

Water and Sanitation for the Urban Poor

Strategic Programme

2010 to 2015

“Stronger service providers, better services for all”

WSUP
Water & Sanitation
for the Urban Poor

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Executive Summary

Water and Sanitation for the Urban Poor (WSUP) is a tri-sector partnership between the private sector, civil society and academia with the objective of addressing the increasing global problem of inadequate access to water and sanitation for the urban poor and the attainment of the Millennium Development Goal targets, particularly those relating to water and sanitation.

With a strategic portfolio of six countries in Africa and South Asia and strong linkages into a further three countries, WSUP is at a key juncture as it looks to deepen its engagement and success to date in these countries at a time when urbanisation is growing.

WSUP is facing a critical challenge of funding as it looks to build upon five years of successful project implementation which has challenged approaches to pro-poor urban water and sanitation service delivery and has strengthened service provider capacity to reach low income consumers in cities in a sustainable and replicable way.

While WSUP has a strong portfolio of funding agencies already supporting its work, including DFID, USAID and the Bill & Melinda Gates Foundation, significant additional support is needed to deliver of its programmes and to ensure the long term sustainability of the organisation.

As such, WSUP is actively seeking funding support across all of its programmes at a time when there are opportunities to achieve significant impact, to use grant funding to leverage large scale investment financing and to build upon an exciting and diverse portfolio.

This document has been developed to initiate discussions with donor agencies and organisations interested in providing funding to the delivery of WSUP's strategic programme and to the long term sustainability of the organisation.

Specifically, WSUP is seeking significant contributions to an overall programme budget of approximately £23.5m across the next five years and contributions to operating costs of £3.9m for the same period.

The document outlines WSUP's membership, programme approach and funding strategy as well as briefly providing brief details of the country portfolio and budgetary requirements at each location.

1 Introduction

Dealing with urbanisation has become one of the world's most critical issues. The number of the world's urban population without access to safe and affordable drinking water is expected to increase from 137 million (2006) to 296 million (2015). The number without access to improved sanitation is expected to increase from 661 million (2006) to 898 million (2015). The majority of these people will be living in slums and peri-urban settlements in the developing world which, globally, are growing by over a million a week. This will intensify as climate change accelerates the movement of people to towns and cities.

Conventional approaches are failing to reach sufficient numbers of these people effectively or quickly enough. One of the main reasons for this is a lack of institutional capacity for delivering services to the poor, particularly water and sanitation services. WSUP exists to help address this situation and to assist local service providers (LSPs) build the capacity to serve all citizens, including those in low income areas.

WSUP's strategy is to support LSPs to deliver water and sanitation service improvement programmes using grant funding on a scale that is large enough to inform and facilitate city wide implementation and position this alongside larger IFI or nationally funded investment programmes.

WSUP works towards three key strategic outcomes: improved services, strengthened service provider capacity and policies that take proper account of the poor. To date, support provided by WSUP has enabled **improved access to safe, affordable water for over 127,000 people, improved sanitation for 20,000** and **improved hygiene for over 120,000 people.**

WSUP has strengthened LSP capacity in a range of towns and cities and has contributed to the development of institutional processes and policies that improve the lives of the urban poor.

In the coming years, WSUP is targeting the delivery of improved services to a representative urban area (typically 100,000 people or more) in each city where it works and to inform and facilitate the uptake of these service improvements by government and the private sector in urban programmes.

WSUP's Vision is "Strong Local Service Providers providing affordable, clean water, improved sanitation and good hygiene sustainably to the whole city; investment in urban poor service delivery mainstreamed into national government plans and budgets."

WSUP's Mission is "To improve the lives of the urban poor in developing countries by strengthening the capacity of local service providers and others to provide sustainable water and sanitation services, promote good hygiene and raise the health and environmental standards of the community."

WSUP's definition of Local Service Providers – LSPs

- **Water utilities**
 - **Municipal service authorities**
 - **Small scale independent water and sanitation providers**
 - **Suppliers of sanitation products and services**
 - **Community Based Organisations**
 - **Water Trusts**
 - **Water Vendors**
- } **Small independent providers (SIPs)**

2 The WSUP membership

As a multi-sector partnership, each WSUP member brings a unique range of skills and knowledge to the design and delivery of programmes. While each organisation is recognised as an expert in their field, there are considerable benefits to members achieved through participation in the delivery of programmes under the WSUP partnership.

Private sector expertise from WSUP members feeds into the design and implementation of innovative performance improvement programmes in partnership with communities and LSPs. WSUP's private sector members provide expertise in financial and business planning, in construction design and operations and in sector leading approaches to the challenge of improving the health, hygiene and living standards of the urban poor.



WSUP's **civil society members** provide expertise in community mobilisation, stimulating Community Based Organisations (CBOs) and small scale independent provider performance, and in environmental management techniques.



WSUP's **academic member** provides rigour to project design and implementation and plays a pivotal role in monitoring and evaluation of projects, injecting new approaches and techniques at the portfolio and project level.



External to this core of membership, WSUP partners with **other sector leaders** in both project delivery and in advocating for improved approaches to pro-poor urban water and sanitation service delivery in the developing world, including:



3 Impact to date

As WSUP has evolved, its added value in relation to other sector actors has become clearer and it has found a unique niche through which to contribute and compliment activities within the sector - a niche not being filled by NGO, private sector, public sector or academia.

In essence, WSUP's niche is as an **implementing partner** to the full range of service providers, public and private, large and small, delivering water and sanitation services to urban populations including the poor. WSUP's access to expertise from across the sectors makes it a partner of choice for service providers in the developing world.

WSUP provides an extensive range of expertise and experience which responds to the needs of its partners in a combination which is unmatched in the sector and which is focused exclusively on improving the lives of the urban poor.

This support is unblocking obstacles to pro-poor service delivery and providing insight and resources to challenges which partners are facing and which, without WSUP's support, are preventing services being delivered to the urban poor in a sustainable and replicable way.

WSUP's existing partners have expressed the impact that WSUP is already having across its portfolio:

Madagascar

"Urban services are a real challenge and we need serious programmes...WSUP is the most appropriate partner we have got, the experience of its members is invaluable...we are not accustomed to this type of approach... since WSUP is helping us in this way, we will be able to make the water supply and sanitation services expand to the low income areas...the approach is really adapted to the local context in which we live...WSUP can help us approach the target population that we are not currently serving...WSUP and my utility are working together to bring water and sanitation to the urban poor."

