Chapter 3

Decentralisation in Water Supply and Sanitation Sector
Decentralisation in Water Supply and Sanitation Services

3.1. Introduction

Water supply and sanitation sector has been given enormous emphasis in recent times as a part of global programme of poverty alleviation. These services not only have direct impact on human development but also have indirect impact through economic growth. The current state of access to water supply and sanitation services in the developing countries is awful. About 2 of every 10 people in the developing world were without access to safe water in 2000; and 5 of 10 were without adequate sanitation (World Bank, 2004b). Decentralisation in water supply and sanitation sector has been conceived to provide sustainable and safe community managed infrastructure in these countries. In many of the developing countries decentralisation has already been initiated in the water supply and sanitation. India is no exception in this regard. In this chapter, we would look into the water supply and sanitation schemes, structure of delivery and experience of decentralisation in this sector in rural India. In addition to that, we would review some international experiences of decentralisation in delivery of both water supply and sanitation. We have also made an attempt to identify factors determining the success or failure of decentralisation in delivery of water supply and sanitation services.

Provision of safe drinking water and sanitation in rural areas in India is the responsibility of the States. However, Central Government supplements the effort of the State Government to provide these services through Centrally Sponsored Schemes (CSS). States generally plan, design and execute water supply schemes (and often continue to operate) through their State Public Health Engineering Department (or as in the case of some states, Panchayati Raj Engineering Departments or Rural Development Engineering Departments) and Water Boards.
After the 73rd constitutional amendment water supply and sanitation has been included in the Eleventh Schedule of the constitution. States may entrust these functions to the Panchayats. This has opened the possibility of the planning and delivery of services in a demand driven decentralised structure rather than supply driven centralised structure as earlier. The major problem with the centralised implementation of water supply and sanitation schemes in India is that the planning process is supply driven rather than demand driven. It does not take into account user preferences and ability to pay for different levels of service. The whole planning process overlooks the need for maintenance, rehabilitation and rejuvenation of existing facilities. The block level assistant executive engineer does the planning for water supply at the lowest level. This assessment is then translated into a proposal for new and augmented scheme, which is then passed to the executive or superintending engineer for administrative approval. Here, what is warranted is a demand-oriented and client responsive approach where communities will have access to relevant information and will exercise control or oversight at each stage of planning and implementation (World Bank, 1998a). User financing and cost recovery is also argued to be needed for additional coverage and/or quality improvements as amount of budget is only enough to meet expenses on replacement of old systems and operation and maintenance (Pushpangadan and Murugan, 1998).

The institutional structure of delivery of water supply and sanitation services has also been centralised in other developing countries during the 80s. Centrally managed water supply and sanitation programmes used to be conventional engineering solutions. It resulted in infrastructure that was beyond the capacity of the people to maintain. When the governments faced hard budget constraint water supplies fell into disrepair and people

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1 Article 243-G of the Constitution of India provides that the States/ UTs may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and to prepare plans for economic development and social justice, and their implementation including those in relation to the matters listed in the Eleventh Schedule (GOI, 2001).
were unable to repair it (WSP, 2004). In this backdrop, community-oriented management of water supply and sanitation has been encouraged in the 90s in these countries. However, the experience of decentralisation is not identical in all the countries. On the other hand, there are also commonalities in the key factors determining the outcome.

The chapter has been organised as follows. In section 3.2 we have discussed about rural water supply and sanitation schemes in India. In the next section we have illustrated the delivery structure of rural water supply and sanitation. In this regard we have selected only one state in illustrating the structure in India. The decentralisation experience of India in water supply and sanitation has been discussed in section 3.4. In the next section we have discussed about international experience of decentralisation in water supply and sanitation. In section 3.6 we have summarised the whole discussion of the chapter and made concluding remarks.

3.2. Rural Water Supply and Sanitation Schemes in India

In this section, we have briefly described about evolution of water supply and sanitation services in India and the ongoing schemes. The major water supply and sanitation schemes in India are launched by the central government. The state governments provide their part of the contribution. In water supply, delivery mechanism of services primarily depends on the state governments. However, in sanitation it is almost determined by the central government.

Water Supply

The first rural water supply and sanitation programme in India was launched in 1954 as a part of government's health plan. Central and state administrations provided equal funding mainly for rural piped water supply schemes. The provision for point sources such as wells and boreholes was limited. During each of the subsequent five-year plans,
funding was allocated to the states for the development and strengthening of state public health engineering departments. In 1968, states were granted financial authority to sanction rural water supply schemes. The programme sought to support local community development and improve the welfare of the backward classes during this fifteen-year period. Later on, National Water Policy 1987 was drafted by the Ministry of Water Resources (MoWR) to guide the planning and development of water resources throughout the country. This policy has been later revised into National Water Policy 2002. Both these policies have accorded highest priority to drinking water. The national policy guiding the water and sanitation sector in India today is contained in the Eighth Five-Year Plan. The Eighth Five-Year Plan emphasised on adopting an integrated approach to planning and implementation, which will include primary health care, potable water, women's welfare, immunisation and sanitation facilities in collaboration with local administrations and user communities. In this plan, high priority was given to villages that did not have adequate sources of safe water and also to improve the level of service for villages classified as only partially covered. The Eighth Five-Year Plan also identified several points of emphasis including management of water as a commodity, delivery of water services based on principles of effective demand, standards of service corresponding to the level that users are willing to maintain, etc. The Ninth and Tenth Plan broadly follow the directions set by the Eighth Plan (GOI, 2002).

In 1972-73, the Accelerated Rural Water supply Programme (ARWSP) was initiated by the centre to channel funds to the states for providing water to problem villages inhabited by tribal peoples, harijans and other so-called backward classes. Later on, ARWSP was replaced by 20-Point Minimum Needs Programme and village problems were given the highest priority. Again, the ARWSP was reintroduced in 1977-78, with funds provided by state administration through the Minimum Needs Programme (MNP). These two programmes were so designed that the rural areas receive minimum 40 liters per capita per day (National norm of basic water requirement) and also satisfy the criteria for distance and number of persons per installation. From 1985 onwards, responsibility of
rural water supply and sanitation was transferred to the Department of Rural Development under the Ministry of Agriculture.

