

# *“Leaving No One Behind: Sustainable WASH Services in Rapidly Changing Context”*

## **WASH Service Delivery Models**

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# Learning Objectives

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By the end of this session, Participants will be able to

- Explain the **importance** of service delivery arrangements to support the enabling environment
- Describe the **framework** for supporting service delivery
- Identify **actions and steps** to strengthen the enabling environment

# Definition

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**Service delivery arrangements respond to community needs and capabilities**

Service delivery is **set of mechanisms** (a model) to provide reliable, **good quality of water and sanitation** on a continuous basis. A variety of WASH service delivery arrangements involve **civil society organizations, small service providers, transnational companies, different ministries and delegated branches of the government, local government and municipal companies.**

# What is a service delivery model?

A SERVICE DELIVERY  
MODEL PER SUB-  
SECTOR!!

## Policy and Legal Frameworks

Norms and standards; roles, rights and responsibilities indicating who does what when; funding mechanisms

## Service Provider(s)

Honoring a management model

Assessed through:  
quantity, quality,  
accessibility,  
affordability and  
reliability

## Service Levels to be Provided

(e.g., 20 liters/pcpd, quality compliance,  
within 30 minutes from typical home)

# Sustainability of services: The main challenge

1/3 of rural water points are estimated to be broken at any given time in SubSaharan Africa

First 5 years, after installation, around 30% of water points become non-functional.

After 15 years, 2 out of 3 water points in SubSaharan Africa is estimated not to be working.

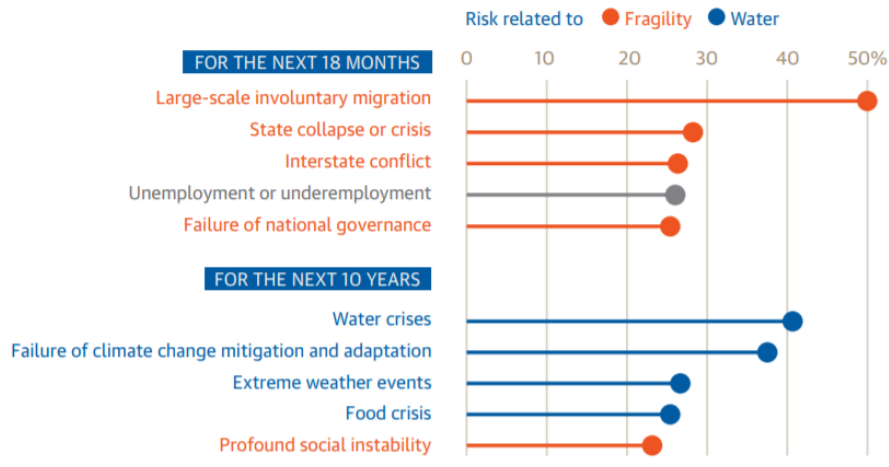


# Water stress and insecurity impact service delivery arrangements

FIGURE 1.2. Top Five Global Risks of Highest Concern for the Next 18 Months and 10 Years

## Top 5 Global risks of highest concern

Share of respondents (global leaders)



Source: World Economic Forum, Global Risks Report 2016.

Note: Based on a perception survey of leaders from business, government, academia, and nongovernmental and international organizations surveyed by the World Economic Forum.

- **Most water-scarce region in the world** (A recent World Bank [report](#) in MENA notes that more than **60% of the region's population is concentrated in places affected by high or very high surface water stress**, compared to a global average of about 35%).
- **Groundwater over-abstraction - unsustainable use of groundwater**
- Another challenge is on wastewater, **82% of which is not being recycled** in the region, compared to just 30% in high-income countries.

# Principles

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**Service delivery arrangements** must be:

- **Affordable** to the consumer
- **Equitable**, to reach all populations, including the most vulnerable
- **Sustainable** over the long run
- **Replicable**, to be able to expand in the future

# Expected Outcomes

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Models for service provision are defined for different contexts and applied appropriately, explaining **roles and responsibilities**, and stipulating **contracting procedures, O&M arrangements, supply chains, tariffs** and other parameters of service, leading to efficient and effective water and sanitation services.

