



Bank Netherlands Water Partnership
Water Supply & Sanitation Windows

Progress Report
First Quarter, 2002

January 1 to March 31, 2002

Bank Netherlands Water Partnership Water Supply and Sanitation Windows Comprehensive Quarterly Progress Report First quarter, 2002

1. The Bank-Netherlands Water Partnership – Water Supply and Sanitation Windows

The mission of the Bank-Netherlands Water Partnership (BNWP) is to improve delivery of water supply and sanitation services to the poor.

The partnership enhances performance of World Bank operations in the water supply and sanitation sector and supports a broad sector reform agenda with a strong poverty focus. BNWP activities centre on providing support to solve immediate problems with actual cases, testing policy and service delivery innovations, and plugging gaps in existing knowledge in the water sector as a whole.

The BNWP is managed as a cohesive program based on good quality projects and activities, and is complementary to other sources of funding. BNWP projects are targeted interventions that support implementation of structural changes. A typical project fosters South-South collaboration and includes pilots in the field. All project proposals are quality-assured through peer review by reviewers chosen from within and outside the World Bank.

More details on the work done by BNWP are available at www.worldbank.org/watsan/bnwp or by writing to bnwp@worldbank.org.

2. The quarterly progress report

2.1 Purpose

This *Quarterly Progress Report* outlines the progress in work of the Water Supply and Sanitation Windows of the Bank Netherlands Water Partnership during the first quarter of 2002 (1 January 2001 – 31 March 2002). The purpose of the *Quarterly Progress Report* is to:

- report outputs and activities of the various BNWP projects and activities
- report expenditure that allows comparison with outputs
- facilitate identification of links and common interests between various projects of BNWP
- increase transparency of BNWP operations.

2.2 Structure of the Quarterly Progress Report

The Quarterly Progress Report is organised with a *main text* with an *annex* giving the detailed progress reports for each project and activity.

3. Key developments in quarter

BNWP activities in the first quarter of 2002 focused on the development of a number of prequalified flagship projects, while various smaller activities started implementation.

3.1 *New projects and activities*

In October 2001 the Steering Committee of the Bank Netherlands Water Partnership assessed 25 project proposals that were submitted to the new program. Fourteen projects prequalified after a selection based on a set of general selection criteria. Task managers of pre-qualified projects were requested to develop a full project proposal. Nine full project proposals have been submitted at the end of the first quarter:

- Community water supply management models for low income urban areas (001)
- Follow up support to communities after construction of rural WSS facilities (007)
- Public private partnership to promote handwashing with soap (008)
- Trends in the Desalination Market in the Middle East and Central Asia (012)
- State of the art hygiene and sanitation promotion component design of large scale RWSS programs (020)
- Development of decision support model for PSP in the municipal WSS sector (032)
- Modes of engagement with public sector WSS in developing countries (033)
- Town Water Supply and Sanitation Initiative (043)
- Beyond capital subsidies: financial alternatives for achieving rural universal coverage targets (047)

The above project proposals were sent to peer reviewers for quality insurance; most peer reviews were in at the end of the quarter. Some projects need to be revised based on the advice of the peer reviewers. All the above projects are expected to start in the second quarter of 2002.

A number of prequalified projects are still under development. These project are expected to start operations in the second half of 2002.

- Pro-poor transaction design; Upstream work for private sector participation and reform (#005)
- PPP in urban WSS: building capacity for civil society engagement (#006)
- Small scale independent provides for water and other urban services (#011)
- Enhancing the empowerment of poor women and men within communities (#017)

Three new activities were started up:

- Consultation workshop with African water operators in Dakar (#015); A roadmap on how to improve capacity of water ministries in implementing sector reform is developed during a three day high-level seminar of African water policy decision makers.
- Scaling up sustainable rural water supply services (#026); The necessary supporting environment for successful scaling up of sustainable rural water supply services, such as demand response approaches, are characterized.
- Toolkit for Rural Water and Sanitation Components in Multi-Sector Projects (#042); The toolkit will provide task teams with guidelines and tools for designing, implementing, and monitoring & evaluating RWS components in multi-sectoral projects.

3.2 *Closed projects and activities*

No projects and activities were finalised in this quarter.

