of countries in the region.

12. Session II. Program Activities in Sri Lanka: The second session was chaired by the chief secretary of the Uva Province. In this session the current activities of the Program in Sri Lanka was presented by the RWSG-SA Team Leader followed by a review of the status of the current workplan for Sri Lanka by the Director of the Community water Supply and Sanitation (CWSSP) Unit. In summary the activities in Sri Lanka included Support to the UNDP funded National Sector Co-ordination program, Strategic Support to the IDA funded CWSSP, and assistance to government and IDA for the preparation of water and sanitation project for the Low Income Urban communities (LICs) including the setting up of a process monitoring system. The review indicated substantial achievements for the government and the Program in building capacity for large scale implementation of rural water supply and sanitation in Sri Lanka through the CWSSP, a project with novel institutional partnership between the government and NGOs. The project has successfully embarked into large scale implementation with over 400 rural water supply and sanitation schemes being constructed by the communities directly with the help of over 70 NGOs. Another feature of the Programs support to the sector is the launching of the National Sector Development Program (NSDP). The NSDP has recently concluded its first conference in December 1995, in which the workplan for NSDP has been outlined. Presentation slides are attached as Annexes-IX, X & XI.

13. Session II. Group Work: The third and final session was chaired by the Ms. N. Madanayake, Director External Resources Department. The session consisted of group work to identify and discuss the key issues, the expectations of the group members on actions for the Program to address the issues, and how would the recommended actions contribute to the Programs intermediate goals for capacity building, learning, and supporting sustainable investment. Three themes were identified for group work which includes:

- Role of the Program in Urban Sub-Sector;
- Role of the Program in Rural Sub-sector; and
- Role of the Program in Sector Advisory Support

14. Each working group after thorough discussion prepared and presented summary of their recommendation for the Programs role in each of the three sub-sectors. Questions to focus on by the working groups are attached in Annex-XII. Working group presentations are attached as Annexes-XIII, XIV & XV respectively.

15. **Conclusions:** The following table summarizes the outcome of the working groups and reflects the consensus reached at the consultative meeting on the Program's future activities in Sri Lanka, for FY 1996.

AREAS	SUGGESTED ACTIVITIES	CAPACITY BUILDING	LEARNING	SUPPORTING SUSTAINABLE INVESTMENT
Urban Sub-Sector	<p>1. Continued assistance to the Clean Settlements Project</p> <ul style="list-style-type: none"> -Process Monitoring -Finalization of Flexible Standards <p>2. National Sector Development Program</p> <ul style="list-style-type: none"> -Definition of Greater Colombo -implementation of Peri-Urban component of the Workplan 	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p>
Rural Sub-Sector	<p>1. National Sector Development Program</p> <ul style="list-style-type: none"> -Establishment of Training Network -Strategic implementation support to the Estate Plantation Sector -Documentation and dissemination, cross-country dissemination -Development of Policy and Operational Guidelines for cost sharing, O&M cost recovery, M&E and back up support, selection criteria, community management and maintenance arrangements <p>2. Development of Technical Specification formation of a committee</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Yes</p>	<p>Yes</p> <p>Yes</p>
Sector Advisory Support	<p>1. National Sector Development Program</p> <ul style="list-style-type: none"> -water supply policy -investment prioritization -M&E, learning/dissemination -applied research -intersectoral/regional linkages -training/capacity building 	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>

It was strongly recommended that the existing UNDP Project for "National Water Supply and Sector Development" should be the framework in which the RWSGSA should work in Sri Lanka and that a National Country officer should be recruited, to serve in the Project Management Group and, to act as the RWSGSAs country representative.

UNDP - World Bank Water & Sanitation Programme
Regional Water Supply and Sanitation Group - South Asia

Sri Lanka Country Consultative Meeting

Tuesday January 16, 1996

- 8:45 Registration
- SESSION I Inauguration**
- Chairman : Mr. K.A.S. Gunasekara, Secretary/My.HC&PU
Facilitator: Mr. Sisira Kumarasiri.
- 9:00 Welcome address by Mr. K.A.S. Gunasekara, Secretary/My.HC&PU
Address by UNDP Representative
Address by World Bank Representative
- 9:15 Introduction and Expectation of the Delegates : Mr. Heawawasam
- 9:45 Objectives of the Programme and the consultation Process: Mr. Brian Grover, Programme Manager
- 10:00 UNDP-World Programme in South Asia: Mr. Robert Boydell, Regional Manager.
- 10:15 Questions & Discussion.
- 10:30 Coffee Break
- SESSION II Programme Activities in Sri Lanka**
- Chairman: Mr. A.B. Talagune, Chief Secretary, Uva Province.
- 11:00 The Sri Lanka Country Programme and UNDP Project: Mr.K.M. Minnatullah.
- 11:15 Review of the Sri Lanka Country Programme and the UNDP National Sector Coordination Programme: Mr. Thilak Hewawasam, Project Director.
- 11:30 Questions & Discussion
- 12:00 Briefing and Introduction of the Working Groups: Mr. Charles Pendley.
- 12:15 Questions & Discussion
- 12:30 Lunch Break

SESSION III Group Work.

Chairman: Ms. Nalini Madanayake, Director, Dept. of External Resources.

- 14:00 Working Groups - (1) Role of the program in Urban Sub Sector
- (2) Role of the Program in Rural Sub Sector
- (3) Role of the Programme in Sector Advisory Support.
- 15:30 Reporting back from working groups.
- 16:15 Questions & Discussion.
- 16:40 Summary of the Consultation: Mr. K. M. Minnatullah
- 16:55 Vote of Thanks: Mr. Robert Boydell, Regional Manager
- 17:00 Close of the Consultation : Dr. Herath.

**UNDP - World Bank Water and Sanitation Programme
Regional Water Supply and Sanitation Group - South Asia
Sir Lanka Country Consultative Meeting
Tuesday, January 16, 1996.**

LIST OF DELEGATES

No	Name	Designation	Address	Tel. No./Fax No.
1.	Mr. Harin Malwatte	Director General	Plantation Housing, & Social Welfare Trust, C79, Gregory's Avenue, Colombo - 07	696077/696077
2.	Mr. M. Wickramage	GM(Corporate Planning)	National Water Supply & Drainage Board, Galle Road, Ratmalana	636449/636449
3.	Mr. Preethi Perera	Engineer	Plantation Housing, & Social Welfare Trust, C79, Gregory's Avenue, Colombo - 07	696077/696077
4.	Mr. M.P.T.P. Fernando	Chief Executive	Sarwodaya RTS, Damisak Mandiraya, 98, Rawathawatta Road, Moratuwa	647159/ 647160/647084
5.	Mr. M.A.S.L. Attanayake	Dy. Director (Technical)	Community Water Supply & Sanitation Project, 9th Floor Sethsiripaya, Battaramulla	872147/872143
6.	Mr. H. Pinidiya	DGM(ADB Project)	National Water Supply & Drainage Board, Galle Road, Ratmalana	722329/722329
7.	Mr K.L.L. Premanath	DGM(RWS)	National Water Supply & Drainage Board, Galle Road, Ratmalana	637191/637191

8.	Mr. M. Behnsen	Team Leader	GTZ, Water Supply & Sanitation Project, 53, Horton Place, Colombo - 7	694094/694094
9.	Mr. Han Heijnen	Team Leader	Community Water Supply & Sanitation Project, 9th Floor, Sethsiripaya, Battaramulla	872145/872143
10.	Mr. Sathis de Mel	Executive Director	Arthacharya Foundation, 16/1, 1/1, Galle Road, Mount Lavinia	725755/712200
11.	Mr. G.W.D.M. Goonaratne	Engineer	Mahaweli Authority of Sri Lanka. 500, T.B. Jayah Mawatha, Colombo - 10	687237/687240
12.	Mr. Charles Pendley	RWSG-SA	UNDP/WB Water & Sanitation Programme - South Asia	91-11-469-0488/9 /91-11-462-8250
13.	Mr. Sisiria Kumarasiri	Deputy Director (Community Development)	Community Water Supply & Sanitation Project, 9th Floor Sethsiripaya, Battaramulla	872149/872143
14.	Ms. N. Madanayake	Director	External Resources Dept, 3rd Floor, Secretariat Building, Colombo - 01	541279/447633
15.	Mr. A.B. Thālagune	Chief Secretary	Provincial Council Uva. Badulla	055-2809/055-2809
16.	Ms. Manel de Silva	National Project Officer	UNDP P.O.Box. 1505, Colombo	590691/581116
17.	Mr. Sumith Pilapitiya	Engineer	Resident Mission of the Sri Lanka. 1st Floor, DFCC Building, 73/5, Galle Road, Colombo - 03	448070/440357
18.	Mr. K.M. Minnatullah	Task Manager	WB	0092-51-819781/0092- 51-826362
19.	Mr. R.A. Boydell	Regional manager	UNDP/WB W&S Programme New Delhi	91-11-469-0488/9/91- 11-462-8250

20.	Mr. Brian Gover,	Manager	UNDP-WB Water & Sanitation Programme	202-473-0693/ 202-522-3228
21.	Ms. N. Mohottala	Director (Environment)	My. of Transport, Environment and Women's Affairs, 6th Floor, Unity Plaza Building, Colombo - 04	508577/502566
22.	Mr. A.V.G.C. Karunathilake	Addl. Director	Clean Settlement Programme Unit, 9th Floor, Sethsiripaya, Battaramulla	867773/872143
23.	Mr. T.B. Madugalle	Chairman,	National Water Supply and Drainage Board, Galle Road, Rtmalana	634488/636449
24.	Mrs..A.D.D. Pathirage	Deputy Director (Infrastructure)	Clean Settlement Programme Unit, 9th Floor, Sethsiripaya, Battaramulla	867774/872143
25.	Mr. Markus Heiniger	Programme Director	Helvetas, 21, Raymond Road, Nugegoda	827324/827325
26.	Mr. Ngwe San,	Sanitary Engineer	WHO Office, 135, Baudhaloka Mawatha, P.O.Box 780, Colombo	502319/ 502842/502845
27.	Mr. Thilak Hewawasam	Director	Community Water Supply and Sanitation Project, 9th Floor Sethsiripaya, Battaramulla	872144/872143

QUESTIONS FOR WORKING GROUPS

1. What can be done to help Sri Lanka to build its capacity to assist the poor in improving their water and sanitation services?
2. How can these activities fit into the programme's focus on capacity-building, sustainable investments and dissemination of lessons learned.?
3. What can the Programme do, if any thing, to support these activities?
4. Other ideas, suggestions and comments?

Group 1 Presentation

URBAN SUB SECTOR

ON GOING ACTIVITIES

- Process Monitoring - Clean Settlement Project in Pilot Areas
- Finalization of Guidelines for flexible planning and implementation of water supply & sanitation in low income settlements

FUTURE DIRECTIONS

- For Planning/Implementation
 - ◆ Arrive at a common definition of Greater Colombo area and its Low Income Communities
 - Geographical coverage
 - Service levels
 - Approaches
 - Actions
- For Capacity Building
 - ◆ Confirm the result of the December 20,1996 NSCC conference through a Seminar
 - ◆ Finalize Work Plan and Agencies responsible
 - ◆ Lead to building capacity for service delivery and sustainable investment
 - ◆ Continue CSP Process Monitoring to strengthen capacity of CSPU, Support Organizations and CBOs.
 - ◆ To finalize Flexible Planning and design standards to provide wide options for community preference,

- SUSTAINABLE INVESTMENT
- ASSIST THE PREPARATION & IMPLEMENTATION OF CIP CLEAN SETTLEMENT PROGRAMME
- TO PROVIDE ACCESS TO ENVIRONMENTAL INFRASTRUCTURE FOR 200 LOW INCOME SETTLEMENTS.
- FOR LEARNING AND DISSEMINATION
 - ◆ Lessons of community level, support organization level and on partnership arrangements.
 - ◆ Definition of roles and responsibilities of Service Agencies.

IMMEDIATE PRIORITY

- ◆ Establish of National Sector-Coordination Secretariate

Group II Presentation

RURAL AND PLANTATION

Sub Sectors- Proposed Activities

- Develop a Sector Training Network in Sri Lanka
Including Key Sector Institutions, Housing Co-operatives - Habitat etc.
- Strategic Support - improved implementation procedures for sustainable investments for Estates
- Document and disseminate relevant successful experiences to and from Sri Lanka.
- Need to develop policies and operational guidelines.
NSCC to form a core group and identify relevant specialists in important areas.
- Need to develop and review specifications for technology & products and quality assurance through a permanent committee
(UNICEF as a relevant resource)
- Contributions to ongoing activities

Group III Presentation

SECTOR ADVISORY SUPPORT

- Focuss of activities:
 - ◆ Monitoring & Evaluation
 - ◆ Learning & Dissemination
 - ◆ Applied Research
 - ◆ Intersector/Regional Links
 - ◆ Training/Capacity Building

- National Policy on the water and sanitation is identified as a key issue.
 - ◆ Programme could facilitate GOSL in formulating a Policy and strategy through the following specific activities;
 - Monitoring and Evaluation
 - Learning and dissemination
 - Applied research
 - Intersectoral/Regional links
 - Training/capacity building

- The main channel to address these issues will be the National Sector Coordination Programme. The need for a strong secretariate has been identified. Involvement of the NSCC to be obtained in identifying the issues.
 - As part of the foundation for policy formulation the programme can assist in some of the following:
 - Learning and dissemination, documenting
 - (a) Rural water and sanitation experiences in Sri Lanka
 - (b) Urban sanitation details
 - (c) Disseminating lessons to:
 - Universities
 - Schools
 - Agencies
 - Communities etc.
 - Monitoring & evaluation
 - Improving Monitoring & Evaluation of the projects
 - Assisting analysis of impact
 - Promote applied research
 - Regional Level
 - Training & Capacity building
 - Identify TCDC opportunities
eg: Plantation, Urban Sanitation
 - Regional & country workshop



UNDP-World Bank Water and Sanitation Program

OFFICE MEMORANDUM

DATE: December 21, 1995

TO: Ms Mieko Nishimizu, Director, SA1

FROM: *BG*
Brian Grover, Program Manager, TWUWS

EXTENSION: 30693

SUBJECT: UNDP Project SRL/93/002: National Water Supply and Sanitation Development Program

1. This memorandum requests your approval for the World Bank to serve as a cooperating agent in the implementation of the above-named project.
2. A report on the "Water Supply and Sanitation Sector: Situation Analysis, Development Strategy, Framework for Investments" published in April 1992 analyzed the present situation in the sector in Sri Lanka. It found that, although sector strategies are based on sound principles, many operational issues and practical considerations remain to be resolved. Among the most important: fragmentation and overlapping responsibilities due to the number of sector agencies involved; recurring problems with cost recovery; critical needs for human resource development; broader acceptance and understanding of the elements of community management of water supply and sanitation; and need for a comprehensive plan and approach to sector development. A major conclusion, endorsed by a sector donor meeting and accepted by government, was that consensus building dialogue, a coordination mechanism, and targeted technical inputs could help address many of these issues systematically.
3. UNDP Project SRL/93/002 is designed to support the formulation and coordination, by the Government, of interagency policies and strategies relating to the water supply and sanitation sector. A National Coordination Secretariat (NCS) will provide technical support to the National Sector Coordination Committee (NSCC) which will serve as the main body to develop and coordinate intersectoral plans and strategies. A consultative process, led by the NSCC and involving all stakeholders, is expected to lead to the formulation of a national sector development program and framework document to guide development over the short and medium term.
4. The project is being executed by government through the Ministry of Housing Construction and Urban Development. It is designed as a three-year effort, though the NSCC is expected to continue as a coordinating mechanism beyond that time. The World Bank has been asked to serve as a cooperating agent in order to provide a

number of support services, including preparing TORs and recruiting and supervising international consultants; arranging workshops and study tours; reviewing the sector development plan; and providing technical inputs and backstopping. These services will be provided in part by the recruitment of a national expert and in part from the staff of the UNDP-World Bank Water and Sanitation Program's Regional Water and Sanitation Group (RWSG-SA) based in New Delhi. The total project cost is \$711,200, of which the World Bank would manage \$253,820.

5. SA1IN and RWSG-SA have been working closely with government and each other as SRL/93/002 was prepared and the implementation modalities developed. A cooperating agent agreement was prepared earlier this year and was cleared within the Bank in May-June by Ms Garcia-Zamor (SA1IN); Mr. Wright (CRTTA); Ms. Womack (ASTTP); and Mr. Darmawi (LEGSA). If approved, the agreement (copy attached) would be implemented by the UNDP-World Bank Water and Sanitation Program through RWSG-SA, in close cooperation with SA1IN. Because TWUWS is the responsible implementing department/division, once approved for Bank involvement, we propose that the cooperating agent agreement and all further administrative transactions relating to it be approved by the TWU Director.

If you agree to the Bank's entering into the cooperating agent agreement, as outline above, please indicate your approval by signing below.

Approved

cc with attachment: Messrs/Mmes: Garcia-Zamor (SA1IN); Wright (CRTTA); Correia da Silva (LEGSA); Womack (ASTTP)

cc: Messrs/Mmes Boydell, Minnatullah (RWSG-SA); Pellegrini (TWUDR); Briscoe, Tran (TWUWS)

BGross



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தொலைபேசி
Telephone } 4 2 1 2 5 1

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தொலைபேசி
Telegrams } FORAID

දුරකථන
தொலைபேசி
Telex } FORAID
Colombo
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தொலைபேசி
Fax } 4 4 7 6 3 3



මගේ අංකය
எனது இல. } TA/SRL/93/002
My No.
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Your No.

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தலை, நிபந்தன, இவ்வளவு அதுவகை, தேர்தல் தங்கியவகை அதுவகை
DEPARTMENT OF EXTERNAL RESOURCES
Ministry of Finance, Planning, Ethnic Affairs and
National Integration

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கொடைமட, (3 ஆவ மாடி)
The Secretariat, (3rd Floor)
කල. ම. 277, කොළඹ 1.
அ. பெ. இல. 277, கொழும்பு 1.
P. O. Box 277, Colombo 1.
July 18, 1995

Mr. Anthony Pellegrini
Director
Transportation, Water and Urban Development Department
The World Bank 1818 H Street N W
Washington, DC 20433 USA

Dear Mr. Pellegrini:

SRL/93/002 - National Water Supply and Sanitation Development Programme:
Letter of Agreement between the Government of Sri Lanka and the
International Bank for Reconstruction and Development

1. Reference is made to consultations between the officials of the Government of Sri Lanka (thereinafter referred to as "the government") and officials of the International Bank for Reconstruction and Development (hereinafter referred to as "Cooperating Agent") with respect to the participation of the Cooperating Agent in the implementation of UNDP assistance project SRL/93/002 - National Sector Coordination Programme to be executed by the Government. The latter shall be represented for the purpose of such execution by the Ministry of Housing and Construction, with the Community Water Supply Programme Unit (CWSPU) serving as Implementing Agency.
2. In accordance with the project document and with the following terms and conditions, we confirm our acceptance of the services to be provided by the Cooperating Agent towards the implementation of this project. Their terms of reference should include appropriate provisions for close consultation between the Cooperating Agent and the Government on the implementation of all aspects of the services to be provided by the Cooperating Agent.
3. The Cooperating Agent shall provide the services and facilities described in Attachment 1, Description of Services, of this letter of agreement and in manner described therein.
4. The government shall retain overall responsibility for the implementation of UNDP assistance to the project through its designated Programme Director.
5. The personnel recruited by the Cooperating Agent to the project shall work under the supervision of the national Programme Director. They shall be provided with the appropriate technical guidance and administrative support by the Cooperating Agent.
6. In the event of disagreement between the Project Director and the project personnel recruited by the Cooperating Agent, the matter under dispute shall be referred by the Programme Director to the Cooperating Agent for the purpose of finding a satisfactory solution. In the interim, the decisions of the Programme Director shall prevail.

