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SRI
LANKA
NORTH
EAST
WATER
AND
SANITATION AND
HYGIENE PROJECT

 PARTNERSHIP
FOR
SOUTH ASIA

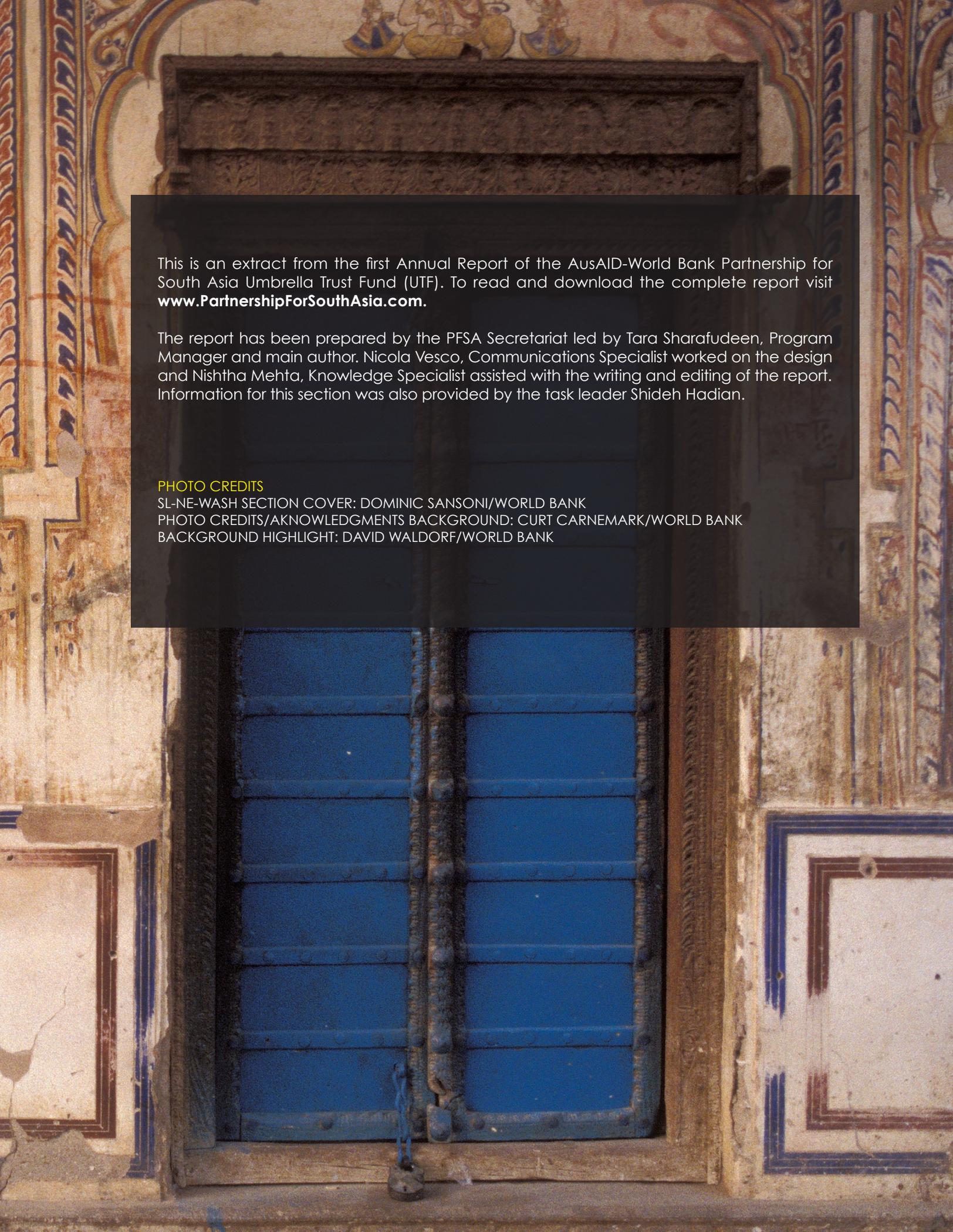
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This is an extract from the first Annual Report of the AusAID-World Bank Partnership for South Asia Umbrella Trust Fund (UTF). To read and download the complete report visit www.PartnershipForSouthAsia.com.

