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ANNEX-I

**Government of Gujarat
Narmada, Water Resources and Water Supply Department**

**Water and Sanitation Management Organisation
WASMO**

Operational Document

Ahmedabad, March 31, 2001

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Abbreviations

A-c-F	Appraisal cum Formulation
CBO	Community Based Organisation
CE	Chief executive
CMSU	Community Management Support Unit
DMA	Disaster management authority
EE	Executive Engineer
ETP	establishment, tools, planning
FA	Financial Assistance
FCMA	Foreign currency management act
FU	Field Unit
GSDWICL	Gujarat State Drinking Water Infrastructure Company Limited
GOG	Government of Gujarat
GOI	Government of India
GON	Government of the Netherlands
GP	Gram Panchayat
GR	Government Resolution
GRWSSP	Ghogha Regional Water Supply and Sanitation Project
GSDWICL	Gujarat State Drinking Water Infrastructure Co. Ltd.
GWSSB	Gujarat Water Supply and Sanitation Board
HP	Hygiene Promotion
HQ	Head Quarters
HRD	Human Resource Development
ID	Institutional development
IAS	Indian Administrative Service
IEC	Information Education Communication
IR	Inception Report
ISA	Implementing Support Agencies
MIS	Management Information System
MoA	Memorandum of Association
MS	Member Secretary/Mild Steel
NAPU	Netherlands Assisted Project Unit
NGO	Non-Government Organisation
NWR&WS	Narmada Water Resources & Water Supply
O&M	Operation and Maintenance
PS	Pani Samiti (water committee)
PR	Panchayat Raj
PRA	Participatory Rural Appraisal
PS	Pani Samiti
PSIU	Project Implementation Support Unit
RGNDWM	Rajiv Gandhi National Drinking Water Mission
RNE	Royal Netherlands Embassy
RWSS	Rural Water Supply and Sanitation
IRs	Indian Rupees
TA	Technical Assistance
WRM	Water Resources Management
WS	Water Supply
WASMO	Water and Sanitation Management Organisation

Exchange rates

1 US\$ = 2.34 Nfl
1 Nfl = 18.52 IRs

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1 INTRODUCTION

Brief history of Ghogha project.

The first submission of the Ghogha proposal by GoG took place in 1995. The project document that was agreed upon between GoG and RNE was conceptualised in 1996. GRWSSP started in November 1997 with an Inception Phase of about 20 months. This period was used to gather information, conduct few experiments, and produce an Inception Report which replaced the Project Document and formed the basis for the Implementation Phase of the Project. The I.R. was submitted in May 1999. At present, the project is in varying stages of progress. The consultant services are planned to be wound up before the end of June 2001. A separate appraisal note on the approaches followed in the Ghogha project is produced by the Mission. Because the implementation of the project is not finished, and the conditions under which the project will continue have been changed due to the implementation of the Mahi Pipe Water Scheme, the GoG has submitted a revised project document for the remaining operations of the Ghogha project. The Mission was also requested to review and adapt a revised project document that will make the necessary arrangements for the continuation of the Ghogha project until December 2003. The revised project proposal assumes the coming into being of the so-called WASMO (Water and Sanitation Management Organisation) that would take over the functions of Community Management Support Unit (CMSU), in which also the consultancy services were housed. For RNE the WASMO is an indispensable requirement for the further implementation of the Ghogha Project. However, the envisaged services of WASMO will reach beyond the Ghogha Project. The results of the Appraisal of Ghogha provide an input to this Operational Document, as well as to the revised Ghogha document.

Brief on CMSU.

The Community Management Support Unit was established in February 2000, mainly because the need was felt to interact more directly with decision making levels in the State Centre, and to help prepare reforms in the sector as regards village based approaches. The experiences and lessons of Ghogha would then be mainstreamed in an easier way than if all operations had to be done from Bhavnagar.

The formulated tasks of the CMSU's were:

- to provide policy support to GoG related to RWSS;
- to support PSIU in documentation of the Ghogha experiences;
- to participate in existing networks involved in RWSS sector;
- to facilitate in communication and training;
- to support ongoing and new projects with reform initiatives.

Institutional Mission and Concept paper

In October 2000, a Mission was fielded to a.o. do an institutional analysis of the RWSS sector in Gujarat; advise on the organisational set-up of the Ghogha project, and in particular advise on the institutional positioning of the CMSU, and identify conditions for

its sustainability (ref. Boomsma and Iyengar 2000: Institutional Development Mission Report).

This institutional mission's main recommendations were:

- to position CMSU in 2-3 years as a semi-autonomous agency within the Dep't of Water Supply, having the same status as GWSSB and GWSIDC.
- in the long term the CMSU could be placed even one step higher in the Department:
- for the time being, the GWSSB could be used as a launching path for development and positioning of CMSU.

In view of these recommendations, and after some rethinking in the Department of Water Supply on the role of CMSU, the conclusion was drawn that CMSU could not perform its tasks due to its off-stream positioning and lack of autonomy.

As a follow-up to these recommendations, GoG decided to draft a Concept Paper on Water and Sanitation Management Organisation (first draft 29 November 2000; sec. draft 22 January 2001), which was well received by RNE. This 'Concept Paper WSMO' states that: *"It is anticipated that CMSU in its present form will not be able to facilitate reforms in the sector. Therefore a new organisation, WSMO, is proposed, that will replace CMSU. It will need an independent position from GWSSB with strong link with relevant departments, especially the Water Supply Department. It should not be working within the framework of the Ghogha Project, because its aims will reach beyond that project"*.

The Concept Paper WSMO indicates in some detail

- 1) the areas of competence of the organisation;
- 2) the activities, the envisaged outputs after 3 years;
- 3) the "clients" of the organisation;
- 4) the positioning, structure and staffing of WSMO;
- 5) some operational guidelines for the transition of CMSU tasks in Ghogha Project to the new WSMO.

Actual developments as regarding WASMO.

On March 23, 2001 the Minister of NWR&WS issued a Government Resolution (No. VWS/2096/2390/Kh-3) in which the WSMO is established. The G.R. describes in broad terms the function and responsibility of the organisation, the composition of the ex officio members of its governing board, the composition of its staff, and that it will be registered as a society. The G.R. is attached to this document as Annex I. The organisation is now called WASMO. As a follow-up to this Government Resolution, a number of actions need to be taken to register WASMO as a society and start its functioning. It is expected that WASMO will be registered before end of May 2001, and have received FCMA clearance from Government of India.

2 JUSTIFICATION OF WASMO

2.1 Compliance with new policies

Central Indian policy

Recently (1999) the Government of India has embarked on the introduction of a sector reform programme for Rural Water Supply. New Guidelines for implementation of rural water supply programmes have been issued by the Rajiv Gandhi National Drinking Water Mission as per August 24, 2000.

Salient features of Guidelines.

20% of the annual outlay will be earmarked in accordance with the ARWSP criteria to those State Governments which keeping in view the principles of sector reform will implement the following broader elements:

- adoption of a demand-driven approach based on empowerment of villagers to ensure their full participation in the project through a decision making role in the choice of scheme design and management arrangement (informed decision making);
- focus on village level capacity building (Village Water and Sanitation Committees);
- ensure an integrated service delivery mechanism by streamlining the functions of the agencies involved in project implementation and;
- 10% (at least) capital cost sharing and 100% sharing of O&M cost by users. The proportion of capital cost shared should increase proportionally with increasing service demand. This contribution can be in the form of cash or kind (labour, land or material)
- taking up of conservation measures for sustained supply of water through rainwater harvesting and ground water recharge structures.

(GoI-RGNDWM: Guidelines 2000)

It is envisaged that this sector reform programme will gradually replace the erstwhile more supply oriented and target driven approach of the RGNDWM Mission.

The Government of Gujarat is keen to participate in this programme, and has nominated 3 districts in which the reform process would start. The approach that is followed in the Ghogha project is by and large in congruence with the approach promoted by RGNDWM.

RNE's sector approach

After a period of reflection on the effectiveness of the on-going development co-operation programmes, GoN decided to gradually phase-out the project oriented assistance and focus on sectoral programmes, aiming at more quality, effectiveness and sustainability of the aid provided. It was also decided to further geographically concentrate the aid programmes in the World, and also within recipient countries.

