Proceedings

Water and Sanitation Program

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

# Politicians for Reform

## Proceedings of the State Water Ministers' workshop on rural water supply policy reforms in India

***Cochin, Kerala (India), December 7-8, 1999***

South Asia Region


## SUMMARY

A first-ever State Water Ministers' workshop on rural water supply policy reforms in India was held in Cochin, Kerala (India) on December 7-8, 1999. Sixty-five delegates from 14 States, including 11 State Ministers, senior civil servants from the Government of India and State Governments, NGOs and External Support Agencies participated in the workshop.

The primary objective of the workshop was to build consensus on how to implement the policy reforms laid out by the Government of India and participants were encouraged to apply the reforms to their own States. Action steps proposed by the participants included involving communities, especially women, in decision-making and project implementation, promoting cost-sharing between users and the Government and decentralizing project implementation to village water committees and Panchayati Raj Institutions.

The workshop culminated in the endorsement of the *Cochin Declaration*. The declaration lays down key reform principles and sets out strate-gic actions by which these principles can be implemented. The workshop built consensus — at an unpre-cedented political level — on ways to forward the reform process. This note documents the workshop deliberations.


# Opening Remarks

The workshop began with a call to order by the **Honorable Ramakrishna Pillai** (Minister of Irrigation and Labor, Government of Kerala) and the traditional lighting of the lamp.

In his inaugural speech, the **Honorable E.K. Nayanar** (Chief Minister of Kerala) stressed that the previous "top-down" approach taken by State Governments in supplying drinking water was not working. *"It is usually the poor who bear a comparatively greater burden on account of the insufficiency of drinking water. An efficient and sustainable water management strategy is necessary for the sustenance and development of society, especially in the context of depleting availability*."

**Mr. K.C. Pant** (Deputy Chairman, Planning Commission) outlined the bigger picture as seen by the Government of India (GOI). *"In order to ensure 'Health for All', the present Government stands committed to provide potable drinking water to every settlement in the country within the next five years."* He mapped out a timeline of policy reforms in rural water supply from 1970 to the present. The latest GOI five-year plan (Ninth Plan) provides an all-time high public sector outlay for the water supply and sanitation sector: Rs 39,538 crore – of which Rs 20,814 crore[1] is for rural water supply and sanitation.

**Mr. S.K. Tripathi** (Secretary to the newly-formed Department of Drinking Water Supply, Ministry of Rural Development, Government of India) announced plans to support the implementation of policy reforms in rural water supply in 58 districts across the country. The reforms – as laid out in the Government of India's Ninth Five Year Plan (1997-2002) – aim to transform the way water supply is delivered by States.

"*The Government of India has decided to institutionalize community-based rural water systems by incorporating three basic principles for ensuring peoples' participation – the adoption of a demand-driven, responsive and adaptable approach based on empowerment of villagers to ensure their full participation in projects; shifting role of the Government from direct service delivery to that of planning, policy formulation, monitoring and evaluation and partial financial support and partial cost-sharing either in cash or kind or both and 100 per cent responsibility of Operation and Management (O&M) by end-users."*

**Mr. Francois-Marie Patorni** (World Bank Institute) introduced the global challenge in the water sector: Of the world's 6 billion people, 1 billion are without an adequate water supply, 3 billion without adequate sanitation, and millions of the world's poorest people die each year from preventable water-related diseases. The policy environment needed to turn these figures around has been at the center of many debates over many decades and one conclusion comes out most strongly: *"Governments need to devise institutional arrangements so that people can get the services they want and are willing to pay for."*

The objective of The World Bank is to promote sustainable development and to help reduce poverty. The Bank has recently renewed its commitment to rural development and rural water supply is seen as a priority (primarily as it is a priority of people who live in rural areas). The Bank is often thought of as a source of financing only, but while lending and mobilizing financial resources are central activities; capacity-building to strengthen rural water supply institutions and knowledge management in order to learn lessons of global best practice are becoming increasingly important.

## OBJECTIVES OF THE WORKSHOP

- Initiate a dialogue with key decision-makers on policy reforms in rural water supply.
- Sensitize participants to the reasons for policy reform, and the consequences of not reforming, by sharing experiences of successful initiatives in India and of policy reforms in other countries.
- Understand the political perspective in the rural water supply sector and try to move towards consensus on issues.
- Give the rural water supply sector a higher profile in both the Government of India and the State Governments.