The report has been prepared by the PFSA Secretariat led by Tara Sharafudeen, Program Manager and main author. Nicola Vesco, Communications Specialist worked on the design and Nishtha Mehta, Knowledge Specialist assisted with the writing and editing of the report. Information for this section was also provided by the task leader Shideh Hadian.

PHOTO CREDITS

SL-NE-WASH SECTION COVER: DOMINIC SANSONI/WORLD BANK

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BACKGROUND HIGHLIGHT: DAVID WALDORF/WORLD BANK

1.1 THE CASE FOR WATER AND SANITATION AND HYGIENE IN NORTH EAST SRI LANKA

Sri Lanka's development, even through the long period of conflict, has been impressive. Since the end of 26 years of conflict in the northern province in 2009, (the conflict in the eastern province ended in 2007), the country is on its way to achieving middle-income status. Growth however has been uneven and not inclusive, as lagging regions and communities have not shared in this prosperity to the same extent as the leading areas. The south-western region has benefited from economic growth while the north and east, which have been devastated by civil war and natural disasters, are still lagging behind. Income per capita in the Eastern and Northern provinces is almost 50% less than in the Western Province, which alone contributes over 50% of the country's GDP. Indicators on poverty, income, health, education, and accessibility to economic infrastructure and services show significant disparities between the North, Central, and South-West provinces. Another indicator of skewed growth is the fact that poverty is concentrated in rural areas, with 15.7% of population considered poor, compared to 6.7 % in urban areas (World Bank 2011). Reducing regional disparities is a priority of the government of Sri Lanka (GoSL).

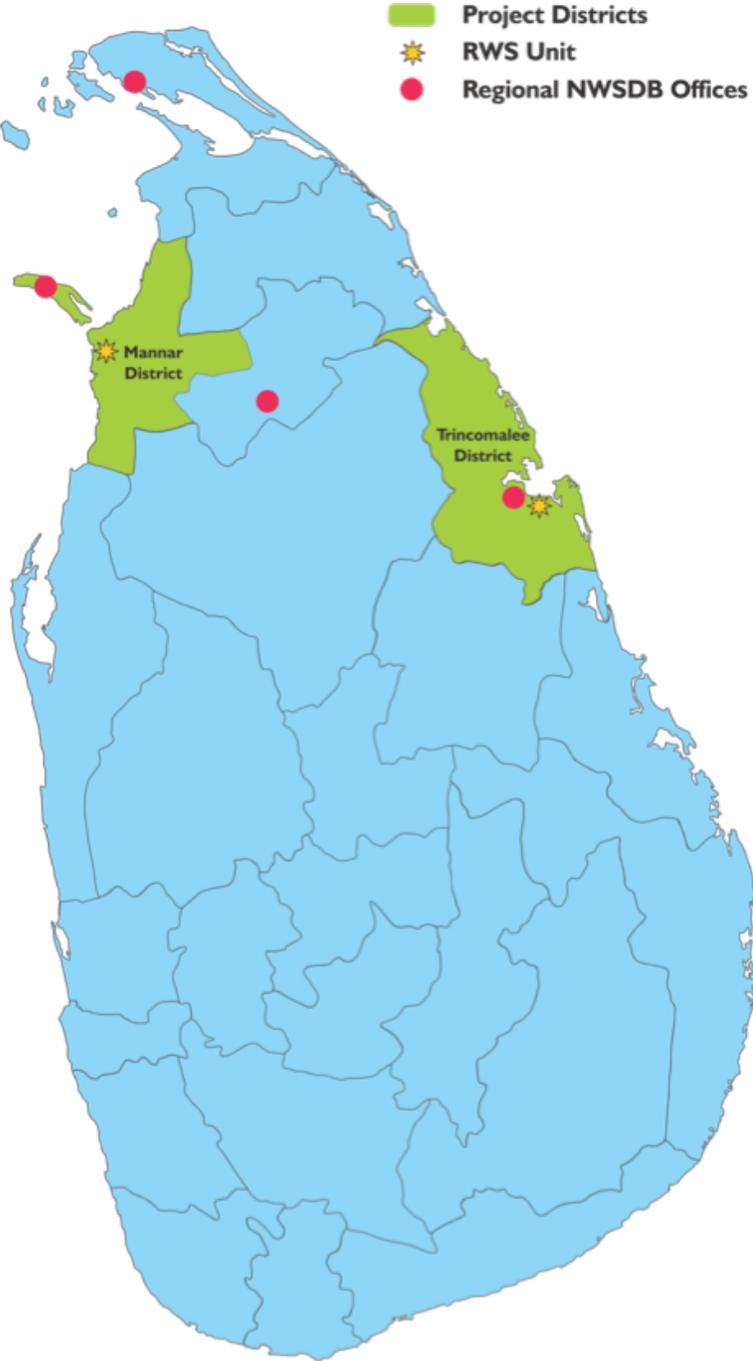
There is an urgent need to support reconstruction in the post conflict areas, particularly as the scaling down of humanitarian activities further impacts the access to infrastructure and services. in the country. AusAID's Country Strategy for Sri Lanka (2011-2015) stresses inclusive development for vulnerable people in lagging regions. Key sectoral priorities include recovery of conflict affected areas and rehabilitation of infrastructure, sustainable livelihoods and improved access to services, and social protection. The World Bank's Country Assistance Strategy (2009-12) stressed the need to create opportunities for equitable growth and economic development, especially in the lagging regions. Other objectives include accelerating economic growth and ensuring effective and accountable service delivery.

