

Results-Based Financing and Water and Sanitation: Improving Systems and Accountability



WORLD BANK GROUP
Social, Urban, Rural & Resilience



Development Financing for Results

Results-Based Financing to Promote Accountability

“From nothing to something”



Archipelagic Country

Indonesia has more than
17,000 islands



Indonesia Water Context



>250 MILLION
4th most populous
country

Population w/no access to:

DRINKING WATER

29%



SANITATION FACILITIES

38%



Improving Basic Services



National target for 100-0-100



Decentralized basic services



USD 98 Million fiscal transfer

What were the challenges?

Low compliance on reporting

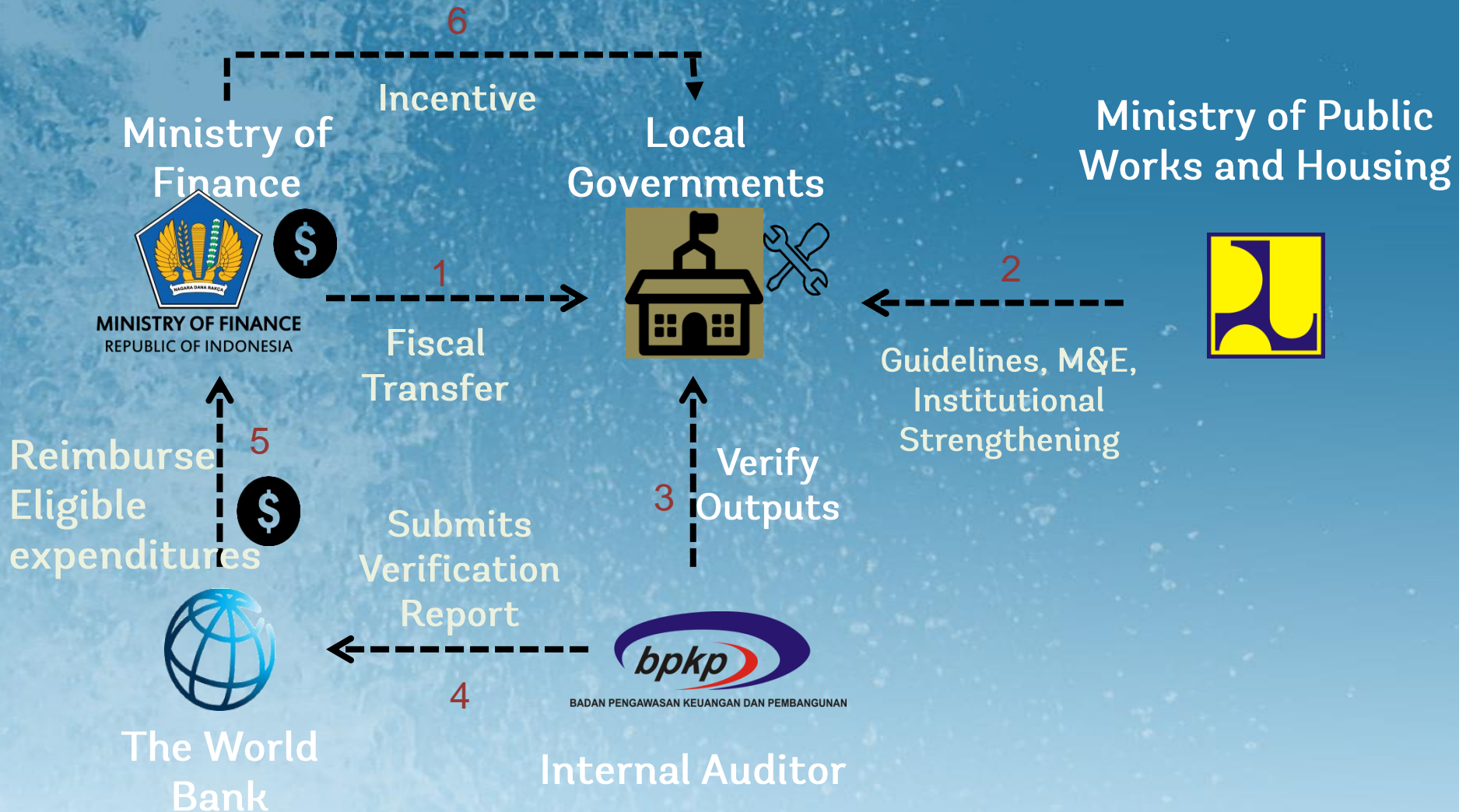
Unreliable database

Monitoring and Evaluation

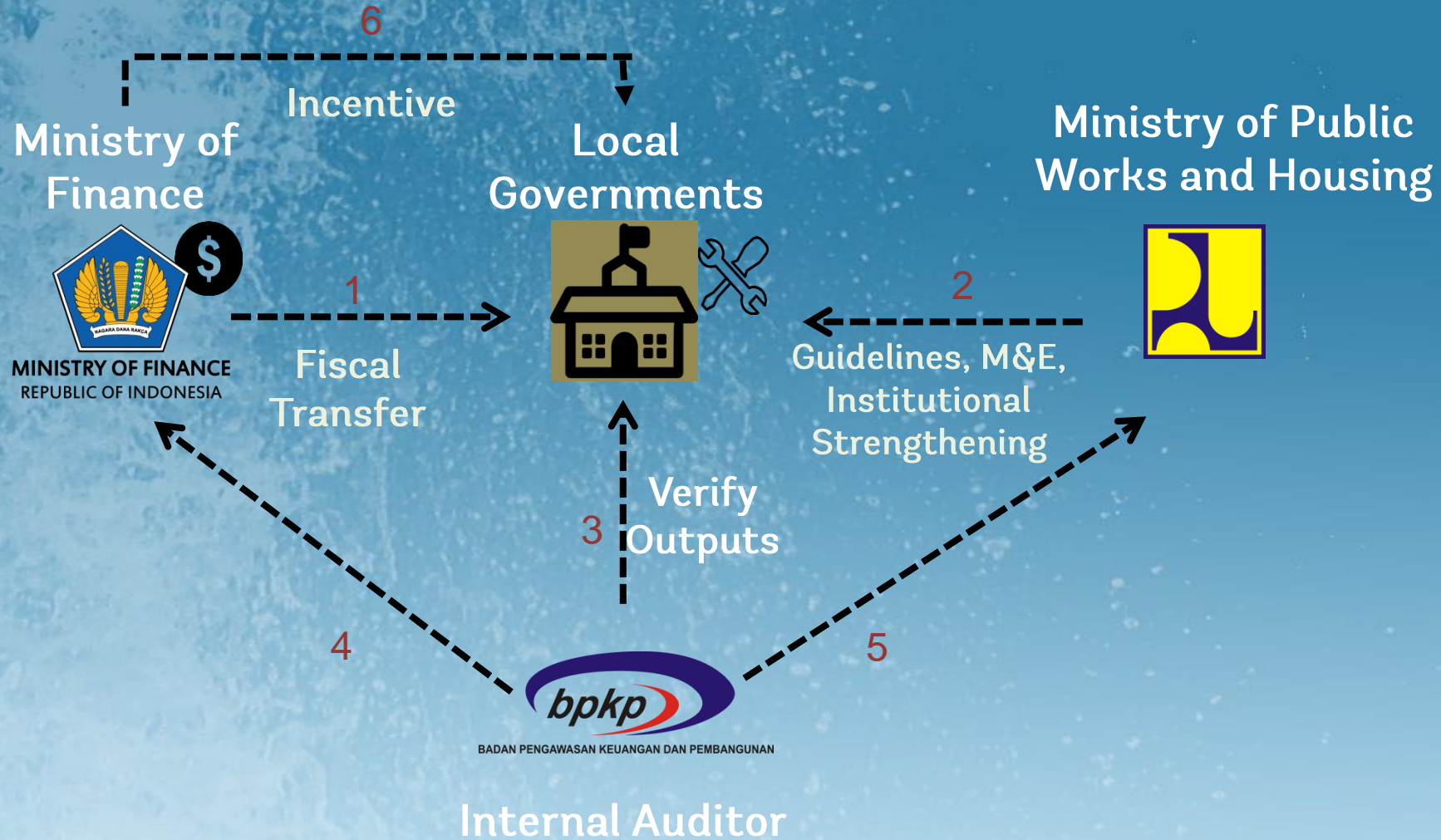
Effectiveness and Efficiency



Results-Based Financing



Results-Based Financing



Results and Achievements

Output
verification



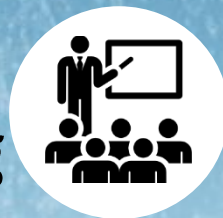
From Nothing to 'Something'

Web-Based
Reporting



From Manual to Web-Based

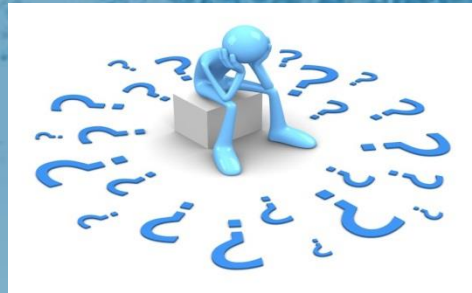
Institutional
Strengthening



From Basic to Advance

From Nothing to Something

Initial Condition



No Verification



Unreliable data

Current Condition



Indonesia internal auditor



Reliable verified data
3,889 piped water connections

From Manual to Web-Based

The screenshot displays a web-based reporting system for water infrastructure projects. The main interface shows a list of projects under the heading "Daftar Pelaksanaan - Kab. Ponorogo". A table lists project details, with a row highlighted in green:

No	Tahun	Kategori	Detail	Tgl Pelaksanaan	Anggaran	Aksi	
