



1. Project Data:		Date Posted : 06/26/2001	
PROJ ID: P010418		Appraisal	Actual
Project Name : Karnataka Ws & Env/s	Project Costs (US\$M)	117.7	127.1
Country: India	Loan/Credit (US\$M)	92.0	91.0
Sector(s): Board: WS - Water supply (80%), Sanitation (16%), Other social services (3%), Health (1%)	Cofinancing (US\$M)	0	0
L/C Number: C2483			
	Board Approval (FY)		93
Partners involved : None	Closing Date	12/31/1999	09/30/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
Klas B. Ringskog	Nalini B. Kumar	Alain A. Barbu	OEDST

2. Project Objectives and Components

a. Objectives
Main objective: To raise the standard of living in rural areas through improved health and productivity which would result from improved access to potable water supply and environmental sanitation facilities .
Specific objectives:

- Promote more equitable distribution of safe water through improved design standards and community involvement.
- Improve sustainability of water supply and drainage schemes through an upgrading of skills of the community and government officials at the local level, improved cost recovery, and increased involvement of the community in maintenance.
- Increase public and private investment in environmental sanitation through latrine programs, sullage drains, and improved solid waste management.
- Create greater community awareness of water related health problems through health education programs targeted mainly at women, adolescents and children .

b. Components

- Rural water supply in about 1,200 villages;
- Environmental sanitation in the same 1,200 project villages;
- Institution building and project support and creation of Village Water Supply and Sanitation Committees (VWSCs); and
- Health communication for creation of greater community awareness and demand for improved hygiene and sanitation.

c. Comments on Project Cost, Financing and Dates
Cost overruns in all water supply contracts and additional project management and consultant support increased the project cost from the appraised US\$ 117.7 million to US\$ 127.1 million. The appraisal estimate was that the Bank would finance 78%, the Government of Karnataka 14% and the benefiting communities 8%. The actual financing shares turned out to be 72%, 23% and 5%. The Bank loan was fully disbursed after one nine-month extension. The Government of Karnataka financed the completion of those projects which were still not fully completed after the IDA credit had been fully disbursed .

3. Achievement of Relevant Objectives:
The general objective of raising living standards of the rural beneficiaries through improved health and productivity resulting from improved access to potable water and environmental sanitation was largely achieved . Impact assessment studies indicate savings in water collection time, improved awareness of the importance of safe water, an increase in the number of sanitary latrines and improved health status . (OED conducted an impact assessment summarized in a report dated June 30, 1998).

As for the specific objectives :

- More equitable distribution of water was largely achieved since another 1,111 villages were included in the water supply investment program compared to the originally targeted 1200 villages. As of loan closing, 900 of the revised target of 1,100 systems had been commissioned and the Government of Karnataka continued funding the investments of the remaining 200 after the Bank loan had been fully disbursed. In the commissioned systems water and quality of service improved as well.
- The sustainability of water supply and drainage schemes has improved since VWSCs have been formed in all project villages, and the collection of user charges has started to pay for the O&M costs.
- Investment in environmental sanitation rose considerably since the targeted number of latrines were built and are being used;
- Community awareness of the importance of water related health problems and the need for a cleaner environment has been raised through training and dissemination campaigns.

4. Significant Outcomes/Impacts:

This was the first project in India which applied the tripod for sustainable environmental health : providing potable safe water, sanitary excreta disposal, and health education. The project was the first of rural water supply and sanitation projects in India to require beneficiaries to contribute towards the costs of construction, pay for the costs of operations and maintenance, and form VWSCs. Its success should have an important demonstration effect for similar projects in India. The substantial NGO participation was another significant outcome of the project.

5. Significant Shortcomings (including non-compliance with safeguard policies):

The failure of the district-based project management units to perform their intended role as a strong coordination and management unit at the district level was the single -most important reason for implementation difficulties such as those related to procurement and contract management.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev.:	Substantial	Substantial	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf.:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- (1) A sustained improvement in environmental health requires three ingredients : safe, potable water; sanitary excreta disposal; and health education;
- (2) Sustainable water supply and sanitation systems can best be assured by delegating the administration to the lowest, appropriate level which is to the village level through the establishment of village -based committees.
- (3) Financial sustainability requires user fees to be levied to pay for the costs of operations and maintenance. If, in addition, users are obliged to contribute something - in cash or in kind - towards the construction of the system they can be expected to care more for efficiency of investment and for the continued operations and upkeep of the facilities.

8. Assessment Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR:

The ICR is of high quality and makes good use of the monitoring system set up under the project.