

Beyond Utility Reach? Achieving Universal Access to Water Supply

Regional SDC /SECO Network ResEau 6 April 2017 – Bitola - FYROM
Susanna Smets – Sr. Water Supply and Sanitation Expert



Access and sustainability are problematic in rural areas where poverty is concentrated

- In 2015, globally 63 million - 1 in 10 - without improved water – **80% in rural areas**
- **Sustaining access under threat** - functionality, climate change, institutional fragmentation
- 30 to 40% of schemes **non-functional**, many failing after few years

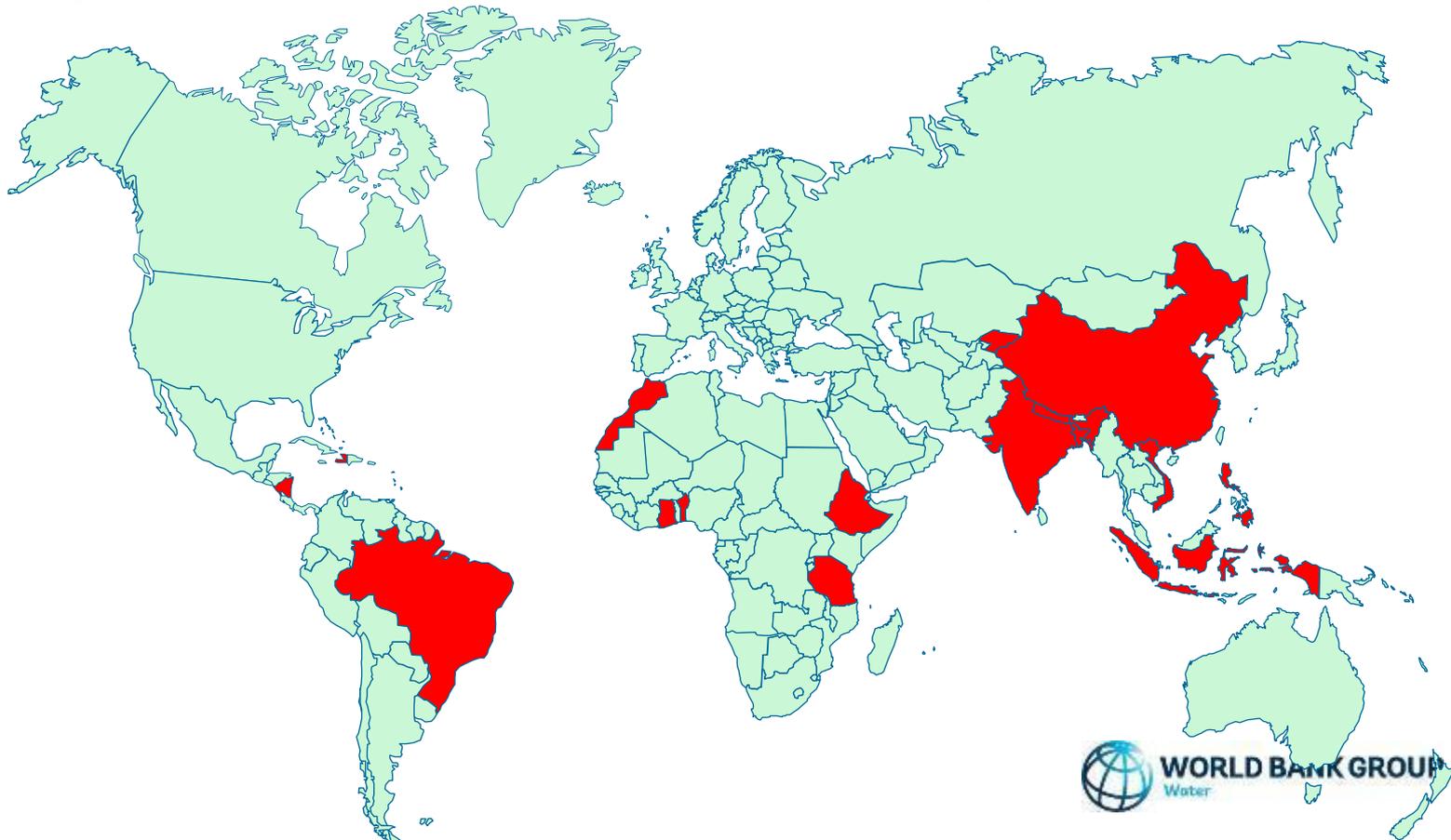


Key findings from a sixteen-country assessment on sustainability of rural service delivery models



