

# Rural Poverty and Water Initiative

**Water and Poverty Initiative for the  
3<sup>rd</sup> World Water Forum  
Partnerships for Action to  
Improve Water Security for the Poor**

**WORKING DOCUMENT**

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More information on the WPI and other poverty reduction initiatives from ADB can be found on <http://www.adb.org/water/theme/poverty.asp>

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# Introduction

The Rural Water and Poverty Action Initiative outlined in this discussion paper supports the related actions taken by developing countries through the Water and Poverty Initiative (WPI). Comments, seeking to develop partnership initiatives, as a follow-up to the 3<sup>rd</sup> World Water Forum (3<sup>rd</sup> WWF) in March 2003, in Kyoto, Japan, are welcome.

This paper was prepared after WPI's Regional Consultation Workshop on Water and Poverty in Dhaka, Bangladesh, in September 2002, and was revised to incorporate the comments made by development partners at the preparatory meetings for 3<sup>rd</sup> WWF in Kyoto on November 2002, at ADB's Water Week on 9–13 December in Manila, and at the preparatory meetings for 3<sup>rd</sup> WWF at ADB on 27–28 January 2003.

The WPI was formed in February 2002, by several collaborating partners in connection with the preparation of the Water and Poverty theme sessions for the 3<sup>rd</sup> WWF, and is coordinated by the Asian Development Bank. Many organizations, including multilateral banks, international knowledge partners, and NGOs, collaborate through the WPI, in promoting water and poverty actions. Through WPI, the partners aim to generate lessons learned from ongoing water and poverty actions around the world, and raise awareness of the need to increase water security for the poor. The goal is to catalyze further actions and financing at the community, country, and international levels.<sup>1</sup>

<sup>1</sup> The partners in WPI are: African Development Bank, Asian Development Bank, Gender and Water Alliance, Global Water Partnership, International Union for the Conservation of Nature, International Water Management Institute, Inter-American Development Bank, Japan Bank for International Cooperation, Japan International Cooperation Agency, Netherlands Ministry of Foreign Affairs, Royal Danish and Netherlands Embassies in Bangladesh, UNICEF, WaterAid, Water Supply and Sanitation Collaborative Council and its WASH program, and others.

WPI has developed a thematic framework of water security for the poor which includes four important aspects: (i) availability of water for production and income generation; (ii) water, sanitation, and hygiene for health; (iii) sustainable environmental management; and (iv) vulnerability to water-related disasters.

Six action areas for improving water security for the poor have also been agreed upon: (i) pro-poor water governance; (ii) improved access to quality water services; (iii) pro-poor economic growth and livelihood improvement; (iv) community capacity building and empowerment; (v) disaster prevention and mitigation; and (vi) management of the environment.



## Background

The problems faced by the poor in water security are well known and widely documented. Globally, hundreds of millions of people lack access to safe water or adequate sanitation, and millions fall ill or die each year from water-related health risks. Poor access to water contributes to hunger and poor food security. Women and girls bear a heavy burden in providing water for their families, and conflicts over water are increasing at local, regional, and international levels. The poor are particularly vulnerable to water scarcity, pollution, and flooding.

It is also well established that investments in water resources management and the delivery of water services are central to poverty reduction. More investments are needed to improve water security for the poor, particularly in rural areas, and such investments should be made more effective. There are well-known local solutions that will improve water supply for consumption and household use, raise food production, reduce water-related hazards, and protect the ecosystems on which the poor often rely for their livelihoods. But rural areas often lack three factors, without which projects and new investments in rural poverty reduction, become less effective. These three factors are:

- **Local capacity** of community, government, and nongovernment organizations in rural areas to implement sustainable development activities at the local level and improve pro-poor water governance to benefit especially the poor, women, and disadvantaged groups.
- **Streamlined** design and implementation of participatory rural investments to speed up implementation and produce benefits more quickly.
- **Partnerships and cooperation** among organizations to catalyze pro-poor investments and help scale-up successful local solutions to widen development impact across the country.