- Different models for service are documented, with clear roles and responsibilities of users, service providers, and government in each of them (slide 16).
  - Standards/benchmarking for **affordable services** in place (more during financing session).
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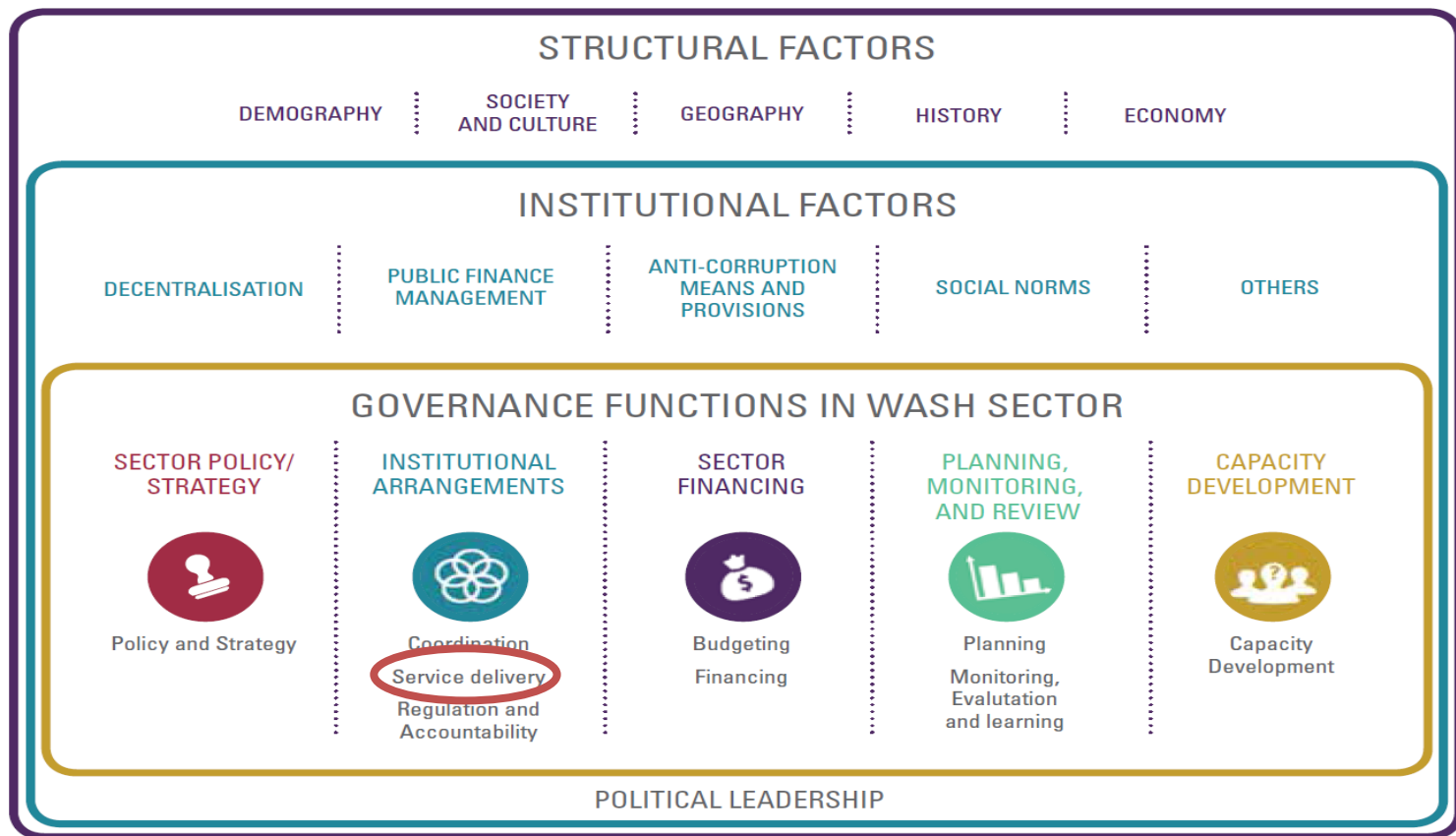


## Expected Outcomes (cont.)

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- Sector delivery models consider different options, including private sector participation.
- Conditions are conducive to application of those models, including **policy and regulatory framework, capacity development, financial provisions and performance-based incentives**.
- Models include provisions for **targeting most vulnerable people**.
- Models include **mechanisms for accountability** between users, governments, and service providers.

