

Leading Factors of Success and Failure in Asian Development Bank Urban Sanitation Projects

The topical paper aims to contribute to the stock of knowledge on the factors affecting the success or failure of Asian Development Bank urban sanitation projects. It identifies six factors for success and six factors for failure from 63 completed and evaluated projects implemented between 2003 and 2016. Some or all of the observations presented here can be included in the project design and implementation of future Asian Development Bank urban sanitation sector operations.

Sanitation is lagging in our rapidly urbanizing world. In 2015, 2.3 billion people worldwide lacked access to basic sanitation. Of these, a large number lived in the urban areas of Asian Development Bank's (ADB) developing member countries. The provision of adequate and equitable urban sanitation has not kept up with the rapid urbanization in Asia-Pacific. The sanitation targets of the Sustainable Development Goals (SDGs) are very ambitious; which include achieving access to adequate and equitable sanitation and hygiene for all and eradicating open defecation by 2030. To achieve the SDGs' water supply and sanitation targets, the World Bank Water and Sanitation Program has estimated that \$130 billion in capital investment will be needed globally until 2030. Improving access to sanitation and safely managing waste streams lead to better health outcomes and positive economic impacts.

ADB'S SANITATION INVESTMENTS HAVE ONLY SLIGHTLY RISEN SINCE 2010, WITH DIPS IN 2012 AND 2016.

ADB has increased its access to external funding sources for its sanitation operations, including trust funds such as the Sanitation Financing Partnership Trust Fund under the Water Financing Partnership Facility, funded by the Bill & Melinda Gates Foundation. These funds have enabled ADB to deepen its engagement

in policy dialogue and have led to more projects in recent years. The conventional concept of sanitation is a piped sewer network connected to a centralized wastewater treatment facility (off-site treatment system). Centralized systems require very large capital investments, typically three or more times per connection than for piped water supply. The coverage of centralized sanitation systems is generally low in Asia. Business as usual in urban sanitation means centralized conventional infrastructure, which benefits only a small percentage of the population. This approach is at the mercy of political priorities; funding allocations; institutional coordination; and the planning, design, and management practices needed to achieve adequate sanitation services for all.

On-site sanitation options such as pit latrines and septic tanks predominate in Asia. In big cities such as Manila, it is estimated that there are 2.2 million septic tanks built and paid for by households. The technical design and construction quality is often poor, septic tanks are not regularly emptied, with effluent typically flowing into open drains and water bodies. Septage management is not wellregulated and septage treatment facilities are inadequate.

ADB Urban Water and Sanitation Investments



Source: ADB (Sustainable Development and Climate Change Department), Water Sector Lending Database, 2003-2016.

Given the massive investments needed to achieve the SDGs' sanitation targets, developing countries and their development partners are adopting new approaches. On-site and sewerage solutions are combined in either centralized or decentralized systems so they can respond to the realities in cities in developing countries. If cities are to employ citywide inclusive sanitation, they need to develop comprehensive approaches to improving sanitation that encompass long-term planning, technical innovation, institutional reforms, and financial mobilization from a range of sources.

SUCCESS AND FAILURE FACTORS IN ADB URBAN SANITATION INTERVENTIONS

The paper identifies six factors of success and six factors of failure from 63 completed and evaluated projects implemented between 2003 to 2016. The success factors are: (i) long-term relationships for policy dialogue, (ii) policy regulatory system and rules for private sector investment in sanitation, (iii) national campaigns for investment in sanitation, (iv) combining water supply and sanitation institutions and cost recovery mechanisms, (v) encouraging partnerships with other utilities in member countries, and (vi) encouraging demonstration effects of pilot fecal sludge management at municipality level for a wider effect. The failure factors are: (i) no targets for the poor in inclusive

planning, (ii) lack of a thorough capacity assessment of local implementing agencies, (iii) not supporting small-scale independent sanitation providers for fecal sludge management, (iv) not monitoring of environment and health impact indicators, (v) not incorporating gender analysis and actions, and (vi) slow uptake and disbursement of initiatives under the Sanitation Financing Partnership Trust Fund (SFPTF).

LESSONS FOR FUTURE OPERATIONS

This paper offers lessons for ADB future operations in urban sanitation, based on leading factors identified for successes and/or failures:

1. Thorough and continuous engagement with implementing agencies from the project preparation stage is essential to avoid or mitigate implementation bottlenecks.
2. Policy dialogue throughout the project cycle is an essential component to laying out groundwork for private sector participation.
3. Integrated sanitation solutions in cities and other urban areas need to be built on a long-term vision, taking note of local needs for sanitation interventions, as this is the key determinant for success.
4. To ensure inclusiveness, it is key to target the poor and vulnerable through a full accounting of beneficiaries.

	FACTORS OF SUCCESS	FACTORS OF FAILURE
Project Identification, Design, and Preparation	<ul style="list-style-type: none"> • Long-term relationships for policy dialogue (e.g., Cambodia, Viet Nam) • Policy regulatory system and rules for private sector investment in sanitation (e.g., People's Republic of China) • National campaigns for investment in sanitation (e.g., India) 	<ul style="list-style-type: none"> • No targets for the poor in inclusive planning • Lack of thorough capacity assessment of local implementing agencies (e.g., municipalities in decentralized government system)
Delivering Results During Implementation	<ul style="list-style-type: none"> • Combining water supply and sanitation institutions and cost recovery mechanism (e.g., Colombo, Sri Lanka) 	<ul style="list-style-type: none"> • Not supporting small-scale independent sanitation providers for fecal sludge management
Process and Impact Monitoring		<ul style="list-style-type: none"> • Not monitoring environment and health impacts indicators • Not incorporating gender analysis and actions
Knowledge Management to Improve Results	<ul style="list-style-type: none"> • Encouraging partnerships with other utilities in member countries (e.g., Water Operators Partnership) • Encouraging demonstration effects of pilot fecal sludge management at municipality level for a wider effect (e.g., Nepal) 	<ul style="list-style-type: none"> • Slow uptake and disbursement of initiatives under Sanitation Financing Partnership Trust Fund