



SOUTH ASIA WATER SECURITY INITIATIVE (SAWASI) DESIGN

Investment Design Title: South Asia Water Security Initiative (SAWASI)			
Start date:	1 January 2021	End date:	31 December 2025
A. Executive Summary			

Access to clean water is vital for health security, stability, and sustainable development. The COVID-19 pandemic has reinforced the importance of access to clean water in ensuring hygiene protocols can be followed to control the spread of the virus. Nowhere is the need for access to safe water and sanitation services more critical than in the cities of South Asia, where nearly 35 percent of the estimated population of 600 million live in slum areas. These are rapidly turning into COVID-19 disaster hotspots, with a lack of clean water and living conditions where social distancing is practically impossible.

Australia is recognised globally for its expertise in water management. Partner governments in India and Pakistan have recognised this expertise at the highest levels with specific water-focused Memoranda of Understanding being signed in the past two years. The Australia-India MoU was renewed as part of the Comprehensive Strategic Partnership that Prime Ministers Morrison and Modi signed during their 4 June 2020 Virtual Leaders' Summit, while the Pakistan – Australia MoU was signed on 18 September 2018.

The South Asia Water Security Initiative (SAWASI) builds on the lessons learnt from its predecessor Sustainable Development Investment Portfolio (SDIP) program which ran for eight years from 2012-2020 in two 4-year phases. The key lessons from SDIP that informed the design of SAWASI include:

- The program made a significant contribution to climate adaption and mitigation activities in the region
- The need for a clear program logic, with realistic goals supported by an accessible performance assessment framework is critical to determining program success
- Regional programs can address important regional issues working within countries and not necessarily on regional cooperation
- Advisors have a critical role to play, but they should not form part of the program management and governance structure
- Cross-cutting issues like climate change and disaster risk reduction need to be central
- More resources are required for effective public diplomacy.

SAWASI has a modest budget and must focus on areas where it can make a difference. During consultations with partner governments prior to the signing of the MoUs, urban water was identified as a priority area for both India and Pakistan. In support of this, the program will focus on urban water management and governance, with a particular focus on strengthening mechanisms to empower the voices of informal settlement communities including women, people with disabilities and marginalised urban poor communities in decision-making processes. Peri-urban settings will also be considered for the community-based projects. SAWASI will leverage efforts of the partner governments and others working in the urban water sector where possible.

The program goal is improved access to safe water and sanitation services for disadvantaged communities in South Asian cities.

The objective of the program is to strengthen South Asian city-level water governance and undertake investments that provide urban water services support to disadvantaged communities (particularly women and girls) to access reliable, safe water and sanitation services.

At the end of the four-year program in 2025, it is expected that two outcomes will be achieved:

Outcome 1 - Safe Water and Sanitation: By 2025, four disadvantaged urban communities in India and Pakistan have safer and more reliable access to water and sanitation services, particularly for women.

Outcome 2 – Resilient Communities: By 2025, improved governance of urban water systems in two South Asian cities enhances community resilience to climate change and other water-related shocks.

The South Asia Regional section of DFAT is responsible for the success of SAWASI. The program will operate initially in the two South Asian countries most affected by COVID-19 - India and Pakistan. Within each country SAWASI will target one megacity, to be determined by Post in conjunction with the partner government. The program has three main elements:

- Demand-driven technical assistance for water authorities at the national, state / provincial and city levels of government
- Community-based demonstration projects in four communities (urban or peri-urban) – two in each chosen city using a ‘water-sensitive cities’ approach to incorporate climate change and disaster risk reduction considerations
 - This will be supported by establishing or strengthening existing city water fora to provide the link between communities and city water managers, utility providers and city and provincial policy makers. The fora will be connected with existing high-level dialogues under the MoUs
- Regional knowledge sharing workshops to share lessons learnt on common issues and develop a tested approach to participatory resource planning around urban water in megacities

The city water fora will play a critical role in influencing policy. Directly involving city and provincial officials on the fora allows results from the demonstration projects to be immediately seen by influential water sector officials and policy makers at the local levels. Impacts of the demonstration projects will be discussed at annual Joint Working Group meetings between Australia and partner governments, held to track progress under the MoUs. In India, the Ministry of Jal Shakti (Water Resources) has requested monthly government to government meetings to ensure progress. The highest-ranking member of the city water fora should be invited to attend these talks to provide local advocacy for the water-sensitive cities approach. Regional workshops also have a role to play in influencing policy through shared learnings and establishing a cohort of water professionals able to advocate for and implement water sensitive cities projects across the region.

