



# Draft Design and Monitoring Framework

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Project Number: 31501  
August 2006

## SRI: Secondary Towns and Rural Community-Based Water Supply and Sanitation Project (Supplementary Financing)

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

**Asian Development Bank**

**SECONDARY TOWNS AND RURAL COMMUNITY BASED WATER SUPPLY AND SANITATION  
PROJECT (SUPPLEMENTARY FINANCING) –  
REVISED DESIGN AND MONITORING FRAMEWORK**

<b>Design Summary</b>	<b>Performance Targets/Indicators</b>	<b>Data Sources/Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<p><b>Impact</b></p> <p>1. Reduced poverty and promote human development by reducing the incidence of water borne diseases and by reducing the time and resources that households spend in acquiring water.</p>	<p>By End of Project plus 3 years (2012):</p> <p>Significant decrease in infant mortality in project areas.</p> <p>Significant decrease in incidence of waterborne diseases in project areas.</p> <p>Significant decrease in time spent collecting water in project areas</p>	<p>Hospital and medical centers' records in project areas</p> <p>Town, district, provincial, and national official statistics</p> <p>Project completion report</p> <p>Project review missions Reports, and OED impact evaluation studies</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Macroeconomic stability</li> <li>• Political stability and peace</li> </ul> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>• Civil conflict</li> <li>• Natural disaster</li> <li>• High migration rate</li> </ul>
<p><b>Outcome</b></p> <p>1. Safe drinking water and safe sanitation to people in project areas provided.</p>	<p>By end Project (2009):</p> <p>An additional 946,000 people have access to safe water and 171,500 people with access to safe sanitation in five urban areas and two rural districts by 2009.</p>	<p>Project BME reporting, Government of Sri Lanka official statistics, ADB review and evaluation reports</p> <p>NWSDB monthly report on service performance, billing, collection, and expenditure</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• A stable political environment and positive economic growth</li> </ul>
<p><b>Outputs</b></p> <p>1. Developing urban water supply and sanitation infrastructure in Secondary Towns in Sri Lanka</p> <p>1.1 Construction of three water networks to provide 40,000 m3/day in Batticaloa and Muttur, and 30,500 m3/day in Polonnaruwa.</p> <p>1.2 Extension of one existing water network to provide 15,000 m3/day in Hambantota</p> <p>1.3 Construction of 33,000 low cost latrines</p> <p>1.4 Construction of Batticaloa Hospital waste treatment plan with capacity to treat 350m3/day</p>	<p>♦100,000 connections providing at least 15 m3/ month of safe drinking water 24 hours daily by 2009.</p> <p>♦ 90% of households in project area access to safe sanitation by 2009.</p> <p>♦ All new and expanded piped water networks are appropriately operated and maintained.</p> <p>♦ Non-revenue water less than 25% and collection rate is greater than 90% by 2009.</p> <p>♦ Access to safe sanitation and on-site facilities provided for 5,000 households</p> <p>♦ Batticaloa Hospital waste discharge meets Government of Sri Lanka Standards by 2007.</p>	<p>Project BME reporting, Government of Sri Lanka official statistics, ADB review and evaluation reports</p> <p>NWSDB monthly report on service performance, billing, collection, and expenditure</p> <p>PMU monitoring reports NWSDB water quality tests</p> <p>Project progress reports Department of Health assessments</p> <p>Project progress reports</p> <p>Central Environmental Authority monitoring Hospital records undertaking on project inception and project completion.</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Timely provision of counterpart funds.</li> <li>• No delays in construction activities due to conflict in Batticaloa and Muttur.</li> <li>• Continuous Government support to the National Water Supply and Sanitation Policy and sector reforms.</li> <li>• Willingness of consumers to pay full cost of water. Commitment to an autonomous and accountable service delivery mechanism</li> </ul>