# Context: Structural and Institutional Factors



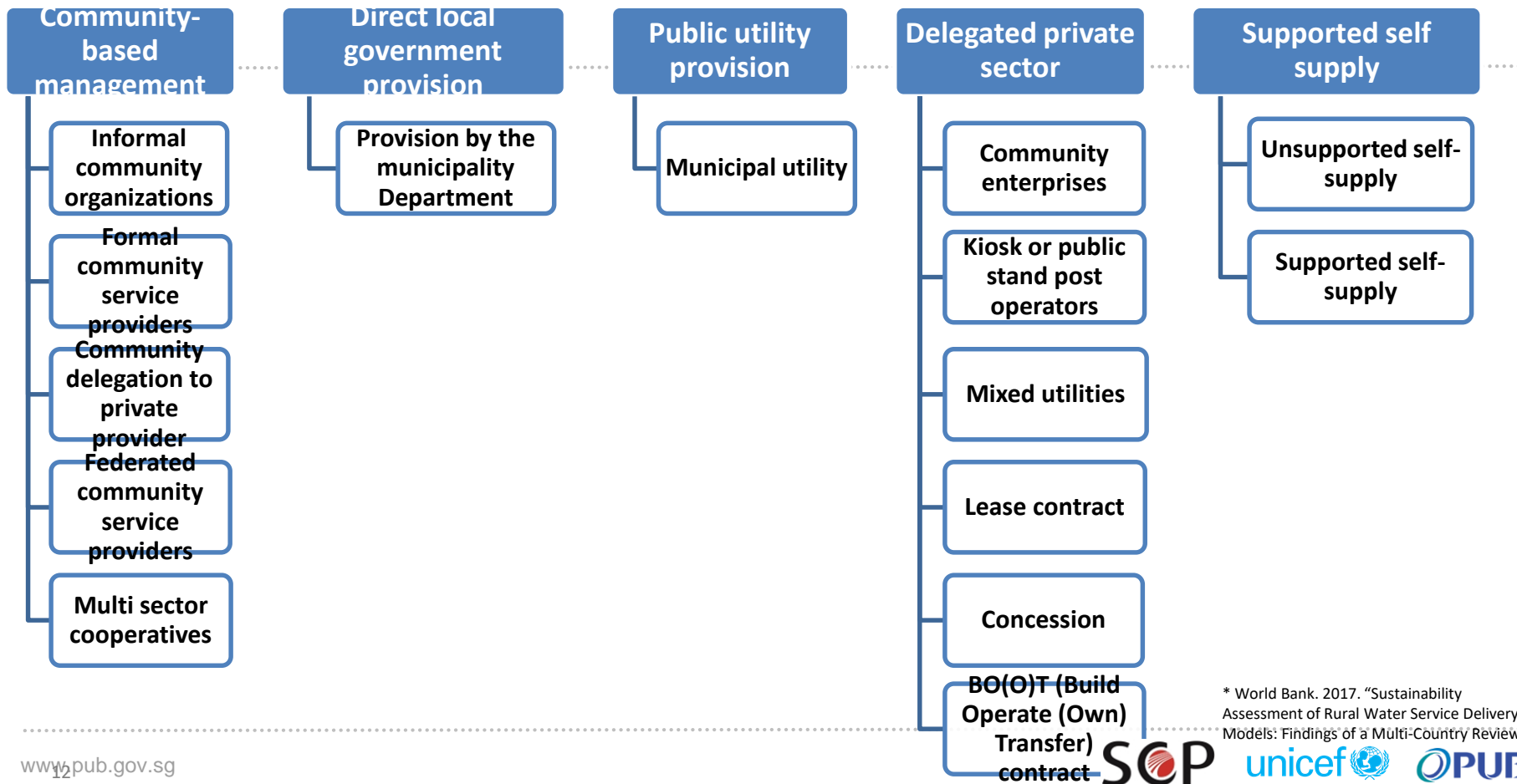
# Service delivery arrangement criteria

<input checked="" type="checkbox"/> Service Delivery Arrangements		
Definition	Service delivery is set of mechanisms to provide reliable, good quality water services on a continuous basis	
Outcome	Models for rural water service provision defined for different contexts and applied appropriately, explaining roles and responsibilities, and stipulating contracting procedures, O&M arrangements, supply chains, tariffs and other parameters of service, leading to efficient and effective services	
Priority Criteria	Standards/benchmarking arrangements for rural water service delivery in place	<input type="text"/>
Criteria		Tags
<input checked="" type="checkbox"/> The sector delivery models include a range of options, including private sector participation		<input type="text"/>
<input checked="" type="checkbox"/> Private sector is incentivized by government regulations, laws, institutions, financing and incentive systems		<input type="text"/>
<input checked="" type="checkbox"/> The process for selection and implementing service delivery models is clear, transparent and adapted to the context		<input type="text"/>
<input checked="" type="checkbox"/> Adequate conditions are in place for the application of service delivery models, including the policy and regulatory framework, available capacity support, financing arrangements and incentives		<input type="text"/>
<input checked="" type="checkbox"/> The models include provisions for targeting most vulnerable populations		<input type="text"/>
<input checked="" type="checkbox"/> The models include mechanisms for accountability between users, governments, and service providers		<input type="text"/>
<input checked="" type="checkbox"/> A supply-chain for hardware and services for drinking water systems meets rural community and households needs in terms of both availability and price.		<input type="text"/>
<input checked="" type="checkbox"/> The service models are widely known and implemented in practice		<input type="text"/>