The sectoral approach envisages aid which covers the entire sector. Instead of using a project approach a broader process approach is used which supports defining policies, making them operational, and implementing them throughout the sector or subsector. The sectoral approach incorporates the following essential elements:

- *the government is responsible for the sectoral policies and the implementation plan;*
- *national ownership means that there is the political will and support in society as a whole;*
- *there is a long-term co-operation perspective;*
- *there is co-operation, co-ordination between donors, and dialogues.*

(Netherl. Min. For. Aff.: The sectoral approach)

As far as the development co-operation programme with India is concerned, Gujarat was selected as one of the States of India that would qualify for Netherlands' aid. Rural drinking water supply is among the sectors that Netherlands aid would concentrate on, not the least because the GoG has insisted on it, and the Netherlands have a co-operation relationship in rural water supply development with Gujarat for more than 20 years.

GoG, in line with the Panchayati Raj Act wants to strengthen the Institutions at the level of the Gram Panchayats. The PR Act envisages functional sub-committees under the Gram Panchayat that would take up responsibility for certain public services that should be delivered at the village level. GoG in its attempts to come to better RWSS systems in the villages, is heading for Pani Samitis who would be the sub-committee for water supply and environmental hygiene. The Ghogha project is to be seen as a pilot scheme for the introduction of this policy.

2.2 Demand for new services

The new paradigm for rural water supply and sanitation is now emerging in India and also in Gujarat. In this paradigm shift the responsibility for rural water supply and sanitation services is principally taken away from the State Government through its GWSSB and brought to the Panchayat Raj Institutions, particularly to the Gram Panchayat and its functional sub-committees. This includes responsibility for the construction of new facilities as well as for the O&M of these facilities. The viability of this new model largely depends on the availability of new services that assist the Gram Panchayat institutions, in this case called the Pani Samiti, to learn their new responsibilities, and to act effective and in the interest of all inhabitants. In other words, the capacity of the Pani Samiti has to be strengthened.

2.3 New organisation required

The GWSSB until now is responsible for the delivery of water and sanitation facilities upto and inside the villages. GWSSB, to perform this task, has evolved into an engineering agency, probably technically efficient to deliver these services, but not equipped and also not inclined to include socio-economic parameters into their designs and modes of operation. There would be too much of institutional interest with GWSSB to maintain affairs in RWS as they are. The GWSSB therefore is not considered the right institution to assist the Pani Samiti in their new tasks, except probably for technical matters.

Gujarat counts many NGOs, even many that have RWS as part of their areas of competence. Most of them however operate at a local scale, and would not be able, nor willing to take up the task to provide the Pani Samiti at a Gujarat wide scale with the assistance required to really enhance the capacity required at the gram panchayat level. This doesn't mean that such organisations are disqualified to be instrumental at certain level to contribute to the realisation of the paradigm shift. It is more that there is a need for direct and influential communication with the Government of Gujarat, and of state wide collecting and documentation of the experiences of the changes that will take place.

Some NGOs like AKRSP, SEWA, and others operate at a more comprehensive scale. But these organisations have their own agenda and their own philosophy. They are Non-Governmental Organisations that would not allow interference of Government in their way of operation, since it would affect their very nature. One other argument may be added to this. The period over which the services are required, some decennia at the minimum, would ask for an institution that can survive such a period, by the way it is conceptualised. That requires a certain minimum of governmental interest in such an institution, which would not be found in an NGO.

The decision making on the institutional services that are to be delivered should ultimately be influenced by the stakeholders to whom these services concern, i.e. the village people/Pani Samiti. There is no such organisation as yet in Gujarat that intrinsically would provide this stakeholder involvement in the RWS sector. That it is possible, is shown by the dairy co-operatives in Gujarat. Some organisational principles for the WASMO are borrowed from this organisational set-up.

3 STRATEGIC POSITION AND PRINCIPLES FOR WASMO

3.1 Mission Statement

During the last year, three separate vision statements. Vision 2000 statement of infrastructure, Gujarat Jaldisha –2010 and White Paper on Water in Gujarat have traced the contours of challenges to be tackled by the water sector in Gujarat, and suggested the direction of future policy. Although differing in some respects, all these emphasize the importance of following.

- Maximal conservation and utilization of local water resources, along with need-based inter-basin transfer of water from South Gujarat to Saurashtra and North Gujarat through Narmada and Mahi canal-pipeline systems.
- Improved water use efficiency, particularly in agriculture sector that uses 89% of total water.
- Appropriate pricing and recovery mechanisms for agriculture, industrial and domestic use
- Improved regulation and management of water demand with emphasis on equity and efficiency.
- Responsiveness to the demand of consumers, and peoples' involvement in planning and implementation of water supply schemes.
- Participation of people, particularly, women in the management of water supply systems and in decisions about water use and allocation.

WASMO's mission is to lead policy and implementation of water supply schemes so the above features are incorporated in practice. WASMO will work closely with the Department of Water Supply & Sanitation of the Government but would transcend the technology centered supply-side thinking. It will help evolve the policy framework and operational mechanisms to integrate the software and hardware in the setting up phase and work towards the transfer of ownership and management of local water supply and sanitation schemes to community organization during O&M phases. While setting up the regional water supply scheme would remain the core responsibility of GWSSB, WASMO would focus on the setting up and management of local distribution system. It will help evolve appropriate pricing strategy and recovery mechanism. It will also act as the platform to bring together the Government and civil society, comprising the NGOs, CBOs and Research Institutes, to facilitate the decentralization in the Water & Sanitation sector.

3.2 Envisaged Responsibility of WASMO and immediate tasks

WASMO shall evolve policies and program strategies and strategically introduce changes and reforms that lead to unbundling of the Water Supply and Sanitation sector, and decentralized management of water schemes in conformity with the policy direction spelt out in the Rajiv Gandhi National Drinking Water Mission guidelines. Specifically, WASMO will focus on setting up village level water conservation and distribution schemes and their O&M phase, while the installation and planning of regional water

distribution and inter-basin water transfer schemes would rest with the Department of Water Supply. WASMO would attempt to integrate the water supply component with sanitation.

In the immediate future, WASMO will undertake the responsibility of implementing the revised Ghogha project. It may also implement the project for reconstruction of village water supply schemes in the earthquake-affected regions, as and when the project support for this is made available. WASMO will further refine and develop the existing proposal for IEC for the water and sanitation sector, also submitted to the present Mission and would be the nodal agency of its implementation when approved. It is envisaged that WASMO would play a co-ordinating and documenting role in the sector reform programme, financed through RGNDWM. In the long run, WASMO will evolve and formulate other projects and strategies to fulfil its mission, and implement those that get budgetary or other support. WASMO would also undertake policy research and cooperate with both the Government agencies and other civil society institutions to seek appropriate changes in policy environment.

4 ORGANIZATION DESIGN AND STRATEGIC POLICY FRAMEWORK FOR WASMO

4.1 Key Design Considerations

1. The design of WASMO should enable smooth and expeditious implementation of the revised Ghogha project as well as the village water supply reconstruction project in the earthquake affected regions in Gujarat, provided it is approved by the donors and GoG.
2. The software and hardware aspects in all water supply schemes supported by WASMO should be integrated on an institutional and sustained basis.
3. The WASMO should be a lean and efficient organization that delivers high quality services in selected areas and contracts out other tasks to best value providers.
4. WASMO should be an output/impact driven organization, and should not simply supply inputs as per line items in a project document.
5. WASMO should establish appropriate linkages and relationship with the GOG and other stakeholders so it is able to work closely with various GOG departments and agencies, while maintaining its capacity to adhere to its mission statement.
6. WASMO should be able to draw upon the budgetary resources and payment for its services, to undertake its program activities while retaining its professional and functional autonomy.
7. WASMO should be able to receive funds from non-government sources, including donors, as per the processes laid down by the Government and approved by the Governing Board of WASMO.

