



Environmental Cooperation-Asia (ECO-Asia) Promoting Sustainable Water Services in Asia



Less than half of all Asians have access to sanitation, which is lower than any region in the world.

BACKGROUND Wide-spread migration to urban centers throughout Asia is placing tremendous stress on urban water supplies and sanitation services, with a disproportionate impact on the poor and women. Improving access to clean water and adequate sanitation for the urban poor is among the highest priorities facing Asian decision-makers, who are committed to achieving the Millennium Development Goals (MDG) by halving by 2015 the proportion of people without sustainable access to safe drinking water and sanitation.

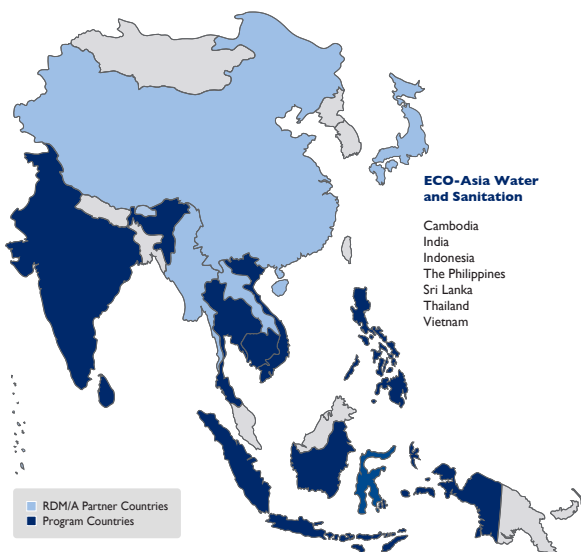
Meeting MDG water targets will require new investment and significant increases in financial flows from a range of sources, including higher user tariffs, governmental outlays, local financial markets, multilateral financial institutions and bilateral donors. Devising innovative financing strategies, however, poses a significant challenge for many water and sanitation service providers in Asia. For most water and sanitation service providers, revenues do not cover recurring expenditures, and resulting financial shortfalls seriously limit their ability to improve or expand services, leading to a vicious cycle of service delivery decline.

Sustainability is the central principle guiding ECO-Asia water and sanitation activities. ECO-Asia works with partner organizations that are committed to demonstrating innovative solutions that link enhanced service delivery or policy reform with improved access to finance. In many cases, prospective investors and financial institutions will only invest in creditworthy or “bankable” service providers that are capable of recovering costs and meeting loan, bond or other investment obligations.

For ECO-Asia, strengthening the credit capacity of service providers is a necessary first step in supporting new investments for improved or expanded service. Depending on local opportunities and constraints, ECO-Asia facilitates the transition to sustainable services by promoting cost-efficient and well-managed operations, cost-reflective tariffs, and feasible financing options for expanded services, especially targeting the urban poor.

Through pilot projects and regional activities, ECO-Asia demonstrates and disseminates innovative policies and practices for expanding or improving water and sanitation services.

Strategic focus areas for ECO-Asia water and sanitation program include:



- Improved corporate governance and management by water service providers;
- Innovative models for expanding water supply to poor communities;
- Sustainable sanitation solutions;
- Improved enabling conditions for water and sanitation services; and
- Innovative financing mechanisms.

APPROACH Sharing best practices and experience is at the heart of ECO-Asia's water and sanitation activities. Primary implementation strategies include:

- Piloting country interventions that lead to improved policies, practices and systems;
- Sharing and replicating experiences from pilots and other interventions through technical exchange, regional tools, and regional networks and organizations; and
- Leveraging resources and regional experience through cooperation with USAID bilateral country missions and international development partners.

ECO-Asia deploys a range of program resources including targeted technical assistance, coordination support, small grants, exchanges, and communications support. In collaboration with program partners, ECO-Asia applies these resources in an integrated mix to support policy formulation workshops, targeted studies, awareness campaigns, peer-to-peer exchanges, counterpart twinning arrangements, regional toolkits, regional forums and trainings, and communications tools.

Pilot Projects ECO-Asia initiates pilot projects with water and sanitation service providers, national and local governments, financial intermediaries and other organizations that offer strategic opportunities to ensure development impact for the poor and women, and demonstrate potential to showcase innovative policies and practices. For water and sanitation service providers, pilot project selection criteria may include: reliable and efficient operations as reflected in benchmarking data, commitment of senior management, political will to make necessary changes to improve or expand coverage, and commitment to the poor.

The overall approach combines targeted support for pilot activities in individual cities with national policy development and regional dissemination of best practices. To promote regional cooperation, ECO-Asia facilitates counterpart exchange for country and regional activities, including facilitating peer-to-peer "twinning" arrangements between Asian or U.S. counterparts.

Regional Cooperation To share best practices and findings on sustainable water and sanitation services, ECO-Asia prepares regional toolkits and organizes specialized trainings, as well as disseminates best practices through knowledge management systems. ECO-Asia partners with the Southeast Asian Water Utilities Network (SEAWUN) to share information and experience among member utilities, and national associations of utilities. ECO-Asia also serves as secretariat for the Sustainable Water Services Leadership Forum-Asia, a regional platform where sector leaders conduct a regional dialogue on key strategies for promoting improvements and reform in the region.

IMPLEMENTING PARTNERS PADCO, The Asia Foundation, U.S. Environmental Protection Agency, Southeast Asian Water Utilities Network (SEAWUN), The Communities Group International



As the fastest growing region in the world, Asia faces unprecedented environmental challenges with disproportionate impacts on the urban poor and women.

Contact: John R. Pasch

Environmental Cooperation-Asia (ECO-Asia)
 U.S. Agency for International Development (USAID)
 Diethelm Towers A, 10th Floor, 93/1 Wireless Road
 Bangkok, Thailand 10330
 Office +66-2-263-7470
 Fax +66-2-263-7499
 Email: jpasch@usaid.gov