# Service delivery arrangement criteria

Service Delivery Arrangements	Service delivery is set of mechanisms to provide reliable, good quality water services on a continuous basis	Models for water service provision defined for different contexts and applied appropriately, explaining roles and responsibilities, and stipulating contracting procedures, O&M arrangements, supply chains, tariffs and other parameters of service, leading to efficient and effective services	PRIORITY: Standards/benchmarking arrangements for water service delivery in place
			The sector delivery models include a range of options, including private sector participation
			Private sector is incentivized by government regulations, laws, institutions, financing and incentive systems
			The process for selection and implementing service delivery models is clear, transparent and adapted to the context
			Adequate conditions are in place for the application of service delivery models, including the policy and regulatory framework, available capacity support, financing arrangements and incentives
			The models include provisions for targeting most vulnerable populations
			The models include mechanisms for accountability between users, governments, and service providers
			A supply-chain for hardware and services for drinking water systems meets community and households needs in terms of both availability and price.
			The service models are widely known and implemented in practice

# Service Delivery Typology\*

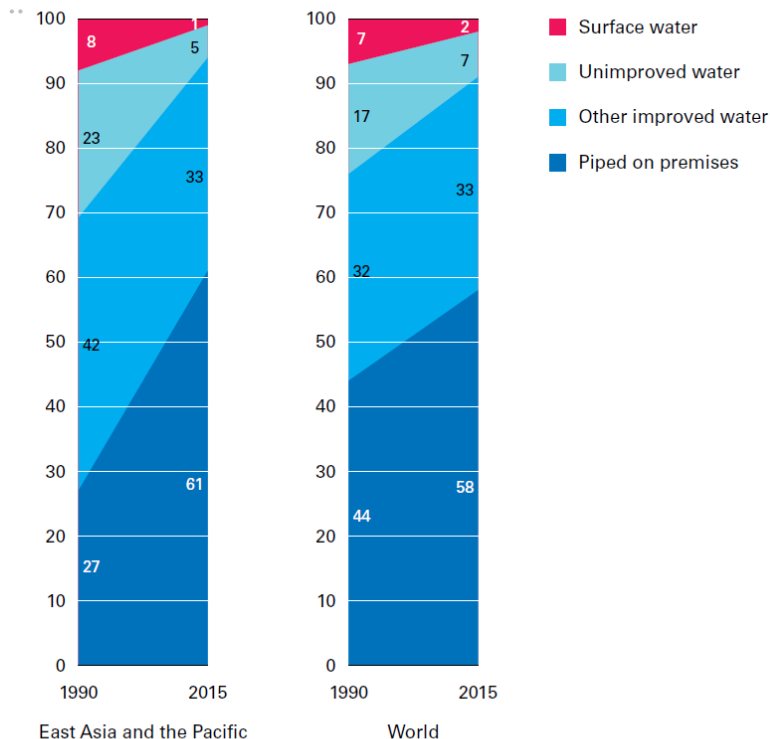


\* World Bank. 2017. "Sustainability Assessment of Rural Water Service Delivery Models: Findings of a Multi-Country Review."

# WATER TRENDS IN EAST ASIA AND THE PACIFIC

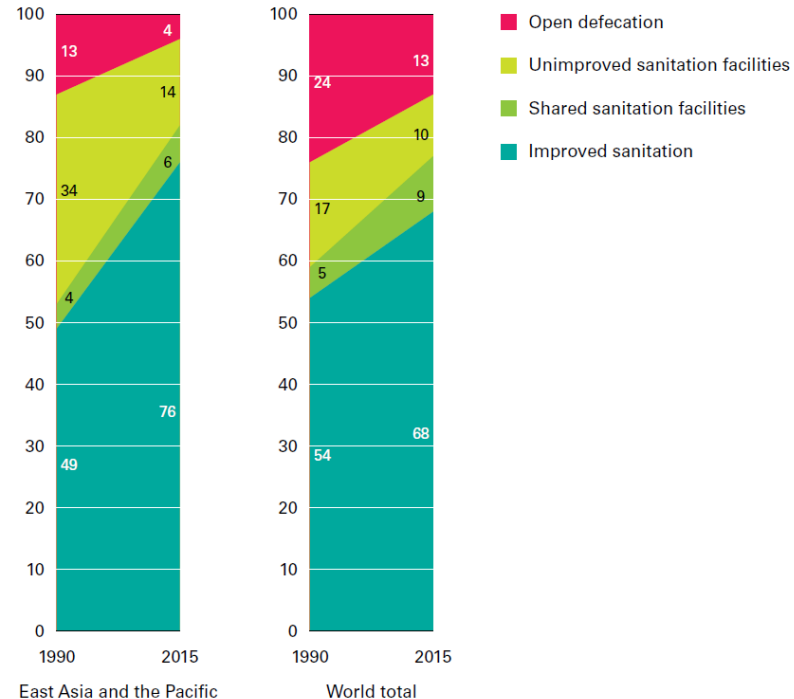
# SANITATION TRENDS IN EAST ASIA AND THE PAC

Regional and world water coverage trends



Source: WHO/UNICEF Monitoring Programme for Water Supply and Sanitation 2015 dataset.