4.2 Situation Analysis

1. The Ghogha project is designed to incorporate most of the desired features of water supply and sanitation systems outlined in various Vision Statements, as mentioned above, on a pilot scale. Successful implementation of Ghogha project, therefore, can set the tone for WASMO to carry forward its mission-agenda.
2. The expeditious and efficient implementation of the revised Ghogha project requires that WASMO is able to receive the resources from RNE and GoG on the same pattern as has been agreed. It should also be able to engage the services from the NGOs-ISAs and consultants that provide distinctive services not readily available from the governmental departmental sources. Its capacity to utilize the services of technical staff from GWSSB/ GSDWICL must similarly continue as be visualized in the appraisal document.
3. The A-c-F Mission was informed that Gujarat Government has already established institutional sanctions and procedures whereby the bilateral and multilateral aid can be channelized to the societies set up by the Government for specific purpose. For example, the international aid for post-earthquake reconstruction is being handled by Disaster Management Authority that has been registered as a society. Such a society can engage the services of NGOs and consultants to handle specific tasks, as well as, have staff from other government departments on deputation/secondment. Since WASMO is to be registered as a society promoted by the GoG, there should be no problem in transferring the tasks and roles under the revised Ghogha project to WASMO. The GoG would need to issue relevant orders in this regard.
4. The analysis of rather slow progress of Ghogha in the past has highlighted the importance of certain factors (See Annex-II). In the initial stage, the start of village water scheme awaited the completion of bore-wells, a large majority of whom did not yield water as much as needed. From late '99 onward, it became clear that a majority of villages would need to have a part of their water needs met by the Mahi pipeline, but then a variety of organization and management factors came into play to impede quick action on designing and commissioning village water schemes. These included inadequate integration between the project teams responsible for the software and the hardware, slow procedures of approval and works, possibly sub-optimal decisions about the award of contracts and staffing/incentive decisions that contributed to poor motivation for some staff, looking after the designs and constructions. The proposed design of WASMO would help eliminate such impediments for future implementation.
5. A-c-F Mission reviewed the practices and policies in a cross-section of organizations that have been able to effectively integrate both the software and hardware on a sustained basis, and institutionalize the decentralization and participation. (Such examples at a modest scale would include the water resource management activities of AKRSP and Sadguru Trust, and at large scale, the Dairy Cooperatives of Gujarat). The review revealed that these organizations adopted the policy of developing both the hardware and software competence of high order *in-house*. This suggests that while WASMO could rely on NGOs-ISAs for delivering the software component in the short-term, in the long term, it should acquire in-house capability of leadership in this domain too. Similarly, while WASMO could rely on the GWSSB/GSDWICL to

depute staff to assist the implementation of hardware in Ghogha project. WASMO needs to acquire capability to engage and lead the providers of hardware, as per its own distinctive requirements of designing and implementing an integrated package. Both the hardware and software need to be assigned equal importance in organizational hierarchy.

6. To obtain a high level of commitment and performance from its staff, WASMO would need to evolve its staff structure, incentives and career development decisions with sensitivity and care. One recommended way would be to induct bright young people for most core tasks and to invest in their development, so they develop stake in organizational growth that would translate in their own career growth. The organization design and its program strategy would, however, have to be orchestrated so that the young team could still develop credibility with other relevant Government and non-government agencies. This would be in contrast to a policy of inducting very many senior people who might already have experience and credibility with other government departments but who might be less capable to change their thinking and style in conformity to the needs of transforming water and sanitation sector, which, as Jal Disha 2010, suggests requires a paradigm shift.
7. The organisation would need to be gender sensitive in its staffing pattern as well as work approach. Also, it would need to incorporate social and gender analysis into the project preparation and implementation phase for each of its field units.
8. To maintain the quality and efficiency of its operations, WASMO needs to professionalize its management and operations, and become an organization that is held accountable to meet measurable goals on a competitive basis. WASMO should contract out all such tasks that can be performed without dilution in quality but it needs to develop in-house competence for providing quality and efficiency leadership.
9. A common mistake of many well meaning development initiatives remains that the qualitative goals and mission statement are not translated in effective program strategies, which in turn are not backed up by suitable plan of action or implementation capability. Another weakness of many initiatives is the lack of accountability in terms of impact. The design and operations of WASMO will be oriented to overcome these limitations.
10. WASMO needs to be designed in a way that it conforms to the requirement of handling budgetary allocation by the GoG, while retaining its professional autonomy. Following the example of leading institutions like Indian Institute of Management Ahmedabad (IIMA), this could be ensured by giving the power to the Government to appoint the Governing Board and making Secretary (WS) as ex-officio Chairman while allowing WASMO to evolve its own operating procedures and working norms. The choice of Chief Executive and the role of initial leadership in establishing an appropriate organizational culture would be crucial in this context.
11. While designing coordination and cooperation among different agencies, the key determinant of effectiveness is the decision of who will take leadership in what aspects, and delineating clearly the areas of interdependence and autonomy. This can only partly be ensured by the composition of Governing Board and formal consulting mechanisms, but a major additional factor would be the design of program strategy.

The design of WASMO has been finalized keeping above in mind.

4.3 Organization Design and Strategic Policy Framework

1. As suggested in the concept note approved by GoG (Annex I), the WASMO will be registered as a Society under Society's Registration Act. The Governing Board should be Chaired by the Secretary (WS) and have majority representation from various government departments that are linked to water supply and sanitation sector. To institutionalize the active involvement of other stakeholders in decision making, the Board should have a Vice-chairman who is an eminent and credible person from outside the Government, and there must also be significant representation from NGOs, Research Institutions and Peoples Water Institutions, such as Pani Panchayat on the Board. The initial choice of non-official representatives on the Board should be done through extended consultations among key stakeholders. The subsequent appointments should be done through consensus among the Governing Board.
2. The Bye-laws and Memorandum of Association of WASMO should provide for professionalization of its management and protection from undue interference from outside. Annex-III gives some important factors in this regard that includes the selection of the Chief Executive (CE) on the basis of specified professional competence criterion, a time-bound contract appointment of the CE, and the provision of professional autonomy of CE.
3. WASMO should evolve its own operating system and approval procedures and get its accounts audited by an independent external auditor. The operating systems and procedure and program budget would be approved by the Governing Board, but thereafter the CE will have autonomy in the use of resources as per the budget limits.
4. WASMO should design its staffing and incentive structure that ensures high quality performance at reasonable/competitive cost. An appropriate strategy could be to appoint bright young people for most core tasks and provide for their fast growth and development that will be linked to performance. The choice of the specific individual as the Chief Executive would also be crucial in this regard.
5. Given the emphasis on employing a young team and giving them space to grow, WASMO should engage the services of an 'institutional advisor' with high quality international and relevant Indian experience, for initial two years. There should also be a provision for short term consulting contracts on specific themes/task, but WASMO would need to develop high level of expertise for all relevant fields within its own organisation.
6. To support the autonomy of WASMO, it would be desirable that a part of its funding comes from long-term allocation or funding sources and earning for services delivered, beyond the government budgetary provisions. WASMO should have a capacity to receive project fund and grants from sources outside GoG, including international aid, and it must therefore obtain FCMA clearance. In future, the GoG and RNE may like to consider the provision of a corpus fund for WASMO to support its ongoing core operations.
7. In line with the mandate of WASMO, as outlined in the Mission Statement, it should have three core functional departments, namely Technology (Hardware), Institutional

Development (Software), & Policy Analysis and Advocacy, each headed by an officer of similar rank: Manager. These will be supported by the Finance and Accounts services and corporate Planning and Monitoring division.

8. The project implementation in the field will be handled by field units that could comprise of outside contractors, staff on deputation, and WASMO's own staff. The functional control of field units will be with the WASMO.
9. In the initial phase, there will be one field unit for Ghogha project and later another may be started for post-earthquake reconstruction of village water schemes in Kutchh, whenever this is approved and taken up. Each field unit will be headed by a Dy. Manager who will report to various HQ departments related to their area of specialization. WASMO thus would have a matrix structure.
10. The field units must be set up for specific projects and should close down at the end of project period. The staffing structure and decisions should ensure that WASMO does not have any surplus staff, besides its core unit, at the end of the specific project.
11. As outlined in the appraisal note on IEC activities, these will be linked to specific plans for institutional development and would be handled by an officer reporting to Manager (ID).
12. Drawing up the overall strategy and plans for IEC for WS sector in Gujarat may also be entrusted to the ID department, so the provisions of IEC are always linked to specific institutional development interventions, even in such villages where local institutions manage internal-local water sources. ID division may like to employ a process similar to one used for drawing up JalDisha-2010 statement for this purpose. The relevant budget under IEC may be made for this while keeping in mind the provision for this component under RGNDWM guidelines.
13. To institute the process whereby WASMO acquires institutional capability to lead the software component in the water supply schemes, WASMO should recruit its own small team to handle software activity in some selected villages, in parallel to the similar responsibility assigned to ISAs, within Ghogha project. This team would become the nucleus of WASMO'S core group within ID department that would provide design and management leadership for software component. The allocation for the relevant component in Ghogha project for ISAs should be accordingly revised.
14. To enhance local institutional capacity in gender, WASMO would need to take initiatives such as policy dialogue to broaden the agenda by building a consultation process with the governmental agencies, NGOs, Pani Samitis and other donor programs being implemented in the state, develop gender training programs as well as improve gender disaggregated data collection and analysis
15. The documentation of the processes and generalizing of lessons has been a weak area so far under Ghogha project. This was partly because the documentation was not based upon high quality analysis and did not incorporate the implication of past experiences for future policies. It is therefore suggested that analytical documentation would be entrusted under the charge of Manager Policy Analysis & Advocacy, who will institute suitable mechanisms in this regard.
16. At present, there does not exist a statement of long-term program strategy for WASMO. Once WASMO has been registered and started operations with regards to the Ghogha project and Post-Earthquake reconstruction, a Strategy Formulation Mission may be set up to draw up a long-term program strategy. The issues to be