SAWASI will use a hybrid implementation model whereby a Grantee will deliver the community demonstration projects and have responsibility for establishing and convening the city water fora. South Asia Regional section has been successfully engaged with the Pakistan Joint Advisory Committee for the past year and has the capacity and skill to manage the necessary contracts required for the technical assistance elements of the program and program-wide monitoring and evaluation.

The Grantee will be selected by the South Asia Regional section through a competitive process. Efforts will be made to ensure the opportunity is known to organisations based in South Asia. SAWASI will provide additional resources to Posts to manage the in-country operations. A senior locally engaged staff at Delhi and Islamabad Post has been included in the program budget, as has funding for contracting communications skills to assist with public diplomacy efforts. The Grantee will contract in-country monitoring and evaluation, and GEDSI advisors. The locally engaged staff will be able to utilise these skills for the technical assistance element of the program as required.

The major critical risk to the success of this program which has been addressed in the design is around COVID-19 impacts on implementation. These have been considered throughout, however changes in the outbreak could impose different restrictions. Alternative means for technical assistance have been suggested, although

the locally engaged staff, working directly with the authority requesting assistance, will determine the most effective form of remote support. The relatively high level of local resources mitigates against prolonged international travel bans and other pandemic-enforced restrictions. The first regional learning workshop is scheduled for 2022.

Due to budget uncertainty surrounding the program and the impact of the Covid-19 pandemic on the target countries, consultation with partner government stakeholders was unable to be conducted early in the design process. However, the design has now been shared with Government of India and Pakistan with strong interest and demand expressed at senior levels of the Indian and Pakistan Governments for the program. This follows earlier requests by both the Government of India and Pakistan for targeted assistance for the urban water sector during the negotiation of the MoUs. The Pakistan Government has provided a practical demonstration of this focus earlier this year by requesting Australia's support to undertake a mapping exercise of the urban water sectors in Lahore and Karachi, the country's two largest cities. The India-Australia Comprehensive Strategic Partnership, signed on 4 June 2020, also includes specific reference to the urban water sector as a priority area for technical cooperation.

B. Development Context and Situational Analysis (What problem are we addressing?)

2.1 South Asia is facing a water crisis. It has the potential to destabilise India and Pakistan, and the wider region. Water insecurity has significant negative impacts on health security as shown by the **disproportionate impact of COVID-19** in densely populated urban areas with poor access to water and sanitation. As at 25 September 2020, India has recorded 5.8 million COVID-19 cases, the second highest in the world; Pakistan has recorded 308,217, the nineteenth highest¹. The pandemic is likely to destabilise the region² and lead to increased displacement, especially in Pakistan. This is likely to escalate irregular migration push factors, including beyond the region to Australia³.

2.2 Access to clean water is vital for health security, stability and sustainable development, as recognised by Sustainable Development Goal 6: *Ensure availability and sustainable management of water and sanitation for all*. Across South Asia, poor water and sanitation is having deadly health impacts. The COVID-19 pandemic has further reinforced the importance of access to clean water in ensuring hygiene protocols can be followed to control the spread of the virus and has increased demand on already overstretched water suppliers. Of South Asia's 600 million urban population, nearly 35 percent live in slum areas with major COVID risks such as lacking access to a regular supply of clean water⁴, gathering around public taps⁵ and high population densities limiting social distancing. This has further exposed the failing urban water governance and disaster management systems. Ensuring water security is thus a priority both for fighting COVID-19 and for achieving wider sustainable development and peace.

2.3 Climate change and rising urbanisation⁶ is exacerbating water insecurity in South Asia. Groundwater is significantly depleted, and many springs have dried up⁷ – the Indus aquifer is the world's second most stressed sources of groundwater in the world⁸. The intensifying impact of climate change is likely to escalate water insecurity in South Asian societies marred by inequalities and marginalisation across gender, caste, economic class, religion, age and disability.