ARWSP was given a mission approach to ensure maximum inflow of scientific and technical input into the rural water supply sector to improve the performance, cost effectiveness of the on-going programmes and ensure adequate supply of safe drinking water. The Technology Mission on drinking water and related water management was launched in 1986. It was also called the National Drinking Water Mission (NDWM) and was one of the five Societal Missions launched by the Government of India. The NDWM was renamed Rajiv Gandhi National Drinking Water Mission (RGNDWM) in 1991. RGNDWM was entrusted with the task of covering the remaining not-covered villages before the end of the Eighth Plan in the most cost-effective manner (GOI, 1999).

The Central Government, through the Rajiv Gandhi National Drinking Water Mission (RGNDWM) supplements the efforts of the State Governments by providing Central assistance under the Accelerated Rural Water Supply Programme (ARWSP). ARWSP is a Centrally Sponsored Scheme (CSS) to assist the state government and union territories with 100 percent grants-in-aid to implement drinking water supply schemes in villages. The state government has to provide a matching contribution on 1:1 basis. The part of state contribution comes under Minimum Needs Programme (MNP).

The state governments decide the implementing agencies on their own. It may be Public Health Engineering Department (PHED), Rural Development Department or the Panchayati Raj Institution. With the recent move toward decentralisation, the national trend is to decentralise capital investment responsibilities to Zilla Parishad engineering departments at district and block levels, and operations and maintenance activities to district and, in many cases, Gram Panchayat levels.
The state-wise allocation of ARWSP fund is done on the basis of a certain formula. In this formula 40 percent weightage is given to rural population; 35 percent on states under Desert Development Programme (DDP), Drought Prone Areas Programme (DPAP), Hill Areas Development Programme (HADP) and special category hill states in terms of rural areas; 10 percent on Not Covered (NC) and Partially Covered (PC) villages; 5 percent on quality affected villages; and 10 percent on overall water resource availability (un-irrigated over irrigated). The Government of India has also set certain criteria on the utilisation of ARWSP funds. Upto 20 percent of the fund can be utilised by the State Governments to take up projects under sub-Mission programme to tackle water quality problems like arsenic, fluorosis etc. and to ensure source sustainability by conserving water, recharging aquifers etc (GOI, 2001).

Within the total annual outlay of ARWSP fund, 20 percent have been earmarked for implementation of Swajaldhara and Sector Reforms programme. Swajaldhara is a demand driven project where the communities have to share the capital cost either in cash or in kind including labour or both and 100 percent responsibility of operation and maintenance by users. Full ownership of drinking water assets is given with appropriate level of Panchayat. The scheme has been initiated in 2002. Earlier in 1999 the same scheme has been initiated on a pilot basis in 67 districts in 26 states in the name of Sector Reforms Programme. Swajaldhara programme is of two types. The first one is for a Gram Panchayat (GP) or a group of GPs or an intermediate Panchayat. This is called Swajaldhara-I. The second one, Swajaldhara-II, has a district as a project area. The fund for Swajaldhara directly goes from the centre to the Zilla Parishad (GOI, 2004a).

Moreover, 15 percent of ARWSP funds released can be spent on O&M of the existing drinking water system and sources. To meet the contingencies arising due to natural calamities and emergent situation, 5 percent of the ARWSP allocation is earmarked. Further, in 2002, providing drinking water facilities to one-lakh primary schools has been started. This programme is expected to complete by 2004-2005. State Government and
Union Territories are required to utilise a minimum of 25 percent of ARWSP fund for provision of drinking water supply to Scheduled Castes (SCs) and another minimum 10 percent for Scheduled Tribes (STs).

Fund for rural water supply is also provided under Prime Minister’s Gramodaya Yojana (PMGY). PMGY was started in 2000-01 to provide basic minimum services focussed by Government of India in the form of Additional Central Assistance (ACA). Department of Drinking Water Supply, ministry of Rural Development is the nodal department in the Government of India (GOI) in implementing this programme. According to the guidelines set out by the GOI, under this scheme, minimum 25 percent is to be utilised for water conservation, water harvesting, water recharge and the balance 75 percent of the allocation can be used for tackling water quality and coverage of Not-Covered (NC) and partially Covered (PC) habitations.

There are also a few bilaterally assisted Externally Aided Projects (EAP) in India. The Department of Economic Affairs in the Ministry of Finance, Government of India is the nodal department for obtaining foreign assistance from multilateral/bilateral agencies and is responsible for all policy issues pertaining to external aid received by the Central Government. It has a role in prescribing limits, if any, for external borrowings (sector-wise or lender-wise), developing pipeline of projects, negotiating external assistance and monitoring implementation. The availability of external aid has enabled the implementation of several water supply schemes in different states. In Andhra Pradesh and Gujarat it is assisted by Government of Netherlands; in Kerala by Japan Bank for International Development; In Karnataka and Tamil Nadu by DANIDA of Denmark; in Maharashtra by Department for International Development, UK; in Rajasthan and West Bengal by Kreditanstalt fur Wiederaufbau (KfW) of Germany.

In an effort to provide safe drinking water and clean sanitation facilities in rural habitations Government of India has started Information, Education and Communication
(IEC) to improve people’s awareness for effective participation in programme implementation; sustainability of the system; and health and hygiene aspects of safe drinking water and clean sanitation facilities. It has been started in 1996. The broad idea is to carry out district based awareness campaign to sensitise the rural population about (a) importance of water and its conservation; (b) importance of sanitation; (c) preventive measures and district level water treatment methodology; (d) water quality and its health implications; (e) safe handling and storage of drinking water in household; (f) promotion of hygiene and sanitation practices at household and community level for maintaining good health. The funding pattern for IEC had been equal contribution from both central and state government. In 1999, the programme was revised and the funding pattern was changed to 100 percent central financial assistance. So far the state governments has implemented IEC programme in an ad-hoc and sporadic manner (GOI, 2003).