- addressed could include the sector transformation strategy that would unbundle the installation and O&M phases, and possibly hand-over O&M to local community organization. The mechanism to set up water price and its efficient recovery could be the other focus area. Evolving appropriate program strategies would require a review of successful examples of water sector transformation in Gujarat or other states, water resource management projects/programs, and of lead institutions in other sectors such as Dairy Cooperative System in Gujarat. The lessons from these would have to be translated into a program strategy for WASMO so it could acquire lead role in transforming the W&S sector in Gujarat. Annex-IV provides some ideas in this regard. RNE should consider supporting this exercise as a part of technical assistance.
17. The mechanisms of inter-institutional coordination, particularly with the GWSSB and GSDWICL will depend partly on the choice of long-term program strategy of WASMO, and partly on the reputation and credibility that WASMO acquires through its constitution and performance record. An important domain of such coordination would relate to O&M phase besides that of initial project/program planning. As of now, many features of O&M policy, such as women's participation, pricing of water supply and control of assets, have not been fully spelt out by GoG. This issue may be entrusted to the Strategy Formulation Mission referred in item 15 above.
 18. The representation of various departments on the Governing Board has already been provided for. This would ensure that the activities of WASMO are in tune with the overall GoG initiatives, and are coordinated at policy level. The more specific coordination with a particular department or agency would come through the design of specific projects that spells out the details of implementation. For example, in Ghogha project, the GSDWICL is responsible for bringing the pipeline to the project villages while the WASMO would be responsible for the village water supply schemes. The GSDWICL would also provide the staff to handle hardware component while WASMO will cover the expenses laid down in the revised Ghogha project. The other projects too would similarly specify the scope of cooperation among various agencies. In addition, it may be useful if the Chief Executive of WASMO is inducted on important committees that are set up the GoG for formulating water policy and schemes.
 19. The internal organizational structure of WASMO and its external relationships are shown in figure-1 and 2 respectively. Figure 2 shows the positioning of WASMO in the Ghogha Revised Project in particular.

5 REQUIRED MANDATE AND CAPABILITIES OF WASMO

1. The immediate responsibility of WASMO over 2001 would be the implementation of the revised Ghogha project, and most likely the preparation and implementation of Reconstruction Plan for Rural Water Supply schemes in earthquake affected villages of Kuttchh and Surendranagar. The WASMO would also have to start detailed planning of IEC project whose concept paper has been submitted to the A-c-F Mission and evolve its future strategy and plans for the sector that are indicated in the Mission report.
2. The A-c-F Mission endorses the decision of GoG to nominate Secretary (WS) as the Chairman of Governing Board and to appoint Shri Vasavada to take immediate

charge of executive management of WASMO. The Government however should quickly constitute the full board with the nomination of Vice Chairman, and other official and non-official members, as stipulated in the MOA. The Governing Board of the new organization then must take step to select and appoint the most suitable Chief Executive on a long term basis, as per the provisions of MOA.

3. The GoG needs to issue order for transferring the Ghogha project to WASMO according to the arrangements proposed in the Ghogha Revised Phase operational document and make provisions to channelize the budgetary resources and financial and technical aid to WASMO, which should have autonomous financial responsibility of implementing the project.
4. Along with issuing relevant orders for transferring the implementation of revised Ghogha project to WASMO, GoG would have to provide budgetary resources to WASMO so it could ask GWSSB/GSDWICL to provide necessary staff for handling hardware component of the project.
5. WASMO would also need to enter into new contracts with the NGOs/ISAs to provide software service in the Ghogha project villages. Similar arrangement may be needed for the reconstruction project in Kuttchh.
6. WASMO would likewise have to enter into collaboration with GWSSB/GSDWICL to provide hardware support services for the Kuttchh reconstruction project, while WASMO would pay for the contract work.
7. WASMO should immediately take steps to evolve operating systems and financial procedures that satisfy the basic need of public accountability and transparency in the use of funds, but these procedures should follow the best business practices. WASMO may like to consult some good public sector corporations in this regard.
8. Once the full Governing Board is constituted, WASMO should initiate steps to recruit its core staff for all the three divisions, namely Policy Analysis, Institutional Development and Technology. The staff would have to be recruited also for the Finance and Accounts department and for corporate Planning and Monitoring.
9. Till WASMO is in a position to recruit its own core staff, it could seek the needed staff from other GoG departments on deputation/ secondment and Private Sector on a temporary basis.

6 STAFFING, LOGISTICAL AND FINANCIAL REQUIREMENTS

1. The organization design and strategic policy of WASMO, outlined above, indicate the long-term staff needs, but the exact staffing decisions would depend upon the nature and size of projects that WASMO would undertake. This would have to be finalized and approved by the Governing Board of WASMO, keeping in mind the objective of keeping it a lean and efficient organization.
2. At present, the needs of Ghogha implementation can be forecast but the staff needs for the Reconstruction project in Kuttchh, and IEC project are yet to be determined. The total size of budgetary and other support available to WASMO too is not firmed up yet. In view of this, WASMO should adopt the policy of obtaining a minimum contingent of staff from other departments on deputation, particularly for the Technology and Accounts and Finance. The decision must be reviewed when the Governing Board is fully constituted.

3. Annex V suggests an indicative staffing requirement that needs to be reviewed by the Governing Board. It would be a good idea to recruit the young staff for most of the positions who would work as in-charge of respective posts. in the short run. Depending upon the performance, the in-charge could be promoted to hold regular post.
4. WASMO should engage minimum office facilities and infrastructure needed for efficient functioning of its limited staff. As such, it would have small staff contingent at the HQ, so its needs must remain modest.
5. As a matter of principle, the WASMO should seek part of its financial basis to come out of operations. Therefore it is proposed that WASMO may charge projects with handling fees on a pro rata basis. These fees would cover the cost of the (temporary) field unit of a particular project, and part of the operational cost of the HQ. It should also provide for some additional funds for internal capacity building, training, and up-to-date working facilities. However, to guarantee institutional sustainability and a certain independence of ad hoc activities the core staff of WASMO and its operational costs should be funded on a long term basis by GoG and the Netherlands on a 25-75% share basis. To enable smooth operations and flexibility in the initial phase (before the handling fees from project activities would reach the accounts of WASMO), WASMO would be receiving extra financial support up-front from GoG and RNE under the Technical Assistance programme (see chapter 9). A-c-F Mission has recommended a handling charge of 5% under the Ghogha revised phase over the implementation budget, both FA and TA. These handling charges would replace the ETP charges of GWSSB, except for the share of the cost of Mahi pipeline to be allocated to Ghogha project.
6. Management charges or specific fees for services for the other projects such as the proposed reconstruction scheme for earthquake affected region and IEC would similarly be available to WASMO.

7 ADMINISTRATIVE AND FINANCIAL PROCEDURES

1. WASMO needs to evolve administrative and financial procedures that meet the standards of public accountability and transparency but minimize delay causing procedures. WASMO should take lead from reputed public sector corporations or societies that have been set up the Government.
2. The accounts of WASMO must be audited by an external auditor once every year. The WASMO should also institute concurrent internal audit mechanisms.
3. WASMO should bring out an audited Annual Report that would also highlight its key achievements and policy contributions.
4. WASMO should take lead in sharing information about its activities with the public. It should, for example, consider displaying both technical and financial information about the village water supply and sanitation schemes through charts and tables in the concerned village Panchayat's office.
5. As regards specific projects handled by WASMO for various funding agencies, reporting should be in accordance with mutually agreed standards.

6. WASMO should institute grievance redressal systems that are easily accessible to local village people.

8 ASSUMPTIONS AND RISK ASSESSMENT

The setting up of WASMO entails some uncertainties and contingencies that need to be tackled with care if it is to succeed in achieving its mission. Following assumptions have been made in this regard.