The United Nation's Millennium Development Goals (MDGs) confirm the critical role of water supply and sanitation (WSS) in sustainable development and poverty alleviation. The health, environmental, and socio-economic benefits that result from improved access to WSS is a compelling argument for greater investment in the sector. The poor gain directly from improved access to basic water and sanitation services through improved health, averted health care costs, and time saved. Investing in WSS makes business sense as it also contributes to increased productivity. Meeting the MDG for WSS globally would mean an annual gain of 322 million working days, valued at \$750 million.

The Joint Monitoring Program (JMP) Regional MDG (2009-10) reports that Sri Lanka is on track to meet its water supply targets and is an early achiever of sanitation targets. In the rural areas improved or piped water coverage was 88% while sanitation coverage was 92% in 2008. However, the data does not include information on many parts of the north and east. An assessment of the condition of returnees in the Northern Province in early 2010 reported high levels of damage to basic infrastructure. In the assessment area covering 13,300 water sources, 52% were not working and 38% were damaged or contaminated. In addition almost 25,000 toilets were needed. Of the existing facilities only 587 were functional and 2,880 needed repair (IOM, 2010). In spite of Sri Lanka's better performance on development indicators in comparison to other South Asian countries, the quality of water and sanitation service delivery declines rapidly for communities in small towns and rural areas. The northern and eastern provinces of Sri Lanka have 85% of their population living in rural areas compared to the national average of 72%. These provinces have also suffered prolonged under-investment in infrastructure due to conflict. In addition to this, they also fall in the dry zone, which limits their access to natural sources of water.

The World Bank had financed the North East Housing Reconstruction Programme (NEHRP), from 2004 to 2011 through which houses were constructed for 50,000 families. The damage verification surveys conducted by the Bank, revealed that the project villages had sustained damages to community infrastructure, including WSS. The lack of safe drinking water and sanitation has limited the socio-economic gains

that come for improved access to housing. The National Water Supply and Drainage Board (NWSDB), which is entrusted with the provision of water supply in the country, has identified the lack of access to water as an urgent issue to be addressed. There has also been an increasing demand from communities for reliable and quality water supply in the project and nearby areas.