3.3 *Events*

The purpose of the three-day Decision Makers Workshop on PSP in Water Sector (February 13 to 15, 2002) in Dakar was to take stock of the lessons emerging from our of the evolving pattern of PSP transactions, and to outline ways to tackle recurring issues. The workshop brought together

forty five decision makers engaged in water and sanitation services from seventeen African countries as well as twenty senior staff and representatives of multilateral and bilateral development agencies. Representatives from international private operators joined the workshop on the last day.

3.4 Program management

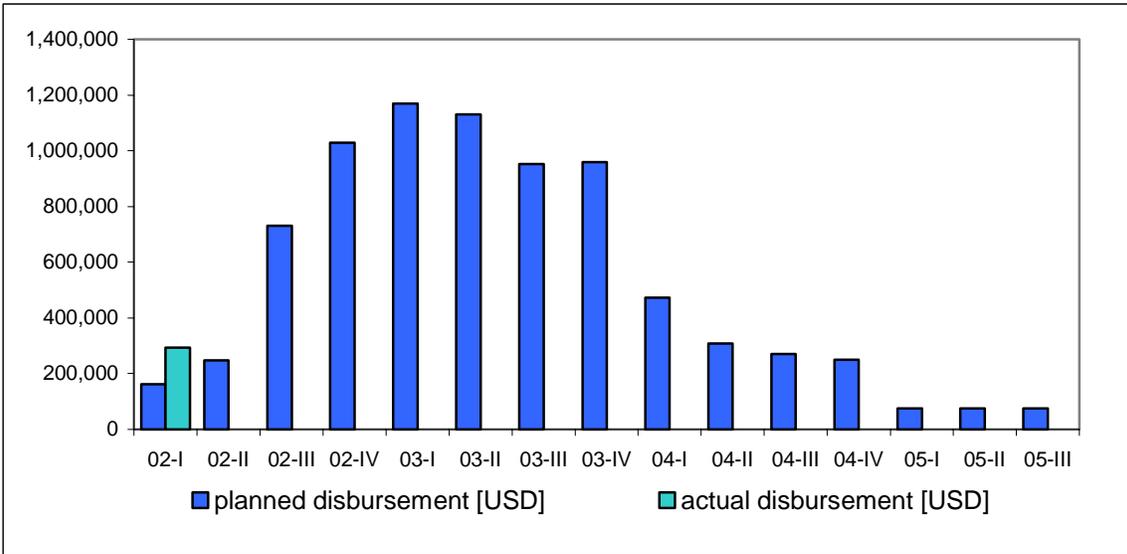
The first quarter of 2002 was the first quarter that BNWP-WSS was operational. The first trench of funding arrived at the World Bank on 14th December 2001 from the Netherlands Ministry of Foreign Affairs. This implied that considerable time was put into design and operationalizing the program management structure during the first quarter of 2002:

- The Program Manager (Jan Janssens) officially started working on the program, although he had spent considerable time on preparing for a quick launch in the second half of 2001. Meike van Ginneken joined the Bank in the last days of December 2001 to work as a Water and Sanitation Specialist for BNWP-WSS. Together with Marie-Claude Haxaire (resource management analyst) they form the BNWP coordination team.
- A set of *Guidelines for development and implementation of projects and activities* were drafted and distributed to Task Managers and others involved in BNWP-WSS
- A brochure and a leaflet were drafted, and will be published in the April 2002. Also a first version of a website was developed.
- A tracking system was developed to follow up on the progress of projects and activities, as well as to file key documents and correspondence.

