



## 24/7 Water Service to 3 Cities in Karnataka

IBRD Results

### SYNOPSIS

Starting small, 3 cities in northern Karnataka demonstrated that a well-operated water supply company could deliver affordable, reliable service in an urban area. More than 175,000 individuals are benefiting from water supplied directly to their homes, even surprising skeptics with evidence that 20 percent less water is being used than before. What had been a burden to collect, primarily by the women in the household, was not a convenient commodity of life-sustaining importance.

### Challenge

As in most urban areas of India, water supply in the 3 cities of Karnataka was unreliable and limited in coverage. Residents with house connections (about 50 percent, both legal and illegal) had been use to getting unreliable water for 1 or 2 hours, and with varying frequency of up to once every 10 days. All residents had to cope with this situation by purchasing costly and unreliable service from water tankers or by walking up to 200 meters to fetch water from stand posts. No sense of being a customer who pays for and expects reliable water service existed.

### Results

**For more than 2 years, pilot areas of Belgaum, Hubli-Dharwad, and Gulbarga in northern Karnataka now receive reliable uninterrupted water supply service 24 hours a day, 7 days a week.** About 25,000 households (175,000 individuals or 10 percent of 3 cities' total population) benefit from a new sound "customer approach" system that includes 100 percent metered connections, monthly bills based on consumption with affordable tariffs, and 24/7 customer service; and that operates at the level of a well-run

water utility. The high levels (80 percent and improving) of water bill collection express beneficiary satisfaction; this level having risen from virtually no collection before. Contrary to earlier critical arguments, the pilot areas are using an average of 20 percent less water than before the piloted project. These and other performance indicators are well documented.

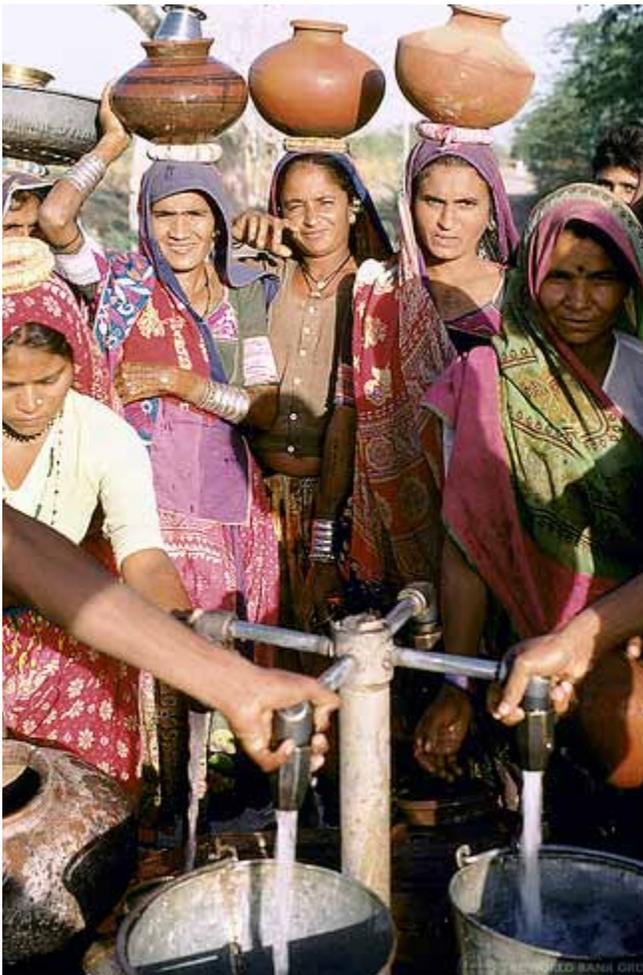
**Having water available at the turn of a tap any time of the day or night, has transformed the life of project beneficiaries.** Women, in particular, have been freed from the time-consuming chore of collecting water, now enabling

#### KEY STATS AND RESULTS

- 24/7 hours/days of reliable uninterrupted water supply in 3 cities of northern Karnataka
- 25,000 households benefiting from the new "customer-approach" system of water supply
- 100 percent of households with meter connections and monthly bills in the beneficiary households of the 3 pilot cities
- 20 percent less water used than before project was initiated

them to go out and work to supplement their family incomes. Medical statistics show impressive declines in water-borne diseases, and anecdotal evidence indicates increase in the value of beneficiary households. Residents outside the demonstration areas have demanded, through their politicians and other means, the immediate scale up to the entire area of the 3 cities. The initiation of a formal impact evaluation study, which will duly quantify such outcomes, is imminent.

**Given the project's success, and being the first of its kind in India, has mobilized the attention of policy makers and politicians and government at all levels in India and is influencing many decisions in how water supply investments are made.** In the words of a poor slum dweller: "Earlier I waited for water and could not go to work. Now I go to work and the water is waiting for me." The project has



shown that continuous water supply for 24 hours a day 7 days a week is indeed achievable in Indian cities.