PILOT PROJECT DISTRICTS

1.2 PROJECT DESIGN AND OBJECTIVES

It was in this background that the Sri Lanka North East Water and Sanitation and Hygiene Project (SL-NE WASH) was conceived with AusAID's support. This project became operational on November 29, 2011. The project goal is to provide sustainable piped water to a select number of conflict affected rural communities within the project area of NEHRP on a pilot basis. Any intervention in the north and east has to be designed taking into account the transition from a conflict to a post-conflict society, where families and communities are still socially fragmented and economically deprived. The sustainable development of lagging regions requires community participation, empowerment, and ownership. This is especially true in the north and east where communities had no voice during the long period of conflict. Allowing communities that have long been deprived of voice, a role in state-building and the opportunity to hold service providers accountable is an important aspect of peace-building efforts in post-conflict areas. Northern Sri Lanka has a high proportion of female-headed households and their empowerment is also vital to sustainable poverty reduction in the region.

Appropriate institutional arrangements that define the accountability relationships between the state, service provider, and communities had to thus be incorporated into the project design. It was decided that the pilot would be implemented by the NWSDB as the service provider in consultation with the local governments (Pradeshiya Sabhas or PS) and the Water Users Association (WUA) that represent consumers. The WUAs are key stakeholders because they

are responsible for operating and maintaining the schemes under the supervision of the PS. This institutional model is also aligned with GoSL's Rural Water Policy and their goal of strengthening local governments to oversee the delivery of services. Concerted efforts were to be made to enhance the capacity of the PS and the rural communities, ensuring a more sustainable, accountable, and efficient service delivery mechanism.

The development objective of the project is to increase safe and sustainable piped water supply and sanitation to complement post-conflict housing reconstruction for select communities in two districts. The project would contribute to the improvement of hygiene practices and the quality of life of returnees. It would test viable institutional models for WASH service delivery and generate lessons for a possible scale up. It was expected that women would benefit more from access, as they bear the responsibility of collection and are the largest consumers of water in households for food preparation, maintaining a hygienic environment, caring for the sick, cleaning, waste disposal and washing. It would also impact their personal health and hygiene in a positive way. Mannar district in the Northern Province and Trincomalee district in the Eastern Province were selected as the pilot zones. Among the beneficiaries of NEHRP, 12% households in Mannar district and 5% in Trincomalee district were women-headed households. It was expected that women headed households would be among the main beneficiaries of the pilot.

The pilot has three components:

1 - Provision of Water Supply and Sanitation: Under this component, the project is financing the capital costs for water supply provision in nine sub-projects. Each associated WUA selects the level of service based on affordability and technical feasibility from a range of scalable technical options. Around 3,000 households in the two districts are to be connected by the end of the pilot. The design provides for future expansion that could accommodate an additional 20% of households. The WUA are to be trained and made responsible for operation and maintenance (O&M) of the system by the NWSDB in consultation with the PS. A 50% subsidy towards the cost of connection is offered and the balance is recovered in monthly instalments by adding the charges to the water bills of the first year. Tariffs would be structured to cover O&M costs for up to 10 years. A Sanitation Incentive Fund (SIF) has been set up that is managed and monitored by the PS. A 50% grant and 50% loan is available to all non-NEHRP beneficiaries (NEHRP beneficiaries have already been covered) to ensure total sanitation coverage. About 900 units covering 30% of the population are to be constructed in the pilot areas.

2 - Capacity Building: Under the second component, technical assistance (TA) and capacity building is provided to the NWSDB's local units, PSs and WUAs for the implementation of the pilot. It strengthens the capacity of the PS for planning for and monitoring local water supply systems in partnership with WUAs. It helps set up WUAs and provides training to enable them to take on project management responsibilities and O&M. Training for sanitation and hygiene awareness is another key feature of the capacity building efforts. This includes health and environment education for communities to improve hygiene and sanitation practices.

