

Community Water and Sanitation Facility

A Cities Alliance Initiative



The UN estimates that between 30 and 60 percent of all urban populations in developing country cities live in inner-city slums and squatter settlements.



The estimated number of slum dwellers without adequate access to water rose from 62 million in 1990 to 180 million at the beginning of 2000.



More than 75 percent of future urban growth is expected to occur in already over-crowded slums.

U.S. Agency for International Development
USAID's Global Development Alliance
and Urban Programs

<http://www.usaidwater.org>



In February 2003 the United States launched the Community Water and Sanitation Facility to expand water and sanitation services in slum communities. The Facility works towards achieving the objectives of the Johannesburg Plan of Implementation of the World Summit for Sustainable Development to improve water and sanitation for the world's poor, and to the achievement of the Millennium Development Goal of significantly improving the lives of 100 million slum dwellers by 2020. The U.S. launched the Facility with seed funding of \$2 million within the context of the Cities Alliance. Cities Alliance is a donor coalition committed to the vision, "Cities Without Slums" and has 14 contributing members, including Canada, France, Italy, Japan, Germany, the Netherlands, Norway, Sweden, the United States, the United Kingdom, the Asian Development Bank, the United Nations Environment Programme, UN-Habitat and the World Bank.

The Community Water and Sanitation Facility supports local authorities and their partners in working through public-private partnerships to expand water and sanitation services to slum communities. The Facility provides grants that leverage local resources at least 2:1 to support:

- Expansion of water and sanitation services through funding of community endorsed construction; and
- Risk-sharing and innovative financing to mobilize resources to improve water and sanitation provision to the urban poor.

The Facility supports partnerships that enhance service delivery by combining the efforts and resources of the public sector with those of the private sector and non-governmental organizations (NGOs). Proposals requesting funding are screened by the Cities Alliance Secretariat to ensure that they meet the eligibility criteria. Proposals are then subject to a more intensive, independent technical assessment process. Contributing members of the Cities Alliance give final funding approval.

The Facility is open to all countries, but requires that at least two members of the Cities Alliance co-sponsor the application and that the local authorities are committed to city-wide slum upgrading and are undertaking the reforms necessary to enable viable public-private partnerships that improve water and sanitation services for the urban poor.



Lack of access to sanitation is alarming, with 409 million slum residents unable to safely dispose of waste, which endangers their lives.



Community construction is a viable way for local authorities to work in partnership with the urban poor to improve the living conditions of slums.



The Facility is open to all countries, but requires that the local authorities are committed to pro-poor policies and are undertaking the reforms necessary to enable viable public-private partnerships.

Public-Private Partnerships Are Essential to Bringing Water and Sanitation Services to Slum Communities

Emerging Community Water and Sanitation Facility activities underscore the importance of public-private partnerships to achieve sustainable provision of water and sanitation services in slum communities. Several USAID country missions are working with partners to broker activities for Facility support.

- USAID/South Africa is working with the British Department for International Development and the Municipal Infrastructure Investment Unit, a non-profit corporation funded by the Government of South Africa, to increase and improve water and sanitation services to 1,000,000 disadvantaged persons in five municipalities. The Facility is being asked to fund technical assistance to local authorities to help the targeted cities improve the management and monitoring of water and sanitation provision in urban areas. The objective is to increase local capital investment in these better managed services so that the targeted cities can expand water and sanitation provision to the urban poor. USAID will provide use of the Development Credit Authority (DCA) credit enhancement to facilitate local lenders making funds available to these municipalities that improve their water and sanitation management performance. The leverage is expected to be over 36:1 with the Facility contributing \$460,000 to partners' contributions of \$16,675,000.
- USAID/Panama is creating an alliance in Panama City to bring sewerage lines and a treatment plant to a marginalized community of 12,500 people that collectively identified the need for sanitation services. During community workshops, local medical workers indicated that toddlers and women working in the house were disproportionately affected by skin and gastrointestinal problems due to the lack of sanitation services. In response to the community's needs, USAID through the Community Water and Sanitation Facility, is helping to broker a public-private alliance with the Ministry of Health, Panama Canal Authority, the National Institute for Water and Sanitation, the Municipality of Panama, two local businesses and the community to construct sewerage lines and a treatment plant. This partnership, when fully implemented, will help protect the Panama Canal watershed and tap into local capital financing by scaling up the intervention into other communities in the watershed. The leverage is expected to be 4:1 with a substantial contribution from local private businesses of over \$1 million.
- USAID/India is working with Shelter Associates, a community-based organization representing slum dwellers in Sangli, to construct toilets for the use of 25,000 persons. The objectives of the proposed activity are: 1) to develop community-level toilet construction and management plans in consultation with local government authorities, 2) to assist the municipality in implementing the community-level plans, and 3) to begin the preparatory work for a citywide slum upgrading strategy. The Facility will be asked to fund technical assistance and construction materials for public toilets. The leverage is expected to be 2:1.

The \$2 million U.S. contribution, when combined with support from other Cities Alliance members, is expected to meet the funding target of \$4 to \$10 million over five years. It is anticipated these resources will mobilize more than \$60 million from public and private partners for water and sanitation access in slum communities.