



**Bank Netherlands Water Partnership**  
**Water Supply & Sanitation Windows**

**Progress Report**  
**Second Quarter, 2002**

**April 1 to June 30, 2002**

**Bank-Netherlands Water Partnership - *Water Supply and Sanitation Windows***

[www.worldbank.org/watsan/bnwp](http://www.worldbank.org/watsan/bnwp)

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# **Bank Netherlands Water Partnership Water Supply and Sanitation Windows Comprehensive Quarterly Progress Report Second 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 center 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](http://www.worldbank.org/watsan/bnwp) or by writing to [bnwp@worldbank.org](mailto: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 second quarter of 2002 (1 April 2001 – 30 June 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 second quarter of 2002 focused on the development of a number of prequalified flagship projects, while various smaller activities were ongoing or started implementation.

### 3.1 *New projects and activities*

Five projects started implementation after positive peer reviews and approval by the sector board:

- Public private partnership to promote handwashing with soap (#008) - Promoting partnership between the soap industry, public agencies and NGOs to provide soap and promote handwashing with soap to decrease diarrhoeal diseases
- Trends in the Desalination Market in the Middle East and Central Asia (#012) - improving the understanding among Bank staff and clients in the Middle East and Central Asia of recent developments in the desalination industry
- State of the art hygiene and sanitation promotion component design of large scale RWSS programs (#020) - 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.
- Modes of engagement with public sector WSS in developing countries (#033) - Developing better performing public sector water utilities in developing countries.- identifying, categorizing and analyzing various international models for public sector water service provision
- Town Water Supply and Sanitation Initiative (#043) - 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.

A number of prequalified projects are still under development or are being revised based on the comments of peer reviewers. These project are expected to start operations in the second half of 2002:

- Community water supply management models for low income urban areas (#001)
- Pro-poor transaction design; Upstream work for private sector participation and reform (#005)
- PPP in urban WSS: building capacity for civil society engagement (#006)
- Follow up support to communities after construction of rural WSS facilities (#007)
- Small scale independent provides for water and other urban services (#011)
- Enhancing the empowerment of poor women and men within communities (#017)
- Development of decision support model for PSP in the municipal WSS sector (#032)
- Beyond capital subsidies: financial alternatives for achieving rural universal coverage targets (#047)

Six new activities were started up:

- Addis Ababa International Conference “Water Supply and Sanitation Services in Small Towns and Multi-Village Schemes” (#021) - Organizing a conference to take stock of the lessons learned on water supply and sanitation in small towns and to launch the new BWNPP small town initiative
- Evaluation of Pro-Poor Subsidies for Urban Water Services in West-Africa (#050)- Assessing the effectiveness of the subsidy schemes used in Senegal and Ivory Coast in providing piped water supply to the poor.
- Developing a Flowchart for Renegotiations: Assistance to Argentina’s Concession Contract Renegotiations Commission (#051) - providing support to the Argentina’s Renegotiations Commission in defining the renegotiation process, and renegotiation policies and strategy, and developing a flowchart on renegotiation that can be applied in other countries
- Franchising in Water Supply and Sanitation (#052) - Investigating the potential of franchising as a means of providing water and sanitation services in small and medium sized towns and in marginal urban areas.

- Development of an African Sanitation and Hygiene Strategy (phase I) (#054) - assessing the state of sanitation and hygiene in Africa, sharing experiences and lessons learned by people and organizations working in this field, and raising the profile of sanitation and hygiene in Africa
- Improving efficiency and competition of WSS provision in medium and small municipalities in Brazil (#060) - Disseminating and tailoring the Private Sector Participation Toolkit to the legal, regulatory and social situation of water supply and sanitation at municipal level in Brazil

### **3.2 Closed projects and activities**

No projects and activities were finalised in this quarter.

### **3.3 Events**

- The World Bank Water Week on 6th-10th May in Washington featured a number of BNWP projects such as town WSS initiative, Scaling up sustainable rural water supply services, and the Toolkit for Rural Water and Sanitation Components in Multi-Sector Projects. A small scoping workshop on “Modes of engagement with public sector WSS in developing countries” was held back-to-back to the Water Week. A launching workshop of the project on PPP to promote handwashing with soap was also held in May in Washington.
- A two days workshop for 15 mayors (and other high level staff) was organized in Brazil on 6th and 7th June to discuss issues related to private sector participation in water supply and sanitation. The workshop presented and discussed options, the regulatory framework, processes and experiences (best practices, failures, and improving service provision for the poor) in private sector participation in water supply and sanitation based on the Worldbank Toolkit for PSP and the case study, and on presentations delivered by World Bank and IFC staff. The workshop also built on the "PSP Based Reform of the WSS Sector in Africa", an activity also supported by the BNWP.
- A large international conference on "Water Supply and Sanitation Services in Small Towns and Multi-Village Schemes" was organized in Addis Ababa in cooperation with WSP, the World Bank and the World Bank Institute. The conference brought together 200 professionals from around the world and served as a bridge between past projects and the new BNWP Town Water Supply and Sanitation Initiative.