In his opening remarks at the recent Regional Consultation Workshop on Water and Poverty in Dhaka, Bangladesh, ADB's Vice-President Myoung-Ho Shin underlined the need for more demand-led investment programs to improve water security for the poor, particularly in rural areas.<sup>2</sup> He also recommended involving collaborating partners in demand-led rural water initiatives to complement water action programs for urban areas, such as the Water for Asian Cities Program, which was launched at the World Summit for Sustainable Development in Johannesburg by ADB, UN Habitat, and the Government of the Netherlands.

Vice-President Shin's "call to action" was well received by the workshop participants. It formed the basis for the recommendations to develop partnership initiatives in rural water and poverty actions, which may be announced at the WWF in March 2003 in Kyoto, Japan.

## Rationale

In summary, the Rural Water and Poverty Action Initiative addresses the need to catalyze and improve the quality of investments in poverty reduction projects and programs that aim to improve the water security of the rural poor. Rural water and poverty actions in developing countries can draw on the example of many good case studies which now being compiled by WPI for dissemination at the 3rd WWF. WPI partners are promoting initiatives that can help to improve project quality, replicate good practices, and increase demand-led rural water investments by strengthening local capacity and pro-poor water governance, streamlining processes, and building partnerships.

<sup>2</sup> WPI organized a Regional Consultation Workshop on Water and Poverty on 22–26 September 2002 in Dhaka, Bangladesh. It was attended by 300 participants from 23 countries, and opened by the Prime Minister of Bangladesh. One third of the participants represented governments, and two thirds came from NGOs, the academe, the private sector, and development partner organizations. The participants presented many case studies about water and poverty interventions at the local and national levels in Asian countries.

The WPI allows collaborating partners to promote and support partnerships for action in developing countries after the 3rd WWF. Actions taken in partnership can provide added value and synergies to the work of each organization, under its own mandates, and with its own resources, thereby increasing development impact. A Rural Water and Poverty Action Initiative, as a follow-up to the 3rd WWF, can help develop partnerships for action that improve water security for the rural poor in developing countries.

## Objectives

The Rural Water and Poverty Action Initiative will be carried out to help reduce poverty by improving the water security of poor people in rural areas. It hopes to achieve this objective through better access to water for health and livelihoods, pro-poor water governance, reduced vulnerabilities, and a sustainable natural resource base. Partnerships for action in developing countries will be fostered to help increase pro-poor rural water investments and improve the effectiveness of current and future investments. Partnership activities will follow a participatory and demand-led approach that combines advocacy, capacity building, and community empowerment with pro-poor water investments in rural areas. The partnerships will help in achieving the Millennium Development Goals of reducing poverty and hunger, providing water supply and sanitation, reducing child and maternal mortality and morbidity from water-related diseases, and improving environmental sustainability.

## Scope

Rural water and poverty actions must be further integrated into the policies and programs of developing countries, to directly target improvements in the water security of the rural poor, including increased investments in pro-poor rural water and poverty programs. These investments must address the following three main areas:

- Rural water supply, hygiene promotion, and sanitation
- Water for production and sustainable rural livelihoods, including pro-poor irrigation, as well as watershed and ecosystems management
- Prevention and mitigation of water-related disasters in rural areas

The scope of partnership for action initiatives could be specific to each participating country. Wherever feasible, they should not focus exclusively on water management, but should include related measures (such as land management, capacity development, or

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improving access to inputs and markets) necessary to make the water-related livelihood opportunities more viable.

The partnership initiatives will pursue objectives that reflect social (including gender) and geographical priorities specifying the targets and the location. Social and gender development objectives are critical; the initiatives will be developed with the view of maximizing their social and gender impact.

The partnership initiatives will also integrate ecosystems approaches to ensure sustainability and effective targeting to the specific needs and capabilities of poor people in relation to the natural resources on which they depend. Areas of biodiversity or conservation importance, as well as areas of severe degradation will be identified, and specific conservation and restoration measures will be pursued. Adequate water allocations will then be promoted to maintain the ecological integrity of the ecosystems.