7. Upon acceptance of this letter of agreement and pursuant to the programme budget of the programme support document and the workplan, the government agrees to the Cooperating Agent's requesting advances of funds directly from UNDP, incurring expenditure within the limits set out in Attachment 2 (Cooperating Agent Project Budget), and making the necessary financial arrangements directly with UNDP for the reimbursement of expenditures incurred by the Cooperating Agent as described in those attachments, subject to the following:

a. Expenditures for personnel services, are limited to salaries, allowances and other emoluments including the reimbursement of income taxes due to the Cooperating Agent's personnel under its rules and regulations and including travel costs on appointment to the project, duty travel within the project country or region and repatriation costs. The Cooperating Agent shall budget for the costs of such experts on the basis of estimated actual costs. The Cooperating Agent shall be reimbursed for the provision of such services on the basis of actual costs effective at the time of provision of such services. Adjustments in the expert months of services, referred to in attachment 2, may be made in consultation between the government and the Cooperating Agent if this is found to be in the best interest of the project and if such adjustments are in keeping with the provisions of the project document; and

c. Within the budgetary limitations of the project document, the government shall be responsible for providing miscellaneous services such as secretarial assistance, postage and cable services, and transportation as may be required by the Cooperating Agent personnel in carrying out their assignment. However, expenditures for these services may be incurred by the Cooperating Agent within such amounts as may be specified in attachment 2.

8. A cumulative statement of expenditure shall be submitted by the Cooperating Agent at 30 June and 31 December of each year. The statement, to be prepared in accordance with the format given in attachment 3 will be submitted to the Government through the UNDP resident representative within 30 days following those dates. The Government will include the reported expenditure in the project delivery report.

9. The Cooperating Agent shall be recast and rephrase its project budget as necessary, and in collaboration with the government and UNDP, when submitting its statement of expenditure to the Government. Rephasings should be carried out in accordance with established UNDP practices, and subject to the expenditure flexibility provisions accorded by UNDP to the executing agent. The Government shall adjust its records and confirm the revision submitted by the Cooperating Agent.

10. The Cooperating Agent shall submit such reports relating to the project as may reasonably be required by the Programme Director in the exercise of his or her duties, as well as other reports required by the Government in connection with its obligations to submit reports to UNDP.

11. The Cooperating Agent shall submit candidates for the posts foreseen in section 1 of attachment 2 and obtain clearance from the government for the personnel to be assigned to the programme.

12. The Cooperating Agent shall enjoy the privileges, immunities and the facilities that are accorded to executing agencies and their personnel under the agreement concerning assistance concluded by the Government and the UNDP. The privileges and immunities to which the Cooperating Agent and its personnel are entitled may be waived only by the President of the Cooperating Agent.

13. Any changes to the programme document which would affect the work being performed by the Cooperating Agent in accordance with attachment I shall be recommended only after consultation with the Cooperating Agent.

14. Any amendments to those arrangements shall be effected by mutual agreement through an appropriate supplementary letter of agreement.

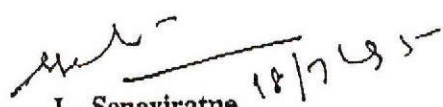
15. For any matters not specifically covered by this arrangement, the appropriate provisions of the project document and revisions thereof and the appropriate provisions of the financial regulations and rules of the Cooperating Agent shall, mutatis mutandis apply.

16. All further correspondence regarding the implementation of the agreement, other than signed letters of agreement or amendments thereto, should be addressed to L. Seneviratne, Director General, Department of External Resources.

17. The government and the Cooperating Agent shall keep the Resident Representative fully informed of all actions undertaken by them in carrying out this agreement.

If you are in agreement with the provisions set forth above, would you kindly sign and return to this office two copies of this letter. Your acceptance shall thereby constitute the basis for your organization's participation in the above named project

RECE
Yours sincerely,
For the Government of Sri Lanka


L. Seneviratne
Director General
Department of External Resources

Signed on behalf of the Cooperating Agent

Date

SRL/93/002 - Sri Lanka National Sector Coordination Program

Description of Services to be provided by the Cooperating Agent for the Project:

In support of the project, the World Bank, through the Regional Water and Sanitation Group for South Asia (RWSG -SA), will provide the following support services:

A. Support to be Provided:

1. Prepare job descriptions, identify, recruit and supervise the services of the international experts and consultants provided for in the project budget. These persons will work under contract to the World Bank. The experts and consultants will be selected in close consultation with the Government and cleared by the government before being recruited.
2. Advise the implementing Agency regarding the qualifications required of the national consultants to be recruited by the CWSPU as Implementing Agency and review candidates. CV's if so requested. National consultants will work under contract to the Government.
3. Provide advice and assistance to the Implementing Agency in the preparation of Workshops to be held and in the organization of Study Tours, by identifying suitable countries and relevant organizations to be visited.
4. Review the draft Sector Development Plan that will be prepared as a principal output of the project.
5. Participate in the Tri-partite Reviews.

B. Operational and Financial Arrangements

1. To provide back-stopping support on a continuous basis, the RWSG-SA will recruit an experienced Sri Lankan to serve as resident RWSG country advisor to the project, under contract with the World Bank. The advisor will be funded from the project budget.
2. Core RWSG-SA staff will undertake missions to Sri Lanka not less than twice a year for the purpose of monitoring progress of the project in collaboration with the Implementing Agency and Project Director, and to provide any technical advice that may be needed.
3. The Project Budget covering the costs of the above services is attached. An overhead charge (AOS) of 10% will be paid to the Cooperating Agent to defray the travel and administration costs involved in the provision of the above services.

Project Budget

Covering the Costs of Services to be Provided by the World Bank

(in US dollars)

Project Number : SRL/ 93/002
 Project Title : National Sector Co-ordination Programme
 Revision Code : A
 Source of Funds : 01 UNDP-IPF
 AOS Source of Funds : 01 UNDP -IPF
 Executing Agent : Government of Sri Lanka : Ministry of Housing, Construction and public Utilities.

Line	Budget Line	Description	Project Total (1995-1997)			Year 1 1995			Year 2 1996			Year 3 1997		
			m/m	\$. Cost	\$(AOS)	m/m	\$. Cost.	\$(AOS)	m/m	\$. Cost.	\$(AOS)	m/m	\$. Cost.	\$(AOS)
10.		PROJECT PERSONNEL												
	11.	Experts												
	11.01	Institutional Adviser	5	89,100	8,910			3	50,750	5,075	2	38,350	3,835	
	11.02	Programme Consultant	6	72,000	7,200			3	42,000	4,200	2	30,000	3,000	
	11.99	Subtotal		161,100	16,110				92,750	9,275		68,350	6,835	
	15.	Travel Costs												
	15.01	Duty Travel		20,720	2,072				12,500	1,250		8,220	822	
	15.99	Subtotal		20,720	2,072				12,500	1,250		8,220	822	
	16.	Mission Cost												
	16.1	Mission costs		42,000	4,200		2,500	250	22,500	2,500		17,000	1,700	
	16.99	Subtotal		42,000	4,200		2,500	250	22,500	2,500		17,000	1,700	
	17.	National Professionals												
	17.01	RWSG Country Officer	24	30,000	3,000	6	7,500	750	12	15,000	1,500	6	7,500	750
	17.99	Subtotal		30,000	3,000		7,500	750	15,000	1,500		7,500	750	
	19.	Component Total												
99.	TOTAL		35	253,820	25,382	6	10,000	1,000	18	142,750	14,275	10	101,070	1,011

Attachment 3

STATEMENT OF EXPENDITURE
FOR THE PERIOD 1 January to 19 .

Project Number :
Project Title :

Budget component and line	Description	Expenditure					
		Disbursements		Unliquidated obligations at end of period		Expenditures year-to-date	
		MM	\$	MM	\$	MM	\$

10. Project Personnel

- 11. International professional
 - 11-01 International Professional 1
 - 11-02 International Professional 2
 - 11-99 Subtotal
- 12. OPAS
 - 12-01 OPAS 1
 - 12-02 OPAS 2
 - 12-99 Subtotal
- 13. Administrative
Support personnel
- 14. UNV
 - 14-01 Volunteer 1
 - 14-02 Volunteer 2
 - 14-99 Subtotal
- 15. Official Travel
- 16. Mission Costs

UNITED NATIONS
DEVELOPMENT
PROGRAMME

Attachment 3 (Continued)

Budget component and line	Description	Expenditure					
		Disbursements		Unliquidated obligations at end of period		Expenditures year-to-date	
		MM	\$	MM	\$	MM	\$
17	National professional 17-01 National Professional 1 17-02 National Professional 2 17-99 Subtotal						
19	Component total						
20	<u>Sub-contracts</u>						
21	Sub-contracts						
29	Component total						
30	<u>Training</u>						
31	Individual fellowships						
32	Group training						
33	In-service Training						
39	Component total						
40	Equipment						
41	Expendable equipment						
42	Non-expendable equipment						
43	Premise						
49	Component total						
50	<u>Miscellaneous</u>						
51	Miscellaneous						
52	Reports						
53	Sundries						
59	Component total						
99	PROJECT TOTAL						

OFFICE MEMORANDUM

BLACK BOOK - SRI LANKA
CC
MT

DATE: September 11, 1995

TO: Distribution

FROM: Graeme Lee, SA1IN

EXTENSION: 80803

SUBJECT: SRI LANKA: Clean Settlement Project (LK-PA-41885)
Minutes of the EPS Review Meeting

RECEIVED

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OFFICE OF THE DIRECTOR
TWUDR

M P

1. A review meeting, chaired by Mr. F. Ahmed, Project Adviser, SA1, to discuss the Executive Project Summary for the proposed Clean Settlement Project in Sri Lanka, was held on August 31, 1995. The meeting was attended by Messrs./Mmes: D. Aronson (ENVSP), M. Gill (ASTHR) H. Werlin (Society for International Development) (Peer Reviewers); R. Hafeez (SASVP); S. Stern (ASTEN); P. Isenman (SA1DR); L. Yap, P. Alba, A. Benbrahim (SA1CO); M. Garcia-Zamor, W. Moes and G. Lee (SA1IN). Written comments by Messrs./Mme. R. Drysdale, J. Salop (SASVP); S. Stern (ASTEN); A. Litvak (OPRPR), Acting Regional Procurement Adviser; D. Aronson (ENVSP), M. Gill (ASTHR) H. Werlin (Society for International Development); and P. Ljung (SA1EF) were circulated and are attached.

2. The following summarizes the key points of discussion and agreement:

- (a) Endorsement of Project The meeting endorsed the general objectives of the project, including their consistency with the Country Assistance Strategy. It was noted that the project had originally been prepared as a component of the Colombo Environmental Improvement Project (Cr.2757-CE), but had been separated from that project in order to allow its preparation to be completed. It was agreed that the project should proceed.
- (b) National Policy Framework The meeting agreed that the project's policy framework should be discussed in a national context. While accepting that the policies may only, at this stage, be piloted and developed within the project's area (Western Province), they should provide guidelines for, and eventually form, a national policy framework. We should aim for a national orientation wherever possible and appropriate.
- (c) Complexity Concerns were expressed about the possible complexity arising from having a wide menu of activities within the project's sub-components. The experience of rural development projects indicated that more focussed projects were more successful, and that in the context of relatively weak institutions, there could be unsustainably high overheads associated with too broad a range of activities. It was agreed that this aspect would be reviewed in future preparation. Where possible the project would provide linkages to complementary activities rather than provide these directly.

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aha

- (d) Process Approach The meeting noted that the project required a process approach, and that this implied a need for flexibility combined with close monitoring arrangements. Monitoring would, inter alia, be integrated into the community participation process, making use of base-line information collected in the community action plan. Performance indicators would be developed for each component, including for institutional development, to measure successes. Written comments also indicated the importance of specifying, for each sub-component, its objective, measurable outcome and performance indicators. This framework would assist to provide a basis for refining the project's design, for economic analysis, and for monitoring progress. Comments also indicated the need for thorough, high quality, up-stream attention to community participation, defining the strategy and process targets.
- (e) Role of NGOs and the Private Sector Ways to further develop the role of NGOs and the private sector were discussed. It was noted that mechanisms should be developed to ensure that the best qualified NGOs could be involved in the project, and that the potential involvement of international NGOs and private sector options be explored. The project should include measures to further strengthen NGOs, and to ensure, as far as possible, that the NGOs would perceive the communities, and not the Government, as their client.
- (f) Role of Sub-national Government The success of the project would require availability of primary (off-site) infrastructure services, a high extent of inter-agency coordination, and possible assistance with operations and maintenance. Each factor implies a strong role for sub-national government/agencies in the project. Ways to increase and strengthen their role would be explored.
- (g) Government Land Redevelopment Policy The meeting noted that, although not part of this project, Government policy included the redevelopment of selected low income settlement areas in prime locations, with associated resettlement of occupants. The meeting agreed that this policy did not present any problems in principle, but advised that measures should be developed to avoid operational difficulties which would arise if a project site were to be selected for redevelopment.
- (h) Land Titles It was clarified that land titles would be offered to individuals, not communities. The meeting noted that this was a complex area which required further study. The project might initially work mostly in locations where land title was relatively more clear, while the extent of the problem was explored. It was noted that a condition of project appraisal was that Government would, within the six pilot projects to start shortly, include an option for individuals within pilot communities to request land title. Offering title would require that Government determines what price to charge, and the steps required to provide clear and transferable titles. The results of the pilot would assist assess any changes required in procedures.

- (i) Peer Review It was agreed that there should be a peer reviewer for economic analysis. The meeting noted that the Regional Chief Economist is being requested to advise the names of suitable candidates. Depending on the extent and depth of change to existing procedures required in order to offer land titles, a peer reviewer may also be identified for this aspect of preparation.
- (j) Budget The budget for preparation would be retained as 68 staff weeks. This may appear on the high side in view of the fact that some preparation work has already been done under another project. The task manager was requested to keep the expenditure to a minimum. The budget would be reviewed at FEPS stage. The meeting noted that the budget assumed that Government would continue its own preparation activities, for which assistance via a PPF and PHRD would be sought.

Attachments: Comments Received

Distribution:

Cleared with & cw: Mr. F. Ahmed (SA1DR), Ms. Garcia-Zamor (SA1IN)

Peer Reviewers:

Messrs. Werlin (SID); Gill (ASTHR); Aronson (ENVSP)

Internal:

Messrs./Mmes.

Wood, Drysdale, Hafeez, Singh, Salop (SASVP); Isenman, (SA1DR), Nishimizu (FRSDR); Koch-Weser, Ilangovan, Stern (ASTEN); Yap, Alba, Benbrahim, Lowenstein (SA1CO); Ali (SA1AN); Ljung (SA1EF); Kilby (SA1PF); Herz (SA1PH); Moes, Zhao, Lee (SA1IN); Socknat (ASTHR); Siraj, Viloría (ASTTP); Bentjerodt, Pilapitiya (SA1SL); Minnatullah (RWSP-PK).

External:

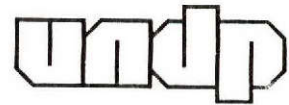
Messrs./Mmes. Picciotto (DGO); Aguirre-Sacasa (OEDDR); Chopra (CFSDR); ~~Pellegrini~~ (TWUDR); Steer (ENVDR); Husain (ESPDR); Alexander (OPRDR); Litvak (OPRPR); Robless (SASCA); Darmawi/Hamid (LEGSA); Abraham (LOAAS)

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United Nations Development Programme

Sustainable human development



Ref: SRL/93/002

File
Sri Lanka

RECEIVED

10 July 1995

B.G.

95 JUL 20 PM 1:19

OFFICE OF THE DIRECTOR
TWUDR

Dear Mr. Gunasekera,

SRL/93/002 - National Water Supply and Sanitation
Development Programme

This has reference to your letter of 23 June 1995, addressed to Mr. Lal Seneviratne, Director General, External Resources, with copy to Mrs. Manel de Silva, NPO, UNDP.

In this connection, we wish to draw your attention to our letter dated 1 June 1995 detailing procedures to be adopted under national execution, particularly in procuring services viz international consultants. You would recall that this project which was initially designed for national execution with the World Bank as the Implementing Agent was subsequently modified to reflect national execution and implementation by the Government as it was felt by both the Government and the World Bank that the Government has the relevant competence and expertise to do so.

In the above context, in our fax referred to above, we indicated that the Government could have its own arrangements for recruitment of International Experts under sub-contractual arrangements which would not require adherence to UNDP procedures. Hence we had no objections to your obtaining technical assistance of the RWSG to implement certain planned activities.

As ERD is the focal point for UNDP, the programme document has been signed by it on behalf of the Government, which reflects Government's concurrence to the proposed implementation arrangements. Therefore, you may sign the agreement with the RWSG.

Yours sincerely,

Arve Ofstad
Arve Ofstad
Resident Representative

Mr. K.A.S. Gunasekera
Secretary
Ministry of Housing, Construction
& Public Utilities
"Sethsiripaya"
Battaramulla.

- cc:
1. Mr. Lal Seneviratne, Director General, External Resources Department
 2. Ms. Nalini Madanayake, Director, External Resources Department
 3. **Mr. Anthony Pellegrini**, Director, Transportation, Water and Urban Development Dept. The World Bank, USA.
 4. Mr. K.M. Minnatullah, Programme Coordinator, UNDP/World Bank RWSG-SA
 5. Mr. Tilak Hewawasam, NPD, Project SRL/93/002, National Water Supply and Sanitation Development Programme

MdeS/va



**UNDP-World Bank Water & Sanitation Program
Regional Water and Sanitation Group for South Asia
OFFICE MEMORANDUM**

Date: May 31, 1995
To: Bruce Gross, TWUWS
From: K.M. Minnatullah, RWSG-SA
Subject: SRL/93/002 *File Sri Lanka*

I refer to your em of June 1, 1995 on the above subject and enclose herewith the singed copy of present project document.

Regards.

enclosure.

① X → KMM ② PL
UNDP



③ FILE SRL-WP 1/3

Ref: SRL/93/002

3 February 1995

WATER & SANITATION
PROGRAM - RWSG-SA
21 MAR 1995
NEW DELHI

RWSG - SA
PAKISTAN
3 APR 1995
RECEIVED
File.....

Dear Nalini,

SRL/93/002 - National Water Supply
& Sanitation Development Plan

We take pleasure in forwarding a copy of the fully signed Programme Document titled above, for your record.

With kind regards.

Yours sincerely,

J.K. Robert England
Resident Representative

Miss Nalini Madanayake
Director
External Resources Department
Colombo 1.