Jose Ramampanjaka, Directeur de l'équipement Eau, Jirama – Water and Energy Service Provider in Madagascar.

Mozambique

"WSUP is assisting us to complete tertiary connections...helping us to bring 100% water and sanitation services...we have the main pipes installed but there is still a big area without the secondary and tertiary network installed...our partnership with WSUP compliments our core service...after this project we will be able to extend the service to the other areas of the city where 30% of the consumers are not covered..."

Miguel Alves, CEO FIPAG - Parastatal asset holder in Mozambique.

4 Programme Approach

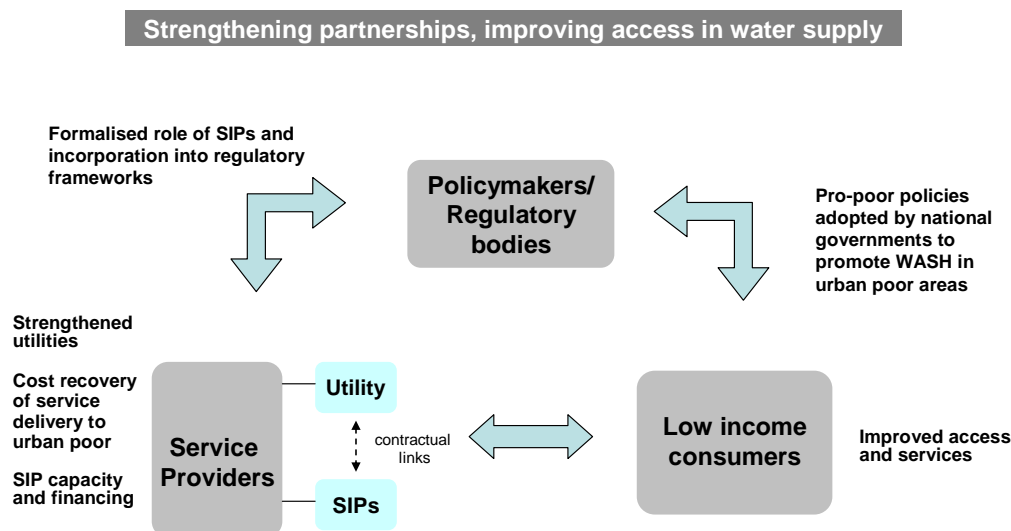
WSUP has an integrated approach to programme delivery which focuses on the three central components of water, sanitation & hygiene and prioritises service provider capacity building.

WSUP's strategy is to support LSPs to deliver water and sanitation service improvement programmes on a scale that is large enough to inform and facilitate city wide implementation and position this alongside larger IFI or nationally funded investment programmes. For a city of several million, this typically implies a WSUP target programme area of 70 – 120,000 people. In secondary towns, it may be nearer 50,000.

4.1 Water service delivery mechanisms

WSUP works to make water service delivery mechanisms more effective at delivering services to low income consumers through:

- Focusing on utilities and small scale independent providers (SIPs);
- Strengthening the contractual and commercial relationships between these groups and;
- Developing the capacity of both groups to improve service delivery to the urban poor;



Where feasible, WSUP supports utilities to extend direct services to poor neighbourhoods. Where utilities work through SIPs, WSUP supports the development of equitable forms of contracts and service delivery models between utility and SIPs that reflect achievable and technically sustainable standards of service at affordable costs. Central to this is the generation of a fair return to both parties in the contract or agreement.

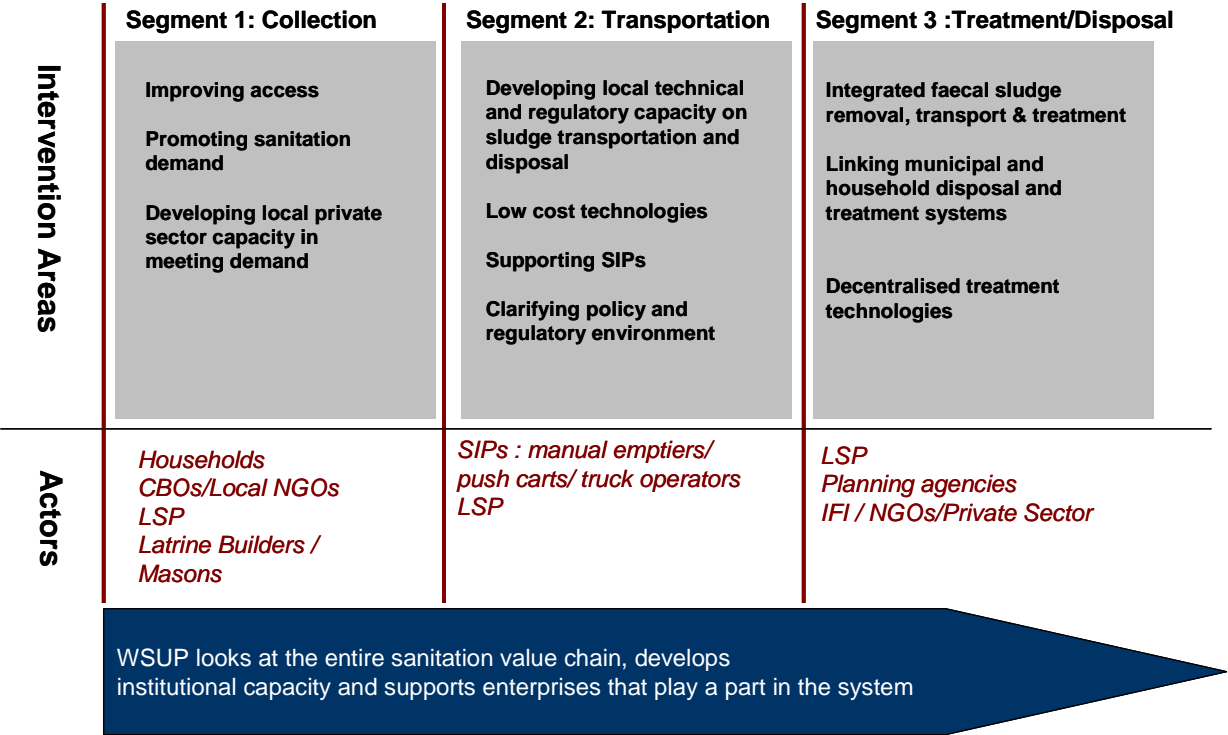
These contractual relationships seek to incorporate financial mechanisms such as performance based contracting, output based aid, commercial and concessionary loan financing and sub-sovereign guarantees, helping to make these service delivery systems accessible for larger scale IFI investment programmes.