The success of the partnership initiatives will depend on strengthening institutional capacities, improving pro-poor water governance that includes water resources allocation and access to water services, and streamlining local and national processes, the identification of needs and options, as well as implementation and investment. Flexibility and a demand-led approach, based on collaboration among institutions with common interests will be needed.

WPI, as an initial grouping of multilateral and bilateral funding agencies and international knowledge partners, will help to identify partnership opportunities in consultation with interested government agencies and other stakeholders in developing countries.

## Country Focus

Partnership initiatives will be catalyzed at the national level in developing countries, and investments will be focused on targeted areas through a demand-led approach. The initiatives will build on policies, development projects, and activities at the local, regional, and national level.

Actions will be designed and prioritized with the help of indicators showing their effectiveness in reducing poverty and improving the water security of the poor in rural areas. These indicators will include the Millennium Development Goals and national policy priorities, including national poverty reduction and rural development strategies.

The partnership initiatives will improve capacity, streamline processes for participatory and demand-led projects, and increase investments in improved water security for the rural poor. Water services will improve, and local governments will become more capable

of giving the poor better access to water for their basic needs and livelihoods, making them less vulnerable to water-related disasters. The governance and institutional framework for water management will also be strengthened.

## Who Are the Partners?

The focus will be on developing partnerships that add value to current practices and help achieve the desired goals and objectives. The initiatives will have to be carried out over the medium to long term to improve institutional capacities and processes for demand-led rural water investments. They would also be “rolling,” with well-defined and achievable short-term targets and contributions by each development partner.

The activities will bring together development partners from government, civil society, the private sector, and the international community. They will seek greater synergy by collaborating on the basis of common, but differentiated responsibilities. Four types of partners are recognized:

- *Implementers* – (i) National or state governments, to create a transparent, pro-poor water policy, legal, and regulatory environment, establish institutional reforms, and implement major infrastructure investments where needed; (ii) regional and local government units, to work with local communities in defining investment needs and priorities, determine cost recovery arrangements, resolve water-related conflicts, and arrange for the provision of water and related services to meet local demand; (iii) responsible and capable local private sector firms and nongovernment organizations (NGO)s, to design, implement, and operate sustainable demand-led rural water services, including cost recovery arrangements with the help of local government units and communities; (iv) local rural communities, to state their water investment needs and manage water through community-based organizations that represent the poor and operate on a sustainable basis with cost recovery.
- *Facilitators* – National and international NGOs, international organizations, and national institutes, to lead capacity building, process design, and partnership building in developing countries, as well as to help prepare the rural water and poverty investment projects. The facilitators will work with local implementers in identifying investment needs, and in designing streamlined procedures for the efficient and demand-led withdrawal of investment funds by local governments and communities. The facilitators will assess needs, consult stakeholders, hold policy dialogues and pilot-testing, as well as demonstrate processes, disseminate and raise awareness, build capacity, and help design, manage, monitor, and evaluate programs. Facilitator organizations will also administer bilateral grants for these activities.



- *Funders* – (i) Bilateral funding agencies, to provide grant financing for rural water and poverty actions, and for capacity building by facilitator organizations in the participating country; Several bilateral funding agencies could work together in partnership; (ii) international financial institutions, including ADB, to provide technical assistance for investment design, project appraisal, and capacity building, followed by loan financing for project implementation. These partnerships could catalyze loan-financed investments. By coordinating their grant- and loan-financed activities more closely in each country, the funders could use a synergy in achieving their goals and objectives.
- *Advocacy and Knowledge Partners* – WPI collaborating partners and others that will exchange information and experience, as well as advise on action initiatives in developing countries. They will particularly be involved in advocacy and preparation activities in each country, and allow other partners to draw on their knowledge pool in implementation and capacity building. Implementers and funders can also contribute their distinctive expertise as knowledge and advocacy partners.

## Developing the Partnership Initiatives

Partnerships will be fostered to help develop specific, funded, rural water and poverty actions in developing countries that improve the water security of the rural poor. The work in each interested country will build on its policies, strategies, and plans, including those agreed upon with external support agencies, as well as its projects, and adapt these where needed.