- WASMO is intended to be an autonomous society with sufficient independence from Government to operate in an efficient and flexible way. The autonomy would be jeopardized if Government would follow their normal transfer procedures for the leadership of WASMO. The authority over replacement of the CE should therefore be with the Governing Body, in which the ex officio members would have majority, but where the procedure and conditions to replace the CE are different from regular practices.
- WASMO would obtain enlightened leadership and therefore its Governing Board should be constituted with due care and after wider consultations. The donors like RNE would also get standing invitation to participate in decision making as observers.
- WASMO would evolve appropriate programs and strategies so it acquires a strategically important and distinctive role in restructuring the Water Supply and Sanitation sector in Gujarat.
- WASMO would have to depend upon people on deputation from other department in the initial phase. This phase, however, would be kept to a bare minimum and the Governing Board would evolve appropriate staff recruitment and development policy so WASMO acquires the character of a young but growing organization.
- The fully constituted Governing Board would set up the procedure to select and recruit the Chief Executive keeping the long-term programming and strategic needs of WASMO in mind. The Governing Board would also be involved in the selection of departmental heads.
- WASMO comes into existence by taking over the implementation of Ghogha project that has a legacy of being managed under traditional governmental and departmental systems and procedures. The management of WASMO would guard against the perpetuation of old procedures and working culture. Recruiting young staff for most core positions would be important in this regard.
- The Ghogha Revised Phase would be the first responsibility of the WASMO. This may soon be followed by the much larger Reconstruction Project. There is a risk that the volume of tasks would be too much to efficiently handle for a young still unsettled organisation like WASMO. For the Reconstruction Project it is therefore recommended that it would be handled by a special task force under the WASMO, but with specific mandates, yet to be formulated, that would relieve WASMO from too many managerial tasks.

9 CONTRIBUTION OF RNE

9.1 Justification

The interest of GoN/RNE in having an efficiently and effectively functioning WASMO, is threefold.

1. A WASMO organisation that would bring under principles of good governance sector reforms in Gujarat RWSS further, is in concurrence with the guiding principles for Netherlands' Assistance, and therefore a goal in itself.
2. WASMO would be very instrumental in identifying, implementing and monitor other Netherlands Assistance Programmes in RWSS sector.
3. In the longer term, and subject to the performance of WASMO over time, the organisation has the potential to become the entry point for sectoral budget support to Gujarat.

However, WASMO is designed in a way that it will not exclusively co-operate with GoN/RNE. The organisation should become a well known partner in Gujarat for all agencies assisting Gujarat in RWSS activities.

9.2 Professional and financial needs

It is expected that WASMO will be fully functional by July 1st, 2001. However, when the organisation starts, it is still young, institutionally inexperienced, and unsettled. Many procedures have to come in place, staff has to get acquainted to one another and to the job, and the institutional culture has to get shape. In fact the first one or two years the organisation is the most vulnerable for internal instability, and external interference. This, combined with the fact that right from its start WASMO is expected to execute quite a number of tasks, would create too much of a risk for the institutional sustainability of WASMO, if no special, temporary professional support is provided. This support would guide WASMO through the first phase of its emergence.

It is therefore recommended that RNE at the request of GoG/WASMO provides for two years of institutional support. This support would consist of 12 manmonths of international institutional expertise, spread over 30 calendar months, and 24 manmonths of well qualified Indian institutional expertise, spread over the same 30 calendar months. Table 1 presents the budget requirements. The Terms of Reference for this support should be drafted by WASMO, and sanctioned by the Governing Board.

In future, most of the financial requirements for implementation of field activities would come from the different project budgets, as a handling fee, which fees are then subject to negotiations between WASMO and funding agency. These handling fees would also cover the expenses of the WASMO-HQ in as far as direct services are provided for such projects.

Notwithstanding this provision, the WASMO would need extra funding at least for part of its core staff, to enable tasks without direct income generation, like policy support.

Moreover, the organisation would need financial resources right from the beginning, to be able to attract staff, contract consultants, or engage NGOs. There is also a need to establish a corporate reserve fund, to allow for training, create and maintain facilities, compensate variations in project-related income, etc. The project related income, will reach the account of WASMO probably only after 1 year.

It is therefore proposed that GoG and RNE together and up-front finance the core staff and the running cost of WASMO-HQ, as well as provide some additional investments needed in the first year. RNE (under the Ghogha Revised Phase act. nr.) will also make available advance payments for the TA components of Ghogha Revised Phase, which will later be settled with the actual invoices (including the handling fees). After 30 months, the extra earnings of WASMO, created in this way, would form a first corporate reserve fund.

Table 1 gives the budget overview for the WASMO Institutional Support Project (W.I.S.P.). Annex 6a and 6b give details on WASMO-HQ and Field Unit.

Table 1 Summary of budget for WASMO Institutional Support Project

Irs to Nfl = 0,054

	Annual budget requirements				annual GoN contribution		
	total	GoG	GoN in Irs	GoN in Nfl	2001	2002	200
HQ						0,05	0,0
staff	9.240.000	2.400.000	6.840.000	369.360	184.680	387.828	407.21
running cost	1.440.000	180.000	1.260.000	68.040	34.020	71.442	75.01
additional investment	1.500.000	0	1.500.000	81.000	81.000	0	
total WASMO HQ	12.180.000	2.580.000	9.600.000	518.400	299.700	459.270	482.23
Institutional Capacity Building Consultant	months	in Nfl/month	in Irs/month	GoN in Nfl	2001	2002	200
Expat consultant	12	40.000		480.000	240.000	120.000	120.00
Indian consultant	24		150.000	194.400	48.600	97.200	48.60
total consultant				674.400	288.600	217.200	168.60
Total budget GoN for WASMO				total	2001	2002	200
				1.915.604	588.300	676.470	650.83

*Establishment of Water and
Sanitation Management
Organization (WSMO).*

GOVERNMENT OF GUJARAT
Narmada. Water Resources and Water Supply Deptt.
Resolution No. VWS/2096/2390/Kh-3
Sachivalaya, Gandhinagar.
Dated 23.03.2001

RESOLUTION

Preamble:

The water sector especially drinking water supply has been receiving increasing attention from all segments of society of Gujarat since last few years. Two consecutive drought years have strongly contributed to this. Drinking water supply is a community-oriented programme and therefore participation of the community in this programme right from the planning process to the implementation stage, involvement of the community is extremely essential. Govt. has to adopt a paradigm shift in the implementation process by acting as a facilitator instead of a provider for the village level drinking water supply programme. There are, however, many areas of operations for which there is a need of shifting the roles and responsibilities of different institutions and stakeholders. Over a period of time, it has been proved that communities need to be mobilized for water and sanitation and can contribute in its management and mobilization of resources for operation and maintenance. Gujarat has also shown that there is a constructive environment with collaboration between the Govt. and Non-Governmental Organisations (NGO) to complement their efforts.

As a part of the Netherlands aided programme, a Community Management Support Unit (CMSU) has been set up in Gandhinagar as a part of the Ghogha Regional Water Supply and Sanitation Project. It is anticipated that Community Management Support Unit in its present form will not be able to facilitate reforms in the sector. Therefore, there is a need to have an active organization called Water and Sanitation Management Organisation (WSMO), which will replace CMSU. This organization will be the key

center for implementing decentralized drinking water supply management systems in the rural areas and will be able to create enabling environment for active coordination between the Govt. and the civic society.