At the same time, WSUP works in partnership with utilities to improve operational and financial efficiency of the utility where this benefits service delivery to the urban poor. This includes new connections, simplifying and legitimising existing connections, reducing leakage, devolving metering, improving billing and revenue and optimising water management around informal settlements and increasing revenues.

4.2 Sanitation Services

Leveraging its access to community, engineering and financial expertise and also its emphasis on city level planning, WSUP is prioritising sustainable faecal waste management and treatment, community sanitation and stimulating the sanitation market to increase access at the household level. Specific support areas include:

- Developing removal and treatment technologies that have the potential to meet the needs of low income urban communities at scale;
- Expanding community sanitation options to improve sustainability and scalability;
- Integrating household, community and municipal removal and treatment systems, focusing on economic viability, the involvement of private sector and quantifying need for municipal investment;
- Strengthening supply and demand sides of the sanitation market in urban communities;
- Implementing service improvements (networked and non-networked) in partnership with LSPs;
- City wide planning and the identification of service gaps as a means of informing and facilitating city wide improvement programmes.



4.3 Hygiene

In the area of hygiene, WSUP prioritises the promotion of hand washing with soap as this utilises sector leading behaviour change programme principles developed by Unilever’s Lifebuoy brand. It is a ready-made, proven programme, developed by one of WSUP’s existing members that will help programmes get to scale and reach targets more quickly and cost effectively. The roll out of this mass scale activation programme, focusing on the ‘Behaviour Change Journey’ for children and mothers and promoting hand washing at the five critical times a day, is currently taking place in two programme sites with plans to roll this out across the portfolio. The goal of the Unilever programme is to change the behaviour of 1 billion people by 2015 and WSUP aims to contribute to the achievement of this goal.

Additional messages of safe storage of water and promoting the use of improved sanitation facilities are inherent in the delivery of the water and sanitation components.

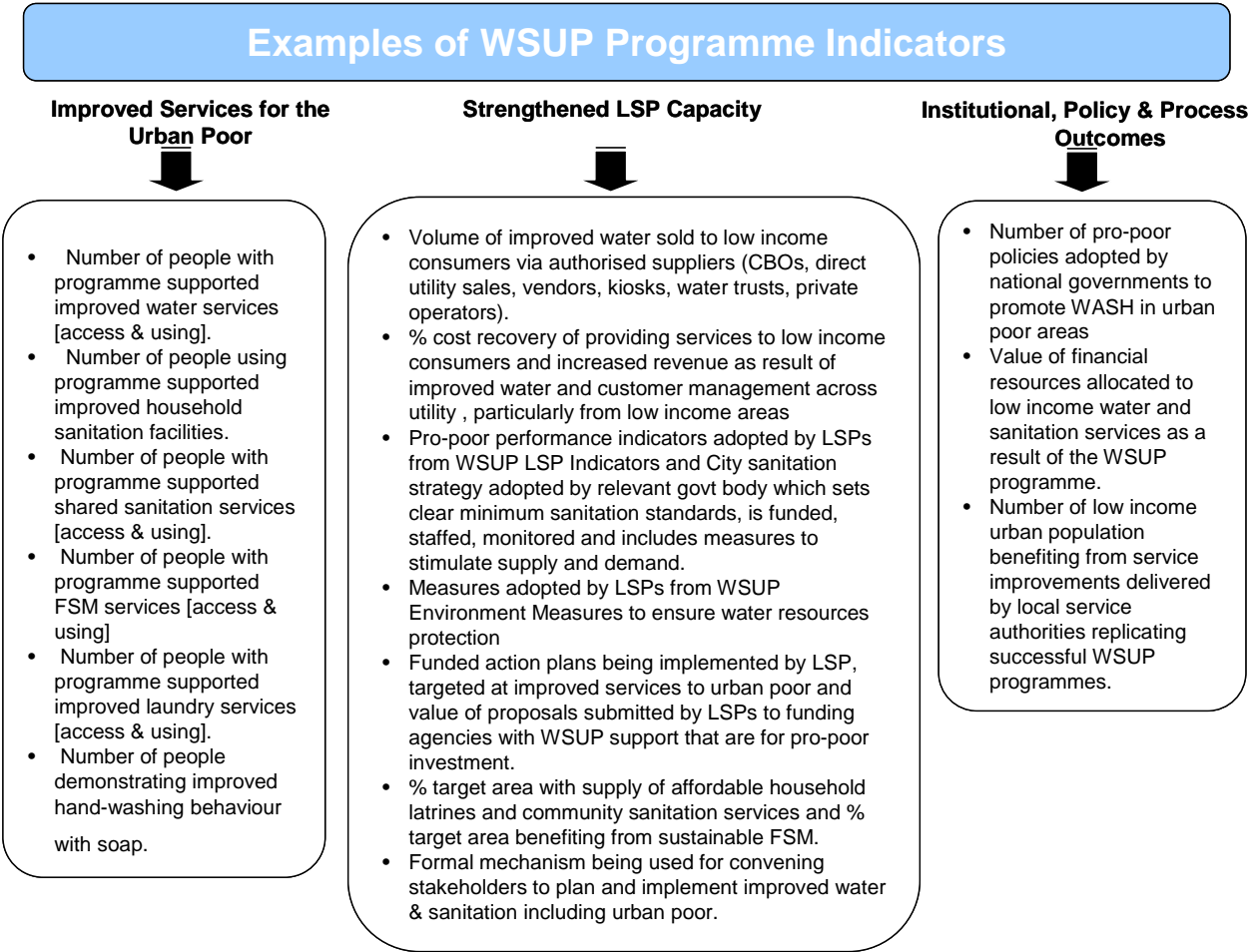
4.4 Environment

Environmental sustainability is an underlying factor for WSUP’s deliverables on water, sanitation and hygiene and WSUP is committed to managing its programmes to improve the local environment and to reduce negative environmental impacts. To address this, WSUP has included environment-related activities as an integrated component of programmes and its environment-related activities are guided by the following three strategic questions:

- Water Security: How can LSPs ensure that a sustainable source of good quality water will be available to allow LSPs to connect additional populations to water distribution systems?
- Climate & Carbon: In what ways are urban watsan services vulnerable to the impacts of climate change and how can WSUP help LSPs to incorporate resilience into project design and implementation? How can WSUP help LSPs reduce the carbon footprint on water & sanitation services?
- On and off-site management: How can WSUP best assure that negative environmental impacts of project interventions are dealt with in an integrated approach and prevent transfer of impacts off site?