3	2014	INFRASTRUKTUR AIR MINUM	Rehabilitasi Jaringan Air Minum	PL/118/24.10/FSK/SDA/405.14/2014	23 Mei 2014	197.117.000	[Icons]

Below the table, a map shows the project location in Ponorogo, Jawa Timur. A red box highlights the map area. Two orange boxes show detailed activity reports for the project, including photos of the water tower and technical data:

- Activity Report 1:** Shows a photo of a water tower under construction. Metadata includes: Kategori File: Laporan Pelaksanaan 0%, Judul File: -, Nama File: DSCN0004.jpg, Keterangan: -, Koordinat Latitude: -8.1209403333333, Koordinat Longitude: 111.45915163889.
- Activity Report 2:** Shows a photo of a completed water tower. Metadata includes: Kategori File: Laporan Pelaksanaan 100%, Judul File: -, Nama File: DSCN0335.jpg, Keterangan: -, Koordinat Latitude: -8.1209233333333, Koordinat Longitude: 111.45951997222.

The system also includes a sidebar with navigation options: Beranda, Data Referensi, Perencanaan, Pemetaan, Pelaksanaan, Reporting, Administrasi, and Logout. The user is logged in as Fandi Nasution.

From Basic to Advance



Basic

- Amount of money transferred
- Output achieved



Advance

- Performance evaluation
- Impact analysis

Institutionalized tools

- Results-based evaluation
- Ministerial regulation on M&E

Leaving the footprint

Technical Training Support from GPOBA



- Technical trainings for 350 auditors
- E-learning modules
- Sustainability

Provide the 'bible'

Verification Handbook Support from GPOBA

Good and Bad infrastructure

- Auditors
- Local Governments



Results-oriented skills

Monitoring & Evaluation Support from GPOBA



- Results-Based M&E
- Impact Analysis
- Develop results-based manual

Influence others..

