A MESSAGE FROM RAVI SEWAK, SAFE WATER NETWORK

Dear Participants,

Thank you for participating in the 5th Beyond the Pipe Forum, organized jointly with USAID India.

As this three-year partnership between Safe Water Network and USAID India comes to a close, we were excited to present the outcomes and highlights of the program. The forum had a particular focus on recommendations to create a favorable policy and enabling environment to facilitate the scale-up of small water enterprises (SWEs), complementary to piped water. The report on the Policy and Enabling Environment for Small Water Enterprises: Assessment and Recommendations, Sept. 2017, released by the Forum, details those recommendations.

It is clear from the dialogue and engagement at the Forum— and the numerous discussions we have had with government, implementing organizations, development partners, financial institutions, academia and funders— that we must work urgently and collaboratively to transform the recommendations of the Policy and Enabling Environment report into policy and action. Thus, ensure that this generation of urban poor does not miss the opportunities of life that safe water brings.

I am pleased to share the highlights of the Forum discussions and suggest next steps on how we propose to take this work forward together. Let us make our next key priority to build an alliance to catalyze scale up of small water enterprises. We welcome your suggestions and partnership.

Sincerely,

[Signature]

Ravi Sewak
Founding Trustee
Safe Water Network
September 2017

NEXT STEPS

There are four key areas that require plans and actions to realize our objective of scaling small water enterprises. These include: (i) policy reform (ii) public private partnership models (iii) adoption of recommended performance standards and (iv) unlocking funding.

We propose building an alliance focused on advancing the scale of small water enterprises. Specific next steps we wish to pursue:

1. Map stakeholders and identify areas of interest
2. Engage key stakeholders as alliance partners.
3. Convene a working group to build consensus on objectives, organizing principles, deliverables, approach, participants, resources, staffing and timeline.
4. Attract leadership funding to support these important alliance-building efforts.
5. Finalize roadmap to advance the alliance with clearly understood goals, actions and resource requirements along with concrete objectives, roles and responsibilities outlined in a ‘Charter’.

“Let us join hands and build an Alliance to scale up Small Water Enterprises to bridge safe water access gap in urban slums”

- Mr. Ravindra Sewak, Founding Trustee
Safe Water Network
WELCOME ADDRESS
Kurt Soderlund, Chief Executive Officer, Safe Water Network

Kurt Soderlund highlighted that working in India, over the past nine years along with the sector stakeholders has helped develop a model that allows for cost-effective replication in India and globally to deliver safe and affordable drinking water to the bottom of pyramid.

He urged participants to adopt and disseminate the best practices from this recently completed three-year program funded by USAID and other donors, supported by government at multiple levels - national, state and municipality to expand USWEs. Working in collaboration can help bring safe water to millions reliably and sustainably.

HIGHLIGHTS OF THE 3 YEAR USAID-SAFE WATER NETWORK PROJECT PARTNERSHIP
Poonam Sewak, Vice President, Program and Partnerships, Safe Water Network, India

Poonam Sewak presented the findings that were based on interviews and field assessments of drinking water supply status, governing policies and urban poor feedback on water service delivery in the four cities: Hyderabad, Mumbai, New Delhi and Visakhapatnam. Additionally under the project through collaborations and engagement:

- SWEs were included in the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) program to provide water to the urban poor. ([Urban Sector Review](#))
- Safe Water Network is implementing 50 water ATMs in Hyderabad, in collaboration with the Greater Hyderabad Municipal Corporation to bring water to the urban poor
- Government of Karnataka that had set up more than 7000 SWEs under the Shuddh Neeru Initiative, is using the Digital Tool ‘Plant Assessment Tool’ to evaluate and index the SWEs with respect to service delivery and consumer satisfaction. This assessment would be done using the recommended performance standards for SWEs based on social, operational, financial, institutional, and environmental (SOFIE) indicators. ([Recommended Small Water Enterprise Performance Standards](#))
- Recommendations and a roadmap were developed for policy and enabling environment conducive to small water enterprises. ([Policy and Enabling Environment for Small Water Enterprises: Assessment and Recommendations](#))

SWEs have the potential to complement piped water supply and provide decentralized safe drinking water access to urban poor in India. However, they face many challenges and reform measures at the Central and the State level are integral to their success. This project partnership allowed us to identify these barriers and provide recommendations for addressing them. Key barriers include non-standardized tenders, inhibitory pricing policies for SWEs, primary focus of government investment on large drinking water infrastructure, policy focus on piped water supply only, lack of incentives for private sector participation, and absence of performance standards to ensure reliable water supply by SWEs.
Images of Policy and Enabling Environment for Urban Small Water Enterprises report and other reports produced as part of the USAID-Safe Water Network threeyear partnership.