Copies:

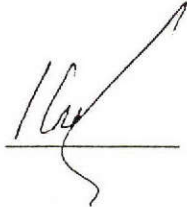
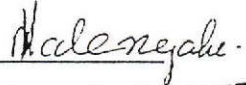
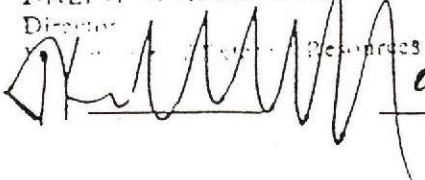
1. Mr K.A.S. Gunasekera, Secretary, Ministry/Housing, Construction & Public Utilities, "Sethsiripaya, Battaramulla.
2. Mr T. Hewawasam, Addl. Director, Policy Planning Unit, Ministry of HC&PU, "Sethsiripaya" Battaramulla.
3. Mr John Blaxall, Room S 4-055, World Bank, 1818 H Street NW, Washginton D.C. 20433, USA.
4. Mr Peter Lochery, Manager, Regional Water & Sanitation Programme, UNDP-World Bank, 70, Lodi Estate, New Delhi 110 003, India.

UNITED NATIONS DEVELOPMENT PROGRAMME
Programme of the Government of Sri Lanka
PROGRAMME DOCUMENT

No. & Title: SRL/93/002/A/01/99
 National Water Supply & Sanitation Dev. Programme
 Duration : 3 years
 UNDP Code/: 0320-Water Supply and Sanitation
 Class : and Sanitation
 Implem-: Community Water
 enting Agent Supply Programme Unit (CWSPU)
 Executing : Ministry of Housing
 Agent: - Construction and Public Utilities
 Starting Date : January 1995
 Government: SLR 4 Million
 Inputs

<u>UNDP & Cost Sharing Financing</u>	
UNDP	\$625,500
IPF	
UNDP & Cost Sharing	\$ 85,700
Total	<u>\$711,200</u>

Brief Description: This programme is designed to support the formulation and co-ordination by the Government of inter-agency policies and strategies relating to the water supply and sanitation sector. Technical support will be provided by a National Co-ordination Secretariat (NCS) to the National Sector Co-ordination Committee (NSCC) which will serve as the main body to develop and co-ordinate inter-sectoral plans and strategies for the orderly development of the sector through a process of consultation among the various government agencies and departments concerned, as well as through the analytical and technical support provided by the NCS. A national development programme for the sector is expected to be formulated as a framework document which will contain the prioritized plans, strategies and investment requirements for the water supply and sanitation sector over the short and medium term. It is also envisaged that the NSCC will sustain itself beyond the life of this programme document in order to continue its overall co-ordination functions, including the regular updating of the framework document

On behalf of	<u>Signature</u>	<u>Date</u>	<u>Name/Title</u>
Executing Agency		31/01/95	K.A.S. Gunasekera Secretary, M/HC& PU
Government	 NALINI MADANAYAKB Director	01/02/95	Lal Seneviratne Dir-General, ERD
UNDP		9/2/95	J.K. Robert England Res. Representative, UNDP

COMMUNITY WATER SUPPLY AND SANITATION SECTOR

National Co-ordination Programme

- Establishing A Co-ordination Mechanism
- Preparing Draft Development Programme

Programme Support Document
October 27, 1993

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Annex 1: Logical Framework Matrix

Annex 2: Work Plan

A. DEVELOPMENT CONTEXT

A1. COUNTRY SITUATION

A1.1 GENERAL DATA

Sri Lanka has an estimated population of 17.6 million (1993), which is expected to grow at gradually lower rates compared to the current 1.2% p.a. Rural to urban migration has remained modest; present rural and urban populations are about 78% and 22% of the total respectively. This ratio also underlines the important contribution of rural areas to the economy of Sri Lanka.

The country's economy has been growing at a healthy 5 - 6% p.a. during recent years, while inflation rates of 12 - 15% p.a. compare unfavourably to many countries. Contrary to earlier predictions, the growth dropped to 4.3% for 1992, while inflation ran to 11.4% (Central Bank Annual Report, 1992). The GNP of about US\$ 475 per capita still places Sri Lanka among the least developed countries.

The country scores high, however, on socioeconomic indicators compared to other nations in the South Asia region; literacy rate is about 86% (91% for men, 83% for women), life expectancy is 71 years and infant mortality is 21 per 1,000 live births. The wide distribution of free education, health services and other social welfare measures have been instrumental in creating this situation.

The water supply and sanitation coverage in Sri Lanka is also markedly better than in the neighbouring countries; the situation is described in the below table:

DESCRIPTION	URBAN		RURAL		TOTAL	
	Water Supply	Sanitation	Water Supply	Sanitation	Water Supply	Sanitation
Present Popu.	3,663,000		13,954,000		17,617,000	
Population served	3228000	2197800	9042000	6279300	12271000	8477100
% of popu. served	88%	60%	65%	45%	70%	48%
Balance Population	435000	1465200	4912000	7674700	5346000	9139900

Notably, these coverage figures do not reflect to what extent the services can be termed satisfactory; facilities are in many cases not fully adequate with regard to capacity, quality and/or hygienic standard.

Furthermore with the expansion of slums and shanty settlements in the urban areas and unplanned growth of peri-urban settlements these communities are faced with rapidly deteriorating environmental conditions including lack of access to safe water and adequate sanitation services.

A1.2 CHANGING DEVELOPMENT FRAMEWORK

Escalating costs of sustaining social services, pressure on land, growing unemployment and civil war have put severe strains on the national resources. The need to redress the national economy has become a priority of the Government of Sri Lanka (GOSL).

Liberalisation policies started in 1977 and active reform programmes, entailing structural adjustments, are currently undertaken. The reforms are also designed to protect and sustain the remarkable social achievements made in the past. The economy is showing positive signs of recovering to its potential level of performance.

Increased attention is being paid to achieving sustainable development. Building of economic and social infrastructure that is vital to support private sector development, was adopted as a predominant theme of the current Public Investment Programme. The stated GOSL investment strategy in the infrastructure sector is to:

- i) Elaborate an integrated approach to development
- ii) Emphasize rehabilitation and optimal use of existing facilities
- iii) Ensure sustainability through mobilisation of adequate funds for proper operation and maintenance

Water supply is recognized as a necessary part of basic infrastructure for economic development. Additionally, water supply and sanitation are considered basic needs and are therefore important integral elements of social welfare. Hence, the changing overall policy framework has pronounced implications also for the water supply and sanitation/specially for the poor urban areas and the rural community.

A2. THE LOW INCOME URBAN AND RURAL WATER SUPPLY AND SANITATION SECTOR

The low income urban and rural water supply and sanitation sector is hereinafter referred to as the Sector, unless there is a need to denote a specific part of the Sector or to make other distinctions.

Sector information has been drawn mainly from the report "Water Supply and Sanitation Sector - Situation Analysis, Development Strategy, Framework for Investments", issued in April 1992. The report is a joint working document of the Ministry of Housing & Construction and the UNDP/World Bank Water and Sanitation Program. For convenience, it is referred to as the Sector Paper in the following. It was prepared and reviewed under the auspices of an inter-ministerial/agency Steering Committee.

A2.1 THE SITUATION: SECTOR DESCRIPTION

The role and broad physical achievements of the Sector were stated in Section A 1.2 above. The present water supply situation is chiefly a result of investments made by the numerous GOSL Sector actors. In sanitation, which is predominantly on-site disposal, households have in most cases provided a large part of the investment.

a) Institutional Responsibilities

Several criteria determine which GOSL agency would be responsible for implementation of a given Sector project. It may depend on technology selection, administrative location, land ownership/ jurisdiction, and on type of development or community.

The Ministry of Housing & Construction (MH&C), overall responsible for human settlement matters, is the key policy and decision maker on water supply, sewerage and also partly sanitation issues. Its main executing arm is the National Water Supply & Drainage Board (NWSDB) which accounts for some 90% of GOSL's Sector investments. NWSDB has, according to its corporate plan, decided to confine the operational role in rural water supply to larger piped schemes. Recently M/H&C launched a Community Water Supply & Sanitation Project (CWSSP) with IDA assistance (US\$ 32.3 Million, IDA \$ 26.3 Million) to expand water supply and sanitation services in small towns and rural population of the Districts of Badulla, Matara and Ratnapura.

The Ministry of Health (MOH) is the policy maker on sanitation (on-site) and hygiene issues. Implementation is carried out through the Provincial health ministries and through health staff employed by the local authorities. Previously, even simple, small scale water supplies were implemented with support from MOH.

Important umbrella ministries include the Ministry of Public Administration, Provincial Council & Home Affairs (MPA) and the Ministry of Policy Planning and Implementation (MPPI). Their implementation agencies are the local authorities (incl. district/divisional government agents) under MPA and the integrated rural development projects (IRDP), Greater Colombo Economic Commission as well as the Urban Project Unit (UPU) under MPPI. The Pradeshiya Sabha local authorities have been designated to play an increasingly important role in the rural part of the Sector.

Implementing bodies have been created to provide services, including water supply and sanitation, for special settlements. The Ministry of Plantation Industries (MPI) has recently set up the Plantation Housing Welfare Trust. Settlements within irrigation schemes may be serviced

either by the Irrigation Department (ID) or the Mahaweli Authority (MA) of the Ministry of Lands, Irrigation and Mahaweli Development (MLIMD). The Water Resource Board (WRB) is operating as a borehole drilling agency under MLIMD.

The responsibility for water resource issues is divided between several agencies in addition to NWSDB; ID of the MLIMD is responsible for surface water hydrology, the Central Environmental Authority (CEA) under the Ministry of Environment and Parliamentary Affairs (MEPA) is responsible for pollution control. As there is no clear legislation governing water rights - its allocation, abstraction and use - implementing agencies have to take independent decisions in order to fulfil their responsibilities.

The policy of devolving powers to local authorities, notably the new Provincial Councils and Pradeshiya Sabhas, will influence the schedule of responsibilities. Their limited revenue base continue to constrain implementation of expanded mandates. Since long, the municipal and urban councils have played an important role in main towns, although the NWSDB provides the water supply service fully or partly (bulk) in nearly all cases.

Traditionally, the non-governmental organisations (NGOs) have worked in the Sector as one of their priority areas, mostly in direct contact with community based organisations (CEOs). Within the new policy framework, one can expect this mechanism to become increasingly important as it relieves the far stretched public sector.

The Sector Paper explains the respective roles in more detail.

b) Legal Provisions

The lack of adequate provisions for water resource management is a deficiency which makes it difficult to resolve conflicts of competing and changing demand for water. The need for some kind of a 'Water Act', specifying allocation procedures and user rights, is obvious.

The legal provisions enabling pollution control have been considerably improved by adopting the National Environmental Act (1980, amended 1988). With the further amendments (widening enforcement provisions) presently being considered the legal framework for environmental management would be in place. The issue would then be to make active use of it.

Each board, authority, and corporation have their statutory responsibilities set out in specific acts. In addition, there are various other ordinances and gazetted regulations

which direct the agencies' activities. A schedule of the most important legal provisions are given in the Sector Paper.

There are some conflicting areas in the legislation concerning the Sector. One is illustrated by NWSDB's nation-wide responsibility for coordination and provision of water to the public, while local authorities also have a responsibility to provide water supply within their boundaries. Similar legislative conflicts exist between the NWSDB and the Estate/Plantation Sector, as well as with the MA. The NWSDB would, however, not operate within the boundaries of what has been clearly demarcated for the other authorities.

A similar lack of clarity applies to sanitation; the Ministry of Health has a statutory responsibility for on-site sanitation, but at the same time the Local Authorities and the Estate/ Plantation authorities have similar responsibilities according to their respective acts and ordinances. Where sewerage exists, NWSDB has a similar overlap vis-a-vis the Local Authorities.

A2.2 SECTOR POLICY AND STRATEGY

The Sector Paper analyzed the Sector policies and strategies, including implications of the changing national development framework. It was found that the GOSL had adopted generally sound guidelines for Sector development, but that a number of issues remains to be resolved, and the detailed strategies need to be made operational.

The national goal according to the 1980-90 Decade Plan was to:

- Improve the quality and quantity of drinking water and to make supplies, as well as sanitary facilities gradually accessible to the entire population, reaching full coverage by the year 1995.

The physical target proved too optimistic, due partly to insufficient investment resources and partly to insufficient implementation capacity. The target year was later changed to 2000.

The Steering Committee for the Sector Paper took note of the progress (ref. Section A 1.1) and the time it takes to introduce new strategies; the year 2010 was recommended as a realistic time frame for achieving full coverage in both urban and rural areas. Provided there is an effective demand for improved facilities, the present situation and projected resources would seem supportive of attaining the revised goal.

Sri Lanka was one of the 115 countries which adopted the 'New Delhi Statement' at the global consultations in 1990. The recommended four "guiding principles" were:

- a) Protection of the environment and safeguarding of health through the integrated management of water resources and liquid and solid wastes.
- b) Institutional reforms promoting an integrated approach including changes in behaviour, and the full participation of women at all levels in sector institutions.
- c) Community management of services, backed by measures to strengthen local institutions in implementing and sustaining water and sanitation programs.
- d) Sound financial practices, achieved through better management of existing assets, and widespread use of appropriate technologies.

The GOSL's strategy for the Sector is consistent with these principles, although it remains, as was stated above, to develop many of the practical applications and modalities. In support of this observation it is worth mentioning two cases pertaining to the very opposite ends of the Sector's range of operations:

- NWSDB has been able to improve its financial performance drastically over the last few years, resulting from a variety of financial, technical and institutional measures; from covering only a proportion of the direct O&M costs, they are now able to cover the entire O&M costs and the full debt servicing from the operating revenues.
- Procedures and institutional capacity for implementation of community managed water supply and sanitation facilities will be developed under the Community Water Supply and Sanitation Project (in three districts, with World Bank support); a key project strategy is to utilise NGOs and CBOs as important partners eligible for GOSL support.

The first case shows that the Sector can be able to operate the larger piped water supplies on a viable basis, although presently with Colombo profits being used to subsidize other loss making schemes. The second case is evidence of GOSL's commitment to developing and testing innovative approaches; generalized Sector strategies are expected to accrue from the project.

A2.3 RESOURCES FOR SECTOR DEVELOPMENT

Sector investment is planned and coordinated by the GOSL through the revolving 5 year Public Investment Plans. The investment level has increased from less than Rs. 100 million annually in 1970 to about Rs. 1,000 million by the end of the IDWSS Decade (1990). The present investment level is above Rs. 2,000 million according to budgets. Measured in real value, however, there has been no increase.

The Sectors's percentage of total GOSL capital expenditure during the last 10 years increased from below 2% in 1980 to above 4% in 1983. The fluctuations have two causes; years with expansion and rehabilitation works on Greater Colombo water supply distorting the picture and GOSL Capital Expenditure (in Central Bank and Treasury terms) including debt servicing which has increased over the period. The allocation for the Sector will drop over the next 5 year period unless present Public Investment Plan projections are increased.

The pattern of foreign financial support for the Sector appears to have changed from many medium sized donors to a few large ones. There has also been a shift from bilateral towards multilateral support, thus often provided in the form of soft loans rather than grants.

An overview of the Sector's capital investment resources (by implementing agency) for the years 1980, 1985 and 1990 is given in the adjoining table. The dominant position up until now of the NWSDB is evident from the table.

Fig. in Rs.million

Water Supply & Sanitation Sector - Capital Investment			
	1980	1985	1990
NWSDB	384.7	843.5	787.3
Min.of Health	2.0	10.3	3.4
JEDB		5.9	6.0
SLSPC		4.0	5.0
Mahaweli Auth	8.0	23.0	37.0
IRDPs		20.4	30.0
Tot.WSS.Cap.Inv	394.7	907.1	868.7
Tot.GOSL.Cap.Exp	13,854.0	30,529.0	40,836.0
WSS % of Cap.Exp	2.8%	3.0%	2.1%

1/ - JEDB - Janatha Estates Development Board; SLSPC - Sri Lanka State Plantation Corporation; IRDP - Integrated Rural Development Project.

2/ - Total GOSL Capital Expenditure includes debt service (as per Central Bank statistics)

The JEDB, SLSPC, Mahaweli Development Authority and IRDPs are getting their budgets in lump-sums for social infrastructure and related activities; they are often not maintaining separate accounts for water supply and sanitation. The figures should be taken as indicative of the magnitude of the respective actors' role in the Sector.

Disbursements made by foreign agencies during 1990 are given below. Funding provided through IRDPs is, however, not shown; NORAD has, for example, spent an average of Rs. 10 million annually on water related activities through the Hambantota IRDP.

Funding Agency	Disbursement 1990, Rs. mill
Asian Dev. Bank	28
ODA (U.K.)	83
IDA (World Bank)	64
Finnida	142
Danida	59
GTZ (Germany)	32
French Government	222

Source : NWSDB Annual Accounts 1990

Two significant agreements have been signed by GOSL during the last year:

- Community Water Supply and Sanitation Project (for 3 districts), with the World Bank/IDA; US\$ 24.3 million
- Second Water Supply and Sanitation Project (mainly for urban water supplies), with ADB; US\$ 40 million

Two financial issues, posing particular challenges, are important for implementation of the Sector strategy and development targets as described above:

- The expected GOSL budget constraints would call for mobilisation of finance from alternate sources, notably the users (tariffs/community based development) and domestic financing institutions.
- NWSDB has spent some 80% of investments in urban areas where only just over 20% of the population may benefit from the improvements; a call for reallocation has been made

This disparity of resource allocation requires immediate and concerted efforts to be diverted towards priority areas which are otherwise in need of improved water and sanitation services and are neglected.

A2.3 IDENTIFIED SECTOR ISSUES

A number of problems and issues need to be resolved in order to pave the way for accelerated sustainable Sector development. These were identified in the Sector Paper, and selected aspects have been further analyzed by the Steering Committee based on its own Sector Concept Paper dated 21 October 1992. The issues comprise:

a) Sector Coordination

The Sector responsibilities are vested with a multitude of agencies, often with similar or overlapping tasks to carry out. This partly stems from the lack of clarity in the legal provisions and, hence, statutory responsibilities.

The importance of enhanced convergence of efforts is underlined by current GOSL policies. They emphasise:

- Devolution of powers to decentralized levels of local government, and
- Rationalization of public expenditure
- A new and uniform policy in CWSS for community participation in planning, implementation and maintenance of schemes.

Improved coordination should not be seen as a 'straight jacket' for the respective agencies. An interactive process among them would give advantages rather than inhibit sustainable and cost-effective Sector development. It would also serve the equity objective; access to and quality of improved facilities would be better distributed regardless of which agency happens to be active in a particular area.

Weak donor coordination has also been identified as a problem. A well coordinated Sector, with unified strategies and development approaches, would provide a better basis for the GOSL's dialogue with the donors, both on collective and individual basis.

b) Water Resource Management

The increasing amount of conflicts over water rights and allocations for efficient use signifies the need to address both the legal and institutional framework governing water resource management. An updated strategy for addressing the changing demands and claims on water resources has to be put in place to guide the many concerned public and private actors throughout the Island.

GOSL has agreed to initiate work in this field, first by reviewing institutional issues and preparing a strategy for how to approach the water resource management issue. Asian Development Bank, UNDP and USAID are likely to co-finance of the proposed technical assistance.

c) Financial Strategy and Management

Cost recovery in the Sector has been a recurring issue. The recent improvements (ref. Section A 2.2 above) are largely due to cross subsidies from the profitable Colombo operations. Rural schemes which account for relatively limited investments, typically show the poorest financial performance. While assessing the current situation, one also needs to observe that the GOSL provides substantial parts of the investments (through NWSDB) on grant terms; 50% and 85% respectively in urban and rural schemes.