3 - Project Management: This component supports NWSDB and PSs for effective implementation of the pilot. This includes creation of a Management Information System (MIS) for monitoring and evaluation (M&E), O&M and transfer of information. At the same time, documentation of the pilot with a view to future scale up will be done. The incremental operating costs of project administration by NWSDB are also being met.



FIGURE 1 - PROGRESS OF CONSTRUCTION ACTIVITIES
TRINCOMALEE DISTRICT



HIGHLIGHT

ADDRESSING GENDER AND DISABILITY ISSUES

The project, at every stage from design to implementation, is taking into consideration gender and social inclusion by focusing not only on lagging regions of Sri Lanka but also on the most vulnerable minority groups within these areas. Women interviewed in the project area revealed that they spent an average of 3 to 4 hours a day fetching water. Having reliable and easily accessible piped water would drastically reduce the amount of time dedicated to collecting water. The time freed up can be then allocated to more productive activities. This is a critical aspect in the post-conflict areas of the North and East that have a substantial incidence of women-headed households.

Women-headed households comprise arguably the most vulnerable group of returnees and are among the priority groups targeted by development schemes. A survey conducted in September 2010 by the Jaffna based NGO Center for Women and Development* revealed that the post-conflict northern region had approximately 40,000 female-headed households. Over 50 percent of the women heads of the households surveyed were single parents under 30 years of age supporting their own and extended families. Although up to date statistics are hard to come by due to the number of displaced people, NGOs and government officials estimate that the northern and eastern regions combined are home to some 89,000 war widows, a very high number considering that the conflict displaced more than 280,000 people.

As the main users of water in households and initiators of change in hygiene practices, the central role of women in WASH is fundamental for the success of the project. Women hold at least one of the three key positions (Chairperson, Secretary or Treasurer) in the WUA and at least 50% of the executive committee is female. To better monitor and evaluate the gender related benefits of the project, gender disaggregated data is being collected. At the initial stage of the project, a baseline survey was done and it indicated that at least 15% of the households in the project area were headed by women.

Addressing disability issues is equally important for the social inclusion agenda. In a post-conflict situation there will be larger proportion of disabled people within households whose needs will need to be taken into account. Poverty and disability are intrinsically linked. People with disabilities are more likely to be poor, and this not only increases their social and economic vulnerability, it also limits their access to basic services. Traditional water supply, sanitation and hygiene schemes have marginalized the needs of differently-abled people. Policies to address these needs are also lacking. As a result, disabled people face many challenges as they attempt to access WASH services, which have severe health and economic consequences and also impacts their dignity and ability to be self-reliant. The participation of disabled people is necessary for the success of the project. Data has been collected on the number of disabled people in the project communities in order to design WSS schemes that address their specific needs. The baseline survey found that 5.5% of all households in the project area included disabled residents. The design of the project has ensured that women headed households form 15% and households with disabled members form 5.4% of the targeted beneficiaries. See Table 1.

*Source: <http://www.irinnews.org/report.aspx?ReportID=90429>

1.3 RESULTS TO DATE

It should be kept in mind that this project is being implemented in some of the most vulnerable villages in the region in a challenging post-conflict environment. Aided by strong community mobilization and participation, the project is on target to meet all its objectives by the closing date of June 2014. Active participation of the community is fundamental to achieving sustainable outcomes from this intervention. In the 16 months since the project became operational there has been satisfactory progress on all three components. The safeguards, financial management, and procurement aspects were rated satisfactory by the mid-term review (MTR) conducted in December 2012. There was an initial delay in starting the construction of water supply schemes due to

the lack of contractors in the region and issues with finding a good water source for some sub-projects. Flooding in the project areas also delayed construction for some time. There has been some escalation in costs due to several reasons, including difficulties in finding contractors in some sub-project areas; an increase in the cost of fuel and materials; demand-pull inflation due to the end of conflict and a construction boom. Inadequate electric supply in the project areas necessitated payments to the Central Electricity Board for transformers. The government has agreed to meet the costs of any escalation. This reflects their commitment to the project and to providing better services for the underserved in these lagging provinces.