Monitoring and evaluation of water supply schemes are conducted by the state and central government through progress reports. In addition to that progress is also reviewed at annual review meetings participated by State Secretaries and Chief Engineers in charge of implementation of Rural Water Supply Programmes. Government of India provides 100 percent financial assistance to the state government in this activity. Central government also assists in documentation and monitoring of rural water supply and sanitation programme implementation.

Sanitation

In sanitation, the Central Rural Sanitation Programme (CRSP) was launched in 1986 by the Ministry of Rural Development. This programme was launched after the government realised that benefits of rural water supply programme can not be fully realised unless the sanitary aspects of water and the issue of sanitation are addressed together. This programme was highly subsidised. The programme provided 100 percent subsidy for construction of sanitary latrines for Scheduled Castes, Scheduled Tribes and landless
labourers. Moreover, the programme was supply driven and gave emphasis for a single construction model.

The strategy of rural sanitation got changed in the IXth Plan from a high-subsidy to low subsidy regime, greater household involvement, choice of technology according to customer preference, stress on software etc. Based on the recommendations of National Seminar on Rural Sanitation in 1992, the programme was again revised. The revised programme was launched as Total Sanitation Campaign (TSC) in 1999 following a community led, people centric and "demand driven" approach. It is based on the successful model of Midnapur district of West Bengal, called "Midnapur Model". The programme gives emphasis on Information, Education and Communication (IEC) for demand generation for sanitation facilities. In addition, to meet the demand generated for sanitation facilities alternative delivery mechanism in the form of production Centres and Rural Sanitary Marts (RSM) are being set up (GOI, 2001, 2004a).

TSC is a Centrally Sponsored Scheme (CSS). The state government has to provide matching contribution under MNP. Financial support in the form of 20 percent subsidy is given for construction of individual household toilets to the households below poverty line (BPL). Financial assistance is also provided for school toilets for all government schools in the rural areas with emphasis on separate toilets for girls in all co-educational schools, toilets for Anganwadi and Balwadi centres, Community Sanitary Complexes for women in villages where land availability with individuals is a problem and people are ready to own, operate and maintain such complexes.

3.3. Delivery Structure of Rural Water Supply and Sanitation in India

In India, decentralisation in delivery of rural water supply services has taken place in varied degree in different states. The activity transferred to different levels of Panchayat for rural water supply also is different from one state to another. However, the delivery
mechanism of sanitation is almost same across states since the mechanism is determined by the centre. In view of differential in the delivery mechanism of rural water supply across states, we have chosen only one state to examine the delivery mechanism for both rural water supply and sanitation. A state that has a long history of decentralisation, particularly in rural water supply and sanitation, would be most suitable for study. In this respect West Bengal is the most appropriate state, since the responsibility of rural water supply and sanitation has been delegated to the Panchayats way back in 1973. To quote from the Bengal Act XV of 1939 ‘... the duties of a Gram Panchayat shall be to provide within the area under its jurisdiction for sanitation, conservancy and drainage and the prevention of public nuisances;... and also (c) supply of drinking water and cleansing and disinfecting the sources of supply and storage of water’. Panchayat Samities have been given power to ‘undertake schemes or adopt measures, including the giving of financial assistance, relating to the development of ... water supply,... public health and sanitation...’. Similar power has also been given to the Zilla Parishad (ZP). In addition to that, ZP have been given the power to advise the State Government on all matters relating to the development work in Gram Panchayats and Panchayat Samitis under it’s jurisdiction. In this section, we have elucidated the institutional structure of delivery of rural water supply and sanitation in West Bengal.

Water Supply

A field study was carried out during 2004 to study the institutional structure of delivery of rural water supply in West Bengal by interviewing both administrative and elected office bearers at the state, district and village level. It was found that there are several schemes for rural water supply in West Bengal. They are Accelerated Rural Water Supply Programme (ARWSP), Minimum Need programme (MNP), Prime Minister Gram Yojana (PMGY), External Aided Project (EAP), Arsenic Submission and Swajaldhara. The State Public Health Engineering Department (PHED) is the nodal agency for implementing drinking water supply in West Bengal. Panchayati Raj Institutions (PRI)
interact with the PHED in implementing schemes. There are two components of the funds for water supply. One is voted fund, which includes state and central government plan and non-plan expenditure. The other component is the consolidated fund. A part of consolidated fund is with the PHED and is spent as and whenever needed.

In delivery of rural water supply there are two types of structure. One is the vertical structure, which consists of the staff of PHED. From top to bottom Executive Engineer is at the State level; District, Assistant and Sub-assistant Engineer is at the district level; and Sub-assistant engineer is at the block level. At the block level there are also two mechanics and two helpers. The other structure is horizontal structure, which consists of Gram Panchayat, Panchayat Samiti and Zilla Parishad. Proposals of water supply are prepared in Village Committee at the village level. These proposals are passed from bottom to top through Gram Panchayat, Panchayat Samiti, Zilla Parishad and at last to the State Government. The implementations of the schemes are done by Public Health Engineering Department (PHED) involving its officials at different levels of local government. At the Panchayat Samiti and Zilla Parishad level there is a permanent standing committee on Public Health and Environment (Janaswasthya O Paribesh Sthye Samiti), where an elected representative of Panchayat is the executive officer (Karmadhakshya). Functional responsibility of rural water supply also lies on him/her. Since both the PHED officials (engineers) and Karmadhakshya are members of the standing committee they take decisions in consultation with each other.²

Fund for installation of sources are with PHED. Piped water supply and tubewell schemes are mainly commissioned by them. Piped water supply schemes are funded from ARWSP and MNP fund (Chart-3.1). PHED also allocates fund for capital investment in