It has proved difficult to achieve cost recovery, within the concept of national water tariffs, which is compatible with consumers' affordability. Considering the high capital costs of conventional schemes, it is obvious that methods must be found to employ more cost-effective technologies, mobilize additional resources and implement alternate management models in order to ensure financial sustainability.

The World Bank has suggested, with reference to the experiences of community managed schemes, that a scheme specific charging mechanism should be adopted. The Sector Paper also proposed a more flexible approach to tariff setting, particularly with a view to enable rural and small urban local authorities to distribute water to their predominantly domestic consumers. These and other proposals would need to be reviewed while addressing the Sector's financial issues.

d) Human Resources Development

The Sector Paper identified human resources development (HRD) as a critical aspect of requirements for further progress in the Sector. For institutional and skills improvements to materialize, comprehensive manpower planning and implementation of appropriate training delivery systems would be required.

Ongoing work under the Kandy District Water Supply and Sanitation Project (Finninda supported) is aimed at identifying and addressing critical HRD issues. It has been concluded that past 'conventional' staff training, implemented without proper task analysis and training design, had limited impact. A systematic approach, integrating the needs of the various Project actors, is now in progress.

The redirected Sector strategy (described in Section A 2.2) will call for new skills among the Sector actors. Ability to participate in integrated planning, work in multi-disciplinary teams, communicate across administrative boundaries, and provide training to the user communities are among the new requirements. The Community Water Supply and Sanitation Project (referenced in Section A 2.2) has been designed to address many of these aspects.

Findings of the two referenced Projects will throw valuable light on the Sector's HRD issues. These could be combined with broad analyses of the Sector's entire institutional structure to form a basis for overall HRD planning.

e) Community Based Management

Community management of water supply and sanitation cuts across many aspects of the Sector strategy. Successful promotion of the concept would require, for example, social, institutional, financial, technological and HRD issues to be resolved. At the same time, community-based development is an issue in itself, particularly when it is taken to imply genuine empowerment of the communities to become self-sufficient in their water and sanitation requirements.

Community involvement is not a new concept in Sri Lanka, but the GOSL administration has in most cases continued to take implementation and ownership responsibility for the communal facilities. As a result, mobilisation of local resources for sustaining the facilities' services has often failed.

The already referenced Community Water Supply and Sanitation Project has been designed in accordance with contemporary principles for community-based development. Other projects have also adopted similar concepts; an agreement was signed with the Asian Development Bank in April 1993 for a pilot project which is expected to be the forerunner of larger programmes.

The Sector is just entering a period which will yield crucial and firmer experience on the details of how community management can be pursued in Sri Lanka. It is essential that the issue be addressed through systematic evaluation of the data and practical experiences. Introducing a structured learning process within the community water supply and sanitation project will provide valuable information to document lessons learned for feedback and refinement of the new approach.

f) Service Level and Technology

Past statistics on service coverage have suffered from a lack of clear and consistent definitions; what is adequate sanitation and what is satisfactory water supply? The Sector Paper took note of this deficiency. A country-wide survey based on clarified definitions and criteria for services is already in progress. It is a joint undertaking of NWSDB and MOH, utilizing field staff of the latter for data collection.

Technology selection has mostly been 'agency driven' in the past, based on conventional technical/economical evaluation of the individual projects. The users' effective demand for services, implying that technology choice will also have financial implications for them, has rarely been considered. With a community-based implementation strategy the issue is not only financial but also a matter of what type of facilities a local community would be capable of maintaining.

The Sector Paper further showed that the financial cost of full service coverage is most sensitive to the chosen technology. Hence, with a view to support attainment of the year 2010 target, there is a need to rethink planning procedures, selection criteria, service levels and management options also in a technology perspective.

g) Comprehensive Sector Planning

The Sector is faced with the combined challenge of sustaining the services already provided (existing assets) and ensuring access on a sustainable basis for the unserved part of the population (new facilities). This calls for concerted efforts by all Sector partners, and the process would be greatly facilitated if the identified Sector issues could be resolved.

Resolving them may in some cases merely need firm policy decisions and removing inconsistencies but in most cases a more lengthy process will be required. This would encompass the steps of detailed identification, problem analysis, formulation of options, policy based selection, and implementation through dissemination, introductory training and inclusion in project design.

The framework for implementing improved approaches and strive towards achieving the Sector's development targets should take the form of a comprehensive Sector Development Programme. It was recommended in the Sector Paper and reaffirmed in the Steering Committee's Concept Paper that there is a need to compile a holistic Sector Programme.

This programme will present the requirements, in particular as regards the investments needed to achieve objectives and assigned roles through a well tested strategy involving a partnership approach between the community, partner organizations and formal governmental agencies.

A conceptual proposal has been made for a Sector Programme comprising:

- An overall Programme framework, within which the policies, strategies and supportive Sector actions would be addressed, and
- Three specific Sub-Programmes to be prepared separately for:
 - * Greater Colombo, Slum, Shanty and Peri-urban Settlement Sub-Programme; water supply and sanitation.
 - * Other Urban Towns Sub-Programme; water supply and sanitation for low income community.
 - * Rural Community and Scattered Settlements Sub-Programme; water supply and sanitation

The Sector Programme approach is seen by the Sector as a suitable management tool for reflecting current policies/strategies, updated service needs, prerequisite Sector support activities and an overview of implementation, rehabilitation as well as operation and maintenance requirements.

Further, the Sector Programme will serve as a systematic approach to the monitoring of both new developments and functioning of existing facilities. This would complement and feed into GOSL's existing development planning and public investment/budgeting framework.

A2.4 IMPROVED COORDINATION AMONG SECTOR PARTNERS

The above issues have one thing in common; they can best be resolved through a consensus building dialogue among the Sector partners. The Sector Paper pointed at the need to enhance this dialogue by establishing an institutionalizing through the National Sector Coordination Committee (NSCC).

Many of the Sector issues are of institutional nature; stemming from past deficiencies or required reorientation to comply with new strategies. The mutual benefits to Sector partners from participation in the NSCC would comprise, inter alia:

- Adoption of an uniform sector policy ;
- Common understanding of and commitment to the Sector's policy objectives, strategies and investment framework

- Operationalization of the uniform policy and strategy.
- Equitable allocation of resources.
- Opportunities for donor support to integrated programmes with more than one accountable partner
- Rationalising supportive actions, e.g. integrated planning, training and budget preparation

The Steering Committee for the Sector Paper has already proceeded in this direction; issue papers were commissioned and several meetings also convened after the Paper had been reviewed. Further, the Sector's annual Donor Coordination Meeting (12 June 1992) endorsed the proposal for an NSCC to be created, giving views on both the coordination and programme issues.

The meetings of the Steering Committee have been well attended; the partners see merits in deliberating jointly on Sector issues. The elaboration and convergence of views on the coordination issue during the continuing discussions has made the Sector well prepared to proceed towards a more institutionalized form of coordination.

It is on this specific background, and taking cognisance of the overall Sector situation as described briefly above, that this document has been prepared. As a general conclusion it is recommended that:

The GOSL's request for support to establish a mechanism for Sector coordination should be accepted. An integral part of this coordination should be to develop the framework for and compile an overall Sector Programme.

The ensuing Part B of this document will deal with the specific programme for technical assistance support towards this end.

B. SUMMARY OF NATIONAL PROGRAMME

B1. PROGRAMME FOR IMPROVED SECTOR COORDINATION

B1.1 ADDRESSING THE PRESENT SECTOR SITUATION

The main issues - constraints and problems - are of a nature which calls for cooperation and coordination. While the presence of several donors has resulted in a high level of activity, it has also made it difficult for the GOSL to promote a coherent indigenous policy for the Sector.

Enhanced coordination will ensure optimal use of the available institutional, financial and human resources, minimizing duplication of efforts. Further, institutional complexities would be reduced by clarifying roles and responsibilities of the many Sector partners.

The Sector has already resolved to proceed with the creation of a formal coordination mechanism. Some external assistance will be required during the early stages of this process. Such assistance should be strictly in compliance with the policy framework being drawn up by the GOSL.

Access to improved facilities for all by year 2010 will require coordinated and cost-effective efforts throughout the Sector. An overall development programme demand driven in nature should be prepared as the tool for addressing identified water supply and sanitation improvements in a comprehensive and integrated manner. This work would appropriately be guided by the proposed coordinating mechanism.

B1.2 COORDINATION PROGRAMME FORMULATION

The need for improved coordination, echoing previous documents, was brought out in the Sector Paper as a major recommendation. The paper's broad proposals for practical implementation have subsequently been elaborated and modified through Steering Committee discussions as well as during the deliberations of the annual Donor Coordination Meeting (12 June 1992).

The concept of a National Sector Coordination Programme came out as a conclusion of the donor meeting. Following further Steering Committee discussions, the MH&C requested UNDP assistance with programme preparation. This National Sector Coordination Programme is the specific subject of the present Programme Support Document.

The points made in Section B 1.1 above summarizes the justification for the National Sector Coordination Programme. The Programme is composed of the following three distinct elements:

The programme organisation is further elaborated in Section B 5.1 below.

a) National Sector Coordination Committee

The Sector ministries and their appropriate authorities, boards, etc. will constitute the membership of the NSCC. The participating agencies should be free to review the membership from time to time. It may also be appropriate to coopt other Sector partners which act as implementors, for example NGOs and private companies.

It is essential that a key ministry be appointed to provide the chairmanship of the NSCC. While it may have merits to assign this role to a 'neutral' umbrella ministry such as MPPI, experience from other countries suggests that better results are ensured with a substantive ministry in this role. My/H&C is suitably placed to act as the focal point based on the above rationale.

The referenced Steering Committee has recommended the following condensed NSCC mandate, reflecting the broad aspects of Sector coordination requirements:

- Policy review and co-ordination.
- Liaison and inter-agency coordination
- Advice and guidance on Sector issues
- Recommendations pertaining to the Sector's financial, policy and strategy
- Formulation of framework for Sector investments, aimed at achieving objectives and roles

More exhaustive mandate descriptions are available in the Sector Paper and in the issue papers commissioned by the Steering Committee. The above mandate statement summarizes the intentions which will be elaborated in the ensuing Programme description, and it makes adequate provisions for the flexibility needed to address the changing Sector issues.

Approval of the mandate and composition of NSCC will be sought from the Cabinet. On this basis, the committee can be expected to achieve an influential status even without executive powers. Hence, the consensus building mode of work will be sufficiently powerful without interfering with the agencies' statutory responsibilities.

The NSCC will decide on appointment of specialized Working Groups to deal with important issues. Some of these issues were presented in Section A 2.3 above; rationalization of the institutional structure, water resource management, financial strategy and management, human resources development, community management, service level and technology, and comprehensive Sector planning.

b) National Coordination Secretariat

It is firm experience from other countries where institutionalized Sector coordination has been attempted, that the secretariat function is essential. A competent secretariat with capacity for supporting the inter-agency coordination mechanism is therefore an integral part of the National Sector Coordination Programme. The NCS should, however, not be seen as a 'new body'; it enables the responsible ministry to carry out one of its assigned functions.

The role of the NCS will be to:

- Provide administrative support to the NSCC and the working groups it may appoint
- Prepare for and provide secretariat services to the NSCC meetings
- Assist with implementation of recommendations and guidelines passed by NSCC
- Participate in working groups within the competence and capacity of its staff
- Day to day management of consultancy work and other contracts entered into on behalf of the NSCC
- Serve as a focal point for collection and management of Sector information and its dissemination.

In short, the main task of the NCS would be to ensure continuity and progress of the work initiated by NSCC. Compiling multi-agency inventories, plans and proposals to be considered by the NSCC belongs to this task. An important related aspect would be to furnish donors and other financing agencies with Sector information.

Being a focal point, the NCS would need to know the sources of Sector information. It should, however, not attempt to set up and maintain the data bases. This responsibility should remain with the respective agencies, but guidance may be given by NCS in order to generate and standardize the required information. It is foreseen that NSC could gradually move towards becoming a reference centre for the Sector.

c) National Sector Development Programme

The crucial task of the NSCC will be to oversee the preparation of the National Sector Development Programme (NSDP) for the rural and poor/peri-urban areas. Most of the inputs will be readily available from the respective responsible agencies. The NSDP would also cover studies and investigations which will assist in resolving Sector issues, for example HRD planning, cost recovery, etc.

The NSDP will set out an overall national framework in terms of policies, strategies, available resources and necessary support programmes. Governed by this framework, the more detailed Sector development needs will be specified in three sub-programmes; Greater Colombo, Other Urban Towns, and Rural Centres and Scattered Settlements.

The scope of NSDP has been discussed both in the Sector Paper and in issue papers commissioned by the Steering Committee. The broad and conceptual guideline which has been developed, is illustrated by the below diagram:

FRAMEWORK: NATIONAL SECTOR DEVELOPMENT PROGRAMME	
<ul style="list-style-type: none"> - National Sector Policies and Strategies - Institutional Framework and Resources - Available Resources for Sector - National Support Programmes 	
<u>Sector Sub-programmes</u>	<u>Support Action</u>
Greater Colombo: <ul style="list-style-type: none"> - Water supply and sanitation needs for the slums, shanty and per-urban settlements - Prioritized financial requirements - Implementation programs - Management development 	<ul style="list-style-type: none"> - Staff train'g - Private Sector/ NGO participation studies Environmental studies - Other actions
Other Urban Towns: <ul style="list-style-type: none"> - Water supply and sanitation needs for low income communities - Prioritized financial requirements - Role definitions - Management development 	<ul style="list-style-type: none"> - Administrat'n studies - Cost recovery studies - Staff train'g - Other actions
Rural Areas: <ul style="list-style-type: none"> - Water supply and env. sanitation needs - Technology/project selection criteria - Financial requirements; GOSL/community - Partner selection criteria - Credit facility needs 	<ul style="list-style-type: none"> - Experience review - Institutional studies (loc) - Local level coordination - Partner training
Sub-programme updating: <ul style="list-style-type: none"> - Monitoring and performance review - Evaluation studies (all sub-programmes) - Reformulation of strategies - Sub-programme revisions (process of revolving planning) - Structured learning system, feedback, refinement, documentation & dissemination 	

The level of detail and specific format required for the NSDP would need to be identified as a first step of development programme preparation. It is therefore important to initiate the drafting in order to clarify the programme concept and format at the earliest. The format design should be such that investment packages of any given composition can be drawn from it.

B1.4 TARGET BENEFICIARIES

The ultimate beneficiary, although indirect, will be the previously neglected rural and poor/peri-urban Sri Lankan community; a better functioning community water supply and sanitation Sector will be an asset for the overall development process.

The direct beneficiaries will be the respective Sector agencies partner organization and community based organizations taking part directly and indirectly in the NSCC. The coordination mechanism is designed to enable agency managers to execute their responsibilities within a gradually improving and more cost-effective framework. Particular benefits will accrue to the My/H&C which will house the NCS, enhancing its ability to consolidate the Sector dialogue.

The sector donors will also benefit from a better coordinated Sector and from its focal point to be provided by the NCS; access to integrated information will be facilitated and multi-disciplinary Sector programmes will exist as pre-investment proposals.

B2. PROGRAMME ELEMENT ANALYSIS

B2.1 PROGRAMME OBJECTIVES

a) Sector Development Goal

The overall goal is to:

- Ensure sustainable access to safe and adequate water supply and sanitation for the neglected poor/peri-urban and rural communities, promoting improved health, social welfare and economic development

The degree to which this goal is approached, can be measured by means of:

- Statistics on service coverage, based on uniform definitions of service level and quality
- Statistics on functioning and utilisation of facilities, based on monitoring data (fed into management information systems)

- Project/programme completion reports, providing statistics and analyses on implementation and operation cost-efficiency

The Sector Coordination Programme will serve to improve the tools and procedures for verification of achievements. The NSDP will provide a framework for aggregating and generalizing the information. One cannot, however, expect to measure tangible service coverage improvements accruing specifically from the programme within its short period of implementation.

Programme success in the short term would therefore need to be judged on criteria related to:

- The degree to which the foundation for sustainable Sector development has been better defined and
- accepted among all partners, including the donors

b) Coordination Programme Objective

The immediate objective of the Coordination Programme can best be defined in general and non-quantifiable terms. The programme will, however, consist of three distinct elements, or 'projects', as already defined (NSCC, NCS and NSDP). The objectives of these elements can be seen as programme outputs in the Sector Coordination Programme context.

On this background it is possible to state a single programme objective, namely to:

- Establish the broad planning process - on consensus building basis among the actors - for sustainable integrated Sector development

This objective requires that actors enhance communication among themselves, identify and aim to resolve issues, agree on improved policies/strategies, share information, and determine the need for new facilities of various categories. Milestone type measurements, not indicating the quality of achievements, can be made. Some of these are listed as indicators related to the programme element outputs below.

Four broad indicators can be monitored to describe progress and achievement:

- i) Description of Sector planning process prepared/ approved/ utilized?
- ii) Number of actors participating in process (compared to NSCC composition)
- iii) Number of policy/strategy papers passed by NSCC for implementation/Cabinet approval

iv) NSDP used (partly) as basis for GOSL Public Investment Programme?

Target figures for indicators ii) and iii) can only be set in the course of programme implementation.

In the longer term it would be an additional objective to implement and update the staged NSDP. This is, however, outside the scope and time frame of the Sector Coordination Programme.

B2.2 PLANNED PROGRAMME OUTPUTS

The programme outputs will accrue from the three distinct programme elements. These can appropriately be defined by their respective objectives before stating the planned outputs from each one of them. They are, however, closely inter-related and would have little impact if implemented alone.

a) National Sector Coordination Committee

The objective is to:

- Establish a Sector forum (NSCC), encompassing all the significant actors, for resolving issues and guiding development pertaining to water supply and sanitation

The planned outputs include:

- NSCC formally appointed/constituted with approved mandate and composition
- NSCC meetings convened on a regular basis, at least quarterly
- The detailed Terms of Reference (TOR) for NCS, including staff composition, drafted/reviewed/approved
- Coordination issues identified and addressed in NSCC meetings
- Working Groups appointed (with TOR) as required to address identified issues
- Recommendations and guidelines of policy or strategy nature passed for approval and/or implementation

The detailed contents of substantive outputs of the NSCC element of the programme will depend on their own work programming. This makes it inappropriate to determine the numerical values of most indicators. The following should, however, be measures of achievement:

- i) Mandate/composition approved by the Cabinet
- ii) Meetings held at intervals no longer than three months
- iii) Minutes prepared and circulated for each meeting; at least four in a year

- iv) At least four Working Groups appointed within the first 6 months of NSCC appointment; minutes of meetings to be prepared and circulated
- v) At least four Working Group reports submitted and reviewed within the first 9 months of NSCC appointment
- vi) The NSDP concept and HRD planning for the Sector will be among the four issues to be addressed

It is expected that the NSCC will pay attention to generation, processing, storing and retrieval of data required for planning and management of the Sector. This issue will also entail the definition of NCS's role in information management.

b) National Coordination Secretariat

The objective is to:

- Provide professional and administrative support to the NSCC and to tasks/activities falling under its auspices

The planned outputs include:

- Office facilities established with logistical support, equipment and furniture
- NCS operative with professional and support staff in place
- Support to the organisation of NSCC meetings and other activities; preparations for agenda items and secretariat services
- Support to Working Groups; secretariat and professional services as directed by NSCC
- Publishing/circulation of NSCC and Working Group reports/papers
- Compilation and dissemination of Sector information, based on harmonized collection/processing procedures
- Response to donors' requests for information, on behalf of NSCC

The indicators of performance will include:

- i) NCS operational with planned staffing and facilities
- ii) Minutes published from all convened NSCC and Working Group meetings (numbers partly given above; NSCC)
- iii) Scheduled management and progress reports prepared on time (numbers given in Section B 5.1)
- iv) Papers/reports issued according to NSCC's instructions

The detailed work planning for NSCC and its Working Groups will help setting numerical values for the performance indicators. Good performance entails being responsive to instructions from NSCC and its Chairman.

c) National Sector Development Programme

The NSDP is expected to be developed into a revolving plan which captures information on rural and poor/peri-urban areas and presents the updated needs and resource requirements in the different fields; overall framework and respective sub-programmes.

