

India Projects

Year 1 of 3

SA/IND/57:	Improving urban water service delivery
Task Team Leader:	Nabaroon Bhattacharjee
Clients:	Ministry of Urban Development, Ministry of Housing and Urban Poverty Alleviation, Department of Economic Affairs, State Governments, Local Governments, Community Based Organizations and Rural NGOs and Civil Society
Country:	India
Partners:	DFID, AUSAID, World Bank (SASSD), Cities Alliance, State and Administrative Institutions (ASCI, YASHADA)

Desired Outcome:

Urban water service to the poor improved as a result of adoption and implementation of state and city strategies and increasingly autonomous and efficient service providers accountable to stakeholders

Project Description

This project focuses on policy and institutional reform in the urban water sector, and also supports the development of implementation strategies to improve the governance, operational practices and financial management of urban water service providers in India.

Despite significantly increased funding and higher levels of coverage, access to urban water services in Indian cities remains skewed and the quality of services inadequate. There is growing recognition of the institutional weaknesses that underlie these problems, and that more finance and infrastructure would not by themselves lead to improved services. In the current institutional structure the functions of policy making, oversight, and service provision are not clearly delineated, and lead to conflicting objectives, political interference and lack of incentives and accountability. As a result, performance at the operational level is deficient, and modern operating practices aimed at efficient service delivery, such as strategic planning and commercially oriented service provision, largely absent. Change is slow, because both service providers and consumers have come to accept the traditionally poor level of UWSS, despite the serious public health, environmental and economic implications. There is a clear need to reform these institutional and operational constraints to service delivery.

In line with WSP-SA's broader strategy and alongside WSP-SA's other urban projects in India, the activities of this project support clients to improve their performance by addressing these challenges in four respects:

- The Enabling Environment is enhanced by feeding back policy-relevant outputs and lessons learnt to policy makers at national and state level, and through linkage to other WSP and World Bank projects and activities on urban reform and fiscal incentives;
- Sector Transformation is facilitated through some specific engagements as outlined in the table below;
- Service Delivery Reform is assisted through activities with local-level and state client around the relationships between service providers and the respective tiers of government, as well as through activities related to modern management practices such as institutional reform, performance improvement planning, benchmarking, monitoring tools and improved cost recovery;
- Social Accountability is enhanced through work related to citizen engagement, public disclosure.

Ongoing / proposed activities under these themes are described in the table below.

Assumptions:

- Conducive reform environment gets consolidated emerges at the political and official level in the National level and in the States.
- Partners have the incentives and acquire the capacity to consider, develop and introduce reform measures.

Start Date: July 2008

End Date: June 2011

Milestones

- MoUD reviews draft regulatory framework guidelines with States – Dec 08
- At least two states/cities launch a process for development of strategies for a UWSS Services to the Poor consistent with national policy guidelines – Jun 09
- At least two cities/service providers establish working groups to develop service delivery performance improvement plans with measurable indicators – Dec 09
- In at least two cities, tangible steps are taken to improve service provider autonomy (e.g. ring-fenced finances, budgets and accounts, hiring and contracting practices, establishment of a board) – Jun 10

Indicators of outcome:

- At least four cities implement projects to provide continuous water supply in a phased manner – Jun 10
- At least two states systematically disclose comparative utility performance data – Dec 10
- At least four cities achieve significant increase in coverage/access, especially for the poor – Jun 11

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- At least four cities have improved cost recovery and operating efficiency - Jun 11

Project Update: N/A

Project Activities and Outputs

Activities	Output(s) and their Deliverable Dates
Enabling Environment	
<p>Support GoI and States with analysis and advocacy for sector reform and services to the poor</p> <ul style="list-style-type: none"> • Institutional Options for Reform <ul style="list-style-type: none"> • Advocacy for creating a culture of communications and consultations around water sector reforms <ul style="list-style-type: none"> • Support development and dissemination of policy advocacy and operational tools to improve UWSS services to the poor 	<ul style="list-style-type: none"> • At least two workshops/roundtables for dissemination of suitable global good practices of UWSS institutional / organization reform – Jan 09, Jun 09 • At least two workshops/roundtables for review of Regulatory Framework: Issues and Options study – Nov 08, Jun 09 • Review study of recent UWSS PPP initiatives in India – Apr 09 • Analytical study to support advocacy of 24x7 water supply, institutional reform (e.g. more in-depth study on costs of intermittent piped water supply) – Jun 09 • At least one study and at least four briefing notes, presentations or audio visual products on key water sector reform issues – Jun 09 • State level workshops (2-3) to inculcate an “information, communication and consultation” culture among urban local bodies in provision of water and sanitation services – Dec 08 • At least two briefing notes/case studies/field notes to support development of national strategy/guidelines on UWSS services to the poor – ongoing through FY 09 • At least two national/state level stakeholder workshops/roundtables around draft national strategy and implementation plans for improving UWSS services to the poor – Dec 08, Jun 09
Sector Transformation	
<p>Analysis and advocacy for sector transformation strategies and services to the poor</p> <ul style="list-style-type: none"> • Demand responsive support to at least two states in designing and implementing sector reforms, communication and consultation and regulatory mechanisms <ul style="list-style-type: none"> • Analysis and advocacy for improving services in small towns <ul style="list-style-type: none"> • Analysis and advocacy for improving services to the 	<ul style="list-style-type: none"> • Policy notes, presentations, BTORs on draft strategies – throughout FY 09 • At least one national/ international training or cross learning event with partners in reform initiatives – by Jun 09 • Note on lessons learned from UWSS small town pilots implications for state UWSS strategies/business plans - Oct 08 • Rapid assessment and issues and options note for improvement of service delivery in small towns in at least one state – Dec 08 • Draft strategies on improving service to the poor in at least

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poor	two states – Jun 09
Service Delivery Reform	
<p>Support the development and implementation for performance improvement planning, monitoring and accountability</p> <ul style="list-style-type: none"> • Support Performance Improvement Planning and Benchmarking • Demand Responsive Reform Implementation Support - follow up support to small towns in AP, Maharashtra • Support development of city level implementation strategies on Services to the Poor 	<ul style="list-style-type: none"> • At least two state-level workshops/clinics on performance improvement planning, benchmarking, and project preparation and design - Dec 08, Apr 09 • Development of training material for cost recovery strategies – Jun 09 • At least one workshop/training event for financial modeling and cost recovery strategies – Jun 09 • Advisory notes, meeting notes – on demand through FY 09 • Strategy notes for at least two cities – throughout FY09
Social Accountability	
<p>Support the development of Social Accountability principles and practices in Urban Water provision</p>	<ul style="list-style-type: none"> • At least three workshops with planning committees and citizens/customers – Sep 08, Mar 09, May 09 • Reports and presentations to raise awareness and convey issues, lessons and options on Social Accountability Tools in at least three states - Sep 08, Mar 09, May 09 • Briefing notes to GoI and State Governments to assist the formulation of policies, guidelines, and legal frameworks for citizen participation – ongoing FY 09