² The West Bengal model of devolution could be applauded not so much for the transfer of a large number of important specific responsibilities in the rural development arena exclusively to the PRIs, but for the ‘consultative mechanisms’ built into the system whereby ‘decision-making’ powers in the form of ‘administrative sanction’ of the schemes proposed and to be implemented by the line department of the State government at the district and sub-district levels are vested on the Standing Committee of the Zilla Parishads (Subrahmanyam and Choudhury, 2002).
tubewell and well to the Zilla Parishads. These funds reach the Panchayat Samitis and schemes get implemented by the PHED staff deputed there. Fund for tubewell come from ARWSP, MNP and PMGY programmes. The PHED formula for installation of standpost is 1 in 450 populations and for tubewell it is 1 in 250 population or 50 families. At times Zilla Parishads also spends for installation of tubewell. Gram Panchayat also at times installs ordinary handpump. Panchayat Samiti also makes a very small amount of capita investment using Member of Parliament (MP) and Member of Legislative Assembly (MLA) local area development fund. Zilla Parishads also distribute some funds for installation of source and maintenance.

Most of the projects are maintained by PHED by its own resources. In case of large piped water supply schemes the responsibility for O&M are with PHED (Chart-3.2). It is handed over to the Zilla Parishad if it wants to take over the responsibility. Zilla Parishad subsequently devolves the responsibility to the Panchayat Samiti. Panchayat Samiti and Gram Panchayat share some responsibility of O&M of tubewell and handpump with PHED. Zilla Parishad also at times spends for O&M of tubewell. Own fund of Zilla Parishad and especially Panchayat Samiti are also used for maintenance purpose. PHED also sub-allots fund for maintenance to ZP. Gram Panchayat also maintains handpump and ordinary tubewell. They use their own resource and hired mechanic for maintenance.

In West Bengal, Arsenic Submission scheme is executed in many blocks, which are affected by arsenic contamination in ground water. Externally Aided Projects (EAP) in West Bengal comes under the ambit of Indo German basic Health Project in collaboration with Kreditanstalt fur Wiederaufbau (KfW). The name of the project is Bolpur-Raghunathpur Water Supply Sanitation Health Education, which covers 157 villages in Bolpur Area (Birbhum District) and 117 villages in Raghunathpur Area (Purulia District). The project has been completed in 2001. The Public Health Engineering Department, Government of West Bengal is the implementing agency of the project. The fund for
EAP is routed from outside the country to the state through centre. In this project provision has been made for proper O&M of the system through private operators.

Selection of location of public stand posts and tubewells are done by elected representatives of Gram Panchayat and also at times elected representatives of Panchayat Samiti. They also participate in awareness creation for Swajaldhara.

Interview with officials reveals that the importance of vertical structure is gradually getting reduced in terms of resource and responsibility of implementation. These are getting transferred to the horizontal structure. Elected representatives of the horizontal structure are implementing programmes with their technical staff. PHED is becoming a body for technical assistance.

Sanitation

Rural sanitation is one of the important components in hygiene promotion and in avoiding many deadly diseases. After restructuring Central Rural Sanitation Programme (CRSP), Total Sanitation Campaign (TSC) has been launched in 1999 following a community led and people centered approach. It is a centrally sponsored scheme and state government provides the matching grant under MNP. For different activities of TSC the ratio of matching grant is different. Centre provides the entire fund for start-up activity. It is a demand driven programme involving NGO and Gram Panchayat. Beneficiaries themselves contribute in this programme. 20 percent subsidy is provided only to the BPL population. In West Bengal, TSC has been initiated in close coordination with UNICEF and Panchayat and Rural Development Department. UNICEF provides support to State Sanitation Cell, helps in IEC activities and gives technological assistance. At the district level, a standing committee on Public Health and Environment (Janaswasthya O Paribesh Shayee Samiti) and District Sanitation Cell works in close coordination in monitoring and evaluation; supervision of Sanitary mart etc. At the block level, similar standing
committee is there for monitoring and evaluation, quality control etc. Rural Sanitary Mart (RSM) has been constructed in each block for implementation of the programme. It is responsible for production and installation of toilets. Gram Panchayat participates in IEC activities and helps motivators. The details structure is reported in Chart -3.3.

Rural Sanitary Mart (RSM) is the key institution in TSC. RSM is constructed after Panchayat Samiti (PS) approves it and sends its recommendation to the Zilla Parishad (ZP). ZP in turn approves it and sends the recommendation to Panchayat and Rural Development Department. At first, ZP provides initial fund for construction of marts (marts are supposed to have their own land). Then ZP provides revolving fund for production. At the later stage the Block Development Officer (BDO) apprise of the progress of the work done (progress of marts) to ZP and ZP releases funds accordingly. ZP also distributes funds for IEC (Information, Education and Communication). The fund for subsidy moves from ZP to the blocks. The subsidy is claimed by the beneficiaries from the BDO.

Rural Sanitary Mart (RSM) works in close co-ordination with a Non Government Organisation (NGO) and Panchayati Raj Institutions. The Gram Panchayat (GP) is primarily responsible for making contact with the RSM and monitoring the progress of work. RSM consists of two mart managers, two motivators and two masons. For every 150 to 200 households there is one motivator who motivates people to construct latrine, prepares the list of households taking up the programme and collects their contribution. He/She gets a commission for construction of each latrine. RSM also sets the target and makes production plan. It is responsible for supply of materials and construction of latrines. Campaigning and demand generation for hygiene promotion is carried out by RSM with the help of Panchayats and NGO. It is done through wall writing, leaflet, folksong, VDO show, magic, puppet show, household visits, group meeting, cinema slide, play etc. Overall RSM takes care of both the demand and supply side of
construction of toilets. The details of the structure of functioning RSM is given in Chart 3.4.