South-South Knowledge Exchange



- 75 participants from 5 countries
- Cross-learning event on leveraging performance-based grant
- Ongoing Exchange through OBA/RBF Community of Practice

Results Achieved



Reliable Data
& Information



Sustainability of
Verification



Targeted
Institutional
Strengthening

What's next?



Continue policy improvement



Available and ready-to-use verification mechanism



Targeted capacity strengthening for Local Governments



Today, VOILA!!



Results-Based Financing Solutions for Sanitation:

Sri Lanka and Senegal

GPOBA WatSan Portfolio

18 PROJECTS

13 closed / 5 active



~ 2 MILLION
beneficiaries

Context

2016
GDP growth

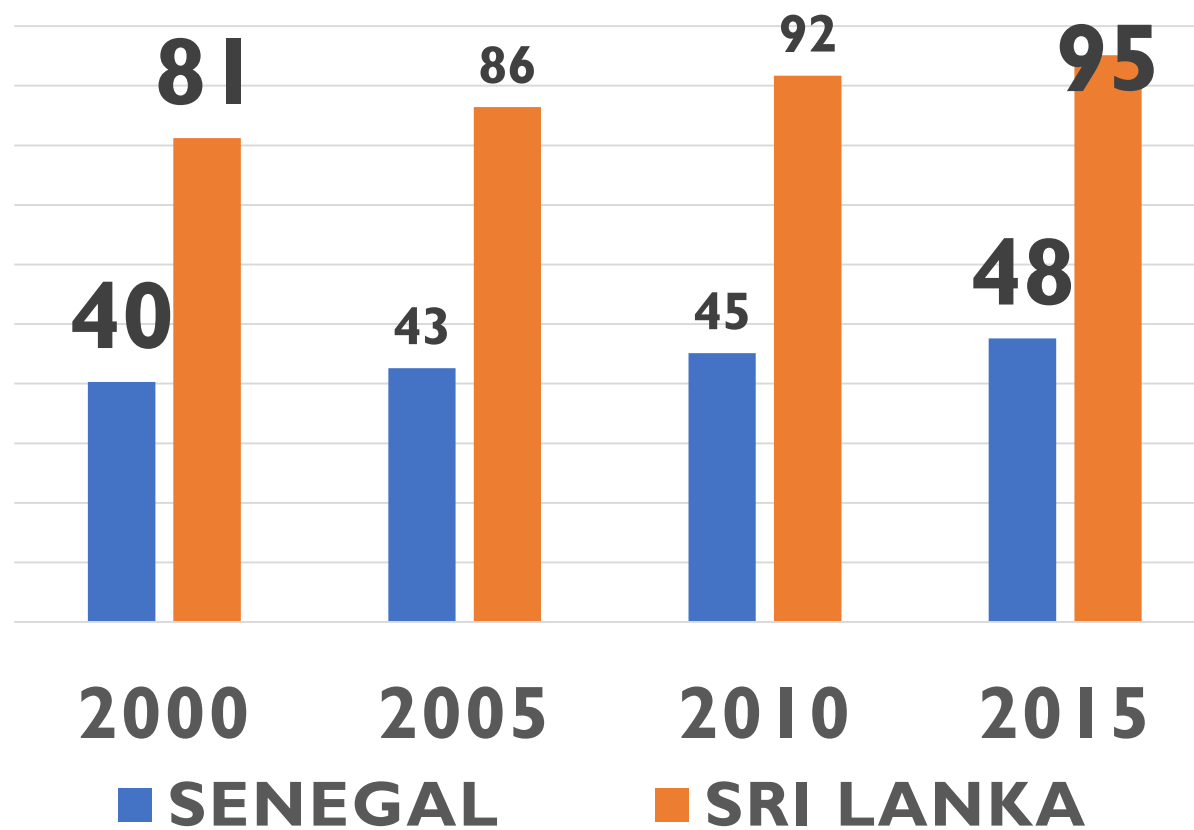


4%



6%

POPULATION W/ SANITATION ACCESS (%)



Challenges & Solutions



Delivery is a challenge, especially for low-income customers

**Results-Based Financing /
Output-Based Aid**

encourages accountability &
sharpens focus on delivery



Sanitation OBA (Dakar)