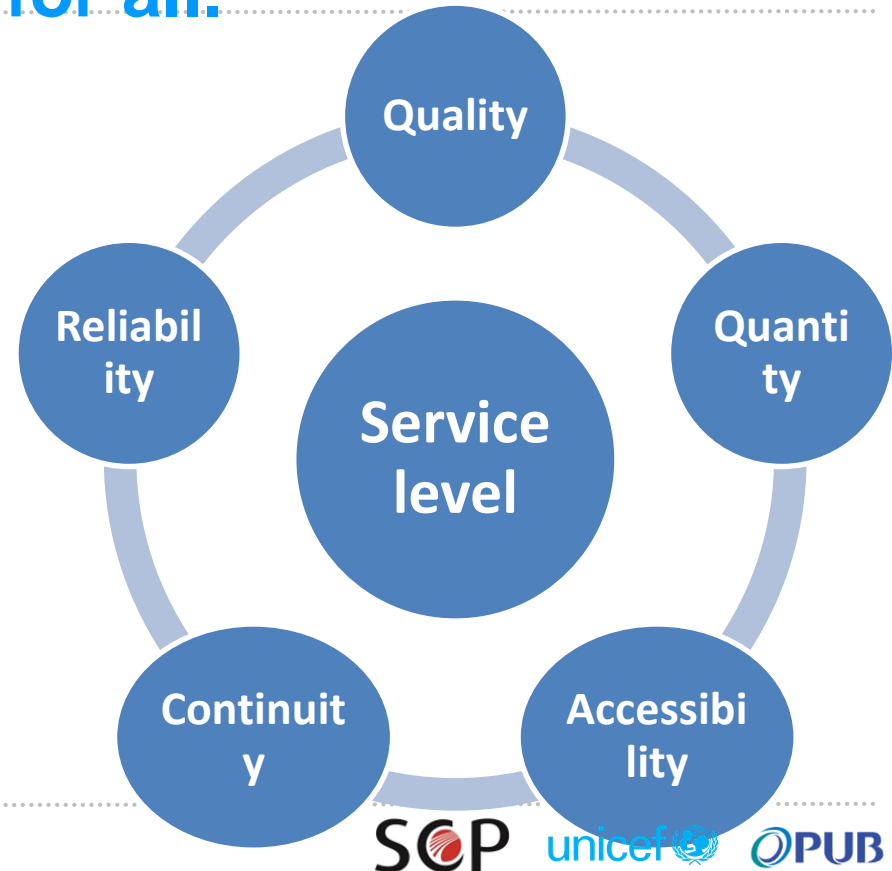
Regional and World Sanitation Coverage Trends



Source: WHO/UNICEF Monitoring Programme for Water Supply and Sanitation 2015 dataset.

# Challenges in providing universal and sustainable service for all.

- How the service standards correspond with the stringent definition of “safely managed drinking water.”
- Nationwide systems monitoring the functionality of water facilities face many limitations, but are a work in progress in most countries.