4. Overview of present portfolio

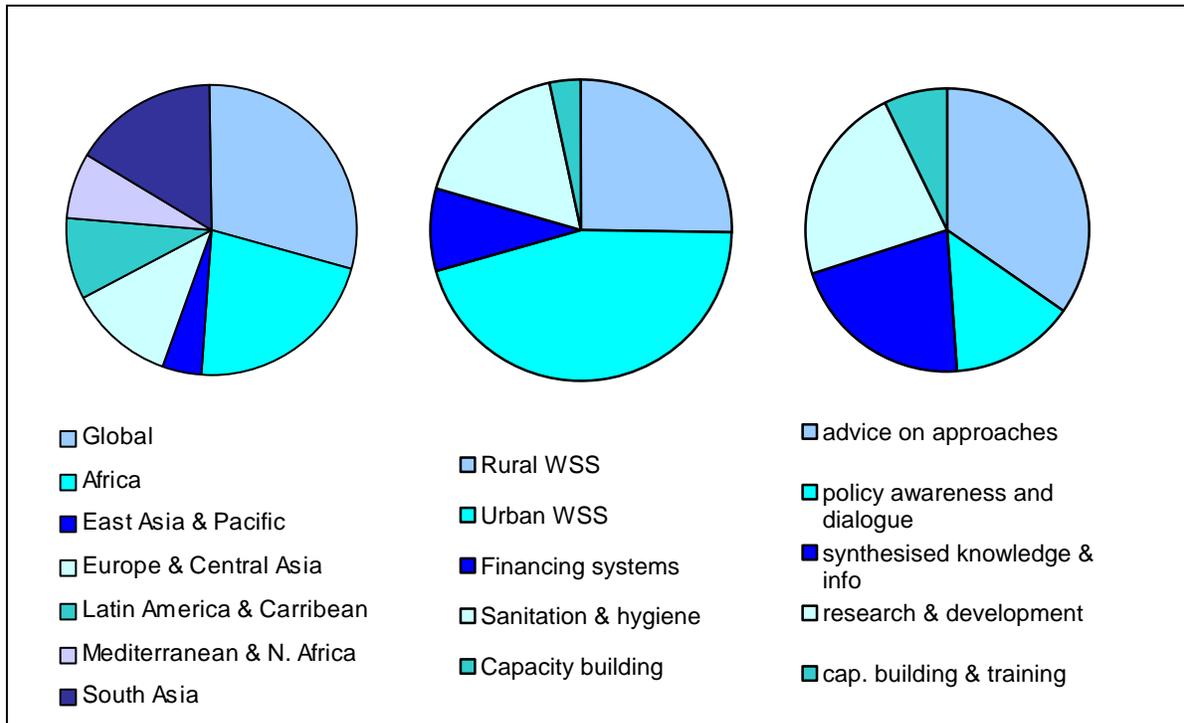
The total value of the present portfolio and pipeline of projects is USD 6,353,000. This budget includes the activities that are approved by the chair of the Sector Board, and approved and prequalified projects. The planned disbursement per quarter is presented in figure 2.

Figure 1: Planned disbursement per quarter



The focus of the total portfolio (approved plus prequalified) is summarized in figure 2. There is a reasonable spread across regions and deliverables. An extra effort will be made to balance the portfolio per window, and to increase the number of projects on financing systems and sanitation and hygiene.

Figure 2: Break up of portfolio in windows, regions, and deliverables



5. Financial and progress report

Table 1 gives a specification of accumulated progress as well as expenditure per window.

The total expenditure between January 1 and March 31, 2002 was USD 292,940. This is 180% of the planned budget for the first quarter of 2002. The high expenditure can be easily explained because the cost for the Water and Sanitation expert had to be paid up front for two years for administrative reasons.

The outputs achieved in the first quarter amount to 97% of the targets set for the quarter. This number represents a weighted average of the individual project achievements, as specified in the annex.

The first quarter of 2002 was the start-up of the BNWP-WSS program. Only a limited portfolio was implemented, but the implemented activities performed on target.

Table 1: Outputs and expenditure first quarter 2001 (USD)

Window	Performance (% of target)	Quarterly Budget	Expenditure	
			USD	% of budget
WSS in rural areas and small towns	94%	32,500	6,545	20%
Reform of urban WSS	100%	17,500	6,732	38%
Dev. of sustainable financing systems	N/A	0	0	-
Sanitation and hygiene promotion	N/A	0	0	-
Capacity building	100%	12,500	4,987	40%
Program coordination	N/A	100,000	274,676	275%
Grand total	97%	162,500	292,940	180%

 Indicates that % of spent budget > % of reached target

6. Plans for next quarter

The main goal for the second quarter of 2002 is to develop and approve all prequalified project proposals, and to start on implementation of a number of projects and new activities.

Also in the second quarter the managerial start-up of the program will be completed, including finalized trustfund structure and implementation guidelines, and finalized brochures and website.