2007 DESIGN



**PUBLIC
UTILITY**



GOVERNMENT



NGOS

TARGET: 15,000



SANITATION FACILITIES

**TOTAL PROJECT
COST \$7m**

\$5.7m

OBA

PAYMENTS

ADVANCE 30%

**VERIFICATION OF
COMPLETION 50%**

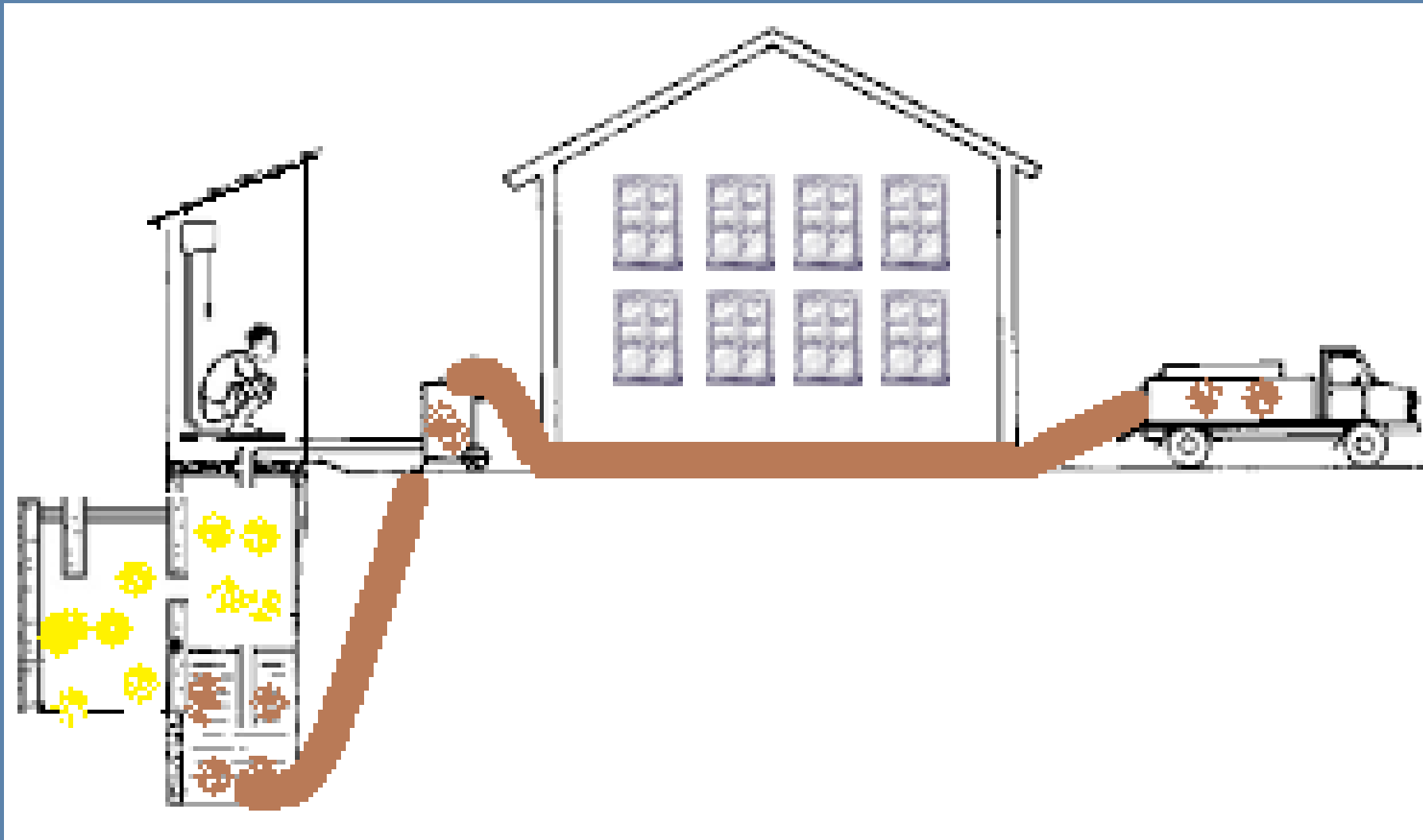
**O&M VERIF.
20%**

Sanitation OBA (Dakar)



Latrine in Benouba

Onsite Sanitation



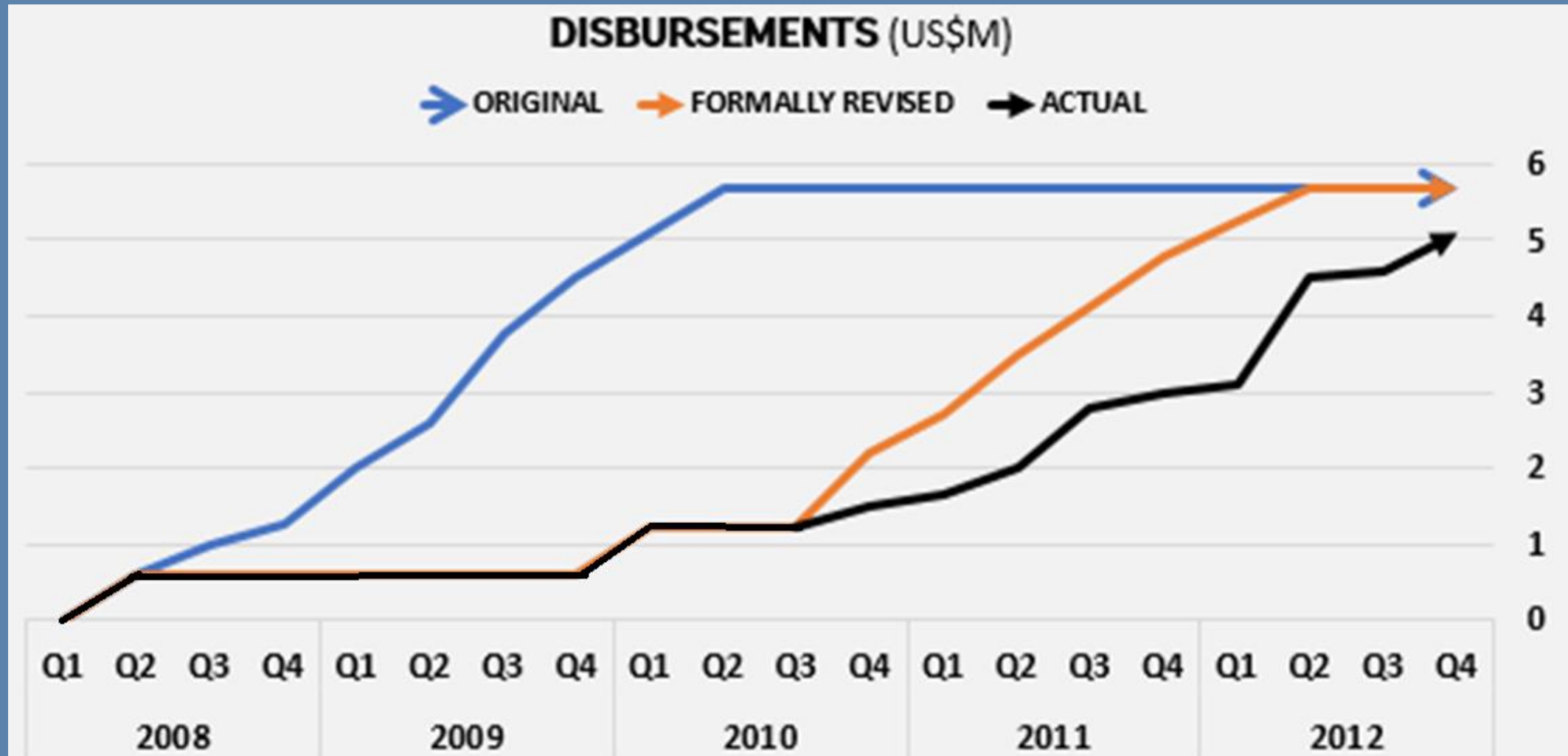
Technologies and Solutions

Technology	Beneficiary contribution	+ OBA =	Total cost
Sewer sanitation*	\$55 - \$160 or in-kind*		
Flush toilet /pit + shower option			
Shower / pit			
Ventilated latrine*			
Washing facility / pit			