PROVISION OF WATER AND SANITATION

All 9 water supply sub-projects, covering 16 villages, 10 in Mannar and 6 in Trincomalee district, have been contracted out and are under construction. The sub-projects were reduced from 12 to 9 since one community did not have a water source that could be easily accessed, another joined an ADB funded program, and yet another opted out. The sub-projects will provide access to 2,303 households. However, given the continuing migration into the area, which is expected to accelerate as water supply improves, the scheme also has built-in extra capacity. Looking at the population growth rate and new resettlement in the region, it is expected that the schemes will in the final analysis cover 4,488 households. This is a 50% increase over the figure of 3,000 set out in the Concept Note. The project is also providing toilets in the sub-project areas to households and to local schools.

The Sanitation Revolving Fund is disbursing well. The amount of grant and loan per household has been increased from Rs 12,000 to Rs 18,000 after extensive consultations with beneficiaries as the original amount was found to be inadequate to build a quality toilet. The \$90,000 in the fund has been topped up by another \$19,166 from the government to meet the additional costs. Two villages that were dropped from the water supply schemes were included in the sanitation program, as they were a part of the initial social mobilization and their expectations for assistance had already been raised. A baseline survey has been conducted to identify the potential beneficiaries. Water User Associations are registered in all subproject areas and they all have accounts opened in commercial banks to allow for the transfer of sanitation grants to WUAs. Out of the 2,809 households covered under the sanitation program, 14.7% are female-headed households and 5.4% have disabled members. The sanitation program also covers 27 sanitation facilities in 11 schools in the scheme area that are being constructed by the School Development Society.

TABLE 1 - SL-NE-WASH BENEFICIARIES AND SOCIAL VULNERABILITY

NAME OF SUB PROJECT		NO. OF HOUSEHOLDS	FEMALE HEADED HH	HH WITH DISABLED MEMBERS
1	BAKMEEGAMA*	262	45	25
2	KILLIVEDDY	209	71	20
3	MAHADIVULWEWA	264	63	20
4	NAVATCHOLAI	281	40	7
5	NEELAPOLA*	244	30	13
6	NAMALWATTE	210	21	3
TOTAL (A)		1,470	270	88
1	KONDACHCHI	333	20	9
2	KOOLANKULAM	257	0	10
3		175	32	10
4	PALAMPIDDY	267	30	29
5	THALAIMANNAR	307	60	7
TOTAL (B)		1,339	142	65
TOTAL FOR 2 DISTRICTS (A+B)		2,809	412	153
% OF TOTAL HH		100%	14.70%	5.40%

* EXCLUDED FROM WATER SUPPLY SCHEMES

TECHNICAL ASSISTANCE AND CAPACITY BUILDING

The capacity constraints of PSs and communities have been identified and steps are being taken to strengthen capacity at all levels. The lack of capacity within the communities is being addressed through the creation of specialized WUAs that work closely with the community and provide guidance for operation and maintenance of the water supply schemes. Eleven Water Users Associations have been formed and registered with the NWSDB in all sub-project areas including two that are only for sanitation. Over 83% of the households to be covered have already paid for membership of their WUA. This is an impressive result, demonstrating the huge demand for safe water. This number is expected to increase, as more families learn about the social, economic and health benefits of safe drinking water at their doorstep and with growth in population over time.