## GOI POLICY REFORM INITIATIVES

The Government of India's Eighth Five Year Plan (1992-97) outlined key principles for the sector: water being managed as a commodity and not as a free service; adopting a demand-responsive and participatory approach to service delivery; users being fully responsible for operation and maintenance.

The Ninth Five Year Plan (1997-2002) continues to promote the same principles and is now concentrating on operationalizing them in the field. The strategy to achieve the plan revolves around: accelerating coverage – particularly of the not-covered and partially covered habitations; institutionalizing water quality monitoring systems; and promoting sustainability systems and sources.

The Rajiv Gandhi National Drinking Water Mission has initiated a number of steps to implement the new GOI policy reform package. Rural water supply pilot projects adopting a demand-responsive approach will be implemented in 58 districts across the country.

[1] *US $ 1 = Rs 43; 1 crore = 10,000,000; therefore, Rs 20,814 crore = $4.8 billion*

# State of Rural Water in India

Many millions of Indians suffer due to inadequate access to a clean drinking water supply. This contributes to ill-health, drudgery and poverty. No one can categorically say what the existing situation is regarding issues such as water supply coverage; however, there appears to be a great disparity between 'official' published figures and the perceptions of certain stakeholder groups in the water sector.

## Stakeholders' Perceptions

A group exercise was conducted to elicit the perceptions of the different stakeholder groups on some of the basic issues facing the sector. Seven questions were posed to five groups: State Ministers, civil servants (two groups due to large numbers), External Support Agencies and non-government organizations (NGOs), regarding the state of the sector in order to more accurately gauge the true figures and contrast perceptions of the different groups. The objective of this session was to get a snapshot of the perceptions of various stakeholder groups of the rural water supply situation in India and compare these to "reality".

Each of the stakeholder groups were asked to quantify their perceptions by answering the following questions:

In your opinion *(to the nearest 10%) …*

### 1 Coverage

What percentage of the rural population has access to an adequate supply of safe drinking water?

### 2 Poverty focus

What percentage of socially and economically disadvantaged rural people (especially Scheduled Castes/Scheduled Tribes) are covered by Government-provided rural water supply schemes?

### 3 Sustainability

Out of 100 rural water supply schemes built by the Government 10 years ago, how many are still running satisfactorily?

### 4 User satisfaction

Out of 100 users, how many are satisfied with the service from Government-provided rural water supply schemes?

### 5 Financing of capital costs

What percentage of the capital cost of Government rural water supply schemes are rural people currently paying for?

### 6 Financing of O&M costs

What percentage of the O&M cost of Government rural water supply schemes are rural people currently paying for?

### 7 Choice of technology

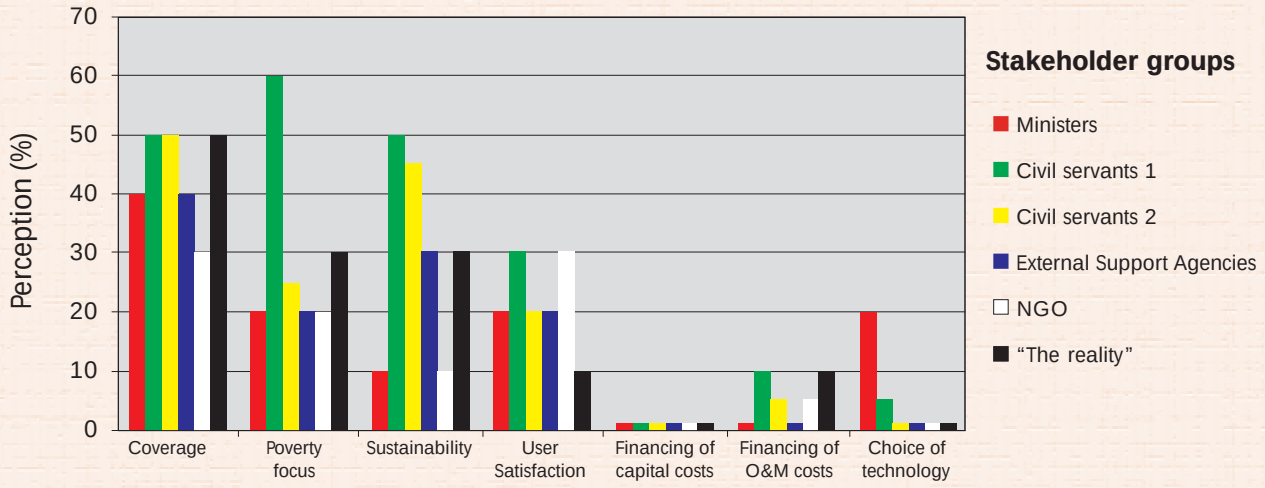
Out of 100 schemes built by the Government, in how many did the users have a say in the choice of technology used?

The results of the stakeholders' perceptions were plotted on a graph *(see box)*. The organizers of the workshop then presented the figures believed to be the most reliable answers to the questions drawing on research conducted by NCAER, ORG, Samtek Consultants and other sources. This is indicated as "The reality" on the graph.

The exercise was interesting for a number of reasons:

- it demonstrates the poor performance of the sector against certain important indicators;
- there is broad consensus between stakeholder groups; and
- many of the figures challenge 'official' published figures.

## 'Perceptometer' of the State of the Indian Rural Water Sector




**Questions assessing the state of rural water supply in India**

# Best Practice in the Sector

## Global best practice

**Mr. Keith Oblitas** (The World Bank) presented some lessons from international experiences in rural water supply.

Consensus has been reached internationally about improved approaches to providing sustainable water and sanitation services through the Dublin-Rio principles.

The key principles are:

- Water is an economic as well as a social good;
- Water is best managed at the lowest appropriate level; and
- Approaches that respond to demand are more sustainable.

The principles are gradually being adopted in all countries across the developing world. They shape a new paradigm in the implementation of water projects and require commitment from political, bureaucratic and civil society sectors. Substantial commonality can be seen in success stories and firm lessons of best practice can be learned.

Some international examples of best practice outside India come from:

**Bolivia:** The Yacupaj and PROSOBAR projects are typified by appropriate technologies and participatory approaches. Expanded coverage and increased cost recovery have been achieved even in the most remote rural areas.

**China:** The World Bank-assisted project in China emphasizes cost recovery and community participation. Increased coverage, improved water quality and strong demonstration effects for improvement elsewhere have been achieved.

**Ghana:** The Community Water and Sanitation Program shows us that decentralization (changing the role of the Government from provider to facilitator) and demand-responsive approaches (enabling communities to play a greater role in key decisions about their own supply) can result in significant increases in coverage, stronger involvement of women and community satisfaction and ownership of their own facilities.

**South Africa:** The Mvula Trust is an example of an institution independent of the Government that has achieved good results (on a limited scale) in a political environment that still believes water should be provided free or at a highly subsidized rate.

**"WATER AND THE POOR" CARTOON EXHIBITION**

The Honorable K.C. Pant, Deputy Chairman of the Planning Commission (center), opened a cartoon exhibition drawn by Mr. Sudhir Dar (left). These are a series of satirical cartoons exposing the lighter side of some key issues in the rural water supply in India. Seen on the right is Mr. S.K. Tripathi.

## India's best practice

### Uttar Pradesh - The Swajal Project

A pilot project with 1,000 villages (to benefit 1.2 million people) is under implementation in Uttar Pradesh. The project is financed by The World Bank in partnership with the Government of Uttar Pradesh. The project design is in line with global thinking on good practice and initial results have been promising. Implementation is done through NGOs with Village Water and Sanitation Committees playing a central role. Communities contribute 10 per cent of the capital cost of the project and all of the recurrent costs. The project illustrates that capital cost recovery on a large scale is possible in India and alternative delivery systems can work.

### Karnataka

A similar World Bank-assisted project has been implemented in Karnataka. Many design features are similar to Swajal, except that implementation has been done through the existing Public Health Engineering Departments (PHED). 1,200 villages are covered by the project and NGOs are used as social intermediaries. Communities participate in planning, design and implementation, but, most importantly, take full responsibility for O&M. The villagers


themselves have collected a total of Rs 12 crore in cash to be used for future replacement costs.

### The Olavanna Gram Panchayat, Kerala

Kerala has also seen an example of best practice through the Olavanna Gram Panchayat in Kozhikode District. Although this is a small project (serving about 44,000 people) it demonstrates again that schemes managed and financed by communities are in existence in India and are working. A comparison between institutional arrangements has been possible as some of the village schemes are run by the GP and others by the communities themselves. Community-run schemes have proved to be more financially sustainable and many believe that the Panchayat functions better as facilitator and not as provider. Also, community management has led to greater community satisfaction.

This is perhaps the first initiative in India where users are meeting the full capital and O&M costs of their drinking water schemes.

## Good practice in States

Participants were asked to select one project in their own State that demonstrated good practice. The following projects were presented: Andhra Pradesh (Janmabhoomi program), Arunachal Pradesh (Kosi Ahrit Peyjal Yojna Bari), Gujarat (district water project), Haryana (food for work), Kerala (Panchayat People's Planning Campaign), Maharashtra (community-based development), Madhya Pradesh (watershed management mission in 8,900 villages), Rajasthan (from Anicut t o well), Sikkim (introduction of community management and cost recovery on some projects), Tamil Nadu (people's participation in latrine project) and Uttar Pradesh (women's participation).

### WSP RURAL THINK TANKS - JAL MANTHAN

The Jal Manthan (meaning 'churning of water' in Hindi) is a 'think tank' on rural water supply and sanitation. It is a travelling forum that aims to be an open network encouraging frank and informal policy-level dialogue between sector practitioners and professionals. The focus of each meeting is determined by the participants such as State Governments, NGOs and External Support Agencies. Two Jal Manthans have been held to date:

**JAL MANTHAN 1**

Restructuring PHEDs/Water Boards: Why and How? *Delhi, May 1999*

**JAL MANTHAN 2**

Decentralized Rural Water Supply and Sanitation Management.
*Cochin, July 1999*

*Proceedings from both these workshops can be obtained from WSP-SA (wspsa@worldbank.org)*

Mr. Gurung presenting community managed projects from his home state, Sikkim.

# Action Steps for Reform

After building consensus on the state of the water sector in India, and learning lessons from best practice, workshop participants resolved to tackle the most challenging aspect of reform: developing action steps for rural water supply policy reforms. Group discussion led to a joint participatory authoring of the *Cochin Declaration*.

## Interest group discussion

Groups were asked to select four priority action steps that should be taken in response to the following practical measures in implementing the Government of India reforms:

### Institutional change

*In changing the role of the Government from provider to facilitator, how do we reorient PHEDs?*

- Decentralize PHEDs with political leadership;
- Re-deploy (to districts) and reorient engineers (introducing new skills mix)
- Increase engagement with Panchayati Raj Institutions and NGOs; and
- Encourage greater private sector participation, for example, public-private partnerships.

### Sustainability

*How do we improve the sustainability of drinking water sources?*

- Overall water resource assessment at a State level;
- Implement measures to ensure the economic pricing of water;
- Public awareness and transparency, particularly in the irrigation/drinking water debate; and
- Build capacity at local level.

### Community management

*How do we implement community management of schemes?*

- People must decide institutional structures at village level;
- Identify and recognize facilitators at community level;
- Needs assessments and appropriate capacity-building; and
- Work towards the sustainability of grassroots organizations.

### Cost recovery

*How do we implement partial capital cost recovery and full operation and maintenance financing by users?*

- Political acceptance of cost recovery principles is essential;
- Transfer systems to the Gram Panchayats;
- Pilot capital cost recovery projects in two districts in the State; and
- Awareness campaign for users.

### Role of NGOs

*How do we develop partnerships with NGOs to improve service delivery?*

- Create an enabling environment to foster and develop NGO partnership;
- Develop good systems for selecting NGOs;
- Develop fair contracting methods and arrangements; and
- Develop and implement systematic sector-related training and capacity-building.

## Stakeholder group discussion

Each stakeholder group – politicians, civil servants, External Support Agencies and NGOs – were asked the question:

Lighting the inaugural lamp. Left to right: Mr. Piers Cross, Mr. F.M. Patorni, Honorable E.K. Nayanar and Honorable Ramakrishna Pillai.

*"Many technical workshops recognize the importance of political will. In Cochin, for the first time, ministers engaged directly in dialogue with senior Government officials and other participants on the political and technical implications of the reform path to which the Government of India is committed. Participants left the workshop with a strong commitment to implement the reforms contained in the Cochin Declaration."*

**Piers Cross, Regional Team Leader, Water and Sanitation Program-South Asia**

Even Ministers needed to participate 'on the ground': Mr. Ram Singh Vishnoi, the Honorable Minister for PHED, Rajasthan, with Mr. Parameswaran Iyer.

*"As [politicians], what can we do to implement the reforms?"*

Themes emerged out of these discussions: capacity-building, decentralization, seeking political sanction and increasing the advocacy role of NGOs. The boldest response came from the politicians' group: State Ministers from Andhra Pradesh, Haryana, Rajasthan, Sikkim and Tamil Nadu all indicated they would meet with their respective Chief Ministers, call a meeting of all officers involved in the water sector and take the matter forward at the Cabinet level.

Civil servants placed emphasis on the Gram Panchayats and suggested that measures to ensure accountability were vital. External Support Agencies stressed their role in capacity-building, and NGOs considered changing others' perceptions about themselves was important for a strategic change in their role. Both group discussions were fed into the drafting and adopting of the Cochin Declaration.

## FEEDBACK FROM THE WORKSHOP

An informal evaluation of the workshop was conducted with all the participants. There was an overwhelming positive response from many delegates. One participant remarked:

*"I had stopped going to workshops, but this one was definitely worth coming to and has changed my perceptions about workshops in the future."*

*"This was a unique opportunity for me to learn more about this vital sector and contribute to the reform process in Sikkim and India":* **Mr. G.M. Gurung,** Minister for Irrigation and Rural Water Supply, Government of Sikkim

State Ministers and other participants at the workshop.

# The Cochin Declaration

## ON IMPLEMENTING RURAL WATER SUPPLY POLICY REFORMS IN INDIA

Sixty-five delegates from 14 States including 11 State Ministers, senior civil servants from the Government of India and State Governments, non-government organizations (NGOs) and External Support Agencies participated in a workshop in Cochin, Kerala on December 7-8, 1999 and reached an agreement on the principles and strategic actions needed to tackle the problems facing the rural water sector. The *Cochin Declaration* reflects these deliberations and endorses the reform process.

The State Governments, with assistance from the Government of India, are committed to ensuring that all of India's 1.43 million habitations have access to safe drinking water. Though significant efforts have been made towards this end, all the stakeholder groups agreed they are a long way from achieving this objective.

The participants agreed that the problems in the sector derive not simply from the enormous scale of required investment, but also from inadequate sector management. Many public rural water supply services today are unsustainable and do not adequately serve the needs of user communities. The Government of India has responded to this challenge through policies in the Ninth Five Year Plan (1997-2002). New policies for service delivery have been developed, but these reforms now need to be implemented. For the reforms to be successful, State-level endorsement is vital.

The following ***principles*** should guide the reform process:

- adopting demand-responsive approaches and the use of participatory processes;
- changing the role of the Government from provider to facilitator;
- establishing financial viability and sustainability of rural water supply services; and
- promoting integrated water resource management.

We, the workshop participants, resolve that we shall implement the above principles in our respective States through the following ***strategic actions***:

- increasing engagement with NGOs and Panchayati Raj Institutions; encouraging greater private sector participation; and changing the Government's role through reorienting PHEDs;
- improving financial viability through implementation of pilot projects with partial capital cost recovery; implementing user financing of operation and management for local schemes; capacity-building of Gram Panchayats, and advocacy to increase acceptance of cost recovery policies amongst key stakeholders;
- supporting community management by shifting decision-making to the grassroots level; increasing participation of women and the disadvantaged sections of society in management of service delivery; management of investments and ownership of assets;
- creating an enabling environment which promotes transparency and strengthens true partnerships between the Government, Gram Panchayats, NGOs and communities. NGOs and community-based organizations must play a more significant role in advocacy and capacity-building; and
- developing/implementing sustainable comprehensive water resource management and service delivery policies and actions; introducing water conservation, recharge and rehabilitation measures; supporting the enactment and enforcement of legislation to prevent depletion and contamination of water sources; and implementing water quality monitoring systems.

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