### **3.4 Program management**

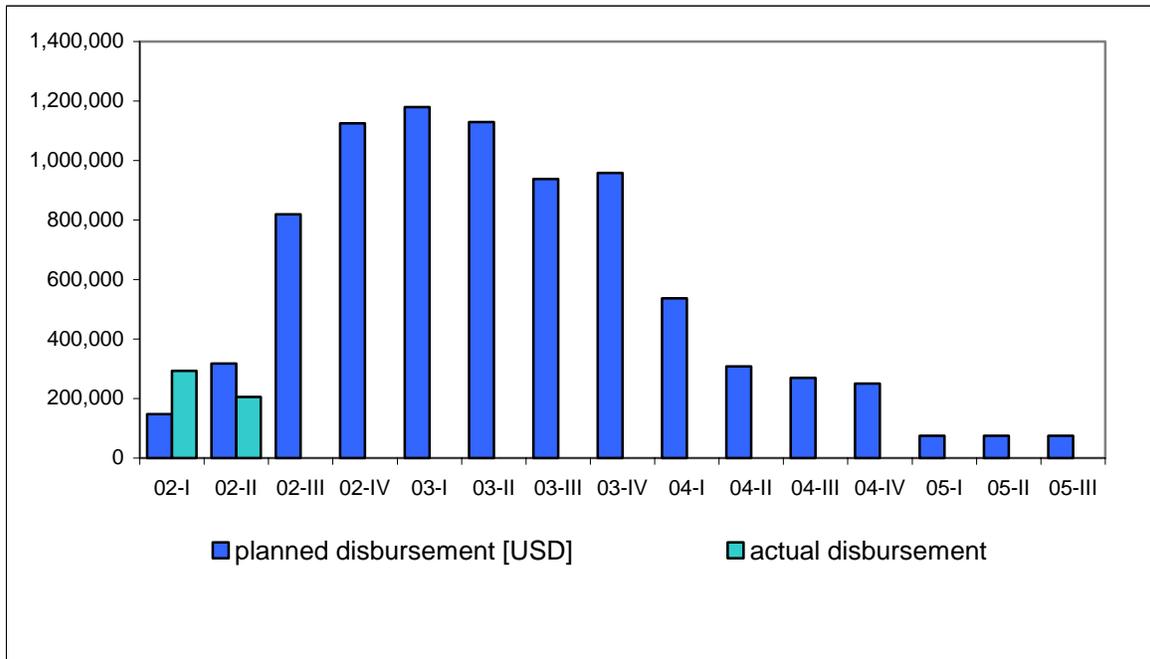
The program management structure of BNWP was made fully operational during the first quarter of 2002. A brochure and a leaflet were published in the April 2002. A website online is operational: [www.worldbank.org/watsan/bnwp](http://www.worldbank.org/watsan/bnwp). A new TF structure has been proposed.

## **4. Overview of present portfolio**

The total value of the present portfolio and pipeline of projects is USD6.9 million. This budget includes projects and activities that are approved by (the chair of) the Sector Board (USD3.7 million), and prequalified projects (USD3.2 million). The planned disbursement per quarter is presented in figure 1.

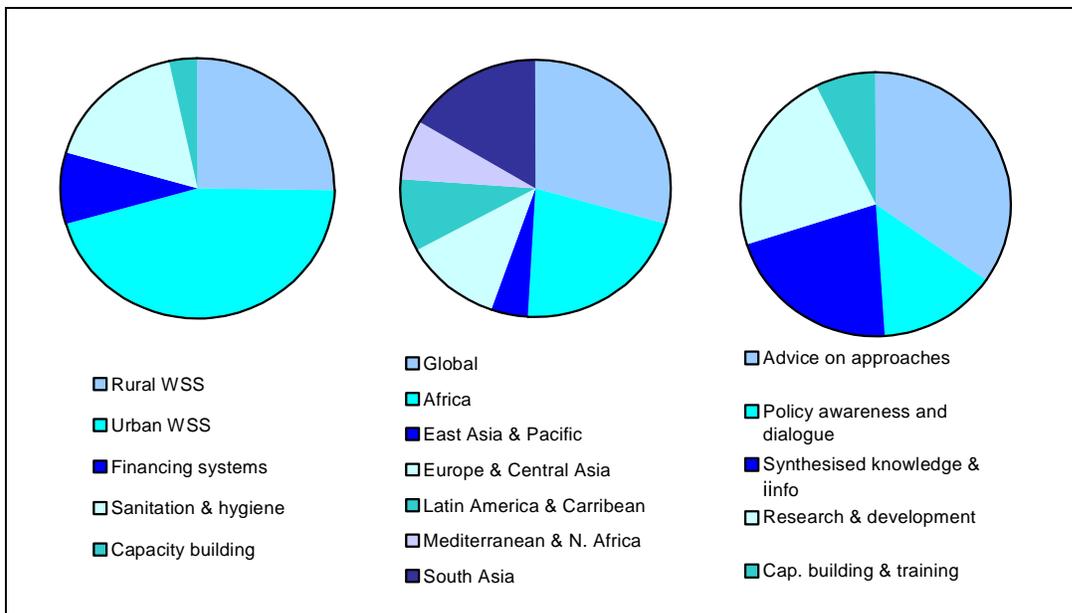
This approved budget of USD3.7 million leverages cofinancing of USD0.6 million from other funding sources.