Actions will generally be targeted at the subnational level—at a region, province, or group of districts. Depending on the opportunities in each country, these can be specific projects, programs, policy reforms, or partnership initiatives that add value to existing strategies and ongoing projects. The activities will be developed in a participatory manner to address problems identified through a bottom-up approach involving local communities, local government units, and civil society.

Priority regions and water security problems of the rural poor will be defined. Interested stakeholders and partners will be consulted, and scoping papers or concept notes will be prepared for activities that can initially be implemented. New projects that can be formulated will be taken through full project design and implementation, using normal procedures and the advice of knowledge partners about appropriate designs and efficient implementation arrangements.

For the funders and facilitators, the partnership initiatives in developing countries will form a part of their ongoing programs and commitments, and will consider in the short term (i) opportunities to sharpen the pro-poor focus of ongoing rural water projects, making them more effective through closer collaboration with other externally funded

activities in the same area; (ii) modifications in the design of pipeline projects that are already under preparation, sharpening their poverty reduction focus and building partnerships; and (iii) the first steps in the preparation of a new generation of pro-poor rural water investment projects for the medium term, in collaboration with development partners. The level of funding support for pro-poor water investments in rural areas is expected to increase over the medium term.

The main principles and elements set out in this discussion note will be elaborated in more detail through consultations among interested partners. The rural water and poverty actions would develop in an iterative and flexible manner, and would have clear and achievable objectives. The experiences gained would be carefully monitored, and the approach, adapted to reflect the lessons learned.

## Getting Started with Letters of Intent

Partnership activities can start with the commitment of the interested partners to identify an initial set of initiatives that show the added value of such partnerships. WPI and ADB can facilitate this process in connection with WWF follow-up actions.<sup>3</sup> Interested government agencies could be consulted, and one or more bilateral funding agencies and international knowledge partners could assist in developing the initiatives in collaboration with government, facilitator organizations, ADB, and knowledge and advocacy partners. These initiatives would point the way towards others to be developed later on in Asia and other regions.

Letters of intent can demonstrate commitment to partnership initiatives that catalyze rural water and poverty actions, and help ensure their “mainstreaming” into the development processes of the interested governments, multilateral and bilateral funding agencies, and advocacy and knowledge partners. Three types of letters of intent that define the character of the partnership activities can be pursued:

- Those signed by a government agency, international funding partners, and if appropriate, by other major national stakeholders
- Those signed by international partners that would coordinate and fund the activities of the Rural Water and Poverty Action Initiative in developing countries
- Those signed by advocacy and knowledge partners that would support WPI initiatives in developing countries

<sup>3</sup> Bangladesh, Cambodia, Viet Nam, Indonesia, Uzbekistan, and Tajikistan, among other countries, might be consulted for these first initiatives.

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To operationalize the initial commitments, the letters of intent can be followed by work plans for specific action initiatives by the collaborating partners. Memorandi of Understanding and other agreements can also be pursued where needed. Focus will be placed on partnerships for action that promote effective coordination and collaboration, and build on the strengths of the partners, in a flexible manner, without adding unwarranted administration as well as cumbersome organizational and reporting structures. Any financial support for the initiatives would continue to be provided through the established procedures of the collaborating partners.

In ADB, the Cooperation Fund for the Water Sector can support the development of rural water and poverty action initiatives in Asia-Pacific countries, as part of its country strategies and programs for rural water investments.

## **Using the Opportunity of the 3<sup>rd</sup> World Water Forum**

In summary, the intention is to reach consensus at the 3<sup>rd</sup> WWF, on a common approach to supporting partnership initiatives for rural water and poverty actions. Such initiatives can draw on the example of many good case studies at the local and national levels, which will be presented at the 3<sup>rd</sup> WWF. The Forum offers an excellent opportunity to showcase good examples and initiate follow-up actions. These actions need not be official programs, but can be pursued through partnership initiatives in developing countries, with the support of regional and international advocacy, knowledge, and funding partners already collaborating in the WPI.