Annex: Overview per project or activity

#	Title	Short Description	Approved Budget (USD)	Windows	Current Status	Project Period	Quarterly Performance
001	Community water supply management models for low income urban areas	Supporting the development of tools and design alternative management arrangements for effective community management of low income urban water supply systems.	150,000	Urban WSS	Under development	15 months	N/A
005	Pro-poor transaction design; Upstream work for private sector participation and reform	Ensuring that urban water sector reforms involving the private sector are more effective at increasing access and service quality for poor consumers.	780,000	Urban WSS	Under development	18 months	N/A
006	PPP in urban WSS: building capacity for civil society engagement	Addressing the role of civil society in public private partnership transactions and build capacity of key civil society groups, and policy makers to engage positively in the reform process.	150,000	Urban WSS Capacity building	Under development	21 months	N/A
007	Follow up support to communities after construction of rural WSS facilities	Identifying the types of follow-up support to communities after the construction of rural water and sanitation Facilities that are needed to enable sustainability	180,000	Rural WSS	Under development	18 months	N/A
008	Public private partnership to promote handwashing with soap	Promoting partnership between the soap industry, public agencies and NGOs to provide soap and promote handwashing with soap to decrease diarrhoeal diseases	850,000	Hygiene & sanitation	Under development	18 months	N/A
011	Small scale independent providers for water and other urban services	Enhancing the global understanding of ssips and their importance in the water supply and sanitation sector, and the impact of the policy and business environments in which they operate	420,000	Rural WSS Urban WSS	Under development	36 months	N/A
012	Trends in the Desalination Market in the Middle East and Central Asia	Improving the understanding among Bank staff and clients in the Middle East and Central Asia of recent developments in the desalination industry	350,000	Urban WSS	Under development	15 months	N/A
015	Consultation workshop with African water operators in Dakar	Organizing a three day high-level seminar of African water policy decision makers to develop a roadmap on how to improve capacity of water ministries in implementing sector reform.	50,000	Urban WSS	Operational	Feb 02- Jun 02	100%
017	Enhancing the empowerment of poor women and men within communities	Assessing the extent of empowerment being effected, specifically for poor women and men within user communities, as a result of water and sanitation interventions.	147,000	Rural WSS	Under development	18 months	N/A
020	State of the art hygiene and sanitation promotion component design of large scale RWSS programs	Supporting the implementation of effective instruments for improving hygiene and sanitation behaviours in rural communities in the context of large-scale rural water supply and sanitation projects.	530,000	Rural WSS Hygiene & Sanitation	Under development	18 months	N/A
026	Scaling up sustainable rural water supply services	Characterizing the necessary supporting environment for successful scaling up of sustainable rural water supply services, such as demand response approaches.	50,000	Rural WSS	Operational	Feb 02 –Jul 02	80%

#	Title	Short Description	Approved Budget (USD)	Windows	Current Status	Project Period	Quarterly Performance
028	Understanding the Infrastructure Environment of Small and Medium Firms	Improving our understanding of infrastructure shortages faced by small and medium enterprises in transitional and developing economies, the impact of such shortages on firm productivity and competitiveness, and the firms' coping mechanisms.	375,000	Financing systems	Under development	18 months	N/A
032	Development of decision support model for PSP in the municipal WSS sector	Developing a modelling framework that links utility pricing and investment decisions with water resources allocation.	325,000	Urban WSS	Under development	16 months	N/A
033	Modes of engagement with public sector WSS in developing countries	Developing better performing public sector water utilities in developing countries.- identifying, categorizing and analysing various international models for public sector water service provision	628,000	Urban WSS Capacity building	Under development	30 months	N/A
042	Toolkit for Rural Water and Sanitation Components in Multi-Sector Projects	Providing task teams with guidelines and tools for designing, implementing, and monitoring & evaluating RWS components in multi-sectoral projects.	50,000	Rural WSS	Operational	Mar 02 –Sep02	120%
043	Town Water Supply and Sanitation Initiative	Building appropriate models for service provision for town water supplies, by identifying, assessing and market testing professional support options for town water supply, and by investigating ways to aggregate towns.	1,030,000	Rural WSS Urban WSS	Under development	18 months	N/A
047	Beyond capital subsidies: financial alternatives for achieving rural universal coverage targets	Documenting the sustainability and scalability of government capital subsidies in the rural water sector; and financial alternatives such as use of non-public funds, private participation, inflow of donor funds.	400,000	Rural WSS Financing systems	Under development	14 months	N/A