

Changing Selection Criteria

Working with the Right Information,
Organisations and Leaders

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Investment should be linked to pro-poor reforms and performance

- Both water and funds are limited and need to be used optimally
 - Where there are shortfalls it is the poor that suffer and are most vulnerable;
 - Understanding the Drivers for Change and promoting good governance are pre-requisites for sustainability.
- “Don’t put water into a bucket with holes”

Perverse Incentives

- Pressures to serve the better off
- Maintain the status quo (ignore or profit from the informal sector)
- New investment influenced vested interests (political and financial)
- Capacity building ineffective if not linked to wider reforms
- Performance criteria not set before investment

Limited impact of stand alone projects

- Poor information - do not reflect reality and dynamics of developing urban areas
- All relevant institutions not engaged or committed to wider necessary reforms
- Drivers for change not analysed and used
- Problems of sustainability and scaling up

Changing the rules of engagement

- Reflect actual physical and institutional situation (audits)
- Analysis and understand drivers for pro-poor change
- Identify the changes necessary
- Create right incentives to pursue reforms
- Link reforms to investment

Examples from the Indian Urban Services for the Poor experience

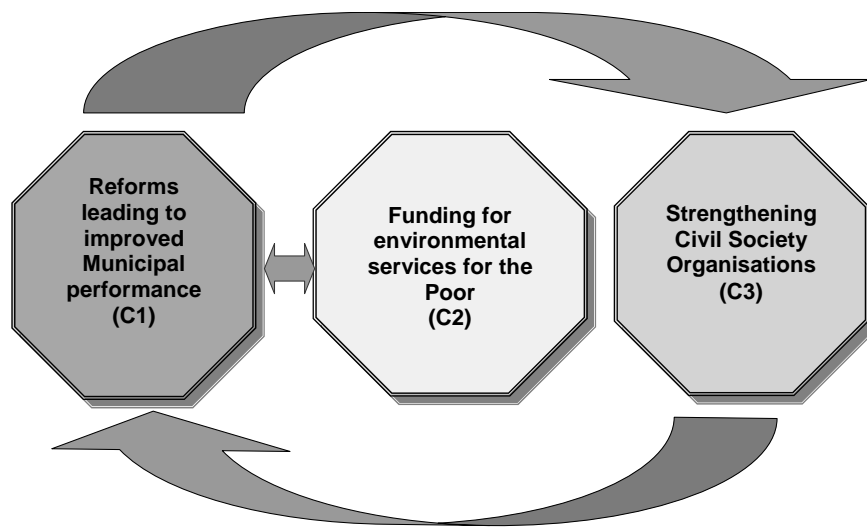
Urban ladder

- Progression from targeted slum improvements through urban services, urban management to urban governance
- Physical works, participation, institutional development, linking investment to pro-poor policies and reforms
- Lessons for water projects?
- Andhra Pradesh Urban Services for the Poor
- Kolkata Urban Services for the Poor

Andhra Pradesh Urban Services for the Poor

- Innovative reform project
- Partnership between municipality (MAUD), AP and DFID
- Aims to build lasting municipal reforms
- Deliver service improvements to poor
- Part of State's poverty reduction drive
- Introduces concept of challenge fund

Andhra Pradesh Urban Services for the Poor



APUSP and KUSP

▪ Benefits

- MAPP (participatory, pro-poor investment, incentive mechanism)
- Rational transparent process in stages
- Reflects reality (right information -audits)
- Links with municipal reforms
- Engages leaders, civil society and poor

Challenges for Stakeholders

- All parties committed to work within a reform framework- coherence
- Process approach, decentralised decision making and uncertainty for lenders (MDBs)
- Government- risk of by-passing other gov processes, rewarding performance but supporting weaker areas, using political commitment (quick wins but long term support)
- Service Providers- changed agenda, autonomy but accountability
- Civil society/NGOs- ability to engage in decisions
- Consumers- voice for the Poor

Conclusion

- Don't put your resources into a leaking bucket.
- Build on drivers for change, performance and incentives.