The objective is to:

- Maintain a total overview of the rural and poor/peri-urban Sector's status with needs, plans and, in particular, resources required to fulfil its development goal

There needs to be a sequence of outputs before the first version of a draft NSDP can be tabled for NSCC's review. That draft document is considered a main milestone output of the Sector Coordination Programme. Thereafter the NSDP can be refined through further detailing and other updating.

The intermediate outputs will comprise:

- Appointment of Working Group to be responsible for developing the NSDP concept up to a draft document
- Identification of the detailed purpose and end use of the NSDP
- Listing of inventories, issues and plan elements to be addressed, with identification of current status
- Identification of sources of information, additional work to be carried out and a work plan for compiling the NSDP
- Documentation of investigations, background studies, analyses and planning tasks required for inputs to the draft NSDP
- Presentation of partial drafts and supporting issue papers for early review by the NSCC

The performance indicators will mainly relate to a the detailed work plan to be prepared as one of the initial steps. Also, the NSDP's level of detail will need more detailed investigations before quality based indicators can be identified.

Some broad milestone type indicators can be set for progress monitoring as follows:

- Draft framework for NSDP prepared/reviewed/approved
- Supporting studies commissioned/completed; by subject (as identified)
- Number of actors/partners adopted guidelines/ contributing to NSDP, compared to NSCC participants
- Planning seminars organised by NCS for each of the actors, presenting/introducing the concept/framework of NSDP

- Respective NSDP components (framework and sub-programmes) prepared; draft/reviewed/revise
- The draft NSDP compiled and circulated for use/ updating by actors
- NSDP components used as basis for preparation of contributions to GOSL's Public Investment Programme
- Integrated project proposal(s) to donors compiled on the basis of the NSDP; depending on requests

Some of these indicators can be reformulated to become quantitative and more explicit measures of quality as more detailed work planning has been made.

B2.3 PROGRAMME ACTIVITIES

The programme focuses on collective action by the GOSL Sector agencies, resulting in better total compliance with the policies and strategies. The activities of the programme will serve to build the capability for such action by producing the outputs stated above.

a) Categories of Activities

The programme activities are of varied nature, ranging from simple administrative support to complex planning efforts. The main categories are as follows, including the most important examples of activities:

NCCC Establishment:

- Submission of Cabinet for approval of mandate
- Request UNDP for support to programme
- Convene first meeting and constitute the NCCC as a standing committee
- Discuss and agree on prioritized work plan for NCCC and NCS (to be reviewed and further developed as programme progresses)

NCS Office Establishment:

- Procurement; transport and major equipment
- Recruitment; professional and support staff
- Office accommodation; lease or allocate GOSL space
- Provision of utilities

NCS Office Operation:

- Management and administration of office services
- Periodic reporting according to agreed procedures
- Office maintenance and provision of consumables
- Processing of payments
- Printing, publishing and dissemination

Management Support:

- Management development and training (related to the coordination objective)
- Expenditure accounting
- Auditing of accounts

Manager Training and Exposure:

- Organise exposure visits; coordination mechanism experience
- Organise focused seminars; planning methods, project appraisal, monitoring, evaluation
- Conduct planning workshops; programme development, NSDP elements

Meetings and Seminars:

- Conduct NSCC meetings
- Conduct Working Group meetings
- Organise seminars for issue discussions, concept introduction and dissemination

Studies and Investigations:

- Preparation of TOR for tasks to be undertaken
- Preparation of plans and schedules related to identified study/investigation tasks
- Retrieval, processing and presentation of Sector data
- Analyses of data with conclusions and recommendations; to be published (limited or widely)

Sector Planning Tasks:

- Task identification and work planning for the programme; for NSCC and thereby for NCS
- Sequential preparation and compilation of the NSDP; by elements to be identified, partly drawn from completed NSCC studies
- Presentation and explanation of NSDP; obtain comments and/or approval in principle

b) Responsibilities

As the programme addresses the internal Sector management and administration matters, prime implementation responsibility for the activities needs to be vested with its focal point, - the NCS. The NCS will be generally answerable to the NSCC as depicted in the organisation chart, but reporting to the Chair ministry in administrative matters.

The tasks may be delegated to Sector actors at the discretion of NSCC. It will be possible for NCS to support implementation of such tasks in kind (services) or by meeting agreed expenses.

The programme objective implies capacity building within the Sector. This would be contradicted unless a maximum amount of management and execution responsibilities is vested with the GOSL (i.e. the Chair ministry and the NCS).

Apart from monitoring the technical assistance and financial support inputs in the capacity of donor, UNDP and/or its delegate should only undertake overseas procurement (i.e. foreign consulting services and equipment supply).

c) Programme Inputs

It is an aim to maximize the use of the Sector's own resources, in particular personnel and institutional capacities. The utilisation of these resources will, however, entail expenditures which cannot reasonably be met by the GOSL.

The main cost bearing elements comprise:

- Facilities and equipment for programme logistics; transport, office facilities and equipment
- Staff for NCS; three professionals and sub-ordinate staff (GOSL employees)
- Institutional resources and released staff from the respective Sector partners (mostly part of regular duties)
- NCS office operation; accommodation, maintenance and consumables
- Consulting services (foreign and local); backstopping to NCS and for specialized studies
- Meetings, seminars and workshops; provision of facilities, authorized allowances and travel
- Exposure and training; preparations, travel, authorized allowances, instruction material and facilitators

The cost sharing between GOSL and the donor will be set out in Section B4.3 as part of the budget proposal.

d) Documentation

The main features of the programme elements are summarized in the logical framework format, showing interdependencies and relationships of factors mentioned above. The matrix is shown in Annex 1.

The resulting work plan with broad Activity Plan and Programme Budget is included as Annex 2.

B2.4 END OF PROGRAMME SITUATION

The programme is proposed to last for just over two years, up to end of 1995, assuming it can formally and actively start from December 1993. At the end of the programme period, it is envisaged that:

- The NSCC is institutionalized as the formal Sector coordination mechanism and widely accepted as the forum where overall Sector issues are deliberated on and resolved in the form of policy or strategy recommendations.
- GOSL has made provisions for continued funding of the NCS, ensuring that the coordination mechanism continue to be supported.
- Inter-agency communication is functioning more efficiently with sharing of relevant information both on routine and request basis; facilitated by the NCS, but drawing on individual Sector institutions' data bases and planning documentation.
- Clarified responsibilities and allocation of roles throughout the Sector has been agreed upon, contributing to improved Sector management and diversified implementation in a cost-effective manner.
- Identification of the specific deficiencies in legal provisions for the Sector is available, with a plan for drafting of amendments and supplementary legislation.
- Functioning framework for collaborative Sector actions is established; systematic planning, monitoring and evaluation, encompassing the inter-agency Sector issues and interventions in particular and setting up structured learning system within investment projects with new community based approach.
- Draft Sector development programme (NSDP) is available as a comprehensive working document, setting out needs analyzes, cost-effective solutions and implementation priorities; schedules of implementation responsibility and resource requirements, including finance.

B3. PROGRAMME STRATEGY

B3.1 GLOBAL APPROACH

The Sector is characterized by its multi - agency, - disciplinary and -intervention nature, even for the basic services. Further, there are important areas of

interaction with what are conventionally recognized as, for example, the education, health, agricultural, and energy sectors.

An important strategy will be to provide bridging between closely related parts of the wider Sector. This can be achieved through enhanced coordination between the Sector actors, both among those with primary statutory responsibilities and by coopting those with more remotely related responsibilities in the fringes of the Sector.

Sustainable development of the Sector will depend on supportive policies and strategies which are coherent and consistent. The operational Sector framework should ensure that related actions are mutually reinforcing. This will be promoted by putting a comprehensive National Sector Development Programme in place.

The required coordination would need to be:

- Horizontal: For harmonised policy and strategy development, efficient planning and implementation, as well as equitable allocation of resources; common objectives need to be observed
- Vertical: For access to planning data, monitoring of service situation and performance, institutional development and practical decentralisation, including devolved powers; both direction and learning will be facilitated

The overall strategy for coordination should be to promote consensus building among the Sector partners, assisted by mechanisms in support of ensuing actions.

Coordination should entail a framework which will ensure net benefits to each of the Sector partners. They should be able to count on:

- Supportive policy/strategy recommendations and subsequent decisions.
- Mutual commitment towards implementation of agreed programme elements and actions.
- Reinforcing effect of other partners' activities on their own initiatives.
- Priority access to financial and other resources for implementation of agreed Sector actions.

B3.2 PARTICIPANTS

The Programme is aimed at promoting a better functioning institutional framework for Sri Lanka's Water Supply and Sanitation Sector. Hence, national ministries and other agencies holding statutory or designated responsibilities, the key actors, should be the prime participants in the coordination mechanism. Other important actors, although not entitled to determine government policies, should be coopted into the mechanism whenever this may be seen as an advantage for Sector development.

a) Prime Participants

The Sector's Steering Committee (ref. Section 2.2 above) has during its deliberations proposed the following GOSL representation in the National Sector Coordination Committee (NSCC):

- Ministry of Housing and Construction
- Ministry of Policy Planning/National Planning
- Ministry of Power and Energy
- Ministry of Plantation
- Ministry of Public Administration, Provincial Council and Home Affairs
- Ministry of Health and Women's Affairs (also representing Provincial Ministries of Health)
- National Water Supply and Drainage Board
- National Housing Development Authority
- Urban Development Authority
- Mahaweli Authority
- Irrigation Department
- Plantation Housing Welfare Trust
- Central Environmental Authority
- Water Resources Board

This is considered a relevant and exhaustive list of GOSL participants for the time being. The NSCC should as soon as it is constituted look into the need to make a distinction between the role of ministries (policy makers) and the role of their various agencies (functional implementors).

Considering its wide mandate for human settlement and related infrastructure in Sri Lanka, it is logical and justified that:

The NSCC chairmanship should be vested with the Ministry of Housing and Construction (M/H&C).

Experience of both success and failure cases in other countries consistently points at the importance of a chairmanship executed with the necessary sensitivity to the individual and unique objectives, approaches, roles and

responsibilities of the respective partners. Both for the NSCC Chairman and the NCS, as an 'executive' arm of the Committee, it is crucial to the Programme's success that they act with neutrality, promoting their credibility and, hence, build confidence among the participants.

b) Co-opted National Members

The Steering Committee has further proposed that private sector partners of the Water Supply and Sanitation Sector should be represented in the NSCC. A distinction needs, however, to be made with regard to their status of participation: they cannot make decisions on GOSL policy or strategy, but they can assist substantially in their preparation and implementation.

The NGO Water Decade Service has been identified as a participant representing the active NGOs. Also commercial companies providing essential construction, supply or other services for the Sector should be coopted when required to enhance the perspective of the NSCC work.

NSCC should ensure regular participation by such partners by disseminating relevant information and organising discussion of the Sector mutual interests.

c) Sector Donors/Financing Agencies

The foreign financing agencies are important Sector partners which have played a significant role in achieving the present Sector positions. Hence, they also have a legitimate interest in keeping themselves informed of the Sector's policy, performance and cost-efficiency. It is assumed that they will continue to provide financial inputs to the Sector.

Various donors have made substantial inputs towards developing the Sector strategies. These include areas such as institutional development (USAID, ADB and World Bank), community based development (UNDP/World Bank, ADB and DANIDA), general and community based maintenance (GTZ, NORAD, etc.), cost recovery and training at decentralised level (FINNIDA), Sector information management (UNICEF, WHO, etc.), and donor consultations (ADB).

With a gradual strengthening and diversification of Sri Lanka's economy, the domestic credit institutions could become more important for Sector development in the future. The improved cost recovery currently being implemented, notably by NWSDB, would encourage a wider participation in Sector financing:

It is important for the Sector to maintain the dialogue with the financing agencies. This should be made by:

Continuing the regular donor meetings as a forum for discussion of issues which are of mutual interest.

The NSCC may also wish to request donors to participate in working groups or any other forum where their international experience could provide an important input. As the Sector's strategy and implementing mechanisms develop, the financial issues will become an increasingly important issue for all the donors.

B3-3 RATIONALE FOR UNDP INVOLVEMENT

UNDP has mostly supported area or issue specific studies for the Sector (Colombo Sewerage and Drainage Master Plan, three District Development Plans, etc.). A broader, more strategic Sector involvement commenced with preparation of the Sector Paper. It was undertaken by the global UNDP financed/World Bank executed Water and Sanitation Program. As already explained, this event initiated the establishment of a broad based Steering Committee drawn from the GOSL key agencies.

Given the complexity of the Sector, collaborative action is essential for institutional capacity building and for mobilisation of resources. Its broad nature also implies that sustainable development requires a wide range of complementary initiatives.

These Sector characteristics call for coordination, unified policies/strategies and mobilisation of resources from a wide base. The immediate programme objectives address precisely these issues. Moreover, the nature of the Sector as defined above (see Section A 2 above), is such that:

The proposed Sector Coordination Programme - being strategic and catalytic in nature - will be supportive of the stated development policies of Sri Lanka.

Good Sector performance will be supportive of key GOSL concerns related to social and economic development at all levels of society. These include such aspects as basic needs, equitable allocation of resources, communities' self-sufficiency, and the enhanced welfare of women and children. In this regard it is also full concurrence with UNDP's objectives for development support.

Furthermore, the Sector would be playing an essential role with regard to:

- The management of water as a renewable, but vulnerable resource
- Promotion of community health through access to safe water and adequate sanitation
- Pollution abatement at macro and micro levels of water related environments

The Sector has in many areas proceeded well, as explained in the Sector Paper, towards adopting more efficient policies and strategies. These need, however, to be operationalized and disseminated throughout the Sector; this can be promoted through the proposed UNDP support.

The proposed National Sector Development Programme will help identify all inputs and activities required for sustainable development for the most needed but so far neglected sector. As a framework, it would serve to minimize each individual constraint. Moreover, the Programme would also provide opportunities for UNDP to assist the Government with mobilisation of resources from domestic and international sources for Sector development.

B4. FINANCIAL SUMMARY

B4.1 ESTIMATED FINANCIAL NEEDS

A broad budget breakdown covering three years (1993 - 1995) based on the proposed Work Plan is shown in Annex 2; time for activities during 1993 is limited. In addition to stating the estimated financial requirements of the Programme, the budget also serves to underline priority aspects of the Work Plan.

The net budget summary is given in the below table. Relatively limited investments - about US\$ 30,000 - will be required initially to set up the NCS. Thereafter, the recurrent expenditure of the Programme will be highest during the first full year (1994), assuming that many Working Group, study and workshop activities will be initiated in parallel. The 1995 recurrent expenditure is expected to be slightly lower, down from US\$ 310,000 to US\$ 260,000.

Budget Item Description	Year (amounts in 10 ³ xUS\$)			Budget Total (10 ³ xUS\$)
	1995	1996	1997	
<u>Capital Budget:</u>				
Total Capital	25.0	6.2	0.3	31.5
<u>Recurrent Budget:</u>				
Total Recurrent	46.2	311.5	257.3	615.0
<u>Programme Budget:</u>				
Program Total	71.2	317.7	257.6	646.5
SLR Equivalent ¹	3,311	14,773	11,978	30,062

¹ Exchange rate: US\$ @ SLR 46.50

Contingencies and unforeseen expenditures have not been included. Allowing 10% additional for these items, the total estimate would come to (rounded off):

<p>Total budget: US\$ 711,000 or: SLR 33 mill</p>

The budget covers expenditures which are to be incurred as a direct consequence or result of the Sector Coordination Programme. The major cost items are related to:

- i) The staffing and operation of the proposed secretariat (NCS), with about US\$ 150,000
- ii) Consulting services to assist the coordination process, including analyses required for policy and strategy development, with about US\$ 320,000
- iii) Direct financial support to collective activities initiated or commissioned by NSCC (workshops, etc.), with about US\$ 115,000

It is assumed that the respective GOSL Sector partners will participate in the collaborative efforts of the Programme as part of their regular duties. This constitutes, in reality, a sizeable 'hidden' GOSL contribution. The budget has, however, made provisions for special allowances, travel and the cost of organising functions such as seminars and conferences.

The Work Plan (Annex 2) also contains an Output Budget, showing the cost bearing elements to be met by GOSL and UNDP respectively.

B4.2 OTHER RESOURCES REQUIRED

The Programme mainly requires the time input by senior staff working in the various Sector agencies. Without their dedication, commitment and corresponding allocation

B4.4 POSSIBLE FOLLOW-ON REQUIREMENTS

The cost of continuing an established Sector coordination mechanism will not be substantial. Hence, the need for external support after the three year Programme period would more likely be required to continue the elaboration, detailed preparation and updating of the National Sector Development Programme concept. It should be put to test, active use and actual implementation.

This entails gradually transforming the NCS into a Sector planning secretariat serving the entire Sector, also by disseminating information to the partners. Naturally, the 'weaker' partners with limited in-house planning capacity would stand to gain most from such a follow-on programme.

UNDP should monitor the progress towards well functioning Sector coordination, resolved Sector issues and the formulation of a NSDP framework closely. Provided these developments produce the expected results, UNDP should be prepared to continue the support beyond the three year period.

There would seem to be no need for a separate Sector Master Planning exercise. The level of possible continued support would thus be similar to the Coordination Programme; the focus would, however, shift from resolving current issues to that of joint, integrated forward planning within the Sector. As an indication of the perspectives, major outputs would then be:

- Consolidated investment plans, covering the total and complementary requirements of the three identified sub-programmes
- Project profiles, assisting the GOSL budgeting process and also suitable for consideration by the external (and, partly; the internal) financing agencies

B5. IMPLEMENTATION ARRANGEMENT

B5.1 MANAGEMENT AND RESPONSIBILITIES

The UNDP programme design format makes a distinction between:

- i) Execution which comprises the overall Programme management, responsibility and accountability, vested with an Executing Agency, and
 - ii) Implementation which comprises the supporting inputs by an (external) Implementing Agency, operating on behalf of UNDP but under contract with the Executing Agency
- a) National Execution

The Programme implementation lend itself well to national execution as it deals with the Government's own mechanisms for managing one of the most important sectors for State interventions. Moreover, the Programme is primarily designed to mobilize, strengthen and restructure the capabilities which are already existing among the participating agencies.

The overall implementing responsibility should be vested with the Ministry of Housing & Construction as Executing Agency, compatible with its statutory responsibility for water supply and sanitation issues in Sri Lanka.