Sustainability examined in 16 countries with World Bank programs to improve operations

- Examine conditions that affect sustainability of service provision in a wide range of country contexts
- Inform WB Operations - identify emerging good practices – provide directions to our clients on trajectories



Analytical framework: context and governance, 5 building blocks, 3 institutional levels, 5 service delivery models

COUNTRY CONTEXT:

economic development, population growth and urbanization, decentralization, geography and hydrology, aid dependency

SECTOR GOVERNANCE:

political prioritization, aid effectiveness, private sector participation, human rights and inclusion, institutional arrangements and service delivery models, service levels

National Sector Level

Service Authority Level

Service Provider Level

Community-Based Management

Direct Local Government

Public Utility Provision

Private Sector

Self-supply

Institutional Capacity

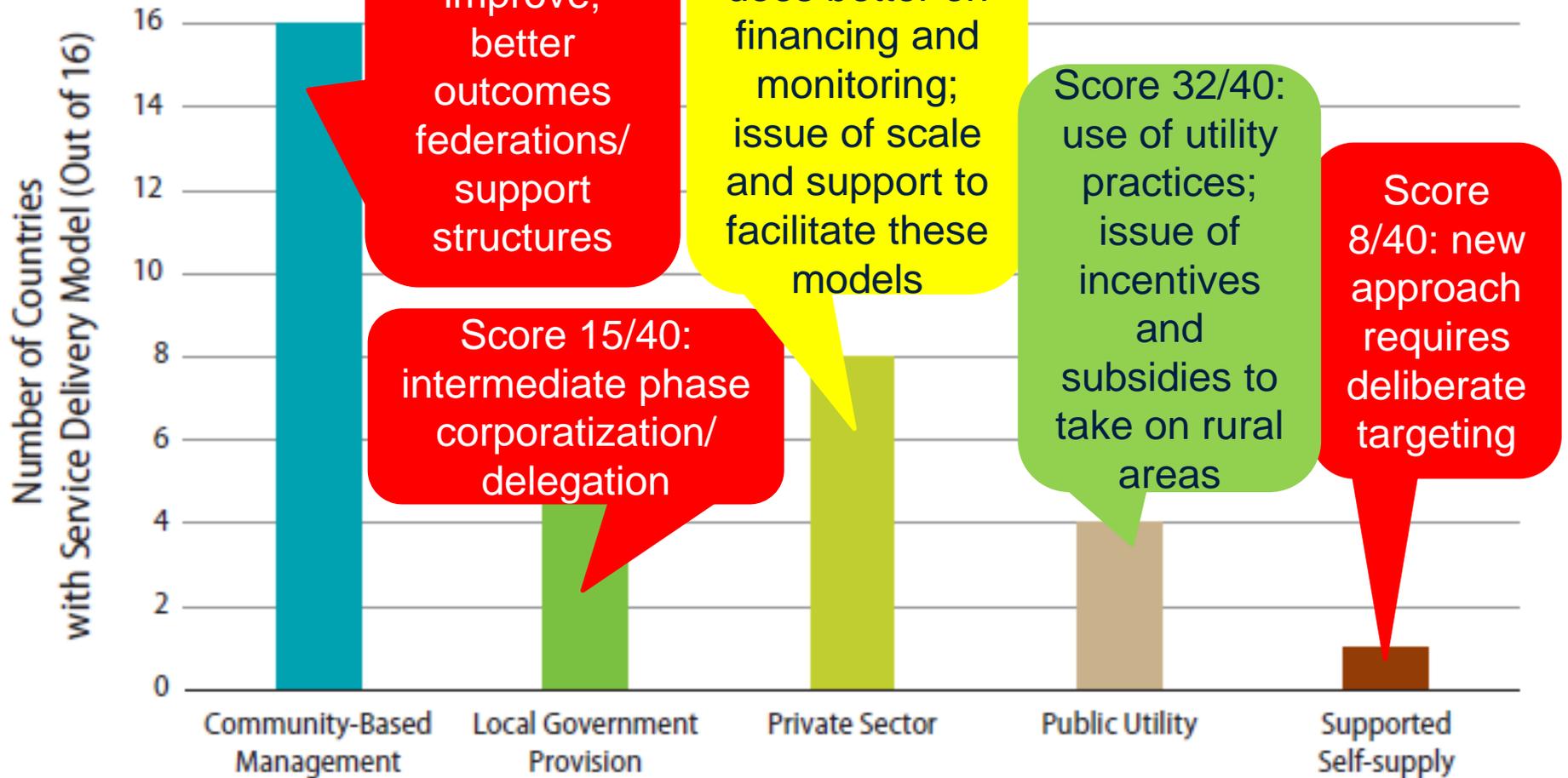
Financing

Asset Management

Water Resource Management

Monitoring and Regulation

Service Delivery Models: community based management Is but tends to do poorly



Kyrgyzstan: sustainability assessment informed WB Operation on rural water and sanitation

In addition to supporting infrastructure development, the project (USD 70 million) will focus on:

- **Institutional reform** and strengthening position of nodal department (DDWSWD)
- Diversify and **improve on management models**: professionalize, associate, and aggregation options
- Strengthen sub-national capacity to **provide support to service providers**, e.g. technical , administrative, financial
- Nation-wide **behavior change campaign** and consumer awareness program
- Establishment of a **monitoring system** and institutionalize this within DDWSWD, strengthen **water quality** monitoring functions
- Support to reform of **tariff** system
- Sector-wide **professional development and vocational learning program** with various targets groups

Context-specific trajectories towards sustainable rural water services

Dispersed rural populations

Service level:

- Basic, point-source

Interventions:

- Structured programs of support by local government or higher level;