¹ <https://covid19.who.int/>

² See World Bank report on South Asia and COVID-19 response, www.worldbank.org/en/news/press-release/2020/04/12/south-asia-must-act-now-to-lessen-covid-19-health-impacts

³ DFAT India Country Analysis 2020 (internal report provided by Delhi Post).

⁴ 94 Million Indians Are at Greater Risk from Coronavirus Because Of Lack Of Access To Clean Water, <https://scroll.in/article/964427/94-million-indians-are-at-greater-risk-from-coronavirus-because-of-lack-of-access-to-clean-water>

⁵ 'Social distancing is privilege of the middle class. For India's slum dwellers, it will be impossible', <https://edition.cnn.com/2020/03/30/india/india-coronavirus-social-distancing-intl-hnk/index.html>

⁶ According to the World Bank, South Asia's urban population grew by 130 million between 2001 and 2011 – more than the entire population of Japan – and is poised to rise by almost 250 million by 2030, over 130 million live in slums. <https://www.worldbank.org/en/region/sar/publication/urbanization-south-asia-cities>

⁷ Ayog, NITI (2018). Report of Working Group I: Inventory and Revival of Springs in the Himalayas for Water Security. New Delhi, NITI Ayog, Government of India.

⁸ See <https://www.nasa.gov/jpl/grace/study-third-of-big-groundwater-basins-in-distress>

2.4 Availability of water also has significant economic impact - by 2030, demand for water in the largest South Asian economies will be double the available supply⁹. Textiles, agribusiness and mining are affected by unreliable water supplies, flooding, drought and increasing salinity, with flow on economic effects.

2.5 Water-related issues impact men and women differently. South Asian countries generally perform poorly on indicators of gender equality¹⁰, and this has implications for the effectiveness of water management and governance in the region. **Gender bias can impact on how water resources are prioritised and allocated, and decision-making structures and processes often exclude women's voices.** While progress has been made on gender and social inclusion at the micro level in South Asia with women's participation promoted in community-based water management programs, gender inequality persists at the macro level where government and institutions are setting the policy frameworks and programs for broader water management initiatives in the region¹¹.

2.6 People with disabilities are also marginalised when it comes to accessing water. The World Bank notes that despite limited data there is evidence of the relative marginalisation and invisibility of people with disabilities in water sector development programs¹². This view is supported by research in five countries, including India, that suggests that households with one or more people with disabilities live on the periphery of communities, further away from centrally located water points, which creates challenges of access and increases the time spent completing the journey to get water for the household¹³.

2.7 South Asia accounts for 40 percent of global water-related disaster risks¹⁴ - in any year it is likely that somewhere in South Asia is either experiencing flood from the monsoon rains, or a shortage of water through drought. Achieving water security minimises water-related disaster risks¹⁵. Global efforts including the Sendai Framework, the 2030 Agenda and the New Urban Agenda, recognise the importance of urban action by local and subnational governments to create inclusive, safe, resilient and sustainable human settlements¹⁶. Water is key to this.

2.8 A recent World Health Organisation study highlighted the positive health effects of urban green spaces, including reduced depression and improved mental health, reduced cardiovascular morbidity and mortality, improved pregnancy outcomes and reduced rates of obesity and diabetes¹⁷. Studies have also shown that socio-economically disadvantaged individuals tend to benefit the most from improved access to urban greenery¹⁸. Nature-based solutions have positive health benefits through improving air quality, creating space for physical activity, opportunity to reduce mental stress, and enhancing social cohesion¹⁹. When cities are poorly designed and when urban water cycle is not managed properly, risks to human health are high, with polluted water and unhealthy neighbourhoods becoming the vector and reservoir of diseases and infection²⁰. In 2016, diarrhoea (a prominent water borne disease) was the eighth leading cause of death globally, responsible for more than 1.6 million deaths, of which 80 percent of the cases occurred in South

⁹ Hirji, Rafik, Alan Nicol and Richard Davis (2017). *South Asia Climate Change Risks in Water Management: Climate Risks and Solutions-Adaptation Frameworks for Water Resources Planning, Development, and Management in South Asia*, World Bank.