RESOLUTION:

- 1) After careful consideration, the Government is pleased to establish the Water Supply Management Organisation (WSMO) with its headquarters at Gandhinagar.
- 2) The function and responsibility of the WSMO will be as under:
 - Develop and implement decentralised management system in the water and sanitation sector.
 - Create and establish systems to demonstrate that rural communities are able to develop and manage water resources, water supply and sanitation activities/facilities in a sustainable and efficient way.
 - Formulate, develop and implement systems and policies for involvement of the civic societies, NGOs and community based organizations enabling them to participate actively in the government effort for development of the water supply and sanitation sector.
 - Take up community organization and awareness programme to encourage community participation.
 - Assist the Govt. in outlining new policies for the sector with a wide range of expertise for the Govt. making optimum use of knowledge and experience available in Gujarat.
 - Promote new technologies and innovations and guide the Govt. Departments in developing more flexible implementation strategies where a much bigger role is foreseen for the community and the private sector.
 - Promote and develop demand responsive projects for the village level programme for water supply and water resources management and sanitation systems.
 - Promote and develop enabling environment for coordination between the State and the civic society.
 - Promote and practice information, education, communication systems and networking processes for the water supply and sanitation sector.
- 3) The Water Supply Management Organisation (WSMO) shall be established as a registered society which will report to the water supply wing of the Narmada, Water Resources and Water Supply Dept. and function under its directions. Secretaries to the Government in the Finance, Panchayat, Rural Development, Water Resources,

- Health, Education, Tribal, Social Justice & Empowerment, Managing Director Gujarat State Drinking Water Infrastructure Co. Ltd. and Member Secretary Gujarat Water Supply and Sewerage Board will be on the Board of WSMO.
- 4) Representatives from the NGOs and Research Institutes as appointed by the Govt. of Gujarat will also be on the Board of WSMO.
 - 5) Senior IAS officer in the rank of a Secretary to Government will be appointed as the Chief Executive Officer of the WSMO.
 - 6) The Core staff for the WSMO will consist of the following professionals.
 - A Senior Officer in the rank of a Chief Engineer will head the engineering activities.
 - Two senior Managers having qualifications and experience in the areas of community management, natural resources management, finance management, and MIS/Data management.
 - Two Sr. Managers with qualifications and experience in communication and training.
 - One Sr. Manager with experience in the field of Hydrogeology.
 - Two Civil Engineers, Three Jr. Managers having qualifications and background of rural management (IRMA graduates).
 - Four Jr. Managers with background in information, education and networking.
 - 7) Technical and engineering officers will be taken on deputation from GWSSB. Administrative, communication and management professionals will be taken on contract basis.
 - 8) The expenditure for the set up of the WSMO and its maintenance shall be met with from the funds made available by the Narmada, Water Resources and Water Supply Department, out of its annual budget allocation.
 - 9) This issues with concurrence of Hon. Minister (Water Supply) on this department's file of even number dt. 16.3.2001.

By order and in the name of Governor of Gujarat.

signed: 23-3-01

(P.K. Shah)
Additional Secretary & Chief Engineer

ANNEX II AN ANALYTICAL NARRATIVE OF THE DELAYED PROGRESS OF GHOGHA PROJECT

1. Ghogha was conceived as a pipeline project to bring drinking water from Shatrunji to chosen villages and supplementing this by developing and exploiting local sources of water. The project agreement between the GOG and RNE was signed in early 1997. The project implementation agency was the Department of Water and Sanitation, GOG.
2. Mr. Rene, consultant advisor, came to India in November 1997.
3. RNE, by then, had started emphasizing the importance of exploiting local sources and therefore studies were commissioned/initiated to explore the suitability and potential of harnessing local underground sources of water.
4. NAPU was put in place in July 98, but no work could be initiated as the discussion about which source of water, local or external, remained inconclusive.
5. Contract agreement with 3 NGOs/ISA were signed in early 1999, to start work in 3 villages each to set up local water institutions and to involve local people in planning the harnessing of local sources.
6. The studies showed that local sources could possibly be tapped in at least 2/3rd of villages and that the water supply schemes based on local resources would be more cost effective (NEI Report, March 1999).
7. It was decided that in around 67 villages local sources could provide water and drilling of borewells started at around 200 places in April, 1999.
8. The drilling of wells continued till May 2000, but by the early 2000, it had been concluded that water from local sources would not be available in sufficient quantity to meet year-round requirement of drinking water at many places. Eventually, only around 25 locations were found to have some water.
9. The decision to tap the local sources was taken for four villages in the first quarter of 99, and work started to prepare tender for the works. The contract was issued in December '99, but these projects have not been commissioned even by the first quarter of 2001.
 - one possible reason for delay in the execution was the choice of contractor, who under-bid the project, and who did not have proper planning and execution capacity.
 - another reason for the delay was the lack of cooperation between the villagers, who had been prepared to play a major role by the ISAs, and the contractor who wanted to follow least cost solution as per contract agreement. It is felt that ISAs and NAPU stood on opposite side in this confrontation.
10. The monsoon in 1999 failed, leading to all-round water scarcity during the summer of 2000. By then the failure of bore-wells in most villages was established and there was some talk that the GOG would commission Mahi pipeline to bring drinking water to Saurashtra. It was however not confirmed if the pipeline would be extended to bring water to villages in Ghogha project area.
11. Only when the monsoon failed again in 2000, it became certain that Mahi pipeline would be extended to reach almost all the villages in the Ghogha project area, and the work on pipeline based water distribution system could start in earnest.

12. The above chronology of events tends to show that the large gap between the initial project agreement in 1997 and project completion was caused by different factors. It would appear that the first 1.5 year, from the arrival of Rene till the preparation of inception report in May 99, was spent in shifting the decision from reliance on Shatrunji pipeline based system to a local resource based scheme.
13. Early 99 to mid-2000 was then spent in implementing the bore-well based project, and only by the middle of 2000, the limitations of this project plan became clear.
14. The decision to link village water supply systems in Ghogha project area to Mahi pipeline thus evolved and was concretized only towards the 2nd-3rd quarter of 2000. Seen in this light, a significant source of delay in project implementation over 1997-2001 appears to be time taken in arriving at the correct and workable project conception.
15. The unusual delay in commissioning the four local village schemes, though, highlight another weakness, which relate to the delay in decision making in the W&S department and also the lack of integration between the project wings responsible for the software and hardware components.
16. There is one other source of delay in the project implementation. By the early/middle of 2000, it had become clear that a large majority of villages will have to rely on the pipeline for water supply to supplement local sources. In this case, ideally nothing should have held back the initiation and completion of village water supply scheme. This has not happened, and the possible reasons could include the lack of dynamism or even lack of basic technical competence among NAPU, and its work culture that does not give a pride of place to village based work or small schemes. The slow departmental processes and the keeping NAPU under the charge of Bhav Nagar Region could only have added to this.
17. The Team Leader also feels that the relevant technical competence of both wings, NAPU and ISAs, was not up to the desired level. Through the provision of support from PSIU, the gap in the technical and institutional capacity of ISAs could largely be bridged. The Ghogha project did not have any similar provision to upgrade the capacity of NAPU. It can also be argued that contract for ISAs and software consultant were relatively more favorable while there were little extra incentives for NAPU unit to go beyond their historical perspective and experiences.
18. With the provision of PSIU under the charge of Consultant and appointment of most local staff as consultant, it appeared that the project could provide reasonable incentive to the project wing responsible for the software. The mission was told that the working in NAPU for most of the staff had implied some kind of financial and professional disincentive. It could be argued that the differential incentive structure between the hardware and software wings of the project could also be a source of limited performance and poor integration between two wings.

ANNEX III¹: DRAFT MEMORANDUM OF ASSOCIATION WASMO

Draft for Consideration
**Water and Sanitation Management Organization
Memorandum of Association, and
Rules & Regulations**

1.0 Name

The name of the society shall be "Water and Sanitation Management Organization", which might be identified as WASMO, and henceforthwith shall be referred to as "SOCIETY" in this document, unless the context otherwise requires.

2.0 Registered Office

(Same as item no. 2 in the Rules and Regulation, MOA, for DMA)

3.0 Definitions

(Same as items 3.1-3.9 in the Rules and Regulation, MOA, for DMA)

4.00 Aims and Objectives:

- 4.01 To contribute to the setting up and decentralized management of Water Supply & Sanitation (WS &S) schemes that meet the need of rural and urban population on an institutional and financially sustainable basis.
- 4.02 To plan and implement the local Water Supply and Sanitation Projects in both the rural and urban areas in partnership with local community.
- 4.03 To promote and facilitate participation of civil society and its institutions in Water Supply & Sanitation (WS&S) Sector.
- 4.04 To integrate learning of independent initiatives and pilot projects in to mainstream activities of WS&S carried out by both the government and non-government organizations.
- 4.05 To provide assistance- both technical and financial- for the implementation of decentralized, people centred WS&S projects.
- 4.06 To provide support for capacity building of various stakeholder groups for their participation in WS&S activities and undertake IEC activities to encourage community participation.
- 4.07 To conduct training programmes for various agencies, institutions, governmental and non-governmental organisations in the field of WS&S sector.
- 4.08 To organize/conduct specific workshop/s & training programmes to emphasize need for and importance of community participation in WS&S sector.

¹ This draft MoA only gives the modifications to the "Rules & Regulations of The Gujarat State Disaster Management Authority". The remainder would be fully applicable for WASMO.