Assessment of Water Supply and Sanitation Sector in West Bengal

There are several important aspects of water supply services in India which requires attention. The Central Government in India sets different criteria for distribution and utilisation of funds for water supply. These different criteria have made the policy paradigm more centralised. However, equity aspect has been taken into account by centrally imposed formula such as earmarking fund for the SC and ST population; states under DDP, DPAP, HADP and special category hill states etc. The distribution mechanism at the district level and at the block level is unclear. IEC activity has not been given enough importance as evident from ad-hoc and sporadic implementation of IEC programme by the state government. Without proper IEC problems of supply driven programmes may simply get transmitted to the demand driven programmes. This is because IEC is related to capacity building at the lower level. Moreover, the simultaneous existence of both supply driven and demand driven programmes may create confusion and make the delivery system less transparent. Even there may be no takers of demand driven programmes when alternatively supply driven water supply system is available.

The institutional structure of water supply in West Bengal appears to be very much complex. The PRIs bear the responsibility of water supply in the state but PHED is the nodal agency. Interview with the office bearers in the state both at the different levels of PRIs and PHED reveals that there are no clear rules about the division of responsibilities of these two institutions especially in installation of handpump and tubewell, and in O&M. In many cases, people’s representatives of PRIs and PHED officials do not have clear and full understanding about their roles and responsibilities. There is also an underling tension between the PHED officials (engineering) and the people's
representatives of PRIIs regarding sharing of power and responsibilities. Responsibilities of different institutions regarding capital investment in handpump and tubewell and O&M in particular vary widely across districts. Information regarding expenditure of GPs is also hard to get. GPs are often found to have not consulted the community regarding location of installation of different types of water supply system. Many sources have been found remaining unused while many are overused.

Panchayat Samiti and Gram Panchayat have a huge responsibility in Swajaldhara and TSC. Both the programmes are demand driven where PRIIs are entrusted with the task of creating demand for the services through building consciousness regarding hygiene. Politicians of PRIIs may not give enough effort in building consciousness since it is politically less attractive as benefits may not be immediately tangible. If the PRIIs try to implement these programmes without building the consciousness then the whole idea of demand driven programme will get defeated. The problem of supply driven system will get transferred to the demand driven system. Interview with beneficiaries during May-July 2005 in Birbhum district of West Bengal revealed that awareness generated for TSC and particularly in Swajaldhara is weak. Beneficiaries are in many cases obliged to contribute for sanitation rather than creating demand by their own. Moreover, the toilets provided are of substandard quality and people are not willing to use it. These are going to be sunk investment by India households. Evaluation regarding satisfaction and preference of people has not been done till now. In TSC institutional weakness in this scheme arises mainly when demand is less generated due to lack of effort in awareness generation. Difficulty in disbursement of subsidy from BDO office and non-profitability of marts also weakens the progress of the scheme.

3 The mechanism of the Standing Committees at the Panchayat Samiti and the Zilla Parishad levels had enabled these bodies to have functional linkage with the line departments operating at block and district levels. However, lack of specific executive instructions often gave rise to uncertainties about the functional domain of the panchayats, especially their authority vis-à-vis the line department (Subrahmanyam and Choudhury, 2002).
3.4. Decentralisation in the Water Supply and Sanitation: Indian Experience

Decentralisation in water supply and sanitation sector in India has been found to be suffering from low community participation, low capacity at local level, weak coordination between different government departments and elite capture. The water resource management sector review of World Bank (1998a) has identified several problems in the process of decentralisation occurred in the sector. First, the split in the responsibility between administrative levels has resulted in poor responsibility. Second, the weak coordination between public health and Zilla Parishad engineering departments; and delays in according financial and technical approvals and sanctions works as an impediment to implementation. Third problem is the weak interaction of state and district agencies with the Panchayats. It limits the higher administrative levels to recover dues from the Panchayats. The reason behind all these problems is wide distribution of responsibilities across agencies and unclear lines of accountability. Other problems are poor hydrological investigations, relatively high percentage of improper design leading to cost overruns, and limited quality assurance despite a comprehensive set of built-in controls. In a nutshell, the weakness of supply-driven approach of parent engineering agency is now transferred on to the decentralised district and local agencies.

Studies have strengthened the suspicion on the functioning of Panchayats on the ground that decentralisation has strengthened the vested interests in the rural areas. The socio-economic strength of the Panchayat leaders has played a major role in this regard. The establishment of user groups (i.e. Village Water Supply and Sanitation Committees) with the legal backing of Panchayats may solve these problems as has occurred in Karnataka (World Bank, 1998b). A proper demand-driven approach with co-ordination between the Panchayats and Village Water Supply and Sanitation Committees will provide the services people want and willing to pay. The NGOs or private sector agencies may also provide some technical support. Moreover, suspicion on the functioning has been raised on the ground that the Gram Panchayats have little autonomy to implement programmes.
of their own. The central and state governments continue to control the day-to-day functioning of the Panchayats in the guise of legislative control over grants. The main problem of the local governments is the lack of financial resources. Gram Panchayats are entitled to levy and collect taxes, but the collection rate is typically low for water charges as well as for other government levies. The other major problem that the decentralisation process faces is lack of capacity.

Comparing the efficiency of water utilities under the control of the state and the local government in terms of expenses and asset utilisation in Madhya Pradesh and Chattisgarh Asthana (2003) has found that efficiency is higher in centralised utilities than in decentralised utilities. The efficiency measures considered are mean of operating expenses scaled by annual production and annual production of potable water divided by assets. The author argued that the reason behind less efficiency of the decentralised management is that state level engineering and administrative services offers more skilled technocrats; non-availability of fund for research and development at the local level; more corruption at the local level; predominance of local elites etc.