4.5 WSUP Monitoring and evaluation

WSUP has a comprehensive monitoring and evaluation framework which incorporates a range of indicators to assess progress and impact of interventions. Primary indicators are:

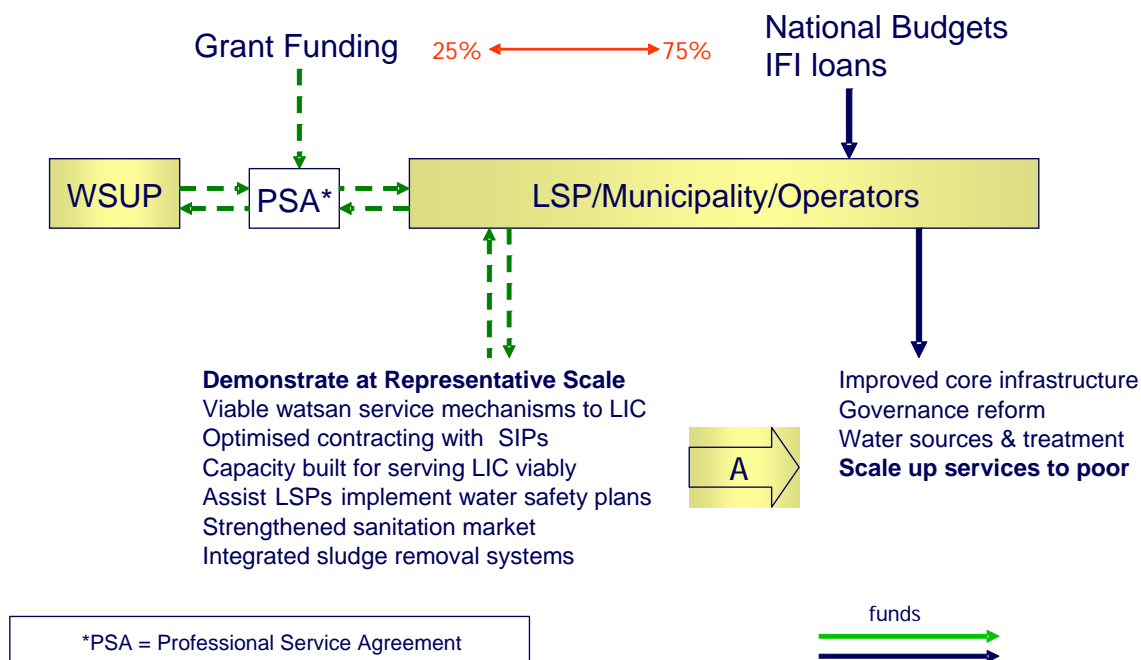


5 Funding strategy to achieve scale

The investment requirements for raising service levels at each project site vary considerably and as such the budgetary needs vary. WSUP experience to date suggests that the budget required to work at a demonstrable scale in a targeted area is in the range of £2 million – £3 million.

WSUP's funding strategy is to raise these budgets from grant funding, using this to provide the incentive for LSPs with a proven interest in improving services to the urban poor to prioritise programmes that cover low income communities. Programme timeframes are typically three to five years and during this period mainstreaming approaches into IFI and national investment programmes is prioritised. WSUP is targeting a grant / leveraged financing ratio of 25% grant to 75% additional financing in each programme, maximising the leveraging of grant funds and ensuring the outcomes of IFI funded programmes benefit the urban poor.

This approach is outlined in the diagram below:



The most critical aspect of this strategy is ensuring successful pro-poor approaches delivered with grant funding **inform and influence** large scale investment programmes and are included in city wide planning and investment as indicated by arrow "A".

Illustrative Example:

A grant component of £1-3m is designed to achieve integrated service improvements in a representative programme area and implemented jointly by a local service provider (LSP) and WSUP. Under this grant, local service delivery mechanisms are established, costed and financial viability demonstrated. This is matched with a concessionary loan facility of £10 - £15 m direct to the LSP focusing on wider service coverage and efficiency improvements, thus ensuring a fair proportion of system improvements are converted into improved services delivered to low income consumers. Under existing IFI systems, the mixed credit allows for the most attractive interest rates. Each programme reinforces the other.

In this strategy, the nature of the agreement between WSUP and service providers is vital to delivering effective outcomes in a target programme area and in providing the evidence base to inform the pro-poor components of larger investment programmes in the water and sanitation sector as outlined in the above diagram.

The **Professional Service Agreements**, or in some cases MOUs, contain the following core commitments:

- A formal partnership for 3-5 years with agreed service delivery goals for urban poor in a specified area, mutually selected on the basis of government strategy, feasibility studies and/or baseline information.
- Co-signed by other key ministries, departments and relevant local government entities which have a mandate in service delivery.
- Programme goals to include service improvements, LSP capacity improvements, and support to development of pro-poor policy.
- Resources to be provided by WSUP: full spectrum of technical assistance services from private and NGO sectors to suit local conditions and respond to local needs. Guidance in design, implementation and monitoring. Up stream project funding and support in resource mobilisation for implementation. A local project team.
- Resources to be provided by LSP: city service development plan with indication of target areas, project staff, agreed volume of water supply within a defined period, funds, materials, access to information and facilities and programme monitoring.

WSUP views these agreements as fundamental to motivating service providers to make the investment in time and resources required to deliver services to the urban poor. These agreements also demonstrate to the LSP a long term commitment by WSUP and enable support and expertise to be delivered in a manner which catalyses long term change, mainstreaming these approaches into the business model of the service provider.

6 WSUP's Strategic Programme

WSUP's overall strategic programme is focused on achieving three key outcomes in each of the six priority countries which contribute to the achievement of the WSUP programme purpose.

Strategic Goal

To contribute to overall poverty reduction and to the attainment of the Millennium Development Goals, particularly the targets under Goal 7 relating to water and sanitation.

Strategic Purpose

To support the adoption of effective, sustainable and scalable means of mainstreaming urban poor investments by national governments and service providers in water and sanitation service improvements in six countries over five years.