SESSION 1: Scaling Urban Small Water Enterprises: Policies, Plans, Funding Models and Incentives

Panelists for the first session were Professor Jagan Shah, Director, National Institute of Urban Affairs, Mr. H. Subramaniam, Co-founder and COO, Earth Water Group and Mr. Ravindra Sewak, Founding Trustee, Safe Water Network India with the session moderated by Ms. Amanda Gimble, Senior Vice President, Strategic Initiatives, and Safe Water Network.

Session 1 Panel (L-R): Amanda Gimble (Moderator) Prof. Jagan Shah, H. Subramaniam, Ravindra Sewak
This session focused on the requirements to scale up SWEs, with particular focus on policies and plans that encourage growth of SWEs and funding models and incentives to facilitate public-private partnerships.

Prof. Jagan Shah stated that the SWE model needs to become part of the formalized system in place to ensure improved public health. With SWEs as part of the AMRUT program, the country has to start thinking about how to mainstream that into other formal city plans. One main issue is quantity of water produced by SWEs. Can this be increased? He noted that a hybrid model of piped water supply and USWEs may be a more efficient solution than either of them in isolation. Introduction of various planning models and an elastic policy will provide more fluidity to deal with the diversity of demand.

Mr. Subramaniam noted that SWEs are currently an alternative to piped water and are expanding but they need to be seen as complementary. ULBs develop each tender from scratch, defining different technologies to use, different sizes, etc. which makes scaling difficult. Tenders need to be standardized—though contexts differ—as this will facilitate scale. Additionally, there is a need to focus on operations, maintenance, and performance, so monitoring is key. Also, a hub and spoke delivery solution can address the distribution challenge in urban slums with piped water being the hub through which water is distributed to vehicles such as SWEs which act as spokes for final dispersal of water.

Mr. Ravindra Sewak emphasized that a partnership among the various stakeholders in the sector was imperative to reap the benefits of the advanced technologies, capabilities and competencies available in the country today. For example, many municipalities cannot cover OpEx. Private operators, through SWEs, can improve the cost equation, covering OpEx. In addition, it is not necessary to treat the entire 135 lpcd of water supplied to drinking water standards. Water for personal use—bathing, drinking and cooking should meet these parameters. Customizing delivery models based on the demographic requirements will ensure the best allocation of limited resources. Laying concurrent pipes for water treated to drinking water standards and water treated for other purposes will assure efficient usage of the existing water treatment infrastructure available.

The session concluded with Prof. Shah addressing the issue of capacity building by creating a unified strategy with the government’s housing programme. The use of SMARTNET for best practice documentation and exchange of innovative solutions will help scale the knowledge base.

**Main session takeaway points:**

- Hybrid model that has SWEs enhanced with piped water in urban slums can provide safe water effectively and efficiently at lower infrastructure cost. Thus, this can be an excellent In-situ Rehabilitation solution for water supply under the Pradhan Mantri Awas Yojana- Housing for All reaching millions in slums.

- Partnerships and convergence across ministries and among different stakeholders is needed to achieve scale up of USWEs.
SESSION 2: Sustainable and Reliable Safe Drinking Water: Frameworks, Benchmarks & Tools for SWEs

Panelists for the second session were Mr. Dana Kishore, IAS, Chairman and Managing Director, HMWS&SB, Government of Telangana, Dr. P Somasekhar Rao, Director Water Resource Management, Mr. Anuj Sharma, Chief Executive Officer, Sarvajal and Mr. Manish Wasuja, Water Sanitation and Hygiene Specialist, UNICEF. Session was moderated by Mr. Nilachal Mishra, Partner, Infrastructure and Government Services (IGS), KPMG India.

Session 2 Panel (L-R): Nilachal Mishra (Moderator), Dana Kishore, Dr. P. Somasekhar Rao, Anuj Sharma, Manish Wasuja

This session focused on requirements to ensure sustainable and reliable access to safe drinking water through USWEs, focusing specifically on performance standards1 and tools for USWE sustainability (see images).

