

Water for the Poor and USAID

- **Policy and Strategy**
 - Water for the Poor Presidential Initiative – 2002-2005
 - Water for the Poor Act – 2005
 - Launching a Blue Revolution – USAID's Action Plan
- **Investment and Results**
 - Approximately \$1.8 billion on water supply, sanitation, watershed management, productivity
 - 9.5 million with improved access to clean water
 - 11.4 million with improved access to sanitation

Why Service the Poor?

- Water is a basic human right!
- Access can save the poor money.
- Access increases productivity.
- Access can improve household health.
- The poor can afford to pay utility tariffs.
- Water service to the poor benefits ALL!

The Dilemma...

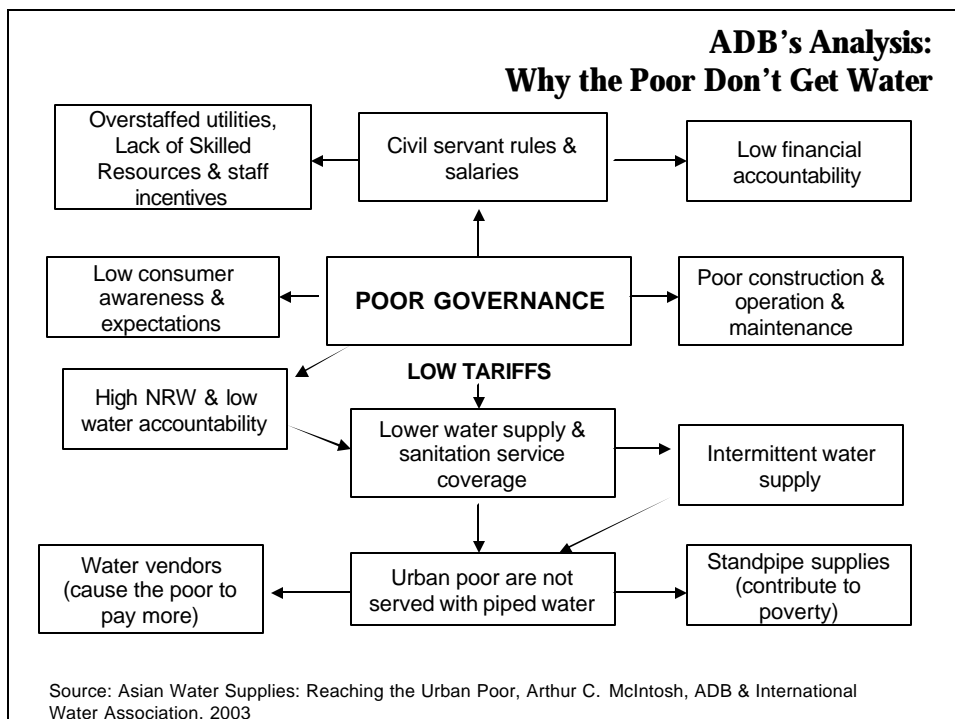
Financial stability and operational efficiency are prerequisites before any utility can effectively serve the poor, yet ...

Many sound utilities and service providers often resist extending services to poor communities.

WHY?

Obstacles to Serving the Poor

- Unclear property rights and unplanned settlements
- Poor perceived as high risk clients
- Utility lack of understanding of poor (and vice-versa)
- High connection charges
- Inflexible technical/legal standards



Case Study – Innovative Service Models

- Location: Metro Manila, Philippines
- Circumstances:
 - Large squatter area in need of service for 17,000 households (Addition Hills)
 - Private company BOT agreement with local government (1997)
 - Bulk water connection from public utility, community organized and managed distribution
- Lessons Learned –
 - Community management effective
 - Private sector involvement as intermediary
 - Land tenure risk reduced

Case Study – Community Management

- Location: Port-au-Prince, Haiti
- Circumstances:
 - Large informal settlement without service to water/sanitation (Cité Soleil)
 - Community organization created to manage water and sanitation (CADEPA)
 - CADEPA buys water from municipal utility and services the settlement
- Lessons Learned:
 - Community ownership leads to reliable management
 - Community distribution of water decreases likelihood of non-payment
 - Organization requires third party assistance

Case Study – Financing Water Service

- Location: Cote d'Ivoire
- Circumstances:
 - Private water company (SODECI) with mandate to implement government pro-poor policy
 - Implement cross-subsidy for household connections
 - Also utilizes rising block structure and water resellers for informal settlements
- Lessons Learned:
 - Strong government policy and leadership is important
 - Cross-subsidies and pro-poor initiatives can benefit all

Case Study – Policy Reform

- Location: Accra, Ghana
- Circumstances:
 - Government effort to privatize service in late '90's
 - Supported policy of separation (unbundling) increasing vulnerability of poor
 - Widespread awareness campaign and grass-roots action led to revision of policy/approach
- Lessons Learned:
 - Leadership and policy required to support services to the poor
 - Awareness and community mobilization can be effective in influencing change

Common Elements of Successful Service to the Poor

- Leadership and vision on pro-poor agenda (Political Will)
- Community engagement and ownership
- Accessible financing alternatives
- Appropriate technology
- Supportive policy and regulatory environments

USAID/Asia – Water and Sanitation

- Demonstrating models for the poor
 - Water Supply – Bandung, Colombo and others.
 - Decentralized Sanitation – San Fernando, Nuwara Eliya and others.
- Building leadership for the future:
 - Urban Water Leadership Forum – Asia
- Developing mentoring relationships:
 - Intra-regional twinning
 - US-Asia twinning

Summary

- Servicing the poor benefits ALL!
- Tools and approaches are available to transform vulnerable communities into viable utility clients.
- Strong leadership and vision supported by pro-poor policy and regulations are required to have widespread impact on the poor.

THANK YOU!

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