- 4.09 To carry out activities related to research in the area of decentralized WS&S activities through involvement of communities and Community Based Organizations (CBO). Also to collaborate with other organizations those are involved in such activities.
- 4.10 To undertake policy oriented research and advocate suitable changes in policy framework in the WS &S sector.
- 4.11 To initiate and support dialogue for policy review and changes in WS&S sector, if required.
- 4.12 To collaborate with existing network/s at all possible levels-local, regional to international- for exchange of information, collective reflections, strengthening partnerships for improved level of services in WS&S sector.
- 4.13 To create new forum/s to facilitate interaction among different stakeholder groups to resolve problems and to new technologies and innovations and develop more flexible implementation strategies.
- 4.14 To extend support to and collaborate with government institutions and NGOs in planning, implementation, monitoring and evaluation of projects with focus on management of WS&S activities through community participation.
- 4.15 To co-operate / co-ordinate and collaborate with educational, research or other institutions including corporate/private organizations in any part of the world having objects wholly or partly similar to those of the TRUST by exchange of expertise in the field of WS&S.
- 4.16 To establish, run and maintain field offices, as and when required, to facilitate implementation of WS&S projects with an approach of decentralization and management by community, impart awareness, training as well as to undertake research in the WS&S sector.

5.0 Members of Governing Body

5.1 The first members of the society shall consist of following seven members:

1. Secretary (Water Supply)	Chairman
2. Secretary (Panchayat)	Member
3. Secretary (Rural Development)	Member
4. Secretary (Water Resources)	Member
5. Secretary (Health)	Member
6. Secretary (Social Justice and Empowerment)	Member
7. Managing Director, GDWICL	Member
8. Member-Secretary- GWSSB	Member

- 5.2 The Governing Board will be chaired by the Secretary (WS) of the state Government.
- 5.3 Secretary to the State Government for the Panchayat, Rural Development, Water Resources, Health, Social Justice and Empowerment, and Managing Director, GDWICL will be the ex-officio member of the Governing Board of the society

5.4 The Government will nominate a reputed person from non-government sector, who has expertise and experience in social development and social management, preferably in water related sectors, as the Vice-Chairman of the Board. Six other members from the NGOs, research institutions and representatives of Pani Samiti or their apex federations would be appointed on the Board for a period of three years. The term of non-official representatives can be renewed once at the end of first term.

5.5 The Chief Executive Officers will be the member-secretary of the Governing Board.

6.0 Chief Executive Officer (CEO)

6.1 Chief Executive Officer (CEO) will be appointed by the Government on the recommendation of the Governing Board.

6.2 The Governing Board will lay down the professional education and experience criterion for the CEO.

6.3 The Governing Board will set up a search committee that shall suggest three names to the Government, along with its recommendation. The Government shall appoint one of these for a fixed term of four years.

6.4 On recommendation of the Governing Board, the Government could renew the term of CEO at the end of the term.

7.0 Fund

(Same as items 7.1 to 7.5 in the Rules and Regulation, MOA for DMA)

8.0 Property of the Society

(Item 8. in the Rules and Regulation, MOA for DMA)

9.0 Meetings of the Governing Body

(Items 9.1 to 9.7 in the Rules and Regulation, MOA for DMA)

10.0 Voting Rights

(Same as item 10 in the Rules and Regulation, MOA for DMA)

11.0 Management and Administration

(Same as 11.1 – 11.7, except 11.3 in Rules and Regulation, MOA, for DMA)

11.3 The staffing structure and the qualification for recruitment for all the staff of the Society would be decided by the Governing Board.

12.0 Resignations

(Same as 12.1 – 12.2 in Rules and Regulation. MOA. for DMA)

13.0 Powers and Duties of the Governing Body

(Same as 13.1–13.3. including all sub-clauses of 13.2 in the Rules and Regulation. MOA. for DMA)

14.0 Committees

The Governing Board may appoint subcommittees to oversee specific functions of the society

15- 32 (Same as in the Rules and Regulation. MOA. for DMA)

33. Power of the State Government

Notwithstanding anything said above, the State Government would appoint the Chief Executive Officer on the recommendation of Secretary (Water Supply) for the first 2 years of operations. After the Governing Board is fully constituted, the appointment of the Chief Executive Officer would be made as specified in the Rules and Regulations stated above.

We, _____ the _____ several
persons.....
.....
.....

Place:

Date:

ANNEX IV: INDICATIVE PROGRAM AND STRATEGIC AGENDA FOR WASMO

1. WASMO should try to formulate such plans so as to become the lead agency for formulation and implementation for the reform of drinking water sector, in tune with the guidelines of Rajiv Gandhi Mission on Drinking Water.
2. WASMO needs to undertake such studies, in partnership with other major research institutions, that would assist in the formulation of appropriate water pricing policy for agriculture, drinking and industrial use.
3. WASMO should evolve programs for introducing higher use efficiency and better management of demand with emphasis on equity.
4. WASMO should assist the implementing agencies in designing gender sensitive policies and programs. It should strengthen the data base for gender planning and monitoring and should be instrumental in developing the institutional capacities to formulate gender related policies.
5. WASMO should try to generate field data that would allow informed decisions about the conjunctive use of water from local sources and from external sources.
6. WASMO should evolve strategies and programs to promote village Pani Panchayats and federate these into apex structures that could take over the O&M of lower end of regional water distribution schemes.

ANNEX V: A NOTE ON WASMO STAFFING

The staffing need of the organization depends upon its task. At present, WASMO is expected to implement revised Ghogha, and prepare for undertaking future projects consistent with its mission statement, that would include preparing and implementing the IEC project. We have specified below the requirements as per the tasks that can currently be identified. As and when other projects are approved, the staff may be added accordingly.

WAMSO Core Staff

Chief Executive

Would be responsible for building and grooming a young and growing organization, while combining the hardware and software perspectives and articulating policy issues.

Manager (Technology)

Manager (Technology) would be responsible for organizing participatory planning of all hardware components, and for their implementation through contractual arrangement. The unit would contribute to staff in the field unit and would be responsible for quality control of all works and handling of contract payment for all hardware works. It is understood that the WAMSO supported schemes would integrate water supply with sanitation and therefore the Manager (Technology) should acquire expertise in the domain too, besides in water supply schemes.

Manager (Technology) would also be responsible for setting up support structures and facilities for the O&M phase that may be needed by the Pani Panchayat. This, for example, could mean maintaining the inventory of spare parts, and the training of Pani Panchayat staff in O&M.

Manager (Institutional Development)

Manager (ID) would oversee the setting up and development of local people's institutions, including village Pani Panchayats. In Ghogha, the task of developing Pani Panchayat is entrusted to three ISAs. While this would continue, Manager (ID) would also hire staff to undertake similar responsibility in parallel with ISAs for a limited number of villages. This cell would be responsible for planning and implementing IEC activities, and for organizing supplementary/future training of Pani Panchayats, after the contract responsibility of current set of ISAs is over.

Manager (Policy Analysis and Advocacy)

Manager (PA&A) would undertake analytical studies that would help in the formulation of appropriate policies for both WAMSO and Water and Sanitation sector. This would include diagnostic case studies of the setting up and functioning of Pani Panchayats. The

cell would enhance awareness and expertise relating to gender analysis. This could include distilling lessons from projects in other sectors as well and elucidating on examples of successful strategies, interventions and promising approaches. The study of local WRM structure could be undertaken to assess how much water is available under different management conditions, and how could this be supplemented with external water supply. The experiences of ISAs and WAMSO would be documented to evolve future policy with regards to the cooperation between the NGOs and WASMO. This cell will have a very small permanent staff and most studies would be taken up by either other research institutions or staff hired for the specific study.

Finance and Accounts

Manager (Finance and Accounts) will evolve and develop appropriate systems and procedures in tune with the requirements of transparency and accountability and best industry practices that facilitate the role of program functionaries. The department would provide all necessary reports to both the Government and Donors and organize annual independent audit. Manager (F &A) could also have a small cell to provide administrative and logistical services to all the units.

Corporate Planning and Monitoring Cell

This cell would be responsible for obtaining information about project performance and MIS. The cell would perform quality audit of field operations and report directly to CE. The cell would also be responsible to provide information about the operational plans and the physical progress/delays to Pani Panchayats in a form suitable for public display.

Immediate Staffing Requirements in 2001

Chief Executive

PA to the Chief Executive and a steno-typist

Department of Technology

Manager

Dy. Manager (planning and works approval)

Asst. Manager (materials purchases and logistics)

Asst. Manager (O&M), may be recruited later

Technical Assistant (Billing and ..)