- Focus on improving water quality;
- Public funding for capital maintenance costs
- Support self-supply programs can include targeted grants/soft loans

Rural communities and growth centers

Service level:

- Piped networks promoting household connections

Interventions:

- Technical support to service authority and providers;
- Administrative support to service providers
- Promote willingness to pay; move to metering;
- Simplified asset management;
- Clustering to increase commercial attractiveness
- Improve monitoring and light-touch regulation

Concentrated peri-urban and small towns

Service level:

- Piped metered household connections with 24/7

Interventions:

- Incentivize service providers to integrate peripheral rural areas;
- Strengthen asset management
- Improve regulation of service providers
- Performance benchmarking
- Support consumer-oriented practices
- Improve access to repayable finance

Ladder concept for improving rural water services along the development continuum

Not differentiated RWS sector:

Seed Grants for access

Developing RWS institutions and policy

Preparing decentralized roles and responsibilities; Appropriate service delivery models

Developing monitoring and evaluation systems

Building capacity of sector institutions

RWS promoting Service level improvement

Seed and Performance Grants for improving and expansion coverage

RWS Institutional home, legal status of providers and back-up support

Widening service delivery models

Building capacity of specialized institutions

Move to benchmarking of rural providers and service authorities

RWS Service Delivery focus

Performance Grants to achieve professionalization of services; operational O&M cost recovery and address WR aspects

Service delivery models include PPP
Professional back-up support institutions functioning

Building capacity of decentralized institutions; adopting innovative technologies for reducing costs and better management
Sector performance system

Sustainability of RWS

Performance and Matching Grants to achieve sustainable results

Crowd in commercial finance

Effective regulation and tariffs beyond O&M

Service delivery models expand PPP

Professional back-up support institution functioning;