Various evidences available suggest that efficiency in rural water supply and sanitation increase when participation of beneficiaries increases in construction and maintenance. In Karnataka Integrated Rural Water Supply and Environmental Sanitation Schemes, community participation has played a major role in all stages- planning, implementation, operation and maintenance (Veerashkharappa, 2000). The community has born 30 percent of the capital costs of environmental sanitation and has mobilised resource for operation and maintenance of assets by collecting connection fee and water tariff fixed by a locally developed institution- the Village Water Supply Committee (VWSC). To promote community participation and impart skills to the community during planning and implementation stage consultants were appointed before the responsibility for operation and maintenance was transferred to VWSCs. For fixing the water tariff the cross-subsidy mechanism was adopted. It has been found in the study that the strength of community
participation increases with increase in efficiency in terms of the quality and timely construction of the water supply schemes. The evidence suggests that if people's sense of ownership is reduced then their commitment to maintain the assets and the ability of the VWSCs to function on a sustained basis would be eroded. So generating more equal sense of ownership can only restore efficiency in the system. It is possible through more equal participation in the decision making by each and every member of the community. On the other hand, efficiency in service delivery itself has ensured greater participation.

A study on the Second Maharastra Rural Water Supply Sanitation Project in the tribal areas of Maharastra elicits some important observations (GOM, 1998). It has been observed that the Village Panchayat's functioning is normally greatly influenced by a few rich and powerful people who shape the agenda by keeping their interest in mind. As a result the communities neither participate nor are they consulted. Activities of the Panchayats are observed to be generally concentrated only in main villages rendering the hamlets neglected. Panchayats are also argued selecting costly options in order for its member to benefit from a higher share. Tribal men and women strongly desire that all decisions related to technological option, delivery design, household contributions, operation and maintenance etc. are made and executed at hamlet level rather than at Village panchayat level. Though the main area of concern for tribal men is affordability, they are also concerned about participation, transparency, accountability, and also the much-needed capacity building.

Other evidences also suggest that the key to success in decentralisation in this sector is community participation. The World Bank Impact Evaluation Study (World Bank, 1998b) on Karnataka, Maharastra and Rajasthan shows that in the absence of meaningful community participation due to unclear lines of role of village communities/committees, NGOs and local governments the resultant cost recovery was poor. As a result project-provided opportunity for community development was wasted and sustained operation of the system is unlikely and uncertain. In case of Karnataka, although the social capital
indicators are better, but the influence of Zilla Panchayat in charge of implementation and political interference by local government has undermined the effort of community participation. As a result cost recovery indicators are low. Cost recovery is important as it imparts a sense of ownership of assets within the community. In case of Rajasthan also cost recovery of O&M of project was not realised due to lack of real ownership of the ultimate beneficiaries. They neither had control over any type of resources nor influence in decision making.

On the other hand, project performance has been found to be highly satisfactory in Sawajal Project where the community with the help of NGOs has made informed choices about technology and level of service (Iyer 1998). Since cost is a major factor in decision-making, choosing the technology after a feasibility study is very important to at least partially cover capital cost and to accept the full responsibility for operation and maintenance cost. The community in this case has controlled construction funds, through a joint account with NGO. Transparency in the system has been restored through NGOs by providing information to the community and explaining the rules of the game. NGOs helped to strengthen community capacity. A very strong sense of village ownership has been observed as the Village Water and Sanitation Committee (VWSC) has owned the facilities created.

The above case studies suggest that community participation in water supply and sanitation projects is most important in achieving efficiency of service delivery and equity in the distribution of benefits. In turn, community participation will increase when the service is efficient and satisfies the expectation of all section of beneficiaries. Moreover, participation will increase only when community gets a sense of ownership and dignity. Cost sharing in terms of money or labour could impart this sense in the community. At the initial phase building capacity and generating consciousness is most important for participation. NGOs can become instrumental in helping them in this respect.
3.5. Decentralisation in the Water Supply and Sanitation: International Experience

It has already been discussed in Chapter I that decentralisation of basic services may produce efficient outcome in developed countries but in developing countries the result may be reverse. In this section we have selected a few developing countries to look into international experience of decentralisation in water supply and sanitation. The countries chosen are Ghana, South Africa, Lesotho, Malawi, Uganda, Zimbabwe and Ethiopia. In these countries decentralisation in water supply and sanitation has started mainly in the nineties.

In Ghana, Community Water and Sanitation Agency (CWSA) was created in 1998 which acted as a co-ordinator and facilitator of community-managed water supplies rather than an implementer (WSP, 2004). As a result, coverage of water supply and sanitation increased from below to above Sub-Saharan Africa average after 2000.

In South Africa, a policy was adopted on community water supply and sanitation in 1994 (WSP, 2004). This policy provided the foundation for the legislative and regulatory framework of Water Services Act 1997. Though sanitation is lagging behind but water supply coverage has progressed a lot.

Sanitation programme in Lesotho was initiated in the early 80s (WSP, 2004). Institutional arrangements at national and district level involved communities in planning and management of sanitation programme. Government prioritised its effort on education and promotion. The coverage of rural sanitation has increased from a mere 15 percent in 1980s to more than 50 percent in 2000

Malawi is going through a decentralisation process aimed at devolving administration and political authority from the central ministries to districts. But the decentralisation process is still relatively new (Slaymaker and Newborne, 2004). District staffs generally
feel more accountable to central ministry than to District Assemblies whose authority is undercut by lack of resource. Each district has a District Development Fund (DDF) and prepares a three-year District Development Plans, which is a major key element of decentralisation in Malawi. It has been found that the link of District Development Plans downwards to respective village level and upwards to national level planning process has remained weak. Moreover, District Assemblies lack both the capacity and authority to coordinate and regulate sectoral investment. DDF and District Assemblies are not involved in the process of selection, implementation or monitoring investments.

The process of decentralising water supply and sanitation sector has been started in 1995 in Uganda, by establishing the principles of community managed water and sanitation services, through the formation of Water User Committees and Associations (Slaymaker and Newborne, 2004). Further elaborating on the principles of demand driven approach a new Water Policy consistent with decentralisation policy has been finalised in 1999. After these initiatives it has been observed that decentralisation has led to an increase in inequity within the country. There are four levels of rural local government in Uganda. They are District, Subcountries, Parishes and Villages. Inequity in distribution of water points has been observed at the level of Subcountry and Parish. The level of inequity in distribution between Subcountries and Parishes has also increased over the years. It has been found that the relative inequity in distribution of water points is universally greater between lower levels of local governments, Parish, than between upper level of local government, Subcountry.