Mr. Dana Kishore stated that in Telangana, under the leadership of Chief Minister Mission Bhagiratha is the core program for delivering piped water with tap to each home. However, the rapid rural migration to the cities is creating proliferated slums that need urgent solutions. The need of safe water can be met by these SWEs and the Hyderabad Municipality is supporting these water ATMs. There is a need for financially viable model that supplies safe water reliably. The market for SWEs is demand driven and the government tends to participate in PPP mode and fund when quality, pollution, and/or leakage become issues.

Sharing best practices from Sarvajal’s entrepreneur enabled model equipped with ‘Soochak’ the remote monitoring system, Mr. Anuj Sharma expressed that remote monitoring system has been their hallmark for improving reliability of services. He presented a compelling case by highlighting that SWEs are environmentally sustainable models as they do not deplete the water tables and consume miniscule percentage of ground water drawn as compared to agriculture. Pricing should be as per the target market.

Mr. Manish Wasuja remarked that water quality testing should be geography specific. The sector needs to work based on the understanding that each community has unique water quality problems and so may require specific solutions. With the Government program focus on setting up water quality laboratories at

1 A detailed report on performance standards for SWEs can be found here: http://www.safewaternetwork.org/insights-engage
the district and sub-district level there is an urgent need for resourcing and capacity building of chemists and microbiologists.

Dr. Somasekhar Rao shared the commitment of the flagship program ‘Shuddh Neeru’ of the Government of Karnataka to serve quality water reliably for public health and how they facilitated the infrastructure, regulatory and legal permissions to fast track the program. With the State investing heavily in the decentralized drinking water program, now they are evaluating the service delivery and consumer satisfaction using the Recommended Performance Standards for SWEs and the digital tools. There is a need for customer complaint portal to aid reliable uninterrupted services. We also need to explore technologies that result in less reject water discharged especially in regions relying heavily on ground water.

The session closed with Mr. Dana Kishore urging to spread consumer awareness about safe and affordable water availability from water ATMs and Dr. Somasekhar Rao seeking technological solutions that have low reject water discharge and innovations for reject water usage.

Images of Digital Tools and Performance Standards posters shown at the Forum. Posters highlight the functions and key features of the tools and the role the performance standard indicators play in facilitating SWE implementation.
Main session takeaway points:

- Although water quality standards are important, there is a need to realize that unique contaminants exist in different geographies.
- Monitoring tools are critical to ensuring reliability and safety of SWE provided water.
- Performance Standards for SWEs are essential to measure service delivery and sustainable operations.
- IEC activities are needed for communities to promote importance of safe water and health linkage, and adopt practices for water safety at home. Water containers should preferably be of food grade, virgin high density polyethylene.

SPECIAL ADDRESS

Ms. Ramona El Hamzaoui, Deputy Mission Director, United States Agency for International Development (USAID)

Ms. Ramona El Hamzaoui, said USAID is proud to have supported Safe Water Network for the Small Water Enterprises project. The project was able to leverage Greater Hyderabad Municipal Corporation’s (GHMC’s) support which will enable installation of 50 Water ATMs that will provide safe water access to 150,000 people in urban slums in the city. The Water ATMs or Any Time Water kiosks dispense clean drinking water at a nominal cost using a pre-paid card. The government of India has placed water and sanitation at the center of its national development efforts, USAID is working closely with the Ministry of Housing and Urban Affairs and is pleased that small water enterprise models promoted under the joint project has been adopted as a policy for implementation under the AMRUT program.

"USAID is proud to have supported Safe Water Network for the small water enterprises project. We are pleased that small water enterprise models promoted under our joint project have been adopted as a policy by the Ministry of Housing and Urban Affairs for implementation under the AMRUT program."

- Ms. Ramona El Hamzaoui, Deputy Mission Director, USAID
Participating Organizations

Advanced Center for Integrated Water Resource Management
American India Foundation
Atal Mission For Rejuvenation And Urban Transformation (AMRUT)
CISCO
Creative Quest
Dalberg
Development Alternatives
Earth Water Group
Embassy of the Kingdom of the Netherlands
Gap Inc.
Gas Authority of India Ltd.
Giz GmbH
HMWS&SB, Govt. of Telangana
Honeywell India
Image Inc.
KPMG India
Macquarie Global Services Pvt. Ltd.
Microware Computing and Consulting Pvt. Ltd.
Mu Gama Consultants Pvt. Ltd.
Naandi Community Water services
National Institute of Urban Affairs
Oracle Foundation
PepsiCo Foundation
Piramal Foundation
Piramal Water Pvt. Ltd., Sarvajal
Pentair
Subhash Mittal and Associates
Swajal Water Pvt. Ltd.
Underwriters’ Laboratories
UNICEF
USAID
Veolia
Water Aid