¹⁰ For example, the Global Gender Gap Index 2020 where all mainland South Asia countries except Bangladesh score outside the top 100. <http://reports.weforum.org/global-gender-gap-report-2020/dataexplorer/>

¹¹ Kulkarni, S (2011) "Situational Analysis of women water professionals in South Asia", South Asian Water Studies, Volume 3, Issue 3. <http://saciwaters.org/sawas/files/v3i3/paper-3.pdf>

¹² World Bank. 2017. *Including Persons with Disabilities in Water Sector Operations : A Guidance Note*. World Bank, Washington, DC.

¹³ Mactaggart I, Schmidt W-P, Bostoen K, et al. Access to water and sanitation among people with disabilities: results from cross-sectional surveys in Bangladesh, Cameroon, India and Malawi. *BMJ Open* 2018;8:e020077. doi:10.1136/bmjopen-2017-020077

¹⁴ Lacombe, Guillaume, Pennan Chinnasamy and Alan Nicol (2019). "Review of climate change science, knowledge and impacts on water resources in South Asia. Background Paper 1."

¹⁵ See ADB (2016). *Asian Water Development Outlook 2016 Report: Strengthening Water Security in Asia and the Pacific* Metro Manila, Philippines Asian Development Bank. for five different dimensions of water security which includes building resilience from water related risks:

¹⁶ UNDRR, *Global Assessment Report on Disaster Risk Reduction 2019*, Chapter 14. <https://gar.undrr.org/chapters/chapter-14-local-disaster-risk-reduction-strategies-and-plans-urban-areas#14.4>

¹⁷ WHO *Urban Green Space Interventions and Health: A review of impacts and effectiveness*, 2017 https://www.euro.who.int/__data/assets/pdf_file/0010/337690/FULL-REPORT-for-LLP.pdf

¹⁸ Braubach, M., Egorov, A., Mudu, P., Wolf, T., Thompson, C. W., & Martuzzi, M. (2017). Effects of urban green space on environmental health, equity and resilience. In *Nature-based solutions to climate change adaptation in urban areas* (pp. 187-205). Springer. According to this paper, the health benefits of urban green space outweigh its potential detrimental effects, such as allergies to pollen, infections and injuries.

¹⁹ Hartig T, Mitchell R, De Vries S, Frumkin H (2014) *Nature and health*. *Annu Rev Public Health* 35:207–228

²⁰ Rietveld, L.C., Siri, J.G., Chakravarty, I. et al. Improving health in cities through systems approaches for urban water management. *Environ Health* 15, S31 (2016). <https://doi.org/10.1186/s12940-016-0107-2>

Asia and Sub-Saharan Africa²¹. The water sensitive cities approach adopted by SAWASI recognises the importance of nature-based solutions and good urban design.

2.9 Water is a significant regional issue. It is a national security issue for Pakistan and India and an increasing cause of regional and domestic instability in Afghanistan. The Indus Water Treaty, which governs river allocation between India and Pakistan, is South Asia's only transboundary cooperation arrangement and despite ongoing political disputes has largely been adhered to. Nevertheless, water disputes remain common in the region, between India and Pakistan, and with their near neighbours, including China. Pakistan is particularly vulnerable to regional water issues as two thirds of its water originates outside the country²². In the absence of a water agreement between Pakistan and Afghanistan, tensions arise around management of the Kabul River system. With increased variability in transboundary river flows due to climate change, water will remain a growing point of contention in regional and bilateral relations.

2.10 SAWASI has made the deliberate decision to focus limited resources on an issue that is common across the region but contained within country borders – urban water issues. Despite interdependencies and similar challenges, each South Asian country represents a different context, not only in terms of domestic politics and cultural and social norms, but also in terms of how water is governed and how effective the institutions are. SAWASI will retain a regional element through knowledge sharing workshops. **SAWASI will initially focus on India and Pakistan, the two countries most affected by COVID-19.** Relevant aspects of their political economy and water-related institutional arrangement and capacity are outlined below.