The main Programme intervention will be the creation of NCS, a secretariat in support of the collaborative efforts. Its location should be within the Ministry of Housing & Construction (M/H&C), while still observing and being sensitive to the role as a focal point and support office for the entire Sector.

The diagram in Section B1.3 showed that the secretariat (NCS) is placed under the committee (NSCC), but that it is administratively linked to M/H&C (dotted lines). This distinction is essential to enable NCS to become an instrument for all Sector partners in their efforts to enhance collaborative action.

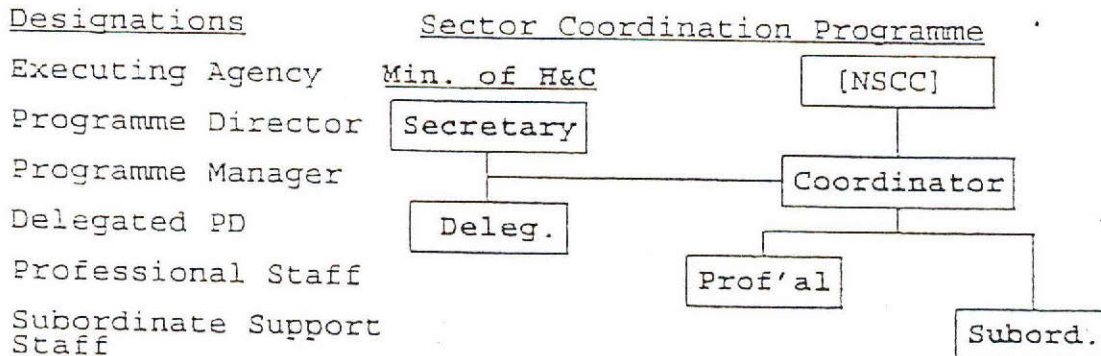
National execution of the Programme, which in itself addresses management reform issues, should encompass delegated authority to take decisions and incur expenditures without detailed involvement of UNDP (or its Implementing Agency, see below).

Secretariat Management and Organisation

The secretariat - NCS - will be the main provider of specifically allocated support to the Sector coordination mechanism (NSCC) and to the preparation of its framework development programme (NSDP). It is therefore essential that the professional and administrative reporting responsibilities of the head of NCS are closely linked.

The organisational and managerial structure can be explained with reference to the adjoining diagram. The designations refer to Programme management responsibilities, to be assumed on behalf of the Government.

Designations



The Ministry of Housing & Construction is the Executing Agency, on behalf of GOSL. The Ministry's Secretary will serve in the dual capacity of NSCC Chairman and National Programme Director. This combines the responsibility as chief policy advisor to the Programme with that of being accountable on behalf of GOSL. He may delegate specific tasks to a senior officer within the Ministry, but will remain in overall charge.

The Head of the NCS, entitled the Coordinator, will serve as the Programme Manager with day-to-day responsibility for executing the Programme's professional and administrative support tasks. The NCS will have three professionals, the Coordinator included. The subordinate staff of three will comprise of a secretary, a driver and a messenger.

The NCS team should possess competence in engineering, finance/economy and socioeconomy, reflecting the complexity and requirements of the Sector. It is proposed that the Coordinator should have engineering background, but this is no absolute requirement; management abilities are more important. He should preferably have at least 15 years of experience with proven capability of taking the lead role in strategic planning. The other professional team members should preferably have at least 10 years experience with proven capabilities in their respective fields.

Contracts for supply of equipment, consulting services, etc. will be supervised by the NCS as part of their duties. In the case of foreign procurements carried out by the Implementing Agency, the NCS will certify that contractual obligations have been complied with.

b) UNDP's Involvement

UNDP will be the source of external funding of the Programme. In addition, there would be an Implementing Agency on behalf of UNDP responsible for regular supervision, disbursements, international procurement, etc. Hence, the M/H&C^U will be requested to enter into an agreement with the Implementing Agency to facilitate execution of the Programme.

It is recommended that the CWSPU * should be the Implementing Agency, assigning this responsibility to the Water and Sanitation Program.

This Water and Sanitation Program - UNDP financed has been involved in many important Sector initiatives in Sri Lanka. It already has a permanent professional presence through the National Country Officer (part time assignment). An Inter-agency Agreement (IAA) has to be drawn up, specifying the services and resources to be provided in support of the Programme.

Supervision can relatively easily be provided from the Water and Sanitation Program's regional base (Regional Water and Sanitation Group, RWSG) in New Delhi, India. RWSG also has a core team of professionals who are able to provide backstopping to the Sector Coordination Programme.

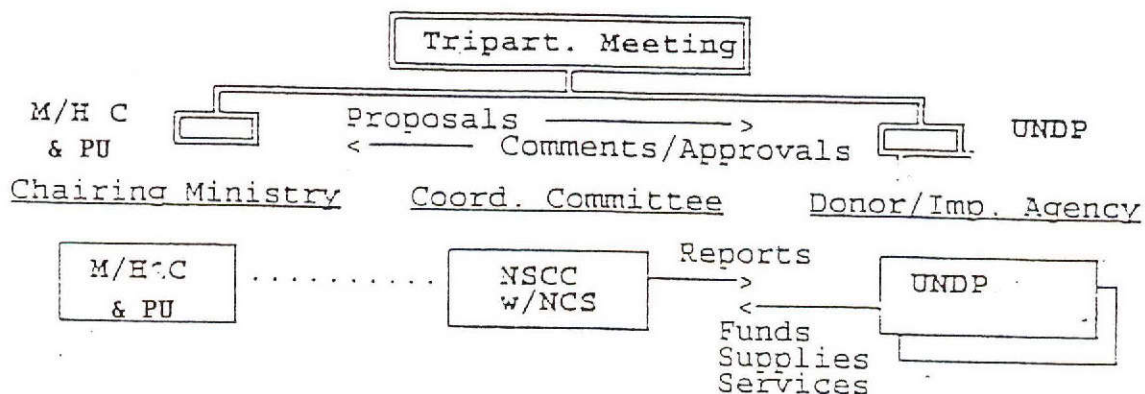
UNDP-Colombo will undertake to provide and replenish the imprest account directly. Hence, the financial resources to be channelled through the Implementing Agency will essentially be limited to what is required for overseas procurement.

c) Programme Organisation

The organisation of the National Sector Coordination Programme as an undertaking by and within the GOSL was shown in Section B1.3 and under a) above. For the purpose of facilitating external support and performance monitoring of the Programme, an annual Tripartite Meeting will be held. The participants in this process will be:

- M/H&C^U as the representative of GOSL
- UNDP, as the donor providing financial resources
- CWSPU *, as the implementing agency

The organisation of the annual planning/monitoring/approval process, being a bridge between the Programme partners, can be depicted as shown below.



The tripartite meeting will have two major tasks:

- i) Review progress and achievements, both in relation to the programme objectives and in terms of the detailed annual work plans
- ii) Review and agree on the work plan for the following period, including budget to be financed by UNDP

It is essential for genuine national execution and for smooth implementation that the Programme involvement of UNDP follows the outlined procedures for annual Tripartite Meetings, progress meetings and approval procedures. GOSL may, however, wish to request involvement in other aspects, for example to draw on the wide water supply and sanitation related experience of UNDP/World Bank, or any other specialised agency.

d) Management Reports

The NCS would be responsible for preparing progress reports, accounts and other documentation. Approval of the Secretary, M/H&C&U will be required prior to submission to UNDP. Progress reports will be prepared quarterly, including summarized statement of accounts. Such management reports should also be copied to the respective NSCC members for information and general confidence building among the partners.

The NSCC should also prepare its own Annual Report dealing with such issues as policy/strategy reforms, institutional development within the Sector, service coverage situation, cost recovery/coverage situation, legal provisions and priorities for financial allocations. This Annual Report will, together with NCS's progress reports, provide a comprehensive basis for assessment of Programme performance.

e) Transitional Arrangements

Until the Programme is fully established, i.e. with NCS in operation, there will be a need for transitional arrangements to ensure preparation of the necessary documentation. The responsibility for implementing such arrangements would rest with the Secretary, M/H&C&U

It has already been agreed by the present Steering Committee (NSCC's forerunner) that the Corporate Planning Division of NWSDB should take on these tasks during the interim period. M/H&PJ will approve all formal submissions to UNDP and assume the role as the lead ministry from the outset, chairing the NSCC meetings. UNDP should be willing to release funds to employ consultants for the crucial formative stage of the Programme.

The Work Plan has stated that the first 'annual report' should be prepared early 1994. It will serve as an inception report marking the end of the transitional arrangements.

B5.2 COORDINATION

The Programme has enhanced coordination as a result closely related to achievement of its immediate objectives. For implementation management coordination between the GOSL and UNDP/associated agencies will be important. Primarily this coordination should take place during scheduled, regular Programme meetings. These would according to the Work Plan comprise:

- Quarterly progress meetings between M/H&CPU (with NCS) and the Executing Agency; coinciding with NSCC meetings, these can also serve to bring new issues to the attention of the respective partners
- Annual Tripartite Meetings between M/H&CPU UNDP and the Executing Agency; nodal point for updating of plans and discussion of the Programme perspectives

These meetings will review the allocation and deployment of resources for the Programme. The meetings, preferably the Annual Tripartite Meeting, should agree on requests for support from other UN agencies which may provide valuable contributions to the Programme (see Section B 5.4 below).

UNDP's role would be to inform and mobilize these agencies for support to the Programme. This entails coordination and planning on the side of the UN agencies upon request of the GOSL. Specifications such as TOR and conceptual task descriptions will originate from the NSCC/NCS.

Part of the coordination task would also be the mobilisation of additional resources from other donors as the Programme progresses. Developments may justify expansion into fields which can only be identified and prioritised in the course of Programme execution.

B5.3 IMPLEMENTATION

As already stated the GOSL, represented by M/H&PJ and the NCS, should be given wide implementing powers in line with the national execution concept. In order to secure smooth implementation, the NCS should be allowed to establish and draw on a standing imprest account to meet the expenditures. It is recommended that:

The standing imprest should be SLR 800,000, or about two months average disbursement of UNDP funds to the Programme, excluding cost of foreign consultants.

The two parties' contributions need to be timed and made available as will be set out and required by the annual work plans. The aim should be to give an annual clearance of the Programme activities (ref. Tripartite Meeting) such that M/H&C together with NCS can implement them with a minimum of further submissions for approval.

In the case of pending or conditional decisions by the Tripartite Meeting, the Implementing Agency would be authorized to approve an addendum to the annual Programme plan. M/H&C and NCS will then be in a position to implement activities soon after satisfactory plans have been prepared. With the presence of the proposed Implementing Agency, no delays should occur as a result of this procedural provision.

The imprest funds will be replenished by UNDP-Colombo upon request. The request will be substantiated by a list of the relevant expenditures. The NCS shall have to account for the imprest with originals/certified copies of the relevant documentation. In addition, quarterly extract of accounts will be submitted as part of the progress reports. These will be presented for discussion with the Implementing Agency during the quarterly meetings.

B5.4 SUBSTANTIVE SUPPORT

UNDP, other UN agencies and the Implementing Agency (in particular RWSG) can give important support to the Programme in many fields. Firstly, the support could be related to the vast development experience, including Sector coordination and Sector programming, possessed by these agencies. Secondly, several agencies have specialized mandates or experiences related to important aspects of the Sector.

The Programme budget has general provisions for acquiring supporting services from consultants. These funds could just as well be used to facilitate assistance from competent UN agencies or programmes. Examples of relevant competence/activities include:

- UNDP: Role in the continuation of follow-up activities to the 'Water Decade', promotion of women's role in Sector related development, etc.
- UNICEF: Wide range of water and sanitation (WATSAN) activities, currently including support to Sri Lanka's Sector information data base
- HABITAT: Involved in support to development of human settlements, including the basic need requirements like water supply and sanitation
- FAO: Involved in water resource management, including review/drafting of legislation for countries where irrigation is an important water use
- WHO: Information management, human resources development and various other Sector support activities (e.g. water quality, health and sustainability issues); a post presently with M/H&C is already financed through WHO
- UNEP: Resource management for environmentally sustainable development; many aspects related to the management of water resources

The UNDP financed/World Bank executed global Water and Sanitation Program is a major catalyst for adoption of innovative approaches, dissemination of information and evaluation of experiences on a global basis.

The above represent vast sources of Sector related knowledge. These may be tapped to assist Sri Lanka with the process of resolving her Sector issues and operationalizing adopted policies and strategies. As the GOSL may not be aware of their full potential, UNDP and the Executing Agency will be required to assist in the identification process.

Notably, exposure has been listed in the work plan as an important aspect of generating understanding and commitment among the Sector managers. The above listed agencies will be in a particularly good position to draw up relevant and efficient proposals in this regard. Practical arrangements can also be made for specific visits through their network of local offices.

B6. MONITORING AND EVALUATION ARRANGEMENTS

The definition of monitoring parameters is more difficult for a process oriented programme than for a programme or project aimed at defining clearly defined results. Being process oriented, it also implies that the NSCC Programme has to be updated and detailed in the course of its implementation.

This flexibility is a prerequisite, but should not be taken as an excuse for not monitoring progress. The design of each detailed Programme activity - for example the appointment, TOR and work plan for each Working Group - should include identification of measurable and verifiable indicators.

Reference was repeatedly made in Section B 2 above to the need for in-programme definition of specific activities with associated indicators and means of measuring them.

B6.1 BENCHMARKS

The broad Work Plan (Annex 1) gives a number of overall benchmark events, in particular for the early stage of the Programme's implementation. These can be summarised as follows:

- Cabinet approval of the NSCC as a standing committee
- NSCC established and ready to function
- NCS established and ready to implement its tasks according to TOR and instructions from the NSCC
- NSDP framework prepared and a plan compiled on a trial basis; NSCC recommendations given
- NSDP framework analyzed, further elaborated and adopted for further pursuance/planning implementation
- Evaluation carried out by external team

Target time for having achieved the benchmarks can be read from the Work Plan. The timing is based and dependent on Programme commencement from 1 October 1993 as assumed throughout this document.

Additional benchmarks, for example related to the approval of policies, implementation of recommendations and enactment of laws, etc., will result from the proposals/recommendations of Working Groups and subsequent adoption by NSCC. These will be reflected in detailed annual plans and in the specific TOR for each individual Working Group.

B6.2 MONITORING

The basis for monitoring will primarily be found in Programme plans and the ensuing management reports as defined in Section 5.1 above. These comprise quarterly progress reports by NCS and annual Sector reports by the NSCC. Due to the process oriented objectives and outputs of the Programme, the monitoring cannot be limited to indicators quantifiable as specific numbers.

The nature of the Programme is such that the monitoring process will have to encompass also assessment. Such assessment will closely resemble self-evaluation (or internal evaluation) by the NCS in particular. Although somewhat vague, this will provide for an important regular management review to ensure that the activities, main thrust of the Programme and its results comply with and/or support achievement of overall, immediate and task specific objectives.

The progress reports and issues arising from them will be reviewed and discussed in quarterly meetings between the GOSL (M/H&C and the NCS) and UNDP.

The outcome of self-evaluation undertaken from time to time will be discussed primarily in the Tripartite Meeting as this will deal more with the strategic issues of the Programme.

B6.3 PROGRAMME EVALUATION

The need for self-evaluation as a management technique in a process oriented Programme was mentioned above. In addition the Work Plan has specified that an independent evaluation be undertaken towards the end of 1995, preferably in time for a possible decision to prolong the support into 1996 and beyond, if necessary.

The evaluation should, contrary to the regular monitoring of activities and inputs, address the degree to which the Programme has:

- i) Produced the planned outputs and, in particular,
- ii) Achieved its immediate objective (including the objectives of the three distinct elements)

The evaluation would best be undertaken by a combined team of national and foreign Sector specialists. Provided the team is selected with members who have maintained a continued contact with the Sector in Sri Lanka, the evaluation should take no longer than one month.

B6.4 AUDITING

As already stated, most of the outputs are not easily quantifiable and therefore not measurable. For auditing in substantive terms of the value of Programme outputs, the strategic reviews during the Tripartite Meetings and the

evaluation will serve the purpose. Some observations of strategic and substantive nature will also be made during progress meetings, but these will serve more to set the agenda for the annual Programme planning and subsequent annual meetings.

The NSCC's Annual Reports as specified in the Work Plan are supposed to give factual information on which the management and output audit can be based. It is proposed not to conduct any separate audit study on these aspects.

The annual statement of accounts will be audited by a private company. It is envisaged that the regular GOSL schedule of accounts and accounting procedures would be acceptable in principle, both to UNDP and to the auditing firm, for carrying out a satisfactory financial audit.

C. SUSTAINABILITY ANALYSIS

C1. INSTITUTIONAL CAPACITY

The National Sector Coordination Programme is addressing the issue of institutional capacity and development; it is essentially a capacity building intervention. One of the important area will be to review the sectorial responsibilities and task allocations. The expected outcome is a rationalized Sector administration.

The Programme's success is sensitive to the lead agency's (M/H&C's) preparedness and ability to involve and/or coopt the other actors in the Sector management process. Preparation of the overall NSDP will require contributions from all planners and implementors.

It is essential that the NSCC be managed in such a way that the members can see net benefits from participating in the coordination process. The Steering Committee for the Sector Paper has continued to function informally as a reference forum discussing Sector issues; this constitutes a promising starting point for enhanced collaboration.

The Steering Committee has already raised the issue of coopting private sector partners into Sector coordination. This is another sound outcome of recent debates; in a situation of changing roles of GOSL actors, it is important that also new partners are recognized in accordance with their potential for supporting Sector development.

The Programme itself is not resource intensive, neither financially nor personnel wise. It is, however, management and communication skills intensive. A condition for success is that these capabilities are developed within the Sector as part of the Programme. Improved collaborative planning and implementation procedures would be a lasting contribution towards institutional sustainability.

C2. TECHNICAL ASPECTS

The Programme comprises no technical elements, except for the logistical facilities. These - transport and office equipment - are modest and their maintenance belong to what is already everyday tasks of the GOSL. From this point of view the Programme itself raises no issue of technical sustainability.

The Sector Paper drew attention to the need for more cost-effective technologies. Hence, the Programme should address technology appropriateness and selection as part of the planning framework. This will ensure a technology related debate on how to achieve the 'service for all' target.

Indirectly, therefore, the Programme is supportive of promoting sustainable technologies within the new strategy framework emerging for the Sector. The preparation of a draft National Sector Development Programme shall have to take issue with technology selection based on realistic parameters for users' demand and service affordability.

C3. ECONOMIC AND FINANCIAL SUSTAINABILITY

The arguments relating to the Programme's economic and financial sustainability implications are similar to those applying to technology; the Programme entails limited direct concern, but will have a positive influence on the Sector's strategy for achieving better performance.

Compared to the potential for reducing implementation costs and rationalizing management of existing assets, the cost of continuing a Sector coordination mechanism in the longer term is negligible. It is likely that the NSCC will soon identify a number of measures which would lead to improved cost efficiency and better financial performance. Hence, the Programme can be seen to promote economic and financial sustainability within the Sector. This will follow from implementation of the improved framework which is required to meet the immediate objective.

C4. CULTURAL AND SOCIOLOGICAL ASPECTS

The Programme will have no direct impact, but again the improved Sector framework has to observe cultural and sociological aspects. This requirement has been recognized within the Sector, both by adopting the 'New Delhi Statement' as a basis for strategies and through recent innovative project designs.