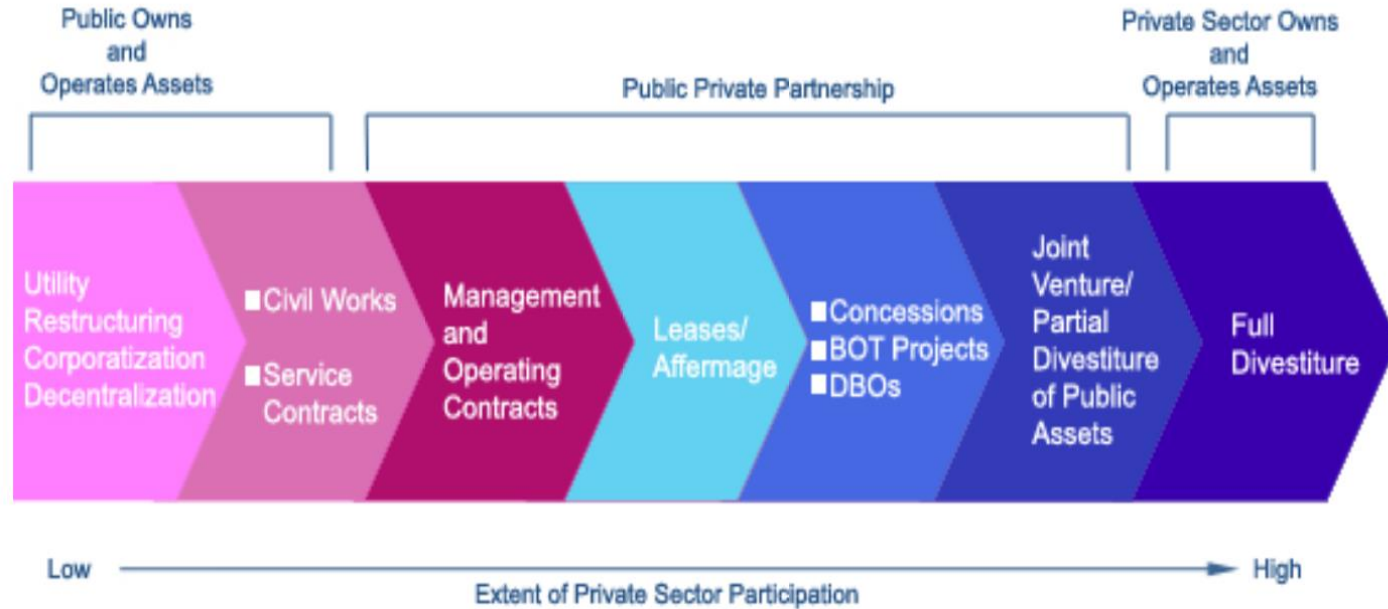
Service Delivery Typology			
Service provider typology	Main variants	Description	Country examples in MENA
Community-based management	Informal community organizations	Community organizations taking care of daily operation, maintenance, and administration. But these are not legally recognized as service providers, because organizations have not taken the due legalization steps or government has not applied its policy.	Vietnam, Philippines, China
	Formal community service providers	Community organizations taking care of daily operation, maintenance, and administration, and these are legally recognized as service providers. This implies that the support is integral to the model, though in reality they may not get support. The details of how they are set up and structured may vary according to type of technology and who established them (government or NGO). Communities may contract out certain tasks of O&M to individuals (plumber or scheme attendant) or even to small companies.	Vietnam, Philippines, China
	Community delegation to private provider	Community organizations delegate through contract the entire O&M to private operators over medium to long periods. The operator gets its remuneration through the sale of water. The community organizations provides oversight. It is essentially a double delegation from the authority to the community organization to the private operator	
	Federated community service providers	Community organizations take care of daily operation, maintenance, and administration, and these are legally recognized as service providers. There is a federation of individual community service providers, where the federation does some of the major works, and the individual members some of the minor works (also known as a Trust in Tanzania).	
	Cooperatives	Community organization not only established for water, typically agricultural organization. Often fall under a different legal regime from other community service providers	Indonesia, Philippines
Direct local government provision	Provision by the municipality	The local government is the service provider in the main settlement of its jurisdiction, and also serves nearby rural populations. The provider function is placed within the municipal administration (non-corporatized).	Vietnam, Philippines, China
Public utility provision	Municipal utility	The local government is the service provider in the main settlement of its jurisdiction and also serves nearby rural populations. The provider function is established within an entity that is autonomous from the municipal administration and may act along commercial lines.	Philippines,
		Autonomous utilities, that are fully controlled by the public sector at other levels of scale than local government (for example, province or state), but may act along commercial lines.	China, Philippines
Delegated private sector	Community enterprises	Commercial enterprises set up by county government, whereby the county retains the assets and establishes a concession service contract with community enterprises. The private operator is remunerated through the sale of water.	China
	Mixed utilities	The community and the local government jointly establish a company and jointly own the assets.	Vietnam, Indonesia
	Lease contract	The service authority delegates operation and maintenance to a private service provider. The private operator is remunerated through the sale of water, and pays a lease fee to the authority.	
	Concession	Similar to lease but with investment obligations and contracts over longer time to recoup investments. Some of the expansions are subsidized through output-based aid.	Vietnam
	BO(O)T (Build Operate (Own) Transfer) contract	The service provider is contracted to invest into a water system, based on a long-term contract for remuneration based on the sale of water.	Vietnam
	Kiosk or public stand post operators	Operator purchases water in bulk and ensures the retail sale of water, typically through a kiosk or public stand post. Operation and maintenance of the scheme is done by the service authority or utility, through the revenue from the operators.	