* after 2011

OBA Focus on Delivery and Accountability



OBA Focus on Delivery and Accountability

2010: Implementation Stalled

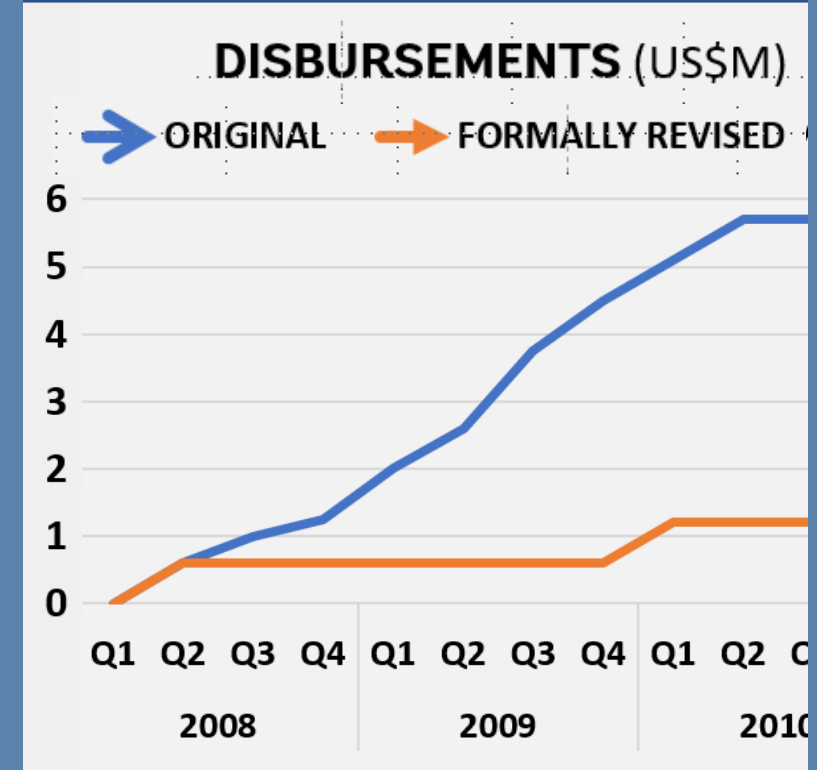
Economic slow-down

→ **affordability / demand**

Updated design worked out by service provider

→ **target reduced**

→ **timeline extended by almost 2 years**

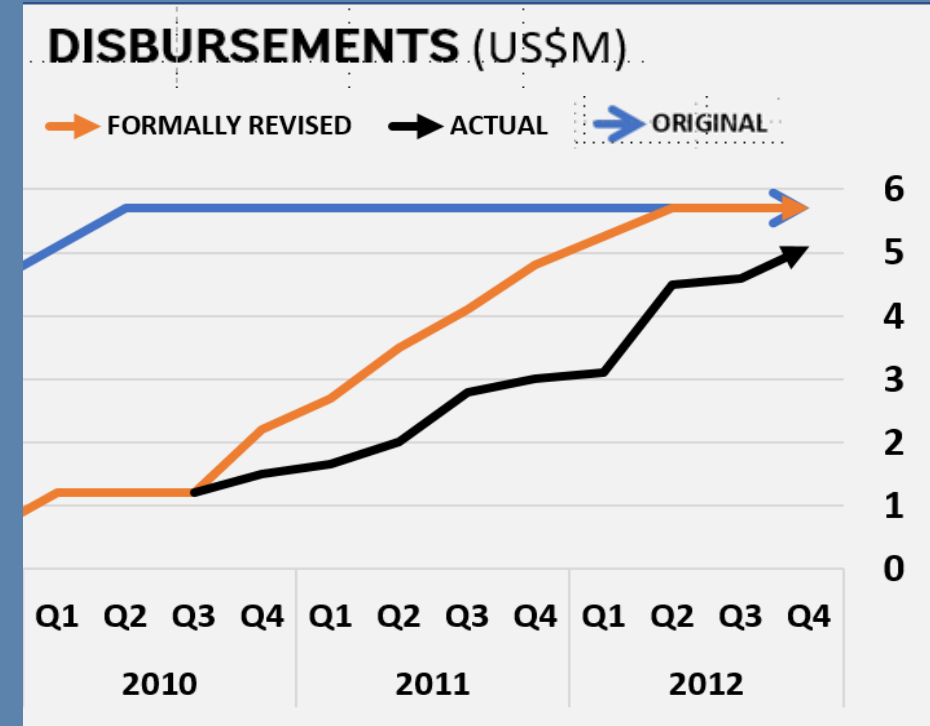


OBA Focus on Delivery and Accountability

2012: project complete successfully

11,495 toilets each serving
12 people on average

over 100,000 poor users



Sanitation OBA (Colombo)

2011 DESIGN



**PUBLIC
UTILITY**



Sida



WASTEWATER TREATMENT

**INITIAL
TARGET: 15,000
HOUSES**



**OBA
PAYMENTS
\$5.1m**

**TOTAL PROJECT
COST \$13m**

COMPLETION 50%

**BILLABLE USE
VERIFICATION 50%**

Sanitation OBA (Colombo)