Decentralisation in Zimbabwe was initiated to redress colonial disparities between large-scale commercial farming areas and communal areas, by fostering the participation of local people in development activities beneficial to them (Makumbe, 1996). It has been observed that decentralisation effort did not turnout to be fruitful due to wide scale poverty and lack of capacity (Mtisi and Nicol, 2003). In Ethiopia water and sanitation infrastructure is provided primarily by local government (Woredas) and non-government
sector, with central and regional governments accounting for under 4 percent of total water supply and sanitation expenditure (WSP, 2003). In this case too it has been observed that decentralisation effort did not yield any positive outcome due to lack of capacity.

The above discussion reveals that decentralisation experience in developing countries is mixed. In countries like Ghana, South Africa and Lesotho decentralisation in water supply and sanitation has increased coverage. However, in other countries like Malawi, Uganda, Zimbabwe and Ethiopia decentralisation has lead to decline in delivery of water supply services. Factors that have been identified to be most important in determining the impact of decentralisation are political accountability, people's participation, transparency, policy coherence and capacity at the lower level. We have discussed about all these factors separately.

**Political Accountability and People's Participation**

Political commitment has been observed to be the major factor behind this success of decentralisation in Ghana. The national mood of change in country's political economy in the 1980s favoured reform and innovation in water supply and sanitation. Successive governments of different parties have all seen water and sanitation as an important contributor to social and economic development. Legislation has also clearly defined the policies and roles of most of the sector agencies.

In South Africa too the key factor behind the successful implementation of decentralised water supply and sanitation programme is the commitment of political leaders. Department of Water Affairs and Forestry (DWAF), the government department in charge of water supply and sanitation, has changed its function from implementation to support and regulation. Local political leaders have also played a vital role. They have been involved in setting budget priorities and service delivery standards and approving
projects. Legislation has also played an important role by encompassing extensive social and economic rights, including the right to basic water and sanitation.

The sanitation programme of Lesotho is yet another example of successful decentralisation experience due to high political accountability. Though the original impetus for sanitation programme came from sector professionals and external agencies but politicians also played an important role by recognising the importance of sanitation programme and allocating significant sums to sanitation through the government’s regular budget. The district sanitation teams have been entrusted with the main role of implementation. In case of Lesotho too the evolving legal framework gave legitimacy to the sanitation programme’s position as a regular part of the public sector's work. Communities have also participated in the management of sanitation services through technical and professional support by private sector companies. Media also helped in generating people’s demand for sanitation.

Transparency and Policy Coherence

In Malawi, poor co-ordination and planning has lead to inequities in resource allocation, with investment significantly greater in already well-served area than poorly served areas. It has also led to water points becoming not functional due to lack of maintenance by the community. The fragmented nature of water sector developments have lead to lack of policy coherence, which in turn has led to poor co-ordination between different actors in sectoral investment, adoption of inappropriate technology and confusion among beneficiary populations regarding role and responsibilities of different institutions.

In Uganda, due to a combination of poorly coordinated planning process and also inadequate performance measures and tools, the local planning and budgetary decisions made by district and subcountries are highly iniquitous and unsustainable. The division of
roles between community, subcountry and district for operation and maintenance is unclear and no fund is allocated for this purpose.

**Capacity**

The process of decentralisation in Ghana has been slowed down due to lack of expertise of local government organisations to fulfil their new role. The Community Water and Sanitation Agency (CWSA) has been formed to implement water programmes on behalf of many local governments as a temporary measure. At the same time it has been given the charge of helping and supporting local government to take on implementation work. Small private sector, NGOs and media have been providing support to them. However, CWSA and politicians were not willing to accept the help offered by small private sector, NGOs and media.

Lack of financial and operational capacity of local government has also been observed in South Africa with significant proportion of local governments are not ready to take on their legal obligation for water and sanitation. Communities have been given technical and professional support to manage sanitation. Civil society organizations and media have also played important role in public scrutiny and transparency of water programme. In Ethiopia too the local government, Woredas, are also constrained by capacity due to lack of trained personnel. Lack of money and access to spare parts or technical skills have been found to be major constraining factor in the process of decentralisation in Malawi. Lack of access to credit or banking facilities aggravate this problem.

In Uganda it has also been found that socio-economic status of a subcountry is probably a major factor in both ability of it to attract new investment in water and sanitation and capacity to operate and maintain the facilities once established. In Zimbabwe it has been observed that due to poverty communities are not able to contribute monthly water fee. Moreover, they withheld their financial contribution to water point committee because of
concerns over the management of funds. In many areas people do not know about the existence of village and ward assemblies. The participation of external institutions like NGOs often aggravates local-level complexities and defeats the premise of community management of water sources.

3.6. Summary and Conclusion

The major water supply scheme in India is Accelerated Rural Water Supply Programme (ARWSP). It is a CSS where central government provides 100 percent grants-in-aid. The state governments provide a matching contribution through Minimum Needs Programme (MNP). The criterion for distribution of ARWSP funds and utilisation of it is fixed by the central government. States and Union Territories are bound to earmark 25 percent as minimum outlay for SCs and 10 percent as minimum outlay for STs. 20 percent of total outlay of ARWSP fund has been earmarked for implementation of Swajaldrhara and Sector Reforms programme. These two schemes are demand driven schemes where communities share the capital cost and bear 100 percent responsibility of operation and maintenance. There are water supply schemes under Prime Minister’s Gramodyaya Yojana (PMGY) and Externally Aided Project (EAP). In sanitation, the Total Sanitation Campaign (TSC) is the only scheme operating in India. It is a demand driven scheme, which gives emphasis on software building. The beneficiaries themselves contribute for building individual toilets. Subsidy is only available for BPL population.