# Service delivery arrangement criteria scoring

FUNCTION	DEFINITION	OUTCOME	CRITERIA	SCORE
Service Delivery Arrangements	Service delivery is set of mechanisms to provide reliable, good quality water services on a continuous basis	Models for water service provision defined for different contexts and applied appropriately, explaining roles and responsibilities, and stipulating contracting procedures, O&M arrangements, supply chains, tariffs and other parameters of service, leading to efficient and effective services	<b>PRIORITY: Standards/benchmarking arrangements for water service delivery in place</b>	0
			The sector delivery models include a range of options, including private sector participation	0
			Private sector is incentivized by government regulations, laws, institutions, financing and incentive systems	0
			The process for selection and implementing service delivery models is clear, transparent and adapted to the context	0
			Adequate conditions are in place for the application of service delivery models, including the policy and regulatory framework, available capacity support, financing arrangements and incentives	0
			The models include provisions for targeting most vulnerable populations	0
			The models include mechanisms for accountability between users, governments, and service providers	0
			A supply-chain for hardware and services for drinking water systems meets community and households needs in terms of both availability and price.	0
			The service models are widely known and implemented in practice	0

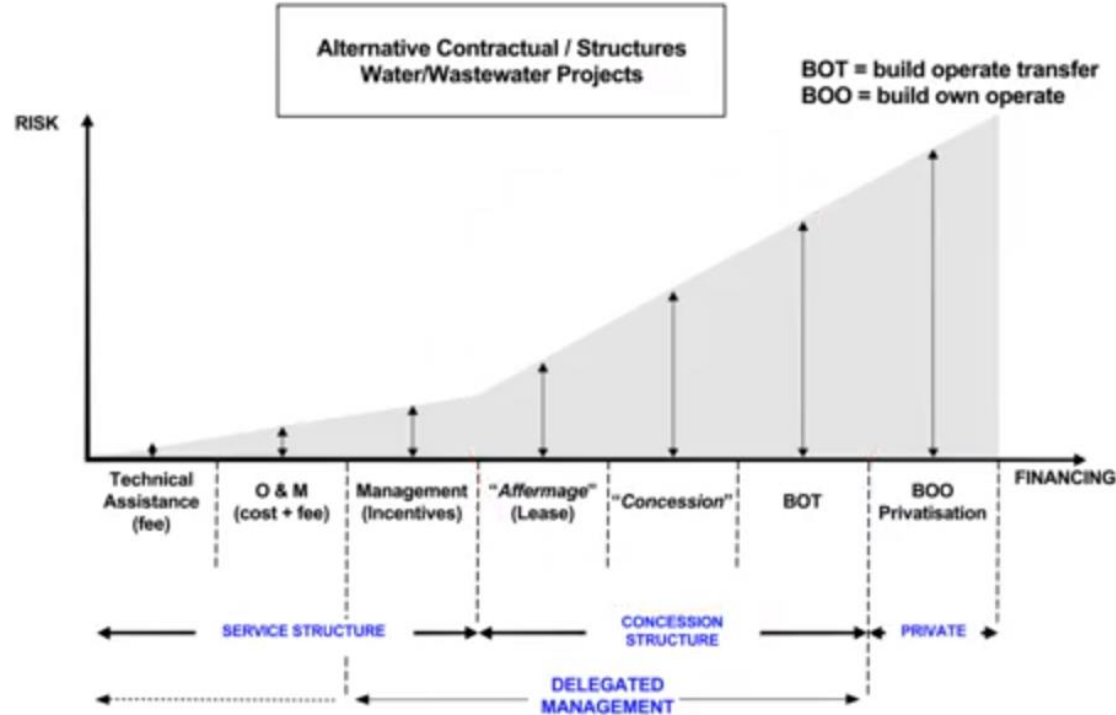
**Public-private partnerships** (PPPs) take a wide range of forms varying in the extent of involvement of and risk taken by the private party. The terms of a PPP are typically set out in a contract or agreement to outline the responsibilities of each party and clearly allocate risk. The graph below depicts the spectrum of PPP agreements \*.



Source. WB : <https://ppp.worldbank.org/public-private-partnership/agreements>

# Private sector model: Risk versus Financing

## Models of private sector contracting



# Possible policy highlights\*

1. There is a **'missing middle'** in the **enabling environment**: investment in systems, capacities and resources need to go down to service authority level.
2. **Communities on their own can often pay "O&M plus" but** not full cost recovery: financing from tariffs can cover O&M (and beyond) but plan for continued public financing for direct and indirect subsidies from taxes and transfers.
3. The transition to higher **service levels needs to be well managed**: better service levels with aggregated/larger, more complex schemes, will require **professionalized management**, asset management, comprehensive monitoring and introducing light touch regulation.
4. Dispersed and hard to reach **people require explicit focus to avoid stagnation**: as countries move along the development trajectory vulnerable, ethnic and minority groups will require tailored approaches.
5. **Technical or management solutions are not the constraint, in the end it is political engagement that may matter most**: rural water sectors do not exist in a vacuum and require an understanding and navigation of the political economy to ensure that systems are in place to sustain services indefinitely.