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>2. Developing rural water supply and sanitation Infrastructure in Anuradhapura, Polonnaruwa and Batticaloa Districts</p> <p>2.1 Construction of rural water schemes to provide drinking water (piped, rain fed, protected well) to 350,000 people in Polonnaruwa, Anuradhpura and Batticaloa.</p> <p>2.2 Construction of 27,000 low cost latrines.</p> <p>2.3 Delivering of training to participating CBOs, 15 participating Pradeshiya Sabhas, and one provincial council</p>	<ul style="list-style-type: none"> <li>◆ 85% of the population in project areas have access to at least 20 l/person/day of safe drinking water by 2009.</li> <li>◆ 85% of the population in Project areas with access to safe sanitation by 2009.</li> <li>◆ CBOs, Pradeshiya Sabhas, and provincial councils have capacity to implement all project activities and to assure sustainability of investments including O&amp;M.</li> </ul>	<p>Project BME reporting and surveys</p> <p>ADB review missions reports and OED impact evaluation studies</p> <p>Department of Health assessments</p> <p>Government of Sri Lanka official statistics</p> <p>Project progress reports</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Willingness of beneficiaries to organize into CBO and participate in project activities.</li> </ul>
<p>3. Supporting Institutional Strengthening Capacity</p> <p>3.1 Delivery of a national public awareness and education campaign</p> <p>3.2 Implementation of a corporate strategy to improve NWSDB Management</p> <p>3.3 Implementation of a strategy to reduce O&amp;M cost</p> <p>3.4 Implementation of a financial management strategy</p> <p>3.5 Implementation of a strategy to transfer systems with less than 1,000 connections to local authorities, CBOs, private sector</p> <p>3.6 Development of an asset registry for systems with more than 10,000 connections</p>	<ul style="list-style-type: none"> <li>◆ Increased public awareness of cost of water.</li> <li>◆ Performance targets agreed by the project are met, including 1.2 debt service ratio, 10% decrease establishment expenses and 20% increase of rehabilitation, 2% annual decrease of kilowatt-hours electricity, 5% annual decrease in staff, 14% increase of cubic meter billed, and 97% collection rate by 2008.</li> <li>◆ Weighted average tariff covers O&amp;M, debt service and rehabilitation expenses by 2008.</li> <li>◆ 85% of schemes with less than 1,000 connections are operated by CBOs, local authorities, or private sector by 2009</li> <li>◆ 100% of schemes with more than 10,000 connections have an asset registry by 2007.</li> </ul>	<p>Project BME reporting and surveys</p> <p>ADB review missions' reports and OED impact evaluation studies</p> <p>NWSDB planning and operational data/ annual reports.</p> <p>Project progress reports</p> <p>NWSDB planning and operational data/ annual reports</p> <p>Project progress reports</p> <p>NWSDB planning and operational data and annual reports</p> <p>Project progress reports</p> <p>NWSDB planning and operational data and annual reports</p> <p>Project progress reports</p>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Enforcement of water sector regulations and implementation of sector reforms.</li> <li>• Willingness of CBOs, local authorities, or private sector to take responsibility for small schemes.</li> </ul>