Service providers climate resilient and further professionalize asset management

Continuous update of capacities based on policy evaluation and innovation

Five key policy highlights

1. There is a **'missing middle'** in the enabling environment: investment in systems, capacities and resources need to go down to **service authority level**
2. Communities can often pay O&M plus; need to be **deliberate and accurate about how to finance full life cycle cost**: deliberately planned financing from taxes and transfers to cover (part of) asset replacement and expansion
3. The **transition to higher service levels** needs to be well managed: better service levels with larger, more complex schemes, will require professionalized management, service provider support, comprehensive monitoring, introducing regulation, and gradual improve asset management
4. There is no "right" or "wrong" **service delivery model**: the success of any model depends on continuous technical, financial and institutional support provided for to service providers; multiple models will continue to co-exist
5. **Dispersed and hard to reach** people require explicit focus to avoid **stagnation**: vulnerable, ethnic and minority groups will require tailored approaches

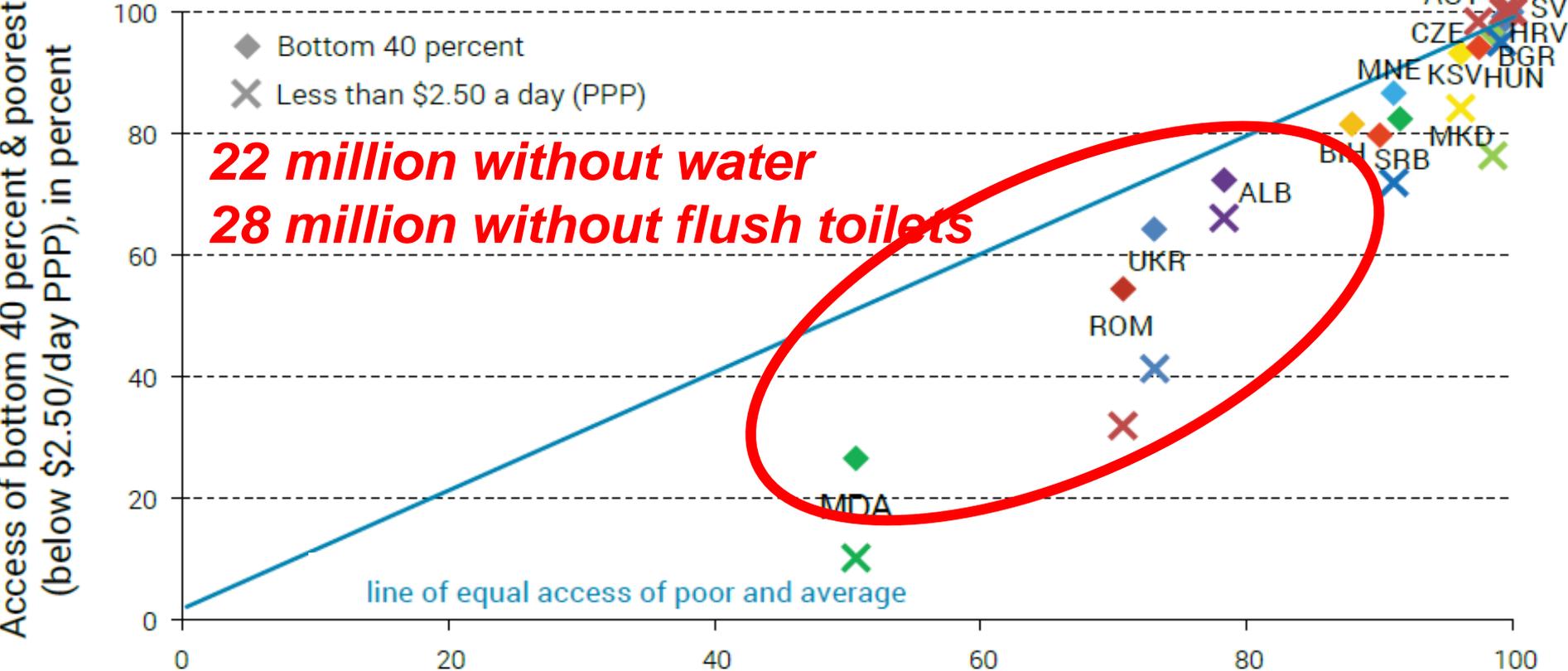


Danube Water Program

**A seven-country study on the state
of rural water and sanitation
services**



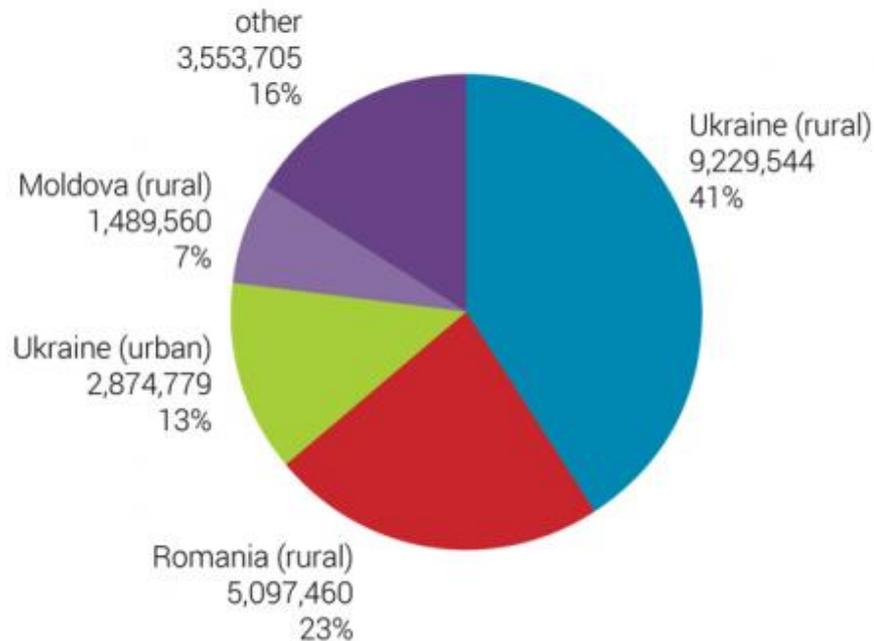
Rationale for the study grounded in inequities in access: wealth quintiles and rural-urban divide



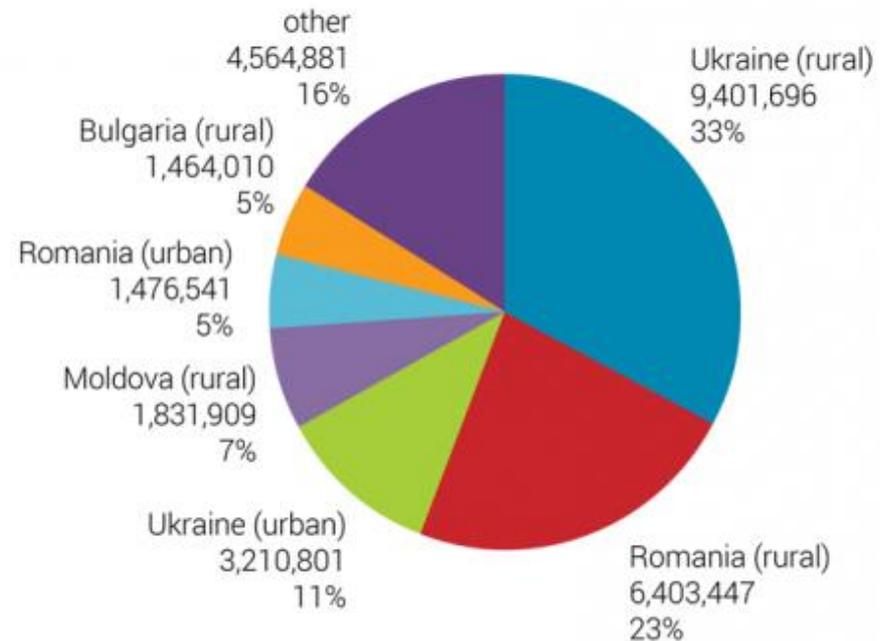
Ukraine, Romania, Moldova are the largest contributors to people without piped access