Hygiene, education, and awareness programs are at the heart of the success of any water and sanitation project. This aspect is however, often ignored in projects with more attention being paid to the construction of the hard infrastructure. The project has undertaken an intensive hygiene promotion program to educate communities on the socio-economic costs of lack of sanitation and benefits of good hygiene and improved sanitation. Many innovative learning materials have been prepared. Schools in particular, are being targeted to enhance their hygiene education programs. Families have reported that these programs are very useful for them and for their children. The program includes orientation, preparing an action plan to address hygiene issues, programs for hygiene promotion and education, posters and materials for hygiene awareness, and discussions/education at community and school levels. The innovative training methods used include street plays for the community and arts competitions in schools. Until January 2013, a total of 39 trainings were organized. A total of 2,300 students (of which 50% are girls) attended 13 hygiene education programs in both districts (6 in Trincomalee and 7 Mannar). Art competitions were also held in 5 schools. The training at school level covered different grade levels, from 3-5, 6-8, and 9-11 grades. At the community level training programs covered 890 people (55% female). There were 12 community awareness programs and training conducted, 6 in each district. In addition, a Training of Trainers (ToT) program for the PS staff and CBOs, and a street play on the importance of sanitation and hygiene were organized. Finally, 7 general training programs covering orientation for partners and social mobilization were conducted. These awareness programs will continue to provide a lasting impact resulting in better sanitation and health. See Table 2 for details of the 39 training programs.

PROJECT MANAGEMENT

Under this component, two Rural Water Supply (RWS) offices have been set up in the two project districts by NWDSB. These will be permanent offices that will continue to help communities after the pilot is over. Adequate staffing has been provided and these units are functional. In order to monitor and evaluate progress against indicators, a Management Information System (MIS) has been created and all progress reports are being generated from this. The progress of water supply schemes and construction of sanitation facilities and all aspects of hygiene awareness and education programs are being captured in the MIS. A results framework was also developed for the project at the concept stage. See Annex Section - Results Framework. The baseline survey has been completed. The PMU is now working to include water quality data and to strengthen the documentation process as recommended by the MTR.

The project is closely monitored by the Bank. The Bank is supervising the project through desk reviews of progress reports that are sent by the government every two months. In addition, the World Bank team conducts field visits every six months and continues to work closely with the PMU. Two missions, including an MTR, have already taken place and the next mission is planned for May, 2013.

TABLE 2 - SL-NE-WASH HYGIENE, EDUCATION, AND AWARENESS PROGRAMS

TARGET AUDIENCE	TOTAL TRAININGS	PEOPLE TRAINED	% OF GIRLS/WOMEN	TYPE OF TRAINING
SCHOOL	18	2,300	50%	<ul style="list-style-type: none"> ▪ HYGIENE EDUCATION (13) <ul style="list-style-type: none"> - 3-5 GRADES - 6-8 GRADES - 9-11 GRADES ▪ ART COMPETITIONS (5)
COMMUNITY	13	890	55%	<ul style="list-style-type: none"> ▪ AWARENESS PROGRAMS (12) ▪ STREET PLAY (1)
GENERAL	8	70	16%	<ul style="list-style-type: none"> ▪ STAFF ORIENTATION (1) ▪ SOCIAL MOBILIZATION OF PARTNERS (7)
TOTAL	39	3,260		



FIGURE 2 - SL-NE-WASH HYGIENE, EDUCATION AND AWARENESS PROGRAM

1.4 FINANCIAL SUMMARY

1.4.1 - ALLOCATIONS

The entire grant amount of \$2.01 million that was to be received by government has already been transferred to GoSL. Allocations have been made against this for construction of the water supply schemes (WS), sanitation incentive grants (SIGs), training (TRG), and incremental operating costs (OC). See Figure 3 for the percentage allocated to each activity. The SIGs are over budget by \$19,161. This shortfall is being met by the government as explained above.