INDIA

2.11 India has 18 percent of the global population but only four percent of the global freshwater resources and is the 13th most water-stressed country in the world²³. It is increasingly vulnerable to climate change induced heat waves, droughts, floods and other extremes²⁴. In 2019, unprecedented drought caused 65 per cent of the country's reservoirs to run dry. Rapid population growth and economic expansion has led to a dramatic decline in per capita water resources (from 4098m³ in 1967 to 1560m³ in 2010)²⁵. A government thinktank, NITI Ayog, reported that 21 cities will soon run out of water²⁶ and the World Resources Institute estimates demand for water in India will outstrip supply by 2030.²⁷ Water insecurity has a major economic impact on the country, reducing India's GDP by an estimated 7-12 per cent.²⁸ Australia and India have acknowledged the importance of water to India's future by including it in their Comprehensive Strategic Partnership as detailed at paragraph 3.4.

2.12 In megacities, water inequity is a major concern with a large proportion of informal settlements denied equitable share of available water and sanitation services²⁹. In Mumbai, 46 percent of the city use 95 percent of the water while 54 percent of the city, living in slums, uses only about five percent of the supplied water³⁰. The poor and disadvantaged groups are forced to buy water from private tankers with price as high as 52 times that of the piped water³¹. In Mumbai alone, the tanker economy reaches 1-1.5 billion US Dollars³². At the city level, governance related challenges include: a) limited recognition of the

²¹ Troeger, C., Blacker, B. F., Khalil, I. A., Rao, P. C., Cao, S., Zimsen, S. R., ... & Alvis-Guzman, N. (2018). Estimates of the global, regional, and national morbidity, mortality, and aetiologies of diarrhoea in 195 countries: a systematic analysis for the Global Burden of Disease Study 2016. *The Lancet Infectious Diseases*, 18(11), 1211-1228

²² Indus river system model, CSIRO, <https://publications.csiro.au/rpr/download?pid=csiro:EP186945&dsid=DS7>

²³ World Resources Institute, 2019: <https://www.wri.org/blog/2019/08/17-countries-home-one-quarter-world-population-face-extremely-high-water-stress>

²⁴ Annual rainfall is expected to increase by 4-5% by the 2030s 6-14% by 2080s, and annual temperature rise of 1.7-2 degree Celsius by the 2030s and 3.3 - 4.8 degree Celsius by 2080. Source: Government of India. (2015a). First biennial update report to the United Nations framework convention on climate change. New Delhi: Ministry of Environment, Forest and Climate Change, Government of India.

²⁵ England, Matthew I. (2018). "India's water policy response to climate change." *Water International* 43(4): 512-530. 10.1080/02508060.2018.1450569

²⁶ Aayog, Niti, Ministry of Jal Shakti and Ministry of Rural Development (2019). Composite Water Management Index. <https://niti.gov.in/sites/default/files/2019-08/CWMI-2.0-latest.pdf>

²⁷ World Resources Institute.

²⁸ Global Commission on Adaptation (2019) <https://gca.org/global-commission-on-adaptation/report>

²⁹ Sinha S.K., Shekhar R. (2017) Problems and Development of Slums: A Study of Delhi and Mumbai. In: Sharma P., Rajput S. (eds) Sustainable Smart Cities in India. The Urban Book Series. Springer, Cham

³⁰ Unravelling India's urban water challenges amid COVID-19, The Diplomat, 16 April 2020, <https://thediplomat.com/2020/04/unraveling-urban-indias-water-challenges-amid-covid-19/>

³¹ World Resources Institute Report, Unaffordable and undrinkable: rethinking urban water access in the Global South, August 2019 <https://www.wri.org/wri-citiesforall/publication/unaffordable-and-undrinkable-rethinking-urban-water-access-global-south>

³² tanker mafia earning Rs 8,000-10,000 crore annually from water biz in Mumbai 5 June 2020, <https://www.moneycontrol.com/news/eye-on-india/videos/tanker-mafia-earning-rs-8000-10000-crore-annually-from-water-biz-in-mumbai-4057001.html>

needs and rights of the informal settlers who are the most marginalised and vulnerable; b) lack of mechanisms and processes through which public water and sanitation services providers can become responsive to the poor and marginalised groups³³; c) weak institutional capacity to coordinate with land use planning sectors and adequately manage urban water, including wastewater³⁴; d) climate and other risks to water security not adequately addressed through adaptive management; and e) water utilities financing is poorly managed.