In India, the major stumbling block in the progress of decentralisation is the existing centralised structure of delivery of services. In water supply delivery, decentralisation has been initiated along with centralisation, where central government decides distribution and utilisation of funds. This may make demand driven water supply projects less attractive since in demand driven programme people has to contribute while in supply driven programme people get it for free. In case of sanitation, though the programme is demand driven but government also sets certain targets, which are in turn entrusted upon
the local government. This indulges local government to take the seat of implementer rather being promoter of sanitation facility.

In our study of institutional structure of delivery of water supply and sanitation services in India, we have only considered West Bengal. We have identified many serious defects in the institutional mechanism of delivery of water services. The system of delivery of water supply is extremely complex and is not transparent. The responsibilities of local government and the line department are not very clear in many cases and officials in both institutions do not have comprehensive idea about the roles and responsibilities of the departments. There is no account of spending of GP for water supply. The IEC activity has not been given due importance in demand driven water supply and sanitation programme. So capacity generation at the lower level is hindered. This has lead the demand driven water supply and sanitation programmes to carry the defects of the supply driven programmes. Though there is reflection of political will in provision of safe and sustainable drinking water in an equitable manner at the central level but it is unclear at district and block level.

The experience of decentralisation in India shows that community participation is the major constraining factor behind success of decentralisation in water supply and sanitation sector. Weak co-ordination between government departments including that of Panchayats and village water supply committees makes line of accountability less clear. Unclear lines of role of different actors in the process of decentralisation also discourage community participation. The case studies of different water supply projects reveal that there exists elite capture in decision making process of water supply and sanitation. This again leads to low community participation. Lack of financial resource and capacity at the local level also hinders implementation of community based projects.

Decentralisation experience of rural water supply and sanitation in other less developed countries reveal that political accountability, people’s participation, transparency, policy
coherence, capacity at the lower level, and monitoring and evaluation are the main factors behind the success of these programmes. In Ghana, South Africa and Lesotho political accountability has been found to be the key factor behind success. In Malawi, Uganda and Ethiopia lack of policy coherence and transparency has been found to be the most important factors behind low performance of the schemes. Paucity of financial and operational capacity at the lower level in many of countries studied above has also hindered the progress of the schemes delivered in a decentralised institutional framework.
Chart 3.1: Responsibility and Flow of Fund for Capital Investment in Rural Water Supply

State PHED

- Central Plan Assistance & External Aided Project
- State Plan Fund
- PMGY, EAP, ARWSP, AUWSP, Arsenic Submission

State Water Supply and Sanitation Committee responsible for approval of Swajaldhara II

Large Water Supply Scheme MNP, ARWSP

Mini Water Supply Scheme ARWSP

District Water Supply and Sanitation Committee responsible for approval of Swajaldhara I

Zilla PHED/ Zilla Parishad

- ARWSP, MNP, PMGY
- Zilla Water Supply Scheme ARWSP, MNP
- Pump House Project ARWSP, MNP, PMGY

Block PHED/ PS

- Untied Fund for PS
- MP, MLA development fund

Tubewell/ Handpump ARWSP, MNP, PMGY

Community/ club

Gram Panchayat

- UNICEF Provide Materials
- Untied Fund

Zilla Panchayat own resource

Source: Own Field Study, 2004
Chapter 3

Chart 3.2: Responsibility and Flow of Fund for O&M of Rural Water Supply

Source: Own Field Study, 2004
Chapter 3.3: Structure of Delivery of Sanitation Services (TSC) in West Bengal

**UNICEF**
Support State San.
Cell/ HRD/ IEC activities/ Tech.
Assistance

**GOVT. OF WEST BENGAL**
PANCHAYAT & RURAL DEV. DEPTT
Policy formulations/ Fund allocation/ Monitoring

**STATE SANITATION CELL**
IEC strategy/ HRD/ Programme
Monitoring/ Quality Control/ Coordination/ Reporting

**ZILLA PARISHAD**
Networking with line Depts/
Dovetailing with literacy & school health/ Dist. P.O.A

**JANASWASTHYA O PARIBESH STHAYEE SAMITI**
Monitoring/ Evaluation/ Guiding Dist.
San. Cell

**DISTRICT SANITATION CELL**
Supervision of R.S. M/ Quality Control/
Dist. Workshops/ Coordination/ Reporting
to State Cell

**PANCHAYAT SAMITI**
Implement Dist. POA/ Release of
Subsidy/ Identify BPL family/ linking
of line depts. At Block level

**JANASWASTHYA O PARIBESH STHAYEE SAMITI**
Monitoring/ Evaluation/ Quality Control/
Assit RSM in carrying out IEC programme

**RURAL SANITARY MART**
Responsible for implementing prog in Block/
IEC/ Production/ Installation/ Reporting to
Block & Dist. Cell

**GRAM PANCHAYAT**
Participate in IEC activities/ House
Visit/ Certify installation/ BPL
families/ Assist RSM/ Quality control

**GRAM SAMSAD**
Social Audit

**JANASWASTHYA COMMITTEE**
Help motivator/ Evaluation/ Quality Control

Source: Panchayat and Rural Development Department, West Bengal
Chart 3.4: Structure of Functioning of Sanitary Mart

- **GRAM PANCHAYAT**
- **NGO GOVERNING BODY**
- **SANITARY MART**
  - **MART MANAGER** Two
  - **MAIN MOTIVATOR** Two
    - One for every 150/200 household
  - **MAIN MASON** Two
    - Village Mason
  - **Training**
  - **Target Setting**
  - **Campaign & Demand Generation**
  - **MOTIVATOR**
  - **PANCHAYAT**
  - **OTHER GOVERNMENT DEPARTMENTS**
  - **Production Plan**
  - **Supply/Construction**
  - **Monitoring**

Source: Panchayat and Rural Development Department, West Bengal