**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 was made during this quarter to increase the number of projects on financing systems and sanitation and hygiene in order to balance the portfolio, resulting in a number of new activities.

**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 April 1 and June 30, 2002 was USD 205,162. This is 68% of the planned budget for the first quarter of 2002. The fact that the expenditure is lower than expected can be easily explained by some delays in billing by and therefore payment of consultants.

The outputs achieved in the first quarter amount to 90% of the targets set for the quarter. This number represents a weighted average of the individual project achievements, as specified in the annex.

BNWP was still building up activities in the second quarter of 2002, disbursements are still relatively low. 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%	29,500	17,424	59%
Reform of urban WSS	88%	69,000	68,229	99%
Dev. of sustainable financing systems	78%	27,500	36,269	132%
Sanitation and hygiene promotion	100%	60,000	0	0%
Capacity building	104%	31,500	25,567	81%
Program coordination	N.A.	100,000	57,674	58%
<b>Grand total</b>	<b>90%</b>	<b>317,500</b>	<b>205,162</b>	<b>65%</b>

 Indicates that % of spent budget > % of reached target

## 6. Plans for next quarter

The BNWP will aim to start implementation of the outstanding project proposals during the third quarter. The pipeline will be reviewed, with projects development either being speeded up, or projects being revised.

The Johannesburg summit and the WaterDome in August 2002 will offer an excellent opportunity to disseminate first results of a number of projects and activities.

The BNWP team will present progress of the first nine months of the program at the Dutch Water Week in October 2002.

**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	Operational	Jun 02 – Dec 03	100%
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	Operational	Jun 02 – Sep 03	100%
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	94%
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	Operational	Jun 02 – Dec 03	100%
021	Addis Ababa International Conference "Water Supply and Sanitation Services in Small Towns and Multi-Village Schemes"	Organizing a conference to take stock of the lessons learned on water supply and sanitation in small towns and to launch the new BWNPP small town initiative	50,000	Rural WSS Urban WSS	Operational	Apr 02 – Aug 02	112%

#	Title	Short description	Approved budget (USD)	Windows	Current status	Project period	Quarterly performance
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	84%
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 analyzing various international models for public sector water service provision	628,000	Urban WSS Capacity building	Operational	Jun 02 – Dec 04	100%
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	108%
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	Operational	18 Jun 02 – Dec 03	100%
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
050	Evaluation of Pro-Poor Subsidies for Urban Water Services in West-Africa	Assessing the effectiveness of the subsidy schemes used in Senegal and Ivory Coast in providing piped water supply to the poor	50,000	Financing systems	Operational	May 02 – Aug 02	80%
051	Developing a Flowchart for Renegotiations: Assistance to Argentina's Concession Contract Renegotiations Commission	Providing support to the Argentina's Renegotiations Commission in defining the renegotiation process, and renegotiation policies and strategy, and developing a flowchart on renegotiation that can be applied in other countries	50,000	Financing systems Urban WSS	Operational	May 02 – Aug 02	75%
052	Franchising in Water Supply and Sanitation	Investigating the potential of franchising as a means of providing water and sanitation services in small and medium sized towns and in marginal urban areas	50,000	Rural WSS Urban WSS	Operational	Jun 02 – Oct 02	91%

#	Title	Short description	Approved budget (USD)	Windows	Current status	Project period	Quarterly performance
054	Development of an African Sanitation and Hygiene Strategy (phase I)	Assessing the state of sanitation and hygiene in Africa, sharing experiences and lessons learned by people and organizations working in this field, and raising the profile of sanitation and hygiene in Africa	50,000	Hygiene & Sanitation	Operational	Jun 02 – Sep 02	100%
060	Improving efficiency and competition of WSS provision in medium and small municipalities in Brazil	Disseminating and tailoring the PSP Toolkit to the legal, regulatory and social situation of W&S at municipal level in Brazil	50,000	Urban WSS	Operational	May 02 – Aug 02	79%