Out of all the population in the 16 Danube countries

22.5 million
Without piped water



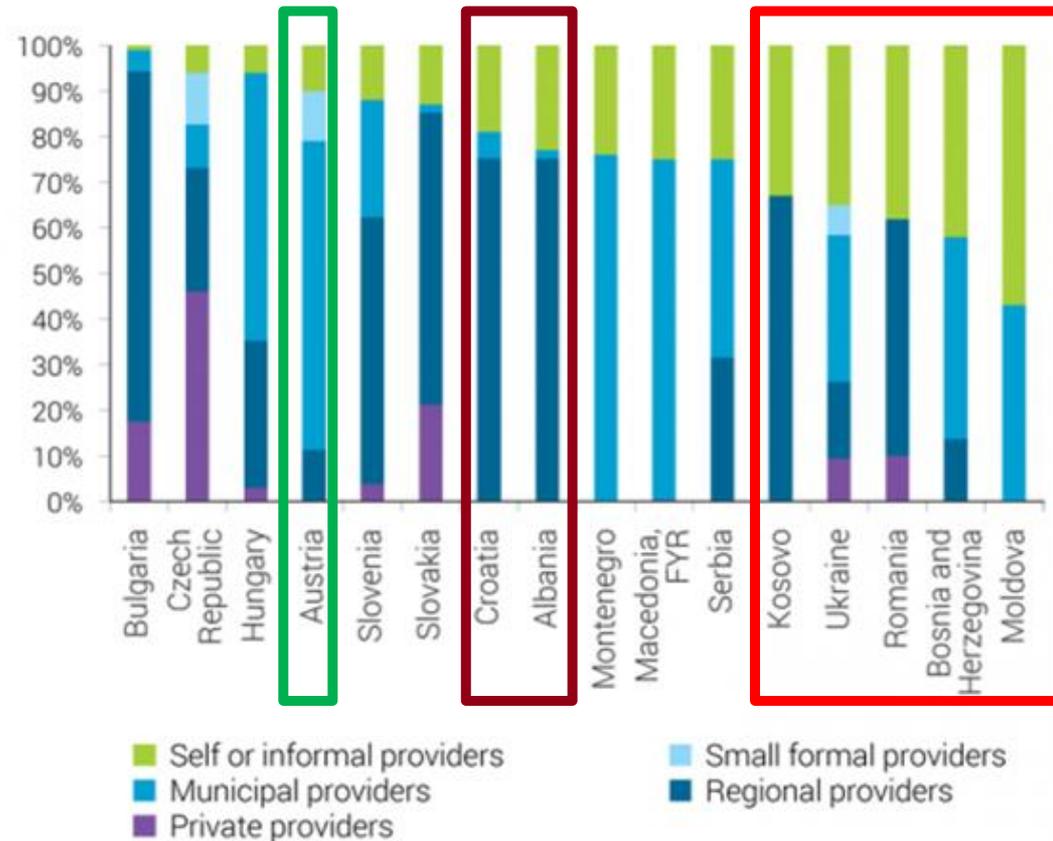
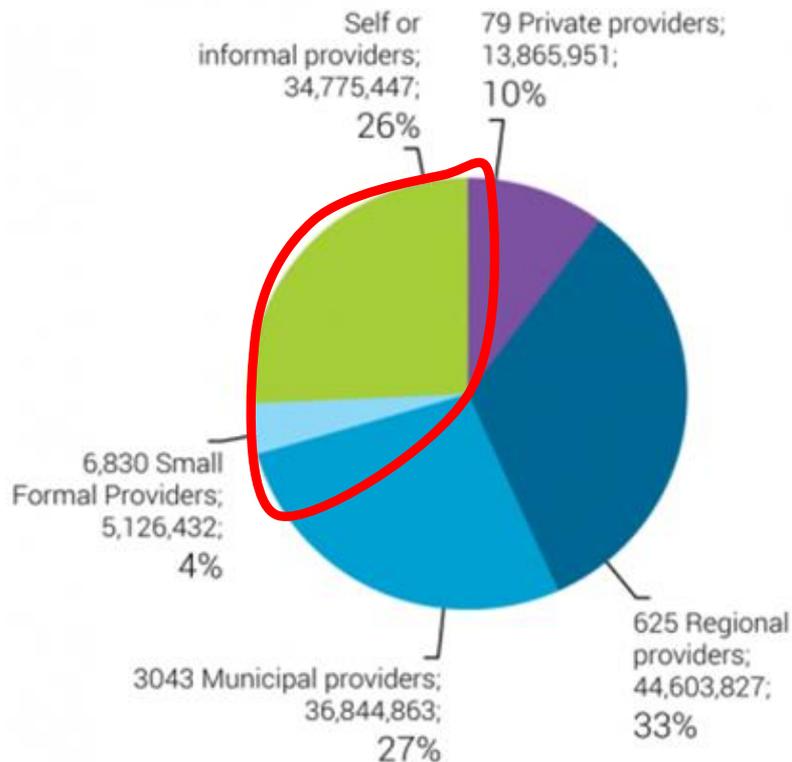
28 million
Without flush toilets