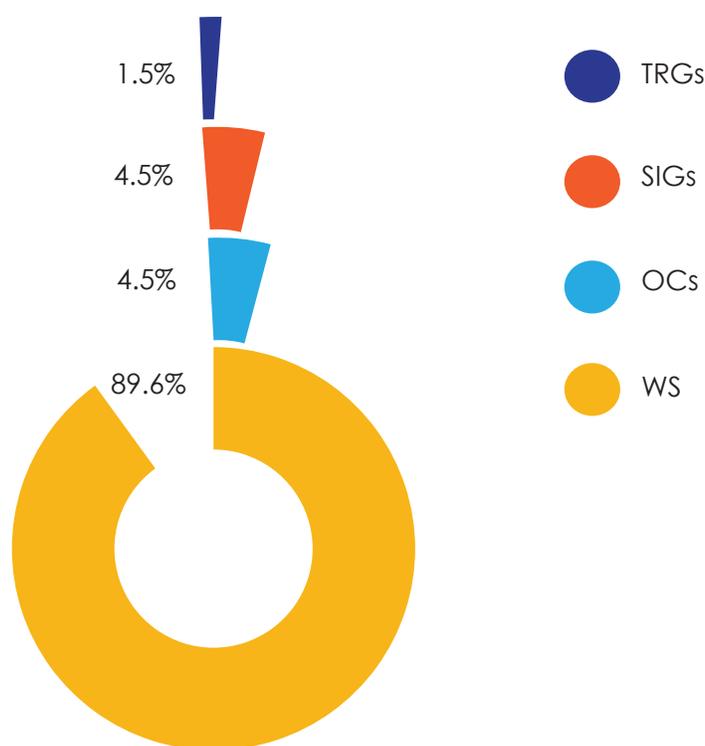


FIGURE 3 - ALLOCATIONS BY ACTIVITIES

1.4.2 - DISBURSEMENTS AND COMMITMENTS

This is a recipient executed project and every two months the Bank task team receives a progress update from GoSL. As per the last report in January 2013, 24% of the funds have been disbursed. Table 3 provides details by component. Only 1% of the funds remain uncommitted with more than a year remaining for the project to close. All 9 water supply contracts have been awarded and disbursement is expected to accelerate during the next few months as construction picks up.

TABLE 3 - FUNDS DISBURSED AND COMMITTED (USD) AS OF JANUARY 2013

		ALLOCATION	DISBURSEMENT		COMMITMENT		BALANCE
			AMOUNT	%	AMOUNT	%	
1	WATER SUPPLY SCHEMES	1,800,000	297,691	16.5	1,502,309	83.5	0
2	SANITATION INCENTIVE GRANTS	90,000	109,161*	121.3	0	0	0
3	TRAINING	30,000	26,313	87.7	0	0	3,687
4	INCREMENTAL OPERATING COSTS	90,000	55,070	61.2	0	0	34,930
TOTAL		2,010,000	488,235	24.3	1,502,309	74.7	38,617

*EXCESS AMOUNT MET BY GOVERNMENT

1.5 PARTNERSHIP WITH AUSAID

AusAID as the sole funder of the pilot has participated in all phases of the project, from concept design to the ongoing implementation. Staff from the Colombo Post also participated in the recent MTR of the project. In addition, the Task Team Leader has conducted face-to-face briefings for the staff at the Colombo Post to report on progress after every mission. In addition, AusAID has leveraged the Bank's resources, including the expertise of its staff and its long-term relationship with GoSL in the water supply and sanitation sector, at little cost. It has also leveraged the Bank's NEHRP that provided houses to communities, which are now benefitting from access to WSS services through this project. Initially, the pilot was to be scaled up with additional funds in 2013. AusAID has

informed GoSL that this scale up will not take place as originally anticipated due to funding constraints. Given the positive results achieved by the pilot in providing access to WASH facilities in post-conflict communities within a short time frame, the extent of community participation generated it is important to scale up the project without losing the momentum that has already generated in these post conflict communities. The Bank is currently in discussions with the government regarding a potential WSS project in Sri Lanka. The partnership between AusAID and the World Bank for the Sri Lanka North East WASH pilot will lead to sustainable improvements in the quality of life of some of Sri Lanka's most vulnerable populations.