Images of Forum Participants
ABOUT USAID AND THE URBAN WASH ALLIANCE

The United States Agency for International Development (USAID) is the lead U.S. Government agency that works to end extreme global poverty and enable resilient, democratic societies to realize their potential. They have committed assistance to the Ministry of Urban Development, Government of India for cooperation in the field of water, sanitation, and hygiene (WaSH). This was identified as a priority area in a summit in Washington, DC between Indian Prime Minister Narendra Modi and then US President Barack Obama.

Through the Urban WaSH Alliance, USAID in India partners with India’s public and private sectors to demonstrate and scale innovative water and sanitation initiatives. USAID also supports an alliance of companies and other key institutions committed to improving health outcomes by catalyzing behavior change and currently supports five public-private partnerships that are improving water and sanitation services in Bangalore, Ahmedabad, Delhi, Chennai, Kolkata, and Hyderabad.

ABOUT SAFE WATER NETWORK INDIA

Safe Water Network’s priority is to advance the scale-up of small water enterprises, a decentralized and locally owned approach to providing communities with affordable, reliable and safe water. Working alongside communities in India and Ghana since 2009 we are documenting and demonstrating the potential for this approach to be cost-effectively scaled-up. Over the past seven years, Safe Water Network India has established 200 Jal Safe Water Stations in the Indian states of Telangana, Maharashtra, and Uttar Pradesh, providing safe water access to more than 700,000 people. Working with local governments, urban local bodies, and Panchayati Raj institutions in urban and rural settings, the program empowers local communities and entrepreneurs with the training, tools, and support needed for success. Communities buy safe drinking water at an affordable rate, providing sufficient cash flow to support operations, including technical services. Working with others in the sector and through assessments and evidence, we develop recommendations on policy and funding mechanisms, systems, tools, and resources needed to scale small water enterprises and reach millions in need of safe water.

For more information on Safe Water Network, please visit: http://www.safewaternetwork.org
ABOUT SAFE WATER NETWORK-USAID PARTNERSHIP

This concludes our 3-year partnership with USAID, ending October, 2017. The partnership focused on advancing the availability of safe water through small water enterprises in urban slums, helping to improve the health, wellbeing and livelihood opportunities of the urban poor. The partnership undertook several cross-cutting initiatives including:

- mapping existing urban water supply to evaluate the potential for small water enterprises for the urban poor;
- assessing the viability of small water enterprises to be operationally, financially, and technically sustainable;
- evaluating the policy and enabling environment to understand barriers to scale;
- recommending performance standards aligned with Government of India safe water goals; and
- developing open-source digital tool apps to support the scale-up of small water enterprises.

Output of Partnership:

1. Six reports:
   i. Drinking Water Supply for Urban Poor: Role of Urban Small Water Enterprises
   ii. Drinking Water Supply for Urban Poor: City of Hyderabad
   iii. Drinking Water Supply for Urban Poor: City of Mumbai
   iv. Rapid Assessment of Water Supply: City of Visakhapatnam
   v. Drinking Water Supply for Urban Poor: City of New Delhi
   vi. Policy & enabling environment for urban small water enterprises: Assessment and Recommendations

2. Three digital tools:
   i. Water Quality and Technology Selection Tool
   ii. Plant Assessment Tool
   iii. Financial Viability Tool

3. Recommended Small Water Enterprise Performance Standards

Results of Partnership

The project on urban small water enterprises along with recommendations from SWE consultative groups enabled us to mobilize the central government’s Ministry of Urban Development (MoUD) to announce that SWEs can be set up in 500 AMRUT cities. This announcement was made by the MoUD on October 14, 2016, at the “Beyond the Pipe” forum organized jointly by Safe Water Network India and USAID India.

In addition, the Greater Hyderabad Municipal Corporation (GHMC) on July 15, 2017 signed a Memorandum of Understanding with Safe Water Network to set up 50 water ATMs in slums in Hyderabad city that will deliver safe drinking water to about 150,000 urban poor. GHMC provided land and electricity. The first two of these 50 water ATMs was launched in September, 2017.
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