2015 RE-DESIGN



WATER UTILITY
FORMS **PPP** FOR
ONSITE SANITATION



GOV'T ADDS
CO-FINANCE

\$2
million



INCREASE IN
OBA / TOILET

REVISED TARGET: 8,800 
TOILETS

STATUS & TIMELINE:

Extended by ~3 yrs to **2018**

PPP started

Networked sanitation completed

OBA

PAYMENTS

STATUS:

PHYSICAL COMPLETION 85%

DISBURSED 50%

The screenshot displays the GPOBA Sri Lanka website. The header includes the GPOBA logo (Global Partnership on Output Based Aid of Sri Lanka), the Sri Lankan national emblem, and logos for GPOBA and The World Bank. Contact information (011 250 4273, contact@gpoba.lk) and a Facebook link are also present. The navigation menu includes Home, About Us, Our Projects, Community, SPEAR, Downloads, and Contact Us. The 'Our Projects' dropdown menu is open, listing various initiatives such as Onsite Sanitation Improvements, Badowita Simplified Extension with Pumping, Diyawarapura DEWATS, Communication Campaign, Direct Connections, Ratmalana Housing Scheme DEWATS, Simplified & Conventional Extensions, and Lunawa DEWATS. The main content area shows the 'About Us' page with a red arrow pointing to the 'Objectives' section.

Home » About Us

About Us

Objectives

We intend to increase the number of improved sanitation systems and services through an output-based approach among low income households in greater Colombo. Improved access to sanitation services should result in improved health and environmental conditions for the population living in targeted areas, by ensuring that domestic wastewater is effectively managed and appropriately disposed of. This will be accomplished through new connections to network centralized or decentralized sewerage, and improved on-site sanitation in partnership with municipalities as well as effort will be taken by the National Water Supply and Drainage Board (NWSDB), with the vision to be the most prestigious utility supplier in Sri Lanka.

Our objective extends to pilot OBA (Output Based Aid) as an efficient mechanism for delivery of improved sanitation services to low income households.

Project Outputs

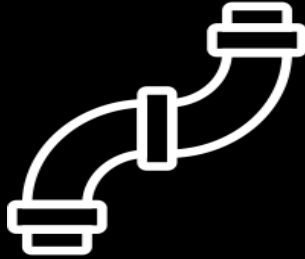
The key proposed technical options, or so-called "outputs," on which OBA subsidies will be disbursed to NWSDB are

Sanitation Solutions

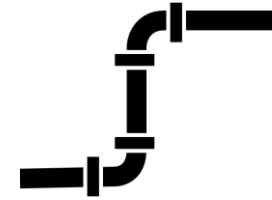
8,800 CONNECTIONS



DIRECT
(in the yards)



CONVENTIONAL
(normal diameter)



SIMPLIFIED
(smaller diameter)



DEWAT



ON-SITE (SEPTIC TANKS)



SIMPLIFIED
(with PUMP)

SRI LANKA

Direct Connections & Extensions



DIRECT

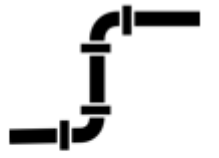


CONVENTIONAL
(normal diameter)



High Cost of Piped Sanitation in Poor Flood-Prone Areas





SIMPLIFIED
(smaller diameter)



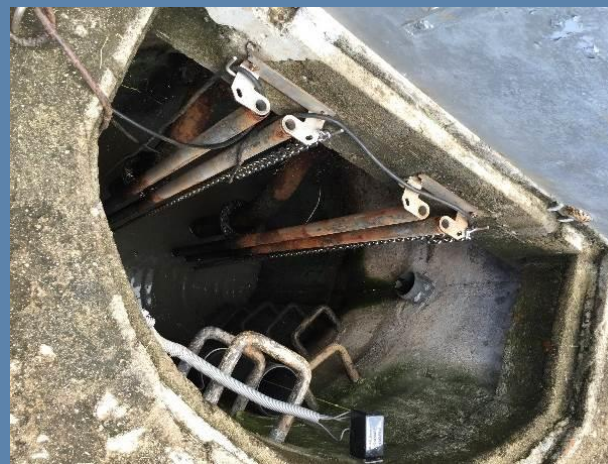
BEFORE



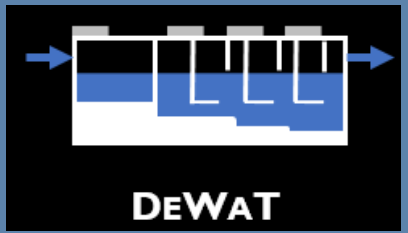
AFTER

Small Networks with mini-wastewater plants

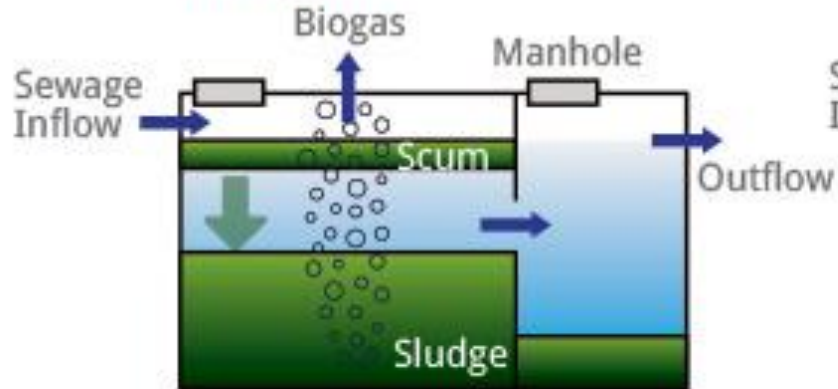
Urbanization in poor areas is chaotic
...but there are exceptions where
piped sanitation is well-suited