Strategic Outcomes

1. Improved Services for the Urban Poor

- Programmes providing service improvements to a representative population of urban poor in each town/city, demonstrating strong local ownership and informing city wide water and sanitation improvement programmes.

2. Strengthened LSP Capacity

- Institutional capacity embedded in six countries to serve low income urban consumers on an ongoing basis.
- Demonstrable efficiency and effectiveness improvements within local service providers leading to improved services for the urban poor.

3. Institutional, Policy & Process Outcomes

- Pro-poor policies and institutional processes adopted by local service providers and authorities.
- Successful models mainstreamed into national investment programmes, increasing funding allocated to pro-poor service improvements leading to city wide services.

7 The WSUP Portfolio

WSUP currently has a portfolio of six strategic countries and has ongoing programmes in one city in each country. The exception to this is Kenya where WSUP is working in two geographical areas. WSUP's target is to work in at least two sites per country over the course of the next five years.

These six countries have been **selected** using three criteria areas:

- Local service provider (LSP) and municipal partners with demonstrated interest and commitment to serve the urban poor on a financially sustainable basis, confirmed through a willingness to enter into a contract between LSP, WSUP and funding partner including mutually agreed goals for service delivery to the urban poor.
- An enabling environment (institutional, legal, political, and administrative) which allows for service improvements to be achieved at scale.
- A high probability to achieve scale. This is a function of a) WSUP having the appropriate expertise to address the needs b) there being a high probability of leveraged funding and c) there being clear opportunities for replication.

Brief descriptions of the WSUP portfolio are provided below and significantly more detailed information is available on all programme sites including detailed budgets and progress to date.

Zambia

With an urban population of 3 million (35%) and growing and with considerable sector reforms completed, WSUP considers Zambia to be a high priority country within the portfolio with significant potential for impact at scale with the right funding streams in place.



LSP partnerships

- Lusaka Water and Sewerage Company (LWSC)
- Lusaka City Council (LCC)

Achievements to date

- Increased access to safe water for 7,000 people in one year with relatively low levels of funding.
- Successful resource mobilisation for the Peri Urban Department (PUD) of LWSC, with additional funding (€350,000 of grant funding) coming on line from the EC for an extension of the programme and ongoing resource mobilisation efforts targeting several million dollars worth of grant funding.
- Learning from Zambia on sanitation includes a) a critical barrier to improved urban sanitation is the legal restriction on moving human waste – something WSUP is now addressing b) design and location of eco-san toilets affects their performance, with the appropriate design having the potential to offer a scalable solution for peri-urban Lusaka subject to a commercially viable (and legal) removal and treatment process being established.

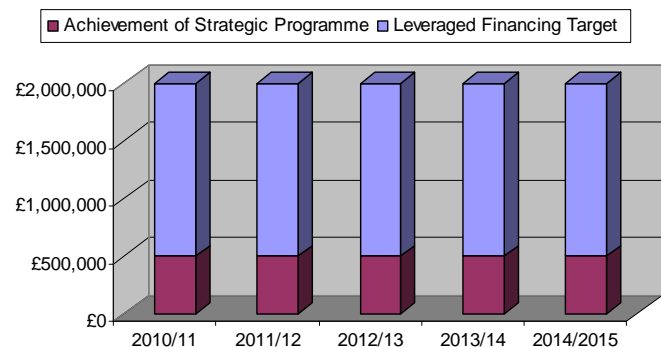
Key components of ongoing programme

- Supporting the extension of a successful approach to localised provision of water and sanitation services and governance through joint municipal and community decision making.
- Developing appropriate on site and off site sanitation options for low income areas including establishing a faecal waste management system for low income areas and linking into municipal treatment system.
- Supporting the delivery of LWSC's Sanitation Marketing and Hygiene Promotion Plan (developed with support from WSP).
- Capacity building of the peri-urban dept of LWSC in baseline planning, network modelling, community mobilisation.
- Expand programme to include a second location



The WSUP programme in Zambia is seeking **grant funding of £2 million** over five years to achieve the strategic programme working in Lusaka and to expand to a second city.

As part of this, the programme will support LSP partners to **leverage and target additional funding of £7.5 million** for pro-poor service delivery improvements in this time from national and international sources.



Linkages to IFI / national investment programmes

Development Bank investment programmes for LWSC and Copper Belt Utilities are currently being developed with potential investment of up to €50m at each site. WSUP engaged in preliminary discussions to work as implementing partner in programmes to assist delivery of pro-poor elements.

Kenya

WSUP has two programmes in Kenya, one based in the capital Nairobi and one in Naivasha, a secondary town located approximately 150 km from Nairobi. Each site has different dynamics due to size and institutional arrangements present which have enabled WSUP to gain valuable experience of working in complex and varied environments.



Nairobi

LSP partnerships

- Athi Water Services Board (AWSB)
- Nairobi City Water and Sewerage Company (NCWSC)
- Nairobi City Council (NCC)

Achievements to date

- Improved services for the urban poor – 30,000 people for water, 3,000 for sanitation to date.
- Stronger utility/SIP linkages through through NGO Forum.
- Financially sustainable community managed sanitation facilities developed and working.
- Network management improvements improving supply to informal settlements.
- Anti corruption committee set up with NCWSC, chaired by the Managing Director as a direct result of the governance workshops.

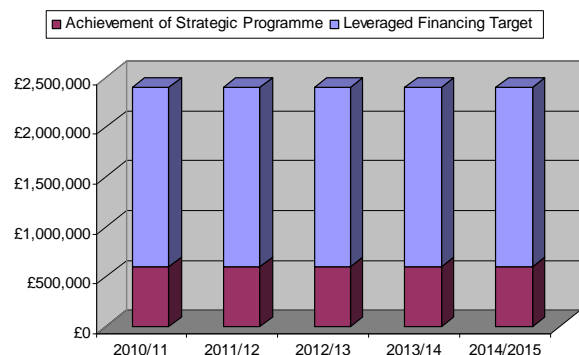
Key components of ongoing programme

- Operational support and training provided to the Informal Settlements Unit of the NCWSC.
- Implement full capacity building programme with NCC.
- Scaled-up activities to deliver water and sanitation services to at least 100,000 people.
- Sanitation marketing and support to sanitation markets to ensure effective supply options
- Promotion of hygiene to achieve behaviour change, using private sector knowledge and expertise
- Capacity building of SIPs.
- Learning and documentation of approaches to assist government to replicate in similar areas.