Department of Institutional Development

Manager

Dy./Asst. Manager (IEC)

Dy./Asst. Manager (ID field unit and ISA contracts)

Dy./Asst. Manager (Training and ID planning)

Department of Policy Analysis and Advocacy

Manager
Asst. Manager (Documentation)

Department of Finance and Accounts

Manager
Asst. Manager (Government and Donor reporting)
Asst. Manager (Administration)
Accounts assistants

Corporate Planning and Monitoring Cell

Dy./Asst. Manager
Technical Assistant -1

Others

Typing Pool
Drivers and security

Field Unit (Ghogha)

Dy. Manager (Field Operations) -1	
<i>Technology Staff</i>	<i>ID Staff</i>
Dy./Asst. Manager (WS) -1	Asst. Mgr. (ID) & ISAs -3
Asst. Manager (Sanitation) -1	Technical Asst.- 2 (Project Appointment)
Asst. Managers - 2-5	
Tech. Asst.- 2	

Support Staff for field unit

Note: The Governing Board of WASMO may decide to recruit young people at junior level to hold officiating position of manager of each department. They may be promoted to the rank of manager on the basis of demonstrated good performance after 2-3 years.

ANNEX 6A INDICATIVE ANNUAL BUDGET WASMO-HQ

exchange rate

IRs =

0.054 Nfl

all in IRs

staffing cost		nr salaries	per year	GoGi	GoNl
Chief Exexutive	1	60.000	720.000		720.000
PA	1	10.000	120.000		120.000
Manager Technology	1	40.000	480.000		480.000
Dy Manager (SE)	1	30.000	360.000	360.000	
Asst Managers Technology (EE)	1	25.000	300.000	300.000	
Technical Assistants (AEE)	2	20.000	480.000	480.000	
Manager Inst. Development	1	40.000	480.000		480.000
Dy Managers	2	30.000	720.000		720.000
Technical Assistants	2	20.000	480.000		480.000
Manager Pol. Analysis&Adv.	1	40.000	480.000		480.000
Asst. Managers	2	25.000	600.000		600.000
Manager (Fin. & Adm.)	1	40.000	480.000	480.000	
Asst. Managers	2	25.000	600.000		600.000
Accounts assts.	2	20.000	480.000		480.000
Manager Planning & Mon.	1	40.000	480.000		480.000
MIS expert	1	30.000	360.000		360.000
Technical Assistants	1	20.000	240.000		240.000
Compuor Operator	1	25.000	300.000		300.000
Office Manager	1	25.000	300.000		300.000
Drivers	3	15.000	540.000	540.000	
support staff	2	10.000	240.000	240.000	
Total annual staffing cost	30		9.240.000	2.400.000	6.840.000

Investment cost	<i>(Requirements partly covered by transfers of CMSU)</i>				
computers/printers	1	300.000	300.000		300.000
communication	1	50.000	50.000		50.000
furniture	1	100.000	100.000		100.000
additional vehicles	2	500.000	1.000.000		1.000.000
office rehabilitation	1	50.000	50.000		50.000
total investment			1.500.000		1.500.000

Running cost					
office rent Gandhinagar	12	15.000	180.000	180.000	
off. stat.and operation	12	50.000	600.000		600.000
transport	12	30.000	360.000		360.000
allowances	12	25.000	300.000		300.000
total annual running cost			1.440.000	180.000	1.260.000

Grant total			12.180.000	2.580.000	9.600.000
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ANNEX 6B INDICATIVE ANNUAL BUDGET WASMO FIELD UNIT GHOGHA

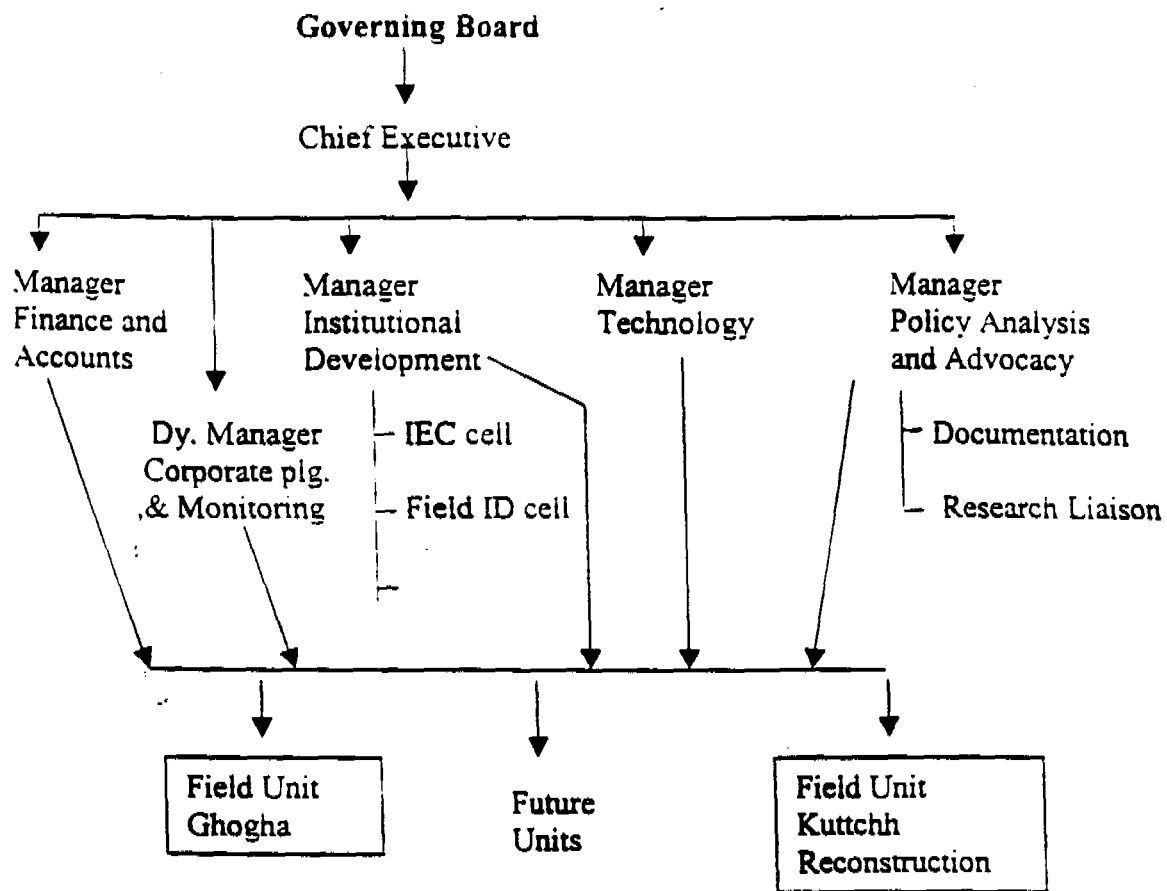
exchange rate 1Rs = 0.054 Nfl

(to be advanced under Ghogha Revised Phase)

staffing cost	nr's	salaries	per year	GoG	GoNl
Dy Project Manager	1	40.000	480.000		480.000
Dy Manager Technology (EE)	1	30.000	360.000	360.000	
Dy Manager Tech. (DyEE)	1	25.000	300.000	300.000	
Assistant Managers (AEE)	2	20.000	480.000	480.000	
Technical Assistants	2	15.000	360.000	360.000	
Dy Manager Health	1	25.000	300.000	300.000	
Dy Manager Social- Inst. Dev.	1	30.000	360.000		360.000
Dy Manager Education/Communication	1	25.000	300.000		300.000
Dy Manager Community Participation	1	25.000	300.000		300.000
Gender specialist	1	25.000	300.000		300.000
Hygiene-sanitation specialist	1	25.000	300.000		300.000
Office Manager	1	20.000	240.000		240.000
Drivers	2	15.000	360.000		360.000
support staff	2	10.000	240.000		240.000
Total annual staffing cost			4.680.000	1.800.000	2.880.000

Additional investment cost	<i>(Requirements mostly covered by transfers from PSIU/NAPU)</i>				
computers/printers	1	300.000	300.000		300.000
communication	1	50.000	50.000		50.000
furniture	1	100.000	100.000		100.000
additional vehicles	1	500.000	500.000		500.000
office rehabilitation	1	50.000	50.000		50.000
total investment			1.000.000	0	1.000.000

Running cost					
office rent Bhavnagar	12	20.000	240.000	240.000	
off. stat. and operanon	12	50.000	600.000		600.000
transport	12	30.000	360.000		360.000
allowances	12	30.000	360.000		360.000
total annual running cost			1.560.000	240.000	1.320.000



Internal Organization Structure of WASMO

Figure 1

External Relationships of WASMO

Figure 2