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<p><b>Activities with Milestones</b></p> <p><b>Component 1: Urban Component</b></p> <p><b>1.1 Improving Water Supply in Secondary Towns in Sri Lanka (Quantity and Quality)</b></p> <p>1.1.1 PMU, town PIUs and PIU (irrigation) formed by 4Q03</p> <p>1.1.2 Topographical, field surveys and investigations undertaken by end 1Q06</p> <p>1.1.3 Water monitoring program for Unnichchai Tank completed by end 2Q05</p> <p>1.1.4 Benefit monitoring survey conducted for different towns by end 3Q06</p> <p>1.1.5 Necessary water rights water extraction (MoU signing) obtained by end 1Q06</p> <p>1.1.6 Environmental clearances obtained from CEA by end 2Q03 (extended/updated clearances to be obtained by 3Q06)</p> <p>1.1.7 Land acquisition completed/ short resettlement plan implemented by end 3Q06</p> <p>1.1.8 Detailed engineering design for Unnichchai works completed by end 2Q05</p> <p>1.1.9 Detailed engineering design for water main and distribution systems prepared by end 2Q06</p> <p>1.1.10 All bidding documents tendered, evaluated and contractors selected by end 3Q07</p> <p>1.1.11 NWSDDB staff identified, recruited under /transferred to PMU/PIU, and trained by contractor on O&amp;M as part of construction process by end 3Q08</p> <p>1.1.12 Construction activities completed, including (i) strengthening of Unnichchai Tank, (ii) intake and transmission lines, (iii) treatment plants, (iv) elevated towers and distribution systems by end 3Q09</p> <p>1.1.13 Initial households connections provided by end 4Q09</p> <p>1.1.14 Water treatment plants commissioned, O&amp;M turned over by end 3Q09</p> <p><b>1.2 Improving Sanitation and Sewerage (for Batticaloa Hospital and Prison)</b></p> <p>1.2.1 PMU and PIU formed by 4Q03</p> <p>1.2.2 Topographical surveys and investigations undertaken by end 3Q05</p> <p>1.2.3 Environmental clearances obtained from CEA by end 3Q05</p> <p>1.2.4 Land transfer completed/ short resettlement plan implemented by end 3Q05</p> <p>1.2.5 Detailed engineering design prepared by end 2Q05</p> <p>1.2.6 Bidding documents tendered, evaluated and contractors selected by end 4Q05</p> <p>1.2.7 Construction activities completed by end 4Q07</p> <p>1.2.8 Sewage treatment plant commissioned, O&amp;M turned over to staff by end 4Q07</p> <p>1.2.9 Urban pro-poor sanitation program to include building of low-cost latrines and hygiene awareness. By end 2Q08</p> <p><b>Component 2: Rural Component</b></p> <p><b>2.1 Mobilizing the Community for delivery and management of basic services</b></p> <p>2.1.1 PMU, TSU and PSIUs formed by end 3Q03</p> <p>2.1.2 Pradeshiya sabhas selected by end 4Q04</p> <p>2.1.3 NGOs/partner organizations registered and recruited to support CBOs for Batch 1 by 2Q05</p> <p>2.1.4 Partner organizations ensure CBOs are adequately informed and CBOs sign Memorandum of Agreement with Government for Batch 1 by end 2Q06</p> <p>2.1.5 Participatory Rural Appraisal conducted by partner organization for Batch 1 by end 4Q05</p> <p>2.1.6 Partner organization mobilizes and trains CBO for project development for Batch 1 by end 2Q06</p> <p>2.1.7 Communities/CBOs organized for Participatory Monitoring and Evaluation by end 1Q07</p> <p>2.1.8 For Batch 2, activities 2.1.3 to 2.1.7 undertaken for different pradeshiya sabhas 1Q07-1Q09</p> <p><b>2.2. Improving Water Supply and Sanitation Infrastructure in Rural Areas</b></p> <p>2.2.1 CBOs, after receiving training, prepare, with support of NGO and PSIU, subproject proposal Batch 1 by end 3Q05</p> <p>2.2.2 Safeguards assessment endorsed by PSIU by end 3Q05</p> <p>2.2.3 Subproject proposal reviewed and endorsed by PSIU and PMU For Batch 1 by 4Q05</p> <p>2.2.5 Land transfer completed/ short resettlement plan implemented (if any) by 4Q05</p> <p>2.2.7 PSIU and community prepare and tender bidding documents, and evaluates them with support from PMU for Batch 1 by end 1Q06</p> <p>2.2.8 Construction activities completed for Batch 1 by end 1Q07</p> <p>2.2.9 CBO recruits staff for O&amp;M (trained by contractor) by end 1Q07</p> <p>2.2.10 Charges introduced within the community for Batch 1 by end 1Q07</p> <p>2.2.11 For Batch 2, activities 2.2.1 to 2.1.10 undertaken for different pradeshiya sabhas</p>		<p><b>Total Inputs</b></p> <ul style="list-style-type: none"> <li>• ADB (\$107,100,000)</li> <li>• Government (\$40,900,000)</li> <li>• Community (\$3,100,000)</li> </ul>	

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>1Q07-1Q09</p> <p><b>Component 3: Institutional Strengthening</b></p> <p><b>3.1 Delivering a National Public Awareness and Education Campaign</b></p> <p>3.1.1 Water and environmental educational activities undertaken to date country-wide reviewed by end 2Q05</p> <p>3.1.2 Awareness program formulated by end 2Q06, focusing on ongoing changes in the sector and the need of tariffs.</p> <p>3.1.3 Awareness campaign delivered by end 3Q07</p> <p><b>3.2 NWSDB Financial and Operational Improvement Support</b></p> <p>3.2.1 NWSDB to implement a corporate strategy to improve financial planning and resource allocation by end 3Q07</p> <p>3.2.2 NWSDB will implement its strategy and action plan to address audit findings and accounting and financial management recommendations by end 4Q06</p> <p>3.2.3 Action plan to improve operational performance implemented by end 3Q07</p> <p>3.2.4 NWSDB will complete an asset registry in all regional centers by 3Q06</p> <p>3.2.5 Strategy to identify water schemes with less than 1,000 connections for rehabilitation and eventual transfer to local government institutions and CBOs to be staged in 2 phases: (i) piloting (to be implemented by 2Q07) and (ii) extended program by end Project</p> <p><b>3.3 Training</b></p> <p>3.3.1 5-year training plan prepared by end 2Q04</p> <p>3.3.2 Annual training program prepared by end 3Q every year</p> <p>3.3.3 Training program delivered to CBOs, water supply system operators in the district offices and NWSDB, technical officers in the Pradeshiya Sabhas and completed by 3Q09.</p>			

ADB = Asian Development Bank; CBO = community based organization, CEA = Central Environmental Agency, NWSDB = National Water Supply and Drainage Board, O&M = operation and maintenance, PIU = project implementation unit, PMU = project management unit, PSIU = pradeshiya sabha implementation unit