SOURCE: AUTHORS' ELABORATION FROM SOS DATA COLLECTION.

Rationale rooted in knowledge gap: how are services provide beyond regional/urban utilities?

Out of the total of 16 Danube countries



SOURCE: AUTHORS' ELABORATION FROM SOS DATA COLLECTION.



WORLD BANK GROUP



Research objectives:

- To diagnose and analyze the situation of water supply and sanitation services in selected countries of the Danube region in rural contexts - *mostly but not solely beyond the reach of urban/regional utilities*
- To recommend possible paths forward to improve service quality and access to safely managed water supply and sanitation services in respective countries.

Countries: Albania, BiH, Croatia, Kosovo, Moldova, Romania, Ukraine
Austria providing case study examples of rural service provision

Methodology

- **Secondary data collection**
 - National-level institutional review – with a **focus on rural** - of country context, institutional and policy framework, financing and investment, regulations.
 - Other secondary data collection (surveys, literature, water quality data if available)
- **Primary data collection** – deliberate sample – as **representative as possible** based on different service delivery typologies and geographies
 - Household survey (30 hh per location; locations 15 to 50 depending on context) – mix of connected and non-connected households
 - Operator survey – cross-section of different management models and geographies (15 -50)
 - Local government survey (15-50)

Dynamic context: management models in the sample driven by utility regionalization and reform

	Service delivery model	Sub-category	Countries
1	Regional utility	Central network – expanded in rural area	CRT, KSV, MLD, ROM
		Stand-alone systems in rural area	CRT, KSV, ROM
2	Municipal utility	Central network – expanded in rural area	ALB, BiH, CRT, MLD, ROM, UKR
		Stand-alone systems in rural area	ALB, CRT, ROM, UKR
3	Direct local government	Unit in municipality/mayorality	MLD
		Village structures / communal entity	BiH, UKR
4	Community-based management	Water Consumer Association (formal)	BiH, CRT, KSV, MLD (KSV in transfer)
		Citizen group and informal operators	ALB, BiH, CRT, KSV, MLD (KSV, ALB in transfer)
5	Private operators	Private enterprise owning assets	BiH, MLD
		Delegation to private company	MLD
6	Self supply	Individual (or few hh) solutions (wells)	All countries

Analytical framework: understanding service outcomes and conditions for sustainability



Key issues we hope to learn more about

- What are the perceived benefits and challenges of integration of rural systems in municipal/regional companies
- Do we see evidence that integrated rural systems show better service, satisfaction and acceptance by consumers
- How are rural municipal utilities doing - off the radar of national regulators: what is/can be done to support them
- How are locally/community managed systems performing; what are the conditions under which they (can) do better
- How has self-supply evolved across the countries; awareness and risk mitigation practices
- What sanitation practices do we find; access to emptying services, perceptions of improvements

Snap shot of BiH results – operator perspective: check with service outcomes household survey

	coverage	Water continuity	WQ testing	WQ inspection	Support received at start-up	Access to training and	Asset registry	Water permit
Public utility company	Green	Green	Green	Green	Yellow	Green	Green	Green
Public institution	Green	Green	Yellow	Green	Yellow	Green	Yellow	Green
Private company	Yellow	Green	Yellow	Green	Yellow	Red	Green	Yellow
Local community	Yellow	Green	Yellow	Yellow	Green	Green	Red	Yellow
Citizen groups	Yellow	Green	Red	Green	Red	Yellow	Red	Red

Thank You



www.wsp.org | www.worldbank.org/water | www.worldbank.org/sief |  @WorldBankWater