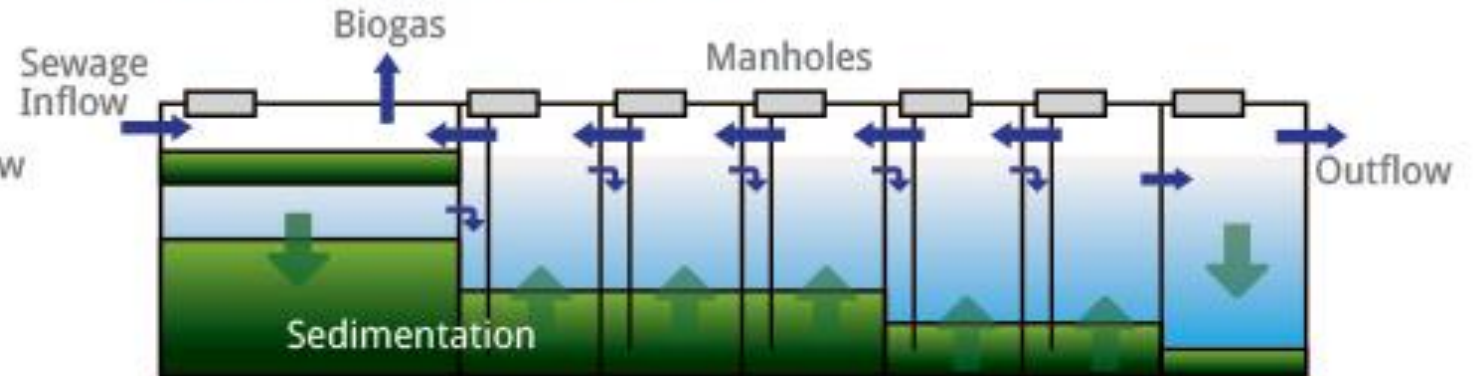
DeWaT Example



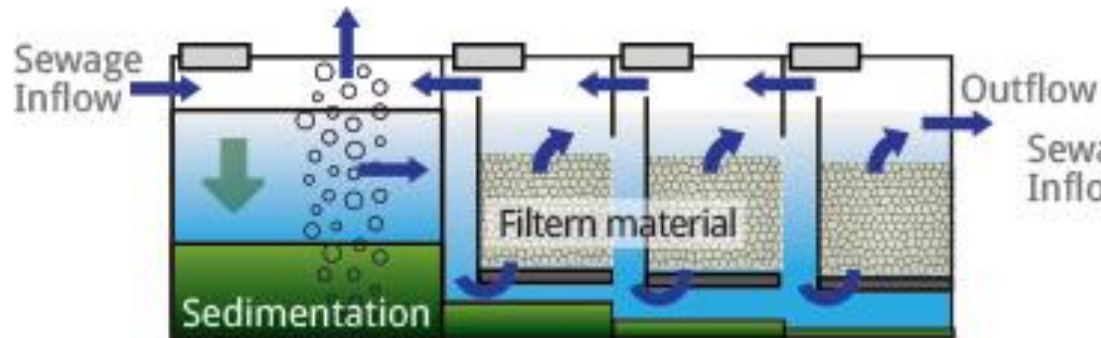
1. Settler



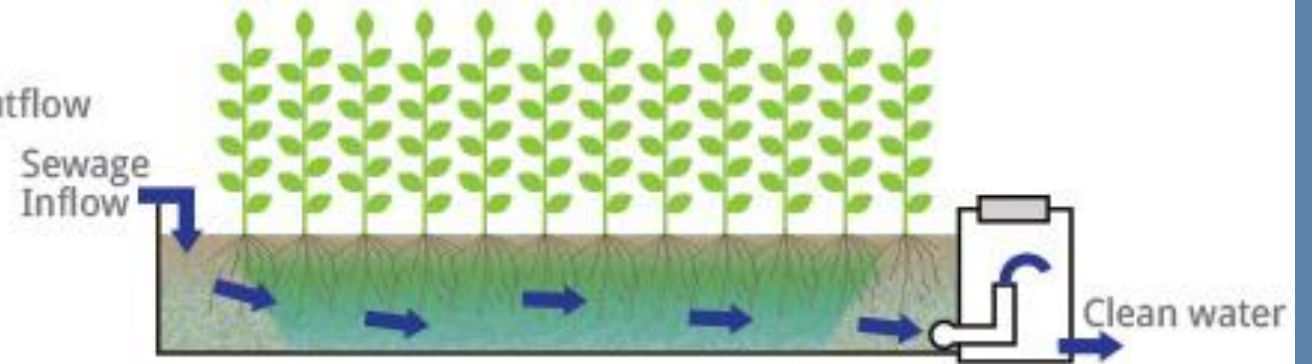
2. Anaerobic Baffled Reactor



3. Anaerobic Filter

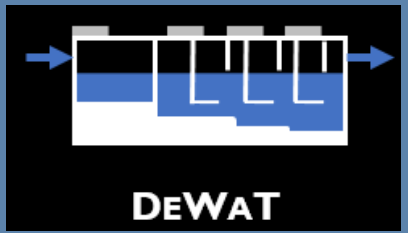


4. Planted Gravel Filter



Mini-Networks

Demonstrated measurable results



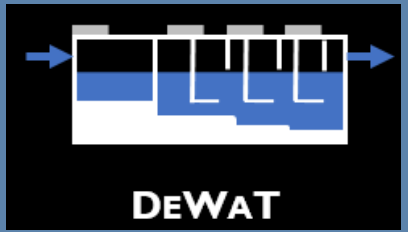
BEFORE



AFTER

Mini-Networks

Demonstrated measurable results



BEFORE



AFTER

SRI LANKA

Ratmalana DeWaT

ST/AF/Wetland



PPP for Onsite Sanitation - FABRICATION



PPP for Onsite Sanitation - INSTALLATION



PPP for Onsite Sanitation - LEGAL

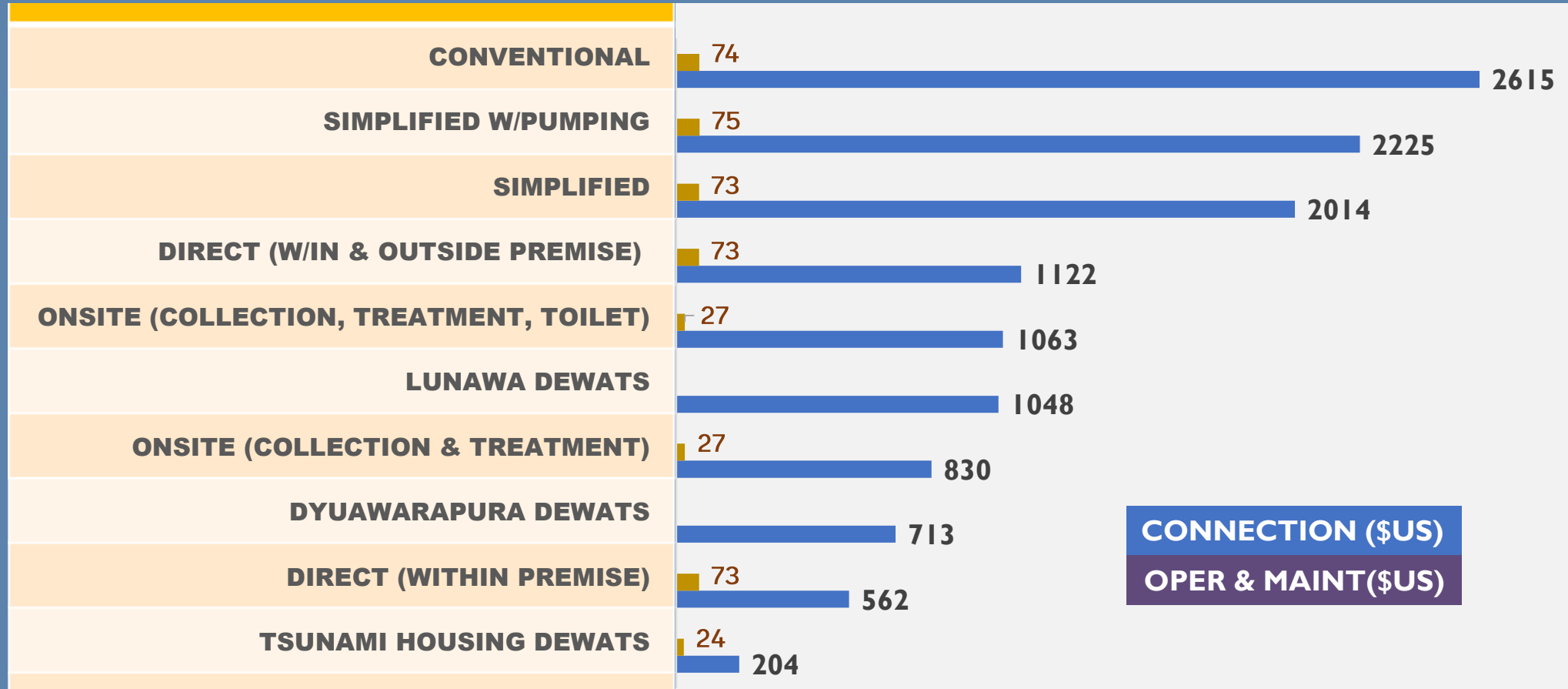


It's a “works contract” / “servicing contract” between the public utility and the PPP operator (builder/installer/servicer of septic tanks)

MoU between the utility, the participating local authorities and the PPP operator (builder/installer/servicer of septic tanks) + consumers

Why not a standard PPP contract w/allocation of risks?

Cost discovery: Connection vs. O&M



Communication Campaign



Takeaways – focus on delivery

- Cost discovery
- Demand & advocacy
- Solid waste collection in parallel
- Innovative solutions:
 - Bundles of toilets/showers with soakage pits
 - PPP for installing & regularly servicing on-site sanitation
 - DeWaT - mini wastewater treatment plants

SRI LANKA AND SENEGAL

Takeaways – focus on accountability

	Opportunity	Risk	Accountability