The Programme has collaboration as a major theme. This approach makes it possible to incorporate the cultural and sociological concerns in Sector planning among all partners. This is of particular importance for the quality of the Sector's rural sub-programme.

C5. ENVIRONMENTAL IMPACT

As the Programme is aimed at facilitating institutional building and improved planning procedures, it has no direct environmental impact. The Sector itself has, however, major environmental implications in terms of water withdrawal, transfer into other catchments, structures affecting water bodies (flow and quality) and discharge of polluted waste water.

The environmental issue will be addressed by the Sector as part of its overall policy framework and development planning, being part of the water resource management issue in this particular context. The recently identified programme for developing a national water resource management strategy would feed into the envisaged framework.

Sustainable utilisation of water both as source and recipient, in compliance with the various demands, is expected to be an important consideration in drawing up the NSDP. Other aspects related to sustainability are the effects of improved environmental sanitation and community based development of facilities.

Some of the NSCC participants have environmental protection as their main institutional objective; through the coordination mechanism they will be better able to interact with the more 'construction' oriented agencies. If successful in bringing all the Sector interests together, the Programme will potentially have positive effects on the environmental impacts which may be caused by Sector development projects.

C6. PROGRAMME RISKS

It is difficult to separate the risks affecting the entire Sector from those which may affect the Programme directly. If the Sector at large is negatively affected, also the Programme will have to operate in a climate which is less conducive to collaboration.

The risks of not achieving the immediate objective of the Programme are related to:

- The NSCC's attitudes towards coordination; they need to be willing to accept trade-offs and compromises which would serve to produce an optimal result for the Sector at large.

- The implementation of development policies; the pressure for more rapid growth may lead to adoption of short term perspectives, making it difficult to pursue integrated and sustainable projects.

The first risk aspect was discussed as part of the institutional sustainability. Neutrality and fair distribution of support are key determinants of success, but also potential risk factors.

In addition, it is important that the donors accept the NSCC/NCS structure as their partner and facilitator of Sector policy discussions. If not, an NSCC member may see immediate (although one-off) benefits in accepting imposed conditions in order to obtain external support.

The Logical Framework matrix (Annex 1) has listed a number of assumptions which are important for achieving the planned results and effects of the Programme. The external risks, outside the control of the Sector (and thereby the Programme), can also be summarized as follows:

- The political and administrative support may fail due to competing or conflicting objectives; priorities for resource allocation may change. Shortfall in government resources is generally not conducive to collaboration as the respective agencies become protective of the 'little' they already have.
- Redirection of resources may occur as more emphasis is placed on support to private sector production capacity. This could cause short term constraints for the Sector, although improved economic efficiency (structural adjustment) would in the longer term also help the 'water industry'.
- Donors may accord lower priority to the Sector; this has to some extent been seen already among the bilateral donors, although there might be a revival as the environmental significance becomes more clear
- Stronger economic interests may override NSCC (the Sector), for example irrigation water and hydropower development; this would be part of a scenario where directly production oriented activities would be favoured at the expense of basic needs/social services.

Although Sri Lanka is undertaking structural adjustment measures at the moment, it appears that the priority accorded to water supply and sanitation development remains high. The GOSL has repeatedly reaffirmed their stand on this issue.

The overall risks are limited, therefore, of a drastically changed climate for the Sector within the Programme's short initial time span. Once successfully established, it is likely that the benefits of improved coordination and collaborative planning will be sufficiently tangible to support continuation also under less favourable conditions.

NATIONAL SECTOR COORDINATION PROGRAMME: LOGICAL FRAMEWORK MATRIX

Programme Element Narrative Summary	Measurable Indicator	Means of Verification	Important Assumptions (External Factors)
Goal: Sustainable access to safe and adequate water supply and sanitation/sewerage, promoting social and economic development	<ol style="list-style-type: none"> 1. Service coverage (w/s and san); nationally/ by prov/distr/div 2. Volumes of water sold; per schemes 3. Reliability; downtime/ supply hours 	<ol style="list-style-type: none"> 1. NWSDB Sector statistics (data base) 2. Other official sources: Central Bank, Dep. of Census and Statistics 3. Project Completion Reps 4. O&M statistics (NWSDB) 	<p>(Goal to Supergoal)</p> <ol style="list-style-type: none"> 1. Continued priority accorded to Sector 2. Demand growth/resource allocation supported by enhanced economic dev. 3. Donor support contin'd
Purpose: Comprehensive and integrated planning process established for the Sector	<ol style="list-style-type: none"> 1. Number of participating agencies (NSCC & NSDP) 2. Sector issues resolved¹ 3. Sector policy framework + 3 sub-progr. av'able¹ 4. Action plans for NSDP completion available¹ 	<ol style="list-style-type: none"> 1. NSCC's Annual Reports 2. Progr. Evaluation Rep. 3. Draft NSDP document 4. Public Investm't Progr. 5. Proposals to donors 	<p>(Purpose to Goal)</p> <ol style="list-style-type: none"> 1. Policy recommendations implemented 2. Resources made available for implementation 3. Rationalized responsibilities accepted
Outputs: <ol style="list-style-type: none"> 1. Sector coordination forum established 2. Functioning support to coordination mechanism provided 3. Sector Development Programme (draft) prepared 	<ol style="list-style-type: none"> 1. ≥4 NSCC meeting/yr held 2. ≥4 Working Groups (WGs) appointed by 4/1994 3. ≥4 WG reports completed by 7/1994 4. Minutes of all NSCC/WG meetings prep./circul'd 5. No of scheduled reports 6. NSDP framework av'able¹ 7. NSDP compiled/issued¹ 	<ol style="list-style-type: none"> 1. Prog's Progress Reports 2. NSCC Annual Reports 3. Progr. Evaluation Rep. 4. Documentation prepared by NSCC/NCS, other than management reports 	<p>(Outputs to Purpose)</p> <ol style="list-style-type: none"> 1. Participants remain committed to conclusions reached 2. Competent staff retained by NCS 3. Agencies adopt agreed planning formats 4. Integrated planning accepted/given priority
Activities: Matrix continued next page	Inputs: Matrix continued next page	Matrix continued next page	<p>(Inputs to Outputs)</p> Matrix continued next page.

Quality assessment required; main tools will be Programme Evaluation and Tripartite meeting discussions

NATIONAL SECTOR COORDINATION PROGRAMME: LOGICAL FRAMEWORK MATRIX

(Matrix continued from previous page)

Programme Element Narrative Summary	Measurable Indicator	Means of Verification	Important Assumptions (External Factors)
<u>Goal:</u> See matrix previous page			
<u>Purpose:</u> See matrix previous page			
<u>Outputs:</u> See matrix previous page			
<u>Activities:</u> <ol style="list-style-type: none"> 1. Forming and constituting NSCC 2. Convening NSCC and Working Group meetings 3. Disseminating NSCC proposals and recommendations 4. Acquiring facilities for NCS office 5. Recruiting GOSL staff for NCS 6. Convening meetings, seminars and workshops 7. Undertaking studies/investigations 7. Preparing the NSDP framework/elements 8. Compiling draft NSDP 	<u>Inputs:</u> <ol style="list-style-type: none"> 1. Funds for programme facilities/logistics 2. Funds for operating the NSCC/NCS 3. GOSL staff for NCS 4. Consultants for back-stopping and studies 5. Funds for scheduled/required meetings, seminars, workshops 6. Funds for exposure and other duty travel 7. Agencies' regular planning capacity 	<ol style="list-style-type: none"> 1. Progr. Progress Reports 2. Audited statement of accounts 3. Detailed annual work plans 	<p style="text-align: center;">(Inputs to Outputs)</p> <ol style="list-style-type: none"> 1. Cabinet approval of NSCC mandate/compos. 2. Equipment supplied and cleared timely 3. National candidates available for NCS posts 4. All significant Sector partners take part 5. Donors recognizing NSCC, NCS and NSDP as useful means of enhancing dialogue with Sector (policy issues/programming)

ANNEX 1: LOGFRAME MATRIX

LOGICAL FRAMEWORK MATRIX

The Programme design has been summarized in the Logical Framework matrix format shown on the following two pages.

The matrix is generally consistent with the document text. Some additions and specifications which are not explicitly set out in the text have, however, been included.

The Important Assumptions (External Factors) stated in the right hand column are factors which are outside the direct control of the Programme. As such they also constitutes Programme risks; if they are not fulfilled, the effect of the Programme will be reduced.

For a Programme of general institutional capacity building nature it is difficult to determine measurable indicators. Collaboration among the actors may improve, but the degree of improvement - let alone the positive effect on the Sector - is not described by the number of meetings, the number of letters/reports exchanged, etc.

Indirect measurements and quality assessment will be required for verification. This is one reason why the Programme Evaluation Study has been proposed.

ANNEX 2: WORK PLAN

WORK PLAN CONTENT

The Work Plan consists of two sub-annexes displayed on the following two pages:

Annex 2.1: Activity Plan: NSCC Programme

Annex 2.2: Tentative Budget: NSCC Programme

Annex 2.3: Output Summary Budget (UNDP and GOSL)

BASIS FOR WORK PLAN

The Work Plan summarizes the description of the programme and what is required to execute it. As the immediate objective is not to achieve a physical nor to deliver specific quantities of 'activities', much of the detailed planning and input estimates have to be made in the course of the programme.

TENTATIVE BUDGET

The budget is splitted into capital investments and recurrent expenditure components, reflecting:

- Investment in facilities required for the National Coordination Secretariat
- Operating expenses specific to the Sector coordination mechanism; the NCS office and activities related to issue analyses and NSDP preparation

Some of the budget items should be seen as provisions indicating the magnitude of necessary inputs. A flexible approach to programme budgeting will thus be needed.

NOTES TO BUDGET

Cost figures have been estimated independently or obtained from other recent projects.

Workshops and seminars to be conducted have been estimated at US\$ 2,500 and US\$ 1,500 each. US\$ 10 per person per meeting has been used to estimate meeting allowances for NSCC and Working Group meetings.

For consulting services the budget allows 6 mm (foreign) for backstopping, assisting NSCC and NCS with developing the coordination mechanism. Another 20 weeks and 30 mm of foreign and local consultants respectively have been allowed to support the various studies, analyses and plan preparation to be done.

ANNEX 2.1: ACTIVITY PLAN: NSCC PROGRAMME

Main Output/ Activity	Programme Time Schedule											
	1995			1996				1997				
Preparatory; GOSL/UNDP	-----											
NSSC Established			*									
Submission to Cabinet		x										
Cabinet Approval			x									
NSSC Formally Constituted			x									
Refine Mandate/Mode of Oper.			-----									
Conduct Regular Meetings			x	x	x	x	x	x	x	x	x	x
Appoint Working Groups ¹			-----									
NSSC Functioning			-----									
NCS Established			*									
Prepare TOR/Job Descriptions		-----										
Recruit National Staff			-----									
Make Procurements for NCS			-----									
Consultants' Work (NSSC/NCS)			-----									
Implementing Tasks; TOR/NSSC			-----									
NSDP Framework Analysed												*
Prepare Planning Overview			-----									
Identify Data/Info Need			-----									
Prepare Format: Plan Summary												
Conduct Investig's/Studies												
Make First Plan Compilation												
Review/Evaluation of 'Plan'												
NSSC Recommendation/Follow-up												*--x--
Quarterly Reports (NCS)				x	x	x	x	x	x	x	x	x
Annual Reports (NSSC)				x (inception)				x				-->x
Annual Review Meeting (TP)				x				x				-->x
Evaluation (External Team)												*

¹ As issues become identified, the necessary Working Groups will be appointed as a repetitive activity. The WGs will be supported and supervised by the NCS; their reports will be presented to the NSCC with NCS's comments and recommendations for further actions to be taken.

Annex 2.2: TENTATIVE BUDGET: NSCC PROGRAMME

Budget Item Description	Year (amounts in 10 ³ xUS\$)			Budget Total (10 ³ xUS\$)
	1995	1996	1997	
Capital Budget:				
Saloon car, 1 no	11.0	-	-	11.0
Computers, 3 nos	5.0	2.5	-	7.5
Software	0.5	0.7	0.3	1.5
Printers, 2 nos	1.5	1.0	-	2.5
Photocopier/sorter	5.0	-	-	5.0
Fax machine	-	1.5	-	1.5
Office furniture/equipment	2.0	0.5	-	2.5
Total Capital:	25.0	6.2	0.3	31.5
Recurrent Budget:				
Office Accommodation/Maint.	4.0	15.0	15.0	34.0
NCS Staff; Coordinator	1.5	7.2	7.2	15.9
Financial Adv	-	5.2	5.3	10.5
Sociology Adv	-	5.2	5.3	10.5
Subord. staff	0.5	3.2	3.3	7.0
NSCC; Meeting Allowances	0.2	1.2	1.2	2.6
Working Group Allow.	-	5.5	5.0	10.5
TA; Regular Backstopping/F	15.0	50.0	25.0	90.0
Short Term Cons./For'n	-	42.0	30.0	72.0
Short Term Cons./Nat'l	5.0	40.0	45.0	90.0
Travel, expenses (F+N)	6.0	35.0	27.0	68.0
Expenses; Print/Public'n	3.0	25.0	25.0	53.0
Office Consumables	3.0	12.0	12.0	27.0
Transport Operation	1.0	4.0	4.0	9.0
Workshops	1.0	14.0	12.0	27.0
Seminars	1.0	12.0	10.0	23.0
Exposure/travel	5.0	35.0	25.0	65.0
Total Recurrent:	46.2	311.5	257.3	615.0
Program Budget: US\$	71.2	317.7	257.6	646.5
SLR Equivalent: @ 46.50	3,311	14,773	11,978	30,062

OUTPUT SUMMARY BUDGET FOR UNDP AND GOSL

Output	Output elements	Source of Funds	Total		1995	1996	1997
			UNDP	GOSL			
National Sector Coordination Committee	Programme Personnel						
	- Instit. Adviser	UNDP	90.0		15.0	50.0	25.0
	Duty Travel	UNDP	18.0		3.0	9.0	6.0
	National Consultants	UNDP	30.0		5.0	20.0	5.0
	Exposure	UNDP	65.0		5.0	35.0	25.0
	Seminars	UNDP	25.6		1.2	13.2	12.2
	Output Total		228.6		29.2	127.2	72.2
National Coordination Secretariat	Administrative Support	GOSL		7.0	0.5	3.2	3.3
	Duty Travel	UNDP	4.0		0.5	1.5	2.0
	National Professional			15.9	1.5	7.2	7.2
	- Coordinator	GOSL		10.5	-	5.2	5.3
	- Finance Adviser	GOSL		10.5	-	5.2	5.3
	- Particip. Adviser	GOSL					
	Office Furniture	UNDP	2.5		2.0	0.5	-
	Office Consumables	UNDP	27.0		3.0	12.0	12.0
	Printing & Publications	UNDP	53.0		3.0	25.0	25.0
	Transport Operations	UNDP	3.0		1.0	4.0	4.0
	Computers - 3 nos.	UNDP	7.5		5.0	2.5	-
	Software	UNDP	1.5		0.5	0.7	0.3
	Printers - 2 nos.	UNDP	2.5		1.5	1.0	-
	Photocopier	UNDP	5.0		5.0	-	-
	Fax Machine	UNDP	1.5		-	1.5	-
Saloon Car	UNDP	11.0		11.0	-	-	
Office Accommodation	GOSL		34.0	4.0	15.0	15.0	
	Output Total		124.5	77.9	33.5	64.5	79.4
National Sector Development Programme	Programme Personnel						
	- Consultants	UNDP	72.0		-	42.0	30.0
	Duty Travel						
	- Int. Personnel	UNDP	42.0		2.5	22.5	17.0
	- National Personnel	UNDP	4.0		-	2.0	2.0
	National Consultants	UNDP	60.0		-	20.0	40.0
Workshops	UNDP	27.0		1.0	14.0	12.0	
Sub-Contracts	UNDP	10.5		-	5.5	5.0	
	Output Total		215.5		3.5	106.0	106.0
	Contingencies		55.3	7.3	7.1	31.5	25.3
OUTPUT	UNDP Output Total		625.5		71.7	310.1	243.7
	GOSL Output Total			85.7	6.6	33.4	33.7
TOTAL	PROJECT OUTPUT TOTAL		711.2		78.3	343.5	277.4

Project Budget Covering UNDP Contribution

(in US Dollars)

Project Number: SRL/93/002/A/01/99
 Project Title: NATIONAL WATER SUPPLY & SANITATION DEVELOPMENT PROGRAMME
 Country: SRI LANKA
 Budget Type: UNDP
 Version/Status: APPROVED

Code	Description	Total		1995		1996		1997	
		m/m	\$	m/m	\$	m/m	\$	m/m	\$
10	PROJECT PERSONNEL								
11	INTERNATIONAL EXPERTS								
11.01	Institutional Adviser		90,000		15,000		50,000		25,000
11.02	Programme Consultant		72,000				42,000		30,000
11.49	SUBTOTAL EXPERTS		162,000		15,000		92,000		55,000
11.50	CONSULTANTS								
11.51	-								
11.97	SHORT TERM CONSULTANTS								
11.98	SUBTOTAL CONSULTANTS								
11.99	SUBTOTAL EXPERTS & CONSULTANTS		162,000		15,000		92,000		55,000
13	ADMINISTRATIVE SUPPORT PERSONNEL								
13.01	Admin. Support Personnel		7,000		3,200		3,300		500
13.99	SUBTOTAL ADMIN. SUPPORT		7,000		3,200		3,300		500
15	DUTY TRAVEL								
15.01	Duty Travel		26,000		3,500		12,500		10,000
15.99	SUBTOTAL DUTY TRAVEL		26,000		3,500		12,500		10,000
16	MISSION COSTS								
16.01	Mission Costs		42,000		2,500		22,500		17,000
16.99	SUBTOTAL MISSION COSTS		42,000		2,500		22,500		17,000
17	NPPP								
17.01	National Consultant		30,000		20,000		5,000		5,000
17.02	National Coordinator		15,900		7,200		7,200		1,500
17.03	Finance Adviser		10,500		5,200		5,300		
17.04	Participatory Adviser		10,500		5,200		5,300		
17.05	National Cons. (Various)		60,000		20,000		40,000		
17.99	SUBTOTAL NPPP		126,900		57,600		62,800		6,500
19	PERSONNEL COMPONENT TOTAL		363,900		81,800		193,100		89,000
20	SUB-CONTRACTS								
21.00	SUB-CONTRACT		10,500		5,500		5,000		
22.00	SUB-CONTRACT								
29	SUBTOTAL SUBCONTRACTS		10,500		5,500		5,000		
30	TRAINING								
32	STUDY TOURS/ GROUP TRAINING								
32.01	Study Tours		65,000		35,000		25,000		5,000
32.99	SUBTOTAL TOURS/ GROUP TRAINING		65,000		35,000		25,000		5,000
33	IN-SERVICE TRAINING								
33.01	Workshops		27,000		14,000		12,000		1,000
33.02	Seminars		25,600		13,200		11,200		1,200
33.99	SUBTOTAL IN-SERVICE TRAINING		52,600		27,200		23,200		2,200
39	SUBTOTAL TRAINING		117,600		62,200		48,200		7,200
40	EQUIPMENT								
41	EXPENDABLE EQUIPMENT								
41.01	Expendable Equipment		27,000		12,000		12,000		3,000
41.99	SUBTOTAL EXPENDABLE EQUIPMENT		27,000		12,000		12,000		3,000
42	NON-EXPENDABLE EQUIPMENT								
42.01	Non-Expendable Equipment		31,500		25,000		6,200		300
42.99	SUBTOTAL NON-EXPENDABLE EQUIPMENT		31,500		25,000		6,200		300

Project Budget Covering UNDP Contribution
(in US Dollars)

Project Number: SRL/93/002/A/01/99
 Project Title: NATIONAL WATER SUPPLY & SANITATION DEVELOPMENT PROGRAMME
 Country: SRI LANKA
 Budget Type: UNDP
 Version/Status: APPROVED

Code	Description	Total		1995		1996		1997	
		m/m	\$	m/m	\$	m/m	\$	m/m	\$
49	SUBTOTAL EQUIPMENT		58,500		37,000		18,200		3,300
50	MISCELLANEOUS								
51	OPER'N & MAINTENANCE COST (EQUIP'T)								
51.01	Operation & Maintenance		43,000		19,000		19,000		5,000
51.99	SUBTOTAL OPER'N & MAINT COST (EQUIP'T)		43,000		19,000		19,000		5,000
52	REPORTING COST								
52.01	Reporting Costs		53,000		25,000		25,000		3,000
52.99	SUBTOTAL REPORTING COST		53,000		25,000		25,000		3,000
53	SUNDRIES								
53.01	Sundries		64,700		25,000		25,000		14,700
53.99	SUBTOTAL SUNDRIES		64,700		25,000		25,000		14,700
59	SUBTOTAL MISCELLANEOUS		160,700		69,000		69,000		22,700
99.00	UNDP & COST SHARING (IF ANY)		711,200		255,500		333,500		122,200
101	Government Cost Sharing								
101.01	Cost Sharing - Government		85,700		30,787		40,187		14,726
101.99	SUBTOTAL		85,700		30,787		40,187		14,726
109	COST SHARING TOTAL		85,700		30,787		40,187		14,726
199	TOTAL COST SHARING		85,700		30,787		40,187		14,726
999	NET UNDP TOTAL CONTRIBUTION		625,500		224,713		293,313		107,474

(IF ANY)

Attachment 1

Description of Services
SRL\93\002 - Sri Lanka National Sector Coordination
Programme

General Description

The Implementing Agent will deliver technical assistance services for the effective implementation of the project. This will be done by providing technical support in formulating the National Sector Framework. Inputs might also be provided to examine in-depth specific technical areas that require further study or elaboration.