The WSUP programme in Nairobi is seeking **grant funding of £2.5 million over five years** to achieve the strategic programme and significantly scale up existing work. The programme is currently exploring neighbouring areas of Nairobi for consideration in partnership with NCWSC.

As part of this, the programme will support LSP partners **to leverage and target additional funding of £9 million** for pro-poor service delivery improvements in this time from national and international sources.



Linkages to IFI / national investment programmes

Informal Settlements Upgrading Plan being developed by World Bank to include water and sanitation as part of comprehensive upgrading of areas. Potential to inform and influence approach to be taken with respect to water and sanitation approaches.

Naivasha

Located on the shores of Lake Naivasha, the municipality of Naivasha is the centre of the Kenyan flower industry with large numbers of migrant workers living in poor housing around the lake shore.



LSP partnerships

- Rift Valley Water Services Board (RVWSB)
- Naivasha Water, Sewerage and Sanitation Company - Naivawass

Achievements to date

- Improved services for the urban poor – 8,000 people for water / 3,000 people for sanitation.
- Draft Service Provision Agreement (SPA) between SIPs and Naivawass prepared by RVWSB, with assistance of WSUP and in consultation with all stakeholders, which improves operational reach of Naivawass enabling it to better deliver on its existing service agreement with RVWSB.
- Campaigns conducted to sensitize over 30,000 poor children and adults within Naivasha Municipality to hygiene practices and to the effects of high fluoride levels. This is being followed up with an intensive sanitation marketing programme to promote the installation of improved pit latrine facilities throughout the poor areas.



Key components of ongoing programme

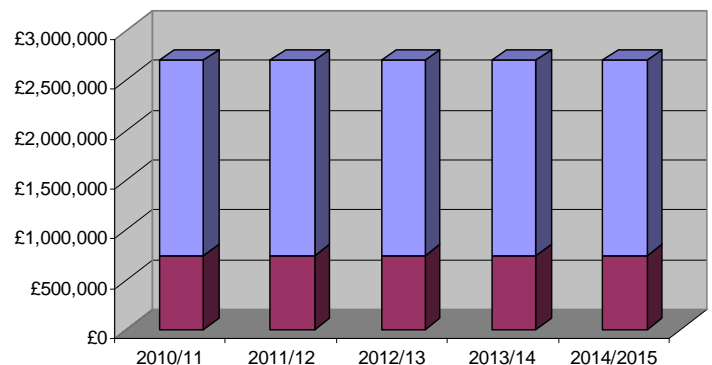
- Scaling up water supply system improvements in 5 peri-urban settlements of Mirera-Karagita in Naivasha town to benefit 100,000 people
- Targeted capacity building of Naivawass to enable it to deliver improved water supplies in Naivasha and to operate and maintain dedicated sustainable pro-poor services in the area surrounding Lake Naivasha in partnership with the Rift Valley Services Board.
- Develop a sustainable market approach to rapidly provide improved pit latrine based sanitation throughout the poor areas, backed by effective hygiene promotion in partnership with the Naivasha Municipality.

The WSUP programme in Naivasha is seeking **grant funding of £3.75 million over five years** to achieve the strategic programme. This includes working in several more areas of the municipality.

As part of this, the programme will support LSP partners to **leverage and target additional funding of £9.75 million** for pro-poor service delivery improvements in this time from national and international sources.

WSUP is exploring ways in which to attract development investment and private sector investment into Naivasha.

■ Achievement of Strategic Programme ■ Leveraged Financing Target



Linkages to IFI / national investment programmes

Discussions are ongoing with RVWSB for an allocation of African Development Bank funding to be channelled into Naivasha town for service improvement for the poor and to scale up support to the extension of the Naivasha service area.

Mozambique

With an urban population of approximately 37% and a sizeable urban poor population, the water and sanitation sector in Mozambique is evolving. WSUP has established strong partnerships to date and coupled with an enabling environment which facilitates scale up, Mozambique is a priority country for WSUP.



LSP partnerships

- Águas de Mozambique (AdeM) – operator
- Fundo de Investimento e Património do Abastecimento de Água (FIPAG) – asset holder
- Conselho Municipal da Cidade de Maputo (CMM) - Maputo City Municipal Council
- Empresa Moçambicana de Águas (EMA) – local service provider
- Water services regulator (CRA)



Achievements to date

- Improved services for the urban poor - 35,000 people for water / 1,500 for sanitation to date.
- Working in partnership with international private operator to deliver on aspects of lease contract, providing critical link into communities and ensuring pro-poor approach.
- Operational efficiency improvements for EMA leading to improved services to urban poor.
- Support to independent operator EMA in development of bulk supply contract with FIPAG in outlying areas of Maputo. Approach being replicated by another operator in another Maputo district (Vilankulo).



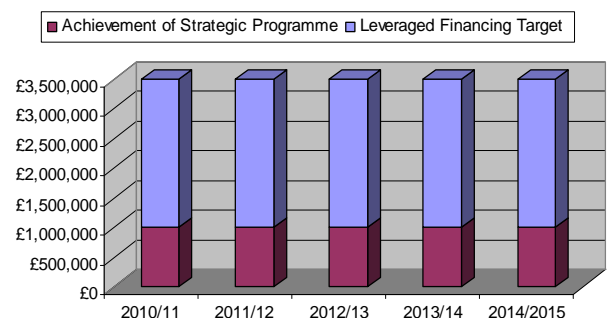
Key components of ongoing programme

- Improve water management to provide sustainable water services in low income communities and reduce Non Revenue Water (NRW).
- Promote SIPs by integrating private operators into the regulatory framework
- Work with CMM to develop a sludge disposal strategy and assist SIPs to initiate regular pit and septic tank emptying services.
- Develop and boost local credit market for the community for water and sanitation improvements, in particular relating to household connection fees and access to sanitation
- Demonstrate a pro-poor water connection policy enabling low income users to access safe water services.
- Expand community sanitation models in the densest urban areas.



The WSUP programme in Mozambique is seeking **grant funding of £5 million over five years** to achieve the strategic programme.

As part of this, the programme will support LSP partners to **leverage and target additional funding of £12.5 million** for pro-poor service delivery improvements in this time from national and international sources.



Linkages to IFI / national investment programmes

WSUP programme is currently informing a large scale investment programme funded by EIB, AFD, DGIS and World Bank. WSUP will work to support FIPAG in discussions for follow up investment plans, inform the design of this and support in the capacity building of national operators and SIPs.

