Small Towns
Water Supply and Sanitation Challenges and Scaling-Up

Glenn Pearce-Oroz
Regional Team Leader
WSP-Latin America

Nick Pilgrim
Water & Sanitation Specialist
WSP-South Asia

Vienna
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Rapidly Expanding Urban Population: Services to Small Towns and Peri Urban Areas

Over 50% in cities under 1 million where services already in short supply & poor quality

Source: World Development Indicators; World Bank estimates
The Numbers: Will MDGs be met without Small Towns?

### Graph: Additional Urban Population (in millions) by City Size (in Millions)

- **High Income Countries**
- **Middle & Low Income Countries**

**City Size (in Millions):**
- <1
- 1-5
- 6-10
- 10+

**Additional Urban Population (in millions):**
- 0
- 50
- 100
- 200
- 300
- 400
- 500
Small towns ‘bridge the gap’ in living standards for lagging rural areas and urban slums

Market town, education and health centers

Unpredictable spatial and population growth

Lack of resources and professional staff
Small Towns
WSP & World Bank Agenda

Water Working Notes
Note No. 13, December 2007

PRINCIPLES OF TOWN WATER SUPPLY AND SANITATION
PART 1: WATER SUPPLY

Nick Pilgrim, Bob Roche, John Kalibmwatamf, Cathy Revels, Mukami Karulhi

The World Bank, Washington, DC
Sanitation
Policies and Programs in the past were designed to construct toilets

Has targeting toilet construction delivered sanitation outcomes?
From household and community managed

From narrow concept of sanitation (removal of human excreta)

To collective and professionally managed

To wide concept of sanitation (include drainage, wastewater treatment and solid waste mgmt, hygiene education)

Small Towns
Two Shifts Needed…
<table>
<thead>
<tr>
<th>Political</th>
<th>Not a household matter</th>
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<td>Prioritizing sanitation</td>
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<td>City-wide sanitation (Indonesia)</td>
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<th>Policy</th>
<th>Filling the gaps (decentralization)</th>
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<td>• (Pakistan &amp; Vietnam)</td>
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<th>Programs</th>
<th>Markets (Burkina Faso, Ghana, Senegal, Cambodia)</th>
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<td>Users (Peru)</td>
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<td>Technology (Brazil)</td>
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Context
Over 1 million people w/o access to WSS in 2001
Need affordable and implementable approach

Strategy
Adopt condominial technology to increase access
Support to World Bank-financed loan of US$ 20 M

Status
Increased water and sanitation coverage
Over 30,000 families benefited during 1st phase
Reduction in unit cost of water and sewerage network by 40-45%
Scaling up of technology in Peru and other countries
Water Supply
The basic objective is to increase access to safe, reliable, sustainable and affordable water supply

First Phase: Consolidate Management Model (Legal Framework)
- Financial and management autonomy
- Transparency and accountability
- Competition

Second Phase: Introduce Planning Coordination (Regulation)
- Professional support (specialist support, training, help desk)
- Demand responsiveness
- Incentives for expansion

Small Town Conference
Addis Ababa, 2002
## Operator Contracts
*(Domestic Private Sector Participation)*

- *In Uganda,* established autonomous town ‘water boards’ and two year management contracts
- Similar pilots in *Mozambique, Peru,* etc.

## Sector Planning Coordination / Regulation

- *In Philippines,* established autonomous ‘water districts’, preparing business plans, regulated by the Local Water Utilities Association (financing, TA, institutional support)
- Similar model in *Zambia,* etc.
**Preparatory Phase**
- Gather information
- Plan

**Service Improvement Phase**
- Immediate improvements to build trust

**Operating Phase**
- Improve efficiency
- Expand services

Progressive increase in user charges, reduced O&M costs, increased collection
Where there are many small towns, a programmatic approach is needed to reach scale:

- Set local policy for service & quality improvements (through public consultation)
- Review business plans including improvement plans and cost estimates
- Consider the tariff implications (and financing / subsidy options)
- Monitor implementation and performance

Examples: Philippines and Zambia
Small Towns
Striking a Balance

BALANCE

Financial Viability
&
Self Sufficiency

Example: Piped water supply with individual household connections

Equity
&
Affordability

Example: Alternative technologies, coping strategies, self provision
Policy should aim for financially viable and self-sufficient water utilities with transparent and targeted subsidies, appropriate TA, training and information help desk as needed.

Three dimensions to keep in mind:
- ‘Utility’ Business Planning
- Operator Contracts
- ‘Sector’ Planning Coordination / Regulation
We have good examples (management models, financial architecture, appropriate technology)…

So, why is it so difficult to scale up?

Are other region’s experiences relevant?

What should we learn?

How can we learn?
THANK YOU