## Approach

Karnataka Urban Water Sector Improvement Project was launched in 2005. It was conceived as a pilot—its first phase demonstrated that continuous, efficient, and sustainable water services could be achieved in India's urban areas. The first phase comprised 5 demonstration areas in the north Karnataka cities of Belgaum, Hubli-Dharwad, and Gulbarga—three of the most water-stressed cities in the region. As originally envisaged, subsequent phases would extend 24/7 service to the entire area of the 3 cities and into other municipalities in Karnataka.

The demonstration areas were selected together with the State and the cities having in mind political economy, technical feasibility, and inclusion of low-income areas. These pilot areas were ring-fenced from the rest of the cities. Investments in bulk water supply were needed to improve service in the entire cities, as well as help assure supply to the demonstration areas. The project aimed at strengthening decentralization, by involving the cities with decision power throughout the project design, construction, and operation phases.

Through a competitive process, an experienced private operator was selected to design, contract, and then operate the system for 2 years. The operator's obligations included providing 100 percent metered connections to residents and providing a billing and commercial system, including 24/7 customer service. A third party technical auditor would help cities ensure compliance.

In parallel, an intense social interaction and communications campaign established an enabling environment by addressing stakeholders concerns like metering and volumetric tariffs and the notion of a private operator, and in general providing continuous information and interaction.

## Summary Timeline

The project was approved by the World Bank Board in April 2004, and was extended to allow full implementation



(given late start and delays in the construction period). The project closes March 31, 2010, and the World Bank is considering a further extension request, mainly to support the transition period until the full scale-up process is initiated (in early 2011), including the consolidation of the water supply institutional, regulatory, and financial framework in Urban Karnataka and the design of the scale up to the entire city areas.

## IBRD Contribution

The project total cost is US\$51 million and is partially financed with an IBRD loan of US\$39.5 million.

## Partners

The Karnataka Urban Water Sector Improvement Project evolved from dialogues with the World Bank. Initially proposed by the Government of Karnataka to be a 13-municipalities project, the World Bank advised a smaller and pragmatic alternative to demonstrate feasibility of continuous water supply in India; no other example existed in the country. The project's design, an exercise among all partners, including the World Bank, reflected the realities of Indian political economy situation. All through the project's implementation, the Bank team closely assisted in addressing the technical, social, environmental, and managerial issues. The World Bank followed a strategy of *putting the client in the driver's seat*, while giving background support through field visits, brainstorming when alternatives

ideas were necessary, helping with tools and techniques, and preparing action plans, all resulting in effective support to the client.

The Government of Karnataka, which showed high-level commitment throughout the project, brought together the interests of various groups—politicians, communities, and local and state institutions. Despite several changes of administrators and political parties during the course of the project, the commitment was unwavering.

The Karnataka Urban Infrastructure Finance Corporation (KUIDFC), an agency of the Government of Karnataka, managed the project in partnership with Karnataka Urban Water Supply and Drainage Board (KUWSDB), the urban local bodies, and local NGOs. A private operator managed the design, construction and operations and maintenance of the water distribution systems in the demonstration zones of the 3 participating cities, while the KUWSDB or the municipalities managed the bulk water systems to assure bulk supply to the demonstration zones.

## Good Practices Developed/ Replicated

The project incorporated the following good practices:

- A discreet pilot, rather than a big bang approach, helped test the feasibility and learn from experiences and was instrumental in better managing the project risks and expectations.
- Managing water demand to avoid wastage through volumetric pricing helped to achieve 24/7 customer service and improve the distribution network.
- A turn-key, performance-based contract (design, construct, operate) with an experience operator, a first of its kind in India water supply, was critical in achieving sound risk allocation and in facilitating the enforcement of water service standards.
- Consultation with all major stakeholders, particularly the community with their involvement during the design and implementation of the project, and a communication campaign has been critical to the project success.

- Active state involvement in managing the political interests helped in smoothening the process of service transformation.
- Focus on the poor with equal level of service (house-metered connections) and guaranteed lifeline water supply with affordable tariff has helped gain confidence of the partners.
- World Bank's decentralized management with active support from its field office resulted in effective engagement with the client.

## Next Steps

The Government of Karnataka has decided to scale up the 3-city pilot interventions (Phase-I), and the feasibility studies are underway. The Government of Karnataka has also requested the Bank to continue supporting the next phase, both through the preparatory period and with the required investments, as well as continued assistance in consolidating the institutional, financial, and regulatory framework for the urban water supply.

In parallel, the state has begun orienting other investments and programs related to urban water (financed by Central Government, Asia Development Bank and other multilaterals, and the state), toward achieving sustainable 24/7 level of water supply service, with a similar approach. Many other states are continuously visiting the project, and initiating similar investment approaches. The Government of India is now promoting urban water investments leading to 24/7 service levels.

## LEARN MORE

### MULTIMEDIA

- Video for 24/7 hour water supply  
<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/SOUTHASIAEXT/0,,contentMDK:22250608~pagePK:146736~piPK:146830~theSitePK:223547,00.html>
- You tube  
<http://www.youtube.com/worldbank#p/search/1/vTekimOShQU>