\* Sustainable Service Delivery Models for Rural Water Supply  
Harold Lockwood and Goufrane Mansour, Aguaconsult, UK  
Stef Smits, IRC, Netherlands Susanna Smets, World Bank \*\*\*

# Case studies Indonesia a Mongolia Vietnam With Service delivery analysis

## Equity in Public Financing of Water, Sanitation and Hygiene (WASH)

Analysis from INDONESIA, MONGOLIA and VIET NAM



UNICEF East Asia and Pacific Regional Office  
June 2016

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children

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## Equity in Public Financing of Water, Sanitation and Hygiene (WASH) INDONESIA



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## Equity in Public Financing of Water, Sanitation and Hygiene (WASH) MONGOLIA



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2016

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## Equity in Public Financing of Water, Sanitation and Hygiene (WASH) VIET NAM



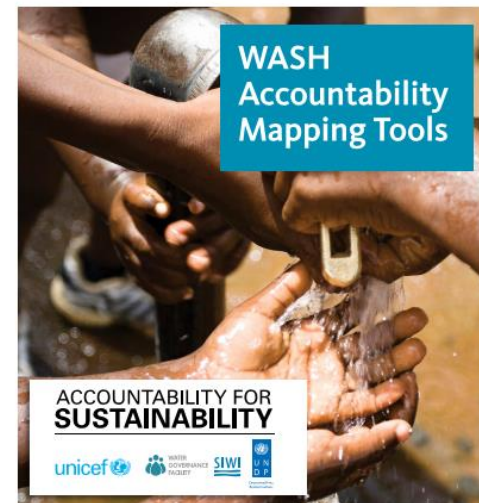
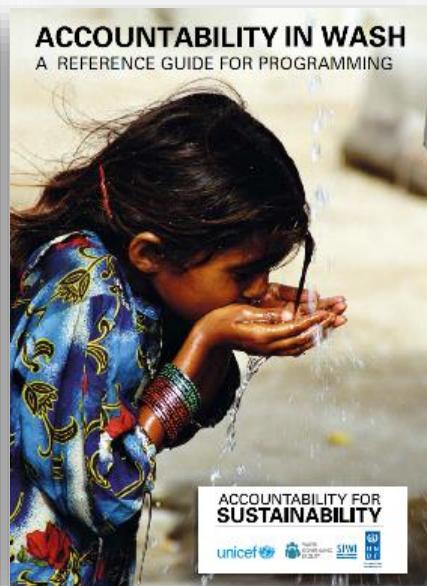
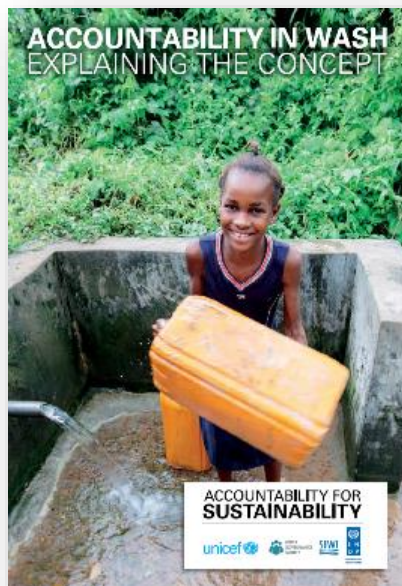
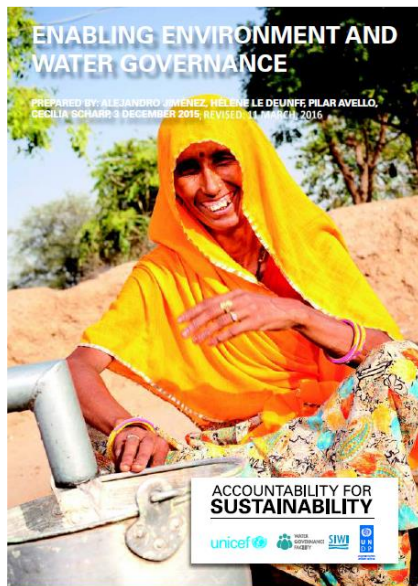
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# Publications



French version available on [watergovernance.org](http://watergovernance.org)

# Sector level Questions (for participants)

Are there programs to support service providers and private sector capacity building at national or decentralized levels for rural water?

Are there programs and initiatives of technical assistance to train and support service providers on business development and technical capacity?

Do service providers receive external support and backstopping on a regular basis?

Do service providers have the technical and managerial capacity to operate water schemes effectively?

Are incentives in place for service providers to improve their performance?

# Thank You

*Marina Barrage*