The Implementing Agent will assist in drawing up the Government's investment programme relating to the institutional, human resource and infrastructural requirements identified.

Exposure visits for the selected members of the NSCC will be organised by the Implementing Agency. Also the Implementing Agent will assist in organising workshops, seminars and conferences.

Major equipment to be procured through bidding will be arranged by the Implementing Agent.

In addition to above services, further specified under the terms of reference below, the Implementing agent will monitor the project as a whole, supervise and provide back-stopping for the international advisers.

Terms of Reference

In particular the Implementing agent shall:

- prepare job descriptions, identify, recruit and supervise the services of the international experts in accordance with UNDP Guidelines for the use of experts.
- ensure that the Experts submit reports on activities, achievements and problems encountered to the Programme Director.
- identify suitable countries and relevant organisations, select and make

administrative and financial arrangements for external exposure visits.

- representation at the quarterly progress meetings, annual tripartite review meetings and NSCC meetings.
- prepare bi-annual cumulative statements of expenditure, an annual report of UNDP financed equipment purchased by the Implementing Agent and project related reports required by the Government.
- comment on job descriptions drawn up by the National Coordination Secretariat for the Working Groups to be appointed by the NSCC.
- review with concerned Government officials all reports produced by the task forces and working groups appointed by the NSCC.
- liaise with the Government, Ministry of Housing and Construction and the UNDP.
- monitor outputs in collaboration with the Government.
- jointly update with the National Coordination Secretariat plans for the programmes and review the allocation and deployment of resources for the programme.

UNITED NATIONS
DEVELOPMENT
PROGRAMME

TITLE:

MODALITIES OF PROJECT EXECUTION
Government execution

PROGRAMME AND PROJECTS
MANUAL

Rev. 0
February 1988

20503
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Attachment 3

STATEMENT OF EXPENDITURE
FOR THE PERIOD 1 January to

Page 1 of 1

Project number:
Project title:

19

Budget component and line	Description	Expenditure			
		Disbursements	Unliquidated obligations at end of period	Expenditure	
		MM	\$	MM	\$

10 Project personnel

- 11 International professional
 - 11-01 International professional 1
 - 11-02 International professional 2
 - 11-99 Subtotal
- 12 OPAS
 - 12-01 OPAS 1
 - 12-02 OPAS 2
 - 12-99 Subtotal
- 13 Administrative support personnel
- 14 UNV
 - 14-01 Volunteer 1
 - 14-02 Volunteer 2
 - 14-99 Subtotal
- 15 Official travel
- 16 Mission costs

Attachment 3 (continued)

Page 2 of 2

Budget component and line	Description	Expenditure					
		Disbursements		Unliquidated obligations at end of period		Expenditures year-to-date	
		MM	\$	MM	\$	MM	\$
17	National professional						
	17-01 National professional 1						
	17-02 National professional 2						
	17-99 Subtotal						
19	Component total						
20	Sub-contracts						
21	Sub-contracts						
29	Component total						
30	Trainings						
31	Individual fellowships						
32	Scout training						
33	In-service training						
39	Component total						
40	Equipment						
41	Expendable equipment						

BASIC FACTS ON SRI LANKA

LAND AREA:		..	..	65,610km ²	
POPULATION	(1990 - estimate):	..	..	17.0 million	
	(1991 - estimate):	..	..	17.2 million	
GNP PER CAPITA:	(1990):	..	..	Rs. 16,702	US\$ 417
	(1991):	..	..	Rs. 19,235	US\$ 465
Five years previous to reporting year (1986):		..	..	Rs. 9,918	US\$ 354
at current marketprices.						
LAND USE:						
	Cultivated:	..	..	25589 km ²	.. 39%
	of which irrigated:	..	..	5249 km ²	.. 8%
	Forest & Woodland:	..	..	16318 km ²	.. 25%
	Other Land:	..	..	23703 km ²	.. 36%
	TOTAL	..	..	65610 km ²	.. 100%
VITAL STATISTICS:						
	Population density (1981):	..	..	230 persons per sq. Kilometre	
	Population growth rate (1971-1981):	..	..	1.7 % (1.5% in 1991)	
	Population distribution (1981):	..	..	Urban	.. 21.50%
		..	..	Rural	.. 78.50%
		..	..	Total	.. 100 %
HEALTH:						
	infant mortality rate (1981):	..	..	29.51	
		(1987):	24.0	
		(1988):	19.4	
		(1990):	26.0	
	Life expectancy at birth (1990):	..	..	Male	.. 68.7 years
		..	..	Female	.. 73.1 years
	Access to safe water (1981): (Pipe-borne water)	..	..	Urban	.. 48.5%
		..	..	Rural	.. 5.1%
		..	..	Estates	.. 65.6%
	Access to safe water (1988-90):	..	..	Overall	.. 17.7%
		..	..	Overall	.. 60.0%
	Access to sanitation (1981):	..	..	Urban	.. 19.7%
		..	..	Rural	.. 36.5%
		..	..	Estates	.. 36.6%
	Access to sanitation (1988-90):	..	..	Overall	.. 33.5%
		..	..	Overall	.. 50.0%
	Population per doctor (1989):	..	..	14.6 Doctors per 100,000 population	
	Population per hospital (1989):	..	..	280 beds per 100,000 population	
EDUCATION:						
	Net school enrolment (1981):	..	..	Primary	.. 84.4%
		..	..	Secondary	.. 82.0%
	Combined Primary & Secondary enrolment (1988-89):	..	..	.. 88.0%	
	Adult literacy rate (1990):	..	..	Male	.. 93%
		..	..	Female	.. 84%
		..	..	Total	.. 88%

Major sources utilized - Department of Census and Statistics, Ministry of Health, and Central Bank of Sri Lanka

BASIC FACTS ON SRI LANKA - Continued..

ECONOMY:

Real growth in GDP (1991):	.. ..	4.8%
Annual average growth rate (1978-1986):	.. ..	5.4%
(1987-1991):	.. ..	3.5%
GDP by main activity (1991):		
(based on current prices)		
..... Agriculture	.. ..	US \$ M 1967
..... Industry	.. ..	US \$ M 2223
..... Services	.. ..	US \$ M 4170
..... Total	.. ..	US \$ M 8360
GDP expenditure (1991):		
(based on current prices)		
..... Public consumption	.. ..	US \$ M 1104
..... Private consumption	.. ..	US \$ M 6454
..... Investment	.. ..	US \$ M 2054
..... Imports minus exports	.. ..	US \$ M 915
..... Total GDP:	.. ..	US \$ M 10527
Balance of payments (1990):		
..... Exports	.. ..	US \$ M 2015
..... Imports	.. ..	US \$ M 2999
..... Services	.. ..	US \$ M 106
..... Transfers (Private & Official)	.. ..	US \$ M 585
..... Current account balance	.. ..	US \$ M 504
..... Overall balance	.. ..	US \$ M 238
External debt (long and medium-term) (1991):	.. ..	US \$ M 5768
Of which public debt:	.. ..	US \$ M 5429
Debt service ratio (1988):	.. ..	28.5% of export earnings
(1989):	.. ..	24.2% of export earnings
(1990):	.. ..	17.8% of export earnings
(1991):	.. ..	18.1%

Principal exports: .. Tea, Rubber, Coconut, Gems, Garments & Textiles

Principal export markets: .. China, Iran, Pakistan, Syria, UAR, UK, USA, USSR

Infrastructure: ..

Roads	25749 km
Railways	1944 km
Electricity	1289.65 MW of installed capacity

GENERAL:

Religions: .. Buddhism, Hinduism, Islam, Christianity

Official Languages: .. Sinhala, Tamil

Currency: .. Rupees

UN exchange rate: ..

USD 1 - Rs.40.89 (Jan.-June 1991)
USD 1 - Rs.42.03 (July-Sept. 1991)
USD 1 - Rs.42.59 (Oct.-Dec. 1991)

Fiscal Year: .. Calendar Year

A. DATA

First NEX project approved :	Number :	SRL/82/001
	Title :	Training for the Planning & Management of Human Settlements
	Date :	5th March, 1983
	Amount :	Initial Budget - US \$ 180,500 Final Budget - US \$ 139,452
Most recent :	Number :	SRL/93/007
	Title :	Export Development
	Date :	21st October, 1993.
	Amount :	US \$ 827,400

Total number of projects (all forms of execution) and UNDP budgets approved in:

i)	Fourth Cycle	-	No. 58	-	US \$ 42,880,591
ii)	Fifth Cycle ^{*/}	-	No. 16	-	US \$ 12,952,018

Total number of NEX projects and UNDP budgets approved in:

i)	Fourth Cycle	-	No. 9	-	US \$ 5,670,550
ii)	Fifth Cycle ^{*/}	-	No. 14	-	US \$ 11,892,018

Approved NEX projects as a percentage of total country programme resources.

i)	Fourth Cycle (1987 - 1991)	-	11.3%
ii)	Fifth Cycle (1992 - 1996) ^{*/}	-	27.5%

^{*/} This information relates to 1.1.1992 - 30.11.93.

B. AUDIT COMMENTS:

A DAMR mission on National Execution undertaken by Mr. G. Oliver Smart visited Sri Lanka from 11-17 February, 1990. He reported that there were eight (actually now nine) nationally executed projects in the Fourth Cycle. Out of these, expenditures for six projects were made directly by the UNDP office. With the exception of three projects for which audit certificates were expected, no official audit certificates were sought for the remaining five projects due to the small amounts disbursed.

The UNDP Auditor also noted that the Auditor General was empowered to conduct the audit of UNDP-assisted projects according to UNDP Guidelines, and that audits were conducted on the basis of financial and physical examinations. The UNDP Auditor was of the view that based on existing procedures, the audit structure (of the Government) seemed very adequate. He concluded by stating that while in the past the position with respect to audit had been unsatisfactory due to inadequate clarification of accounting matters at the project level, and a general lack of awareness of the need to comply with the audit clause in project documents, these requirements have now been recognised and, indeed, supported by Government officials.

In light of the GOSL's wish to consider national execution in the first instance for all new projects/programmes in the Fifth Cycle, it is imperative that some existing operational and administrative problems be solved. To achieve this the UNDP office conducted 3 workshops on National Management in 1991 and 1992. In the last one held in July, 1992, Government Financial and Audit Procedures relating to UNDP assisted projects were covered with presentations made by the Auditor General and the Director, Accounts & Payments, General Treasury. A Manual for National Project Directors (NPDs) in draft form which contains UNDP & Government financial reporting and audit procedures has now been circulated for the purpose of field testing. A special working group consisting of NPDs, ERD, UNDP & UN agency staff has been appointed to study and make recommendations on issues which were raised in the workshops, including financial and audit matters relating to nationally executed projects. Based on the Working Group's recommendations and comments received from NPDs on the draft manual, we envisage conducting another workshop to help clarify all issues with a view to ensuring more streamlined procedures for national execution of UNDP projects.

6.9 Model annex to the project document for government-executed projects

FINANCIAL AND ACCOUNTING ARRANGEMENTS

A. General

1. The [government authority named on cover page of project document], hereinafter referred to as "the Government", is responsible to the Administrator of UNDP for the custody and proper use of funds advanced to it by UNDP.
2. The Government will maintain separate accounts [including a separate bank account] for UNDP resources. It will use the funds provided to it only for inputs financed by UNDP, in accordance with the project budget covering UNDP's contribution. (See section 30305, subsection 3.0.)
3. Advances of funds to and payments by UNDP on behalf of Governments are governed by the applicable UNDP Financial Regulations and Rules and directives regarding the utilization of currencies.
4. The Government will provide UNDP with financial statements of UNDP funds received and spent, prepared in accordance with the UNDP financial year (1 January to 31 December) in [English, French or Spanish] a/. The periodicity and content of such statements are set out below. Annual financial statements will be audited by the legally recognized auditors of the Government's own accounts. To the extent feasible, the audit principles and procedures prescribed for the United Nations will be applied by the auditors, who will provide audit reports annually together with the reports set out below.
5. For the purpose of reporting to UNDP, US dollar equivalents will be calculated at the United Nations operational rates of exchange. The resident representative of UNDP will inform the Government of such United Nations rates of exchange and of changes thereto when they occur.

B. Advance of funds

6. Advances will be made by the resident representative at the request of the Government in accordance with the project document and in the required currencies subject to the conditions set out below.

a/ Amend as appropriate.

7. The Government will indicate its cash requirements from UNDP funds for each period of the schedule of advances included in the project document at least two weeks before payment is due (attachment 1 of this annex, Request for advance of funds). Advances will be made by UNDP at the time indicated in the schedule of advances, in the amounts and currencies requested by the Government. (See also paragraph 9, below for requests for cash advances in currencies not available to the UNDP field office.)
8. If the schedule of advances included in the project document no longer reflects actual requirements for funds, a new schedule will be prepared by the Government in consultation with the resident representative, in accordance with the format indicated in attachment 5 of this annex, Schedule of advances. Advances should normally be sufficient to cover anticipated cash requirements for a maximum of three months.
9. Local currency advances to the Government will normally be made by the resident representative.
10. Advances to the Government in US dollars will be made by the resident representative if this currency is available to him or her. The resident representative will arrange for advances in currencies not available to him or her to be made by UNDP headquarters or other field offices, as deemed appropriate.

C. Direct payments by UNDP

11. At the request of the Government, UNDP will, after verification of the supporting documentation, make payments directly to individuals or firms providing UNDP-financed services or goods. The requests will be addressed to the resident representative who will either arrange for the payments to be made by his or her office or by UNDP headquarters. The requests will indicate payee, amounts and currencies required, justification for the request and payment instructions reflecting payee's bank, its address and the account number.
12. The resident representative will provide the Government with statements of direct payments made by UNDP within 15 days following 30 April, 31 August and 31 December, for incorporation in the project delivery report in accordance with paragraph 13 (b), below.

D. Periodic financial statements

13. The Government will furnish the resident representative with certified financial statements within 30 days following 30 April and 31 August and within 60 days following 31 December. The statements will include the following:

(a) Status of funds advanced by UNDP (attachment 2 of this annex). The statement will be submitted for each period indicated above and will be prepared in the currency of the advance. Separate statements will be issued where different currencies have been advanced. Each statement will reflect cumulatively for the year the amount of funds available at the beginning of the year, funds advanced by UNDP, funds expended by the Government during the reporting period and the resulting balance at the end of that period. The statement will also detail expenditure incurred by month in local currency and the US dollar equivalent calculated at the applicable United Nations operational rate of exchange;

(b) Project delivery report (attachment 3 of this annex). The report will be submitted for each period indicated above and will reflect cumulative current-year expenditure classified according to the items listed in the approved project budget. It will incorporate the expenditure incurred by the Government and, where appropriate, the expenditure statement of the co-operating agency, if any, and the statement of direct payments made by UNDP;

(c) Annual report of UNDP-financed non-expendable equipment (attachment 4 of this annex). The Government will furnish the resident representative, for the year to 31 December, within 60 days following that date and together with other financial statements due at that date, with an annual report of non-expendable equipment. The report will include all UNDP-financed non-expendable equipment furnished to the project during the year. Non-expendable equipment purchased by the co-operating agency, if any, and furnished to the project will also be included. The report will describe each item in detail, list the identification number given by the Government and the serial or registration number assigned by the maker and reflect the cost at the US dollar equivalent at the time of purchase calculated at the United Nations operational rate of exchange;

(d) Expenditure statement for jointly financed projects. In the case of joint financing of project activities by the Government and UNDP and, as the case may be, other sources of assistance, the certified financial statements referred to above shall be accompanied by a separate statement reflecting expenditure for the full project covering the same period as the certified financial statements. To this expenditure statement should be added an indication of the apportionment by the Government of the reported expenditure to UNDP's contribution and other available funds.

14. If the Government cannot submit the financial statements on the date on which they are due, it will inform the resident representative of the reasons and indicate the planned submission date.

E. Government's annual audited financial statements

15. A certified and audited annual financial statement of the status of funds advanced by UNDP, as described in paragraph 13 (a), above, will be made available by the Government to the resident representative within 120 days after the end of the calendar year.

16. The financial statement will be audited and attested to by the entity specified in paragraph 4, above.

F. Government final financial statements

17. Upon financial completion of UNDP assistance to a project, the Government will provide final financial statements to cover the period 1 January to the date of either financial completion or refund of the unspent balance of UNDP funds, if any (see paragraph 18, below). The financial statements will be audited so as to conform to the requirements set out in section E above. The format given in attachments 2 and 3 of this annex should be used. The statements will be provided within 120 days from the date of financial completion to the Director, DOF, with copies to the UNDP resident representative.

18. If there is an unspent cash balance of UNDP funds held by the Government, that balance will be refunded by the Government in the currency of the advance not later than 30 days after the date of financial completion.

G. Audit by UNDP

19. All accounts maintained by the Government for UNDP resources may be audited by the UNDP internal auditors and/or the United Nations Board of Auditors or by public accountants designated by the United Nations Board of Auditors.