2.13 Management of water is split across numerous central and state government agencies working in silos with limited data sharing or coordination. **Conventional approaches have focused on supply and infrastructure intensive solutions that have proved ineffective, resulting in inefficient and wasteful water practices.** The urban water sector is experiencing the escalating challenges of ensuring equitable access to clean water, managing wastewater, ageing infrastructure, storm water and flash floods. Growing pressure and competing demand for water have put pressure on India's federal structure with an increase in central-state and inter-state water sharing disputes, as well as conflicts around water between urban and rural areas.

2.14 Despite roadmap documents such as the National Water Policy (2012) and a 2016 Expert Committee Report on water, **efforts at reform have fallen short of expectations**³⁵. However, to support an integrated and holistic approach to water management, the Government created a new Jal Shakti (Water Power) Ministry in 2019, launched nation-wide campaigns to raise public awareness about water scarcity and water conservation among a number of water-related initiatives. Policy efforts emphasise decentralisation, but effectiveness remains limited due to paucity of resources and poor devolution of powers to the lower levels³⁶. Innovations spearheaded by state and municipal governments after the 2019 water crisis are often disconnected from national policy processes.

2.15 **Water security initiatives include:** the Jal Jeevan Mission to provide piped water connections to 146 million rural households by 2024; the Clean India Mission (2014-25) targeting solid and liquid waste management; and wastewater management as part of the 'Smart Cities' initiative in 100 cities. The National Action Plan on Climate Change (2008) prioritised the water sector, with a National Water Mission (2017) for integrated and sustainable water resources management across the country.

2.16 **The Australian and Indian Governments have a long history of collaboration on water resource management.** The current demand for Australian water expertise in India remains strong. The refreshing of the joint Memorandum on Cooperation in Water Resource Management as part of the Comprehensive Strategic Agreement reinforces this (see paragraph 3.4). The dynamic situation in India, particularly its cities, with regard to the Covid-19 pandemic provides additional urgency for the focus on urban water.

PAKISTAN

2.17 **Pakistan is the 14th most water-stressed country**³⁷, with an average water availability of 1,100 cubic meters per capita³⁸. Water quality is among the lowest in the world with significant impacts on human health, with 80 per cent of the population drinking unsafe water and 33 per cent of deaths linked to water contamination³⁹. The primary source of contamination is sewerage, which is discharged into drinking water

³³ Narain, Vishal, Pranay Ranjan, Sumit Vij and Aman Dewan (2017). "Taking the road less taken: reorienting the state for peri-urban water security." *Action Research*: 1476750317736370.

³⁴ Reymond, P., Chandragiri, R., & Ulrich, L. (2020). Governance Arrangements for the Scaling Up of Small-Scale Wastewater Treatment and Reuse Systems—Lessons from India. *Frontiers in Environmental Science*.

³⁵ Several academic blame weak policies for the failure to reform. For example, see: Pandit, C., & Biswas, A. K. (2019). India's National Water Policy: 'feel good' document, nothing more. *International Journal of Water Resources Development*, 35(6), 1015-1028.

³⁶ Narain, Vishal and Annasamy Narayanamoorthy (2016). *Indian Water Policy at the Crossroads: Resources, Technology and Reforms*, Springer.

³⁷ World Resources Institute, 2019: <https://www.wri.org/blog/2019/08/17-countries-home-one-quarter-world-population-face-extremely-high-water-stress>

³⁸ Young, William J, Arif Anwar, Tousif Bhatti, Edoardo Borgomeo, Stephen Davies, William R Garthwaite III, E Michael Gilmont, Christina Leb, Lucy Lytton and Ian Makin (2019). *Pakistan: Getting More from Water*, World Bank.

³⁹ Daud, M. K., Muhammad Nafees, Shafaqat Ali, Muhammad Rizwan, Raees Ahmad Bajwa, Muhammad Bilal Shakoar, Muhammad Umair Arshad, Shahzad Ali Shahid Chatha, Farah Deebea, Waheed Murