For Endorsement by the Water and Sanitation Program Council

WSP FY11-15 Business Plan Update

1. Background

The Water and Sanitation Program’s (WSP) five-year business plan covers fiscal years 11 to 15 and lays out the strategic activities through which WSP assists countries in scaling up access to water and sanitation services to the poor. WSP’s business plan identifies six Global Business areas which reflect the intersection between sector demands and the Program’s expertise, and help focus WSP’s strategic technical assistance and advisory services to support reforms and influence sector investments. The six business areas are:

- Scaling Up Rural Sanitation and Hygiene
- Creating Sustainable Services through Domestic Private Sector Participation (DPSP)
- Supporting Poor-Inclusive WSS Sector Reform
- Targeting the Urban Poor and Improving Services in Small Towns
- Mitigating and Adapting WSS Service Delivery to Climate Change Impacts
- Delivering WSS Services in Fragile States

WSP tracks progress against the FY11-15 Business Plan through a results framework that consists of 24 integrated country monitoring tools which aggregate up to a global results framework. The 24 country-level monitoring tools center on identifying the key dimensions of the enabling environment that WSP can help strengthen under each WSP Business Area. The country-level tools also link program activities to higher-level outcomes such as number of people gaining access to improved water and sanitation services. A review of the methodological approach has been undertaken in FY12 and is summarized in a separate summary note to the Council.

WSP’s Charter states that the WSP Council, in providing overall guidance and supervision of WSP, is responsible for approving business plans and any significant deviation from them. Due to the shift towards a five-year business plan in FY11, approval of annual work programs as stated in the Charter has been replaced by annual endorsements of Business Plan Updates, as agreed during the last Council meeting in June 2011. In the following section we describe updates to the Business Plan for FY13 and seek Council endorsement for these.

2. Updates for FY13

Since the initial development of WSP's Business Plan in FY11, WSP has rolled out a comprehensive results framework and country monitoring tool. The introduction of these tools has generated an intense discussion on both the accountability for results as well as the theories of change and action involved in attaining those results. This focus on results has subsequently led to the streamlining of the number of business areas in certain countries, for two reasons:

- Balancing results ambition with available resource envelopes: WSP Country Coordinators in focus countries were asked to match the level of ambition with the staff resources allocated to each country. The Regional Team Leaders, in close collaboration with Global Business Area Leaders, worked intensively with each country team to

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ensure that results were actually achievable within the framework of existing financial and staff resources. As a result, a number of smaller country programs held intensive dialogue with governments to agree on a program focusing on no more than two or three business areas within this five-year period, and then disengaged from certain business areas by closing activities over the past 12-15 months. Streamlining of business areas has not resulted in country budget reductions but has shifted available resources to the remaining business areas in the same country.

- Reducing overlap between business areas: In the process of developing results chains for each country it became evident that activities originally spread across two or more business areas could be linked together under a single business area to achieve equal or greater impact in terms of additional beneficiaries reached. An example of such streamlining is provided in box 1 below.

In addition to the proactive streamlining of business area engagements in each country, from time to time there may be changes to the WSP program forced by developments outside WSP’s control. This includes:

- A temporary withdrawal from *Rwanda* made at the request of the World Bank Country Manager in response to the Government of Rwanda assigning lead sector support responsibilities to specific development partner agencies. The World Bank was assigned lead roles in energy, agriculture and transport while the African Development Bank was assigned the lead for water. WSP is fully prepared to re-engage with the Government of Rwanda when and if the situation changes.

- In *Mali*, though not a focus country with staff presence, WSP has been supporting the expansion on private rural piped scheme management under the DPSP business area. WSP is also planning to post a senior WSS specialist in Mali to support the promising work program there. However, the recent and unexpected political unrest has lead to the temporary evacuation of all World Bank staff and with it a temporary halt to WSP activity in Mali; though the intention is to resume once the unrest subsides.
Taking these points into consideration, the updated programming matrix (table 1) illustrates FY13 changes to country programs per business area, in comparison to the update provided at last year’s Council meeting:

Table 1: WSP’s Six Core Global Business Areas by Region and Country
Updated May 10, 2012

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<thead>
<tr>
<th>Business Area</th>
<th>LAC</th>
<th>EAP</th>
<th>AFR</th>
<th>SAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scaling up rural sanitation and hygiene</td>
<td>➡️</td>
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<td>Creating Sustainable Services through DPSP</td>
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<td>Supporting poor-inclusive WSS sector reform</td>
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<td>Targeting the urban poor and improving services in small towns</td>
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<tr>
<td>Mitigating and adapting WSS delivery to climate change impacts</td>
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<tr>
<td>Delivering WSS services in fragile states²</td>
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1. Contributes to global indicator for hygiene (footnote no longer applicable for Vietnam as full scaling up rural sanitation will start in FY13)
2. The work in this area is highly contingent on additional funding commitments. Countries listed are for indicative purposes.
3. Mozambique is discussing the possibility of starting a rural sanitation program in FY13.
4. Niger will start a DPSP program in FY13.
5. Tanzania will start an urban sanitation program in FY13.

Details on these changes are as follows:

**Latin America:**

- **Nicaragua** is focusing on the replication of Creating Sanitation Markets, which is contributing to the DPSP business area. It is expected that this activity will have some important impacts on access to rural sanitation once the piloted effort has resolved some institutional and implementation issues. Lessons and knowledge generated from both the Nicaragua and Peru Creating Sanitation Markets initiatives will continue to provide cross-fertilization to the Scaling Up Rural Sanitation business area.

**East Asia and the Pacific:**

- In the **Philippines**, in FY12 WSP is completing the implementation of the Sustainable Sanitation for Southeast Asia-Philippines program which had a strong focus on Poor-Inclusive Sector Reform. A number of key policies and strategies have been issued over the past 2 years that now require a shift into operationalizing these both at the rural and urban sanitation ends, and focus less on sector reform starting in FY13.

- At the request of the Government of **Vietnam**, WSP has launched a scoping mission consisting of global rural sanitation experts to jumpstart a follow-on engagement on Scaling up Rural Sanitation, which will integrate key lessons from the Handwashing Initiative that is ending in FY12. The concept note for the new engagement is expected to be finalized by August so that implementation can start within FY13.
Africa:

- In Benin, following dialogue with the Government the fecal sludge management work under the Urban Poor business area has been reallocated to upstream public sector reforms and downstream public private partnerships under DPSP (see also Box 1 above).

- In Burkina Faso, WSP maintains a very small office with currently one permanent staff member, requiring the program to focus on a maximum of 2 business areas to achieve results.

- WSP has responded to strong client demand in Niger to work on Scaling Up Rural Sanitation. The original support to the Services to the Urban Poor business area has been reallocated into upstream policy work and support to the DPSP.

- A temporary withdrawal from Rwanda was made at the request of the World Bank Country Manager in response to the Government of Rwanda assigning lead sector support responsibilities to specific development partner agencies. The World Bank was assigned lead roles in energy, agriculture and transport while the African Development Bank was assigned the lead for water. WSP is fully prepared to re-engage with the Government of Rwanda when and if the situation changes.

- In Senegal, activities formerly counted under Services to the Urban Poor and Poor-Inclusive Sector Reform have been re-allocated to DPSP as these involve primarily (a) leasing the Government of Senegal’s rural maintenance function out to the private sector and (b) involving the domestic private sector in urban sanitation.

- In Uganda, activities that were previously under Sector Reform and Urban Poor have been re-allocated and are now being carried out under DPSP as these focus on supporting the Government of Uganda on strengthening private operator water supply and sanitation management of small towns.

- In Zambia, where WSP has a small office, the team has elected to focus exclusively on urban sanitation under the Services to the Urban Poor business area as this has been the most neglected subsector to date.

South Asia:

- To recognize the achievements in the sanitation sector in Bangladesh, where coverage now exceeds 90%, and in the drinking water sector where the priority has shifted from ensuring access to safe (i.e. arsenic free) drinking water WSP’s focus has graduated from providing access on scale. WSP is focusing our efforts on promoting the role of the private sector in providing improved sanitation and drinking water facilities. To this end, WSP is following the DPSP business area in Bangladesh rather than Scaling up Rural Sanitation, and will also develop basic service delivery at the community level with the Horizontal Learning Program under poor-inclusive WSS sector reform.