Customers / beneficiaries	<ul style="list-style-type: none">Improved sanitation	<ul style="list-style-type: none">Service qualityOften, pre-financing	<ul style="list-style-type: none">Shared ownership and O&M responsibility
Service provider (public, private or non-profit)	<ul style="list-style-type: none">Profit, market expansion and scaleSpace for innovation	<ul style="list-style-type: none">Continuous desludging, billingOften, pre-financing	<ul style="list-style-type: none">Liable for O&MInnovative solutions
Local government, politicians	<ul style="list-style-type: none">Focus on verification instead of deliveryBetter health / environment	<ul style="list-style-type: none">Non-deliveryOften, pre-financing	<ul style="list-style-type: none">Via public commitment, transparency
National government, technocrats	<ul style="list-style-type: none">Focus on verification and policy	<ul style="list-style-type: none">Non-deliveryOften, pre financing	<ul style="list-style-type: none">Convener under RBFCost effective solutions



GPOBA supports communities to
access basic services using
results-based financing



Find us at World Bank Booth (#3)
8/30 @12:45pm and 9/1 @10:30am

For information on featured projects and speakers >>
worldwaterweek.gpoba.org

Join our community of practice at
www.gpoba.org/community

Contact us at gpoba@worldbank.org



We partner with communities,
donors, governments, and the private sector
to improve lives and achieve measurable results.



WORLD BANK GROUP
Social, Urban, Rural & Resilience