Madagascar

With a population of 1.6 million, it is estimated that almost 1 million people in Antananarivo have inadequate access to water and sanitation services. WSUP has built a strong partnership with the national service provider and the programme in Antananarivo has the potential to deliver significant service improvements and mainstream approaches into national programmes.



LSP partnerships

- Jiro sy Rano Malagasy – JIRAMA (national service provider for water and electricity)
- CUA - Commune Urbaine d'Antananarivo
- Ministry of Water
- Local Administrations (FIFTAMA)

Achievements to date

- Improved services for the urban poor - 35,000 people for water / 12,000 for sanitation.
- Strong commitment by JIRAMA to pro poor services as evidenced by partnership with WSUP for scaling up services to the urban poor and streamlining of connection policy.
- JIRAMA beginning process of building low income area service improvement programmes into business plans and committing resources to deliver these services.
- Improved capacity within JIRAMA on active leakage management and improving supplies to peri-urban areas.
- Reduced cost of household latrine components

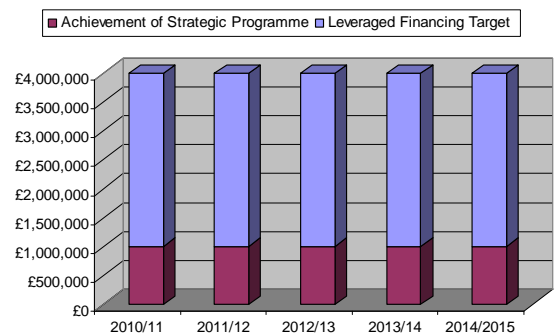
Key components of ongoing programme

- Continuation of strengthening JIRAMA capacity to operate and manage self-financing water supply systems – especially in non revenue water reduction, the development of a communications strategy and business planning..
- Scale up improvements to access water and sanitation services to an additional 9 communes to complete water and sanitation access for 220,000 people.
- Completion of a city wide sanitation strategy, with wide institutional ownership, and implementing the first elements. A particular focus on supporting the development of SIPs.
- Continue to build self sustaining SIPs for the operation and maintenance of peri-urban water and sanitation facilities.
- Targeted capacity building support for Commune officials in improved environmental planning and mitigation



The WSUP programme in Madagascar is seeking **grant funding of £5 million over five years** to achieve the strategic programme.

As part of this, the programme will support LSP partners to **leverage and target additional funding of £15 million** for pro-poor service delivery improvements in this time from national and international sources.



Linkages to IFI / national investment programmes

Ongoing Development Bank investment programme designed to increase water capacity within municipal system with knock on effect of increasing water supply for low income areas. WSUP is aiming to support JIRAMA in future investment funding discussions to include low income areas in investment plans.

Ghana

The urban centres in Ghana are home to over 38% of the country's population with over one in four of these people reported to be poor. The programme in Ghana is in its initial stages and a newly established project team are starting implementation with funding support from USAID.



LSP partnerships

- Kumasi Municipal Authority (KMA)
- Waste Management and Environmental Health Divisions of KMA
- Ghana Water Company Limited (GWCL)
- Aqua Vitens Rand Limited (AVRL)

Achievements to date

- Established relationship with KMA
- Detailed scoping study and assessment of water and sanitation sector
- Planning for implementation to achieve improvements for 20,000 people in Kumasi.

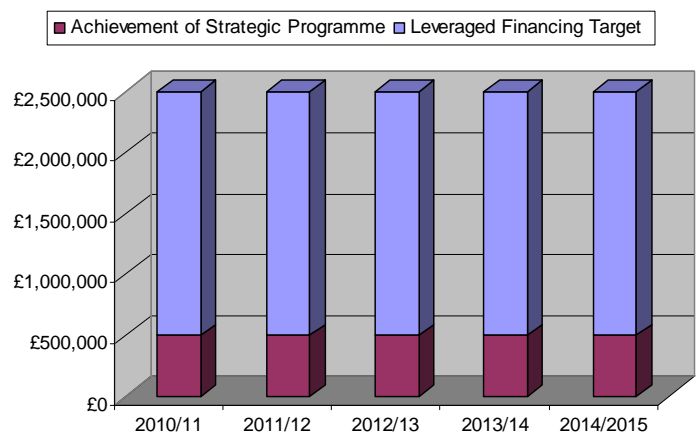
Key components of ongoing programme

- Delivery of service improvements in a large secondary town.
- Detailed assessment of ownership and management models for decentralised water systems and communal sanitation in Ghana.
- Demonstrate sustainable ownership and management model for both water and sanitation that informs wider urban investment programmes in Ghana.
- Develop segmentation of the sanitation market with levels of service to match.



The WSUP programme in Ghana is seeking **grant funding of £2.5 million over five years** to achieve the strategic programme.

As part of this, the programme will support LSP partners to **leverage and target additional funding of £10 million** for pro-poor service delivery improvements in this time from national and international sources.



Linkages to IFI / national investment programmes

Ongoing investment programme by World Bank for water and sanitation across Ghana.

Initial discussions with several agencies on scale up of sanitation improvements in Ghana. WSUP is working to inform and influence approaches included in investment plans.

India

Urban centres in India are home to 28% of the country's population with one in three of those people estimated to be poor. The magnitude of the challenge coupled with a buoyant and reform driven macro economic environment in the country makes India a strategic country for WSUP as it looks to extend the current programme beyond the city of Bangalore, into Karnataka State and other States.



LSP partnerships

- Bruhat Bengaluru Mahanagar Palike (BBMP) – Municipality
- Bangalore Water Supply and Sewerage Board (BWSSB) – Utility
- Karnataka Slum Clearance Board (KSCB)
- Karnataka State Pollution Control Board (KSPCB)



Achievements to date

- Bangalore municipal authority is interested in the application of de-centralised waste water treatment (DEWATTS) as an integral part of the sanitation mix for non-sewered, low income urban areas in India.
- With facilities being installed at present with the support of DFID funding, WSUP aims to demonstrate the applicability of this technology and its potential for scaling up in Indian towns.



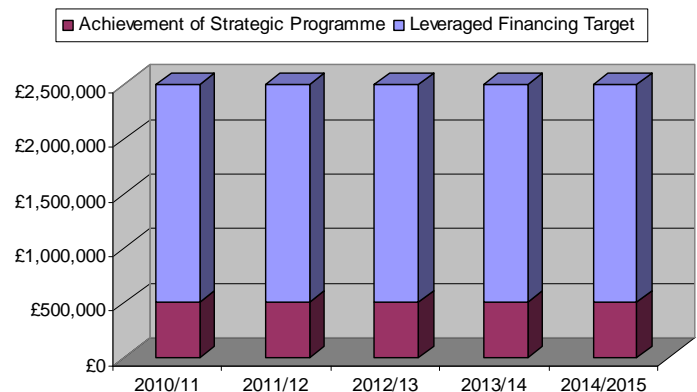
Key components of ongoing programme

- Decentralised waste water treatment for urban poor settlements
- Handwashing programme at scale in partnership with Hindustan Lever and BBMP as partners.
- Sanitation marketing to boost demand for sanitation while simultaneously strengthening supply chain, particularly for sludge removal and disposal.



The WSUP programme in India is seeking **grant funding of £2.5 million over five years** to achieve the strategic programme and a key focus will be to look to extend the current programme beyond Bangalore into Karnataka State and other States across India.

As part of this, the programme will support LSP partners **to leverage and target additional funding of £10 million** for pro-poor service delivery improvements in this time from national sources as WSUP acknowledges that there are significant volumes of financing with the federal system in India.



Linkages to IFI / national investment programmes

WSUP aims to inform ongoing IFI programmes such as the World Bank funded KMRP project and large scale national programmes like the JNNURM through its partnership with BBMP

8 Resource requirements

WSUP is facing a critical challenge of funding across the portfolio outlined above and is actively seeking to form strategic partnerships with funding agencies interested in supporting the delivery of the Strategic Programme.

The organisation has a unique opportunity to have an impact at scale as five years of successful project implementation has generated learning and understanding which has made WSUP and the approaches it uses considerably stronger.

Unique opportunities exist across the portfolio but what is required now is funding and strategic partnerships with funding agencies and donors. While WSUP has a strong portfolio of funding agencies already supporting its work, including DFID, USAID and the Bill & Melinda Gates Foundation, significant additional support is needed both to support the delivery of its programmes and to ensure the long term sustainability of the organisation.

Specifically, WSUP is seeking significant contributions to an overall programme budget of approximately **£23.5m across the next five years in grant funding** and **£3.9m over the same period to support operating costs**.

8.1 Summary of resource requirements by country

1. Achievement of Strategic Programme	2010/11	2011/12	2012/13	2013/14	2014/2015	Total
grant funding for PSA						
Zambia	£500,000	£500,000	£500,000	£500,000	£500,000	£2,500,000
Kenya	£1,250,000	£1,250,000	£1,250,000	£1,250,000	£1,250,000	£6,250,000
Mozambique	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£5,000,000
Madagascar	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£1,000,000	£5,000,000
Ghana	£500,000	£500,000	£500,000	£500,000	£500,000	£2,500,000
India	£500,000	£500,000	£500,000	£500,000	£500,000	£2,500,000
	£4,750,000	£4,750,000	£4,750,000	£4,750,000	£4,750,000	£23,750,000
2. WSUP Operating Costs	2010/11	2011/12	2012/13	2013/14	2014/2015	Total
grant funding						
Costs include staff & office, governance projects advisory group, advocacy communications, funding support	£650,000	£720,000	£790,000	£870,000	£960,000	£3,990,000
3. Leveraged Financing Target	2010/11	2011/12	2012/13	2013/14	2014/2015	Total
loan finance through government						
Zambia	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£10,000,000
Kenya	£3,750,000	£3,750,000	£3,750,000	£3,750,000	£3,750,000	£18,750,000
Mozambique	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£12,500,000
Madagascar	£3,000,000	£3,000,000	£3,000,000	£3,000,000	£3,000,000	£15,000,000
Ghana	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£10,000,000
India	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£2,000,000	£10,000,000
	£15,250,000	£15,250,000	£15,250,000	£15,250,000	£15,250,000	£76,250,000

8.2 Funding packages

These partnerships could take a variety of forms:

A thematic package: a package which takes components of specific programmes depending on the donor's approach or specific themes from the plans and budgets.

Examples:

- Funding for implementing performance based contracting and the delivery of improved services for water supply in one city or multiple cities, successfully reaching hundreds of thousands of people with improved water supply.
- The design and delivery of context specific sanitation programmes which consider the full sanitation value chain in a number and/or range of cities / towns.
- Supporting the implementation of a hygiene behaviour change approach informed by private sector expertise at a large scale in several cities in Africa.
- The delivery of a comprehensive capacity building programme of LSPs focused on NRW across a number of cities or countries.

A comprehensive package: a package which incorporates all aspects of a programme at a specific location or multiple locations. This package benefits agencies with specific geographic focus and an interest in making an impact in one country or location.

A phased package: a package which looks to fund all activities at a specific programme location for a specific time period or phase or in a number of areas. Funds would support delivery of an integrated water, sanitation and hygiene programme and make contributions to cross cutting themes such as LSP and community capacity building.

A sustainable organisation: A package which supports operational costs of the organisation, enabling WSUP to leverage in programme funding for achieving the strategic programme and leveraging in investment financing for local service provider partners.

9 WSUP Secretariat

WSUP operates a lean Secretariat office based in London which requires a reliable operating budget to deliver the key support functions of programme direction, fundraising, finance, advocacy, communications, governance, company administration, M&E and WSUP member coordination.

The Secretariat currently has 10 full time staff and would look to increase to a maximum of 15 over the course of the five year programme.

9.1 Membership structure

The WSUP membership structure is evolving into a fit for purpose, sustainable organisation with a membership and finance structure enabling the delivery of effective and efficient programmes. This structure has three tiers:

1. **Full member:** with rights to a seat on the Board, a full member is a primary provider of services to programmes and this tier attracts an annual membership fee
2. **Associate:** an associate is a secondary provider of services to programmes which has no seat at the Board and with a lower annual membership fee
3. **Observer:** is not a contributor to programmes per se but receives regular programme information.

WSUP invites other agencies working in the water and sanitation sector to join the partnership or adapt WSUP ideas and approaches to their situations.

10 Contact Details

WSUP is actively seeking to start discussions with potential funding partners and organisations with a view to establishing successful partnerships to deliver the WSUP strategic programme and establish a sustainable organisation.

Please contact the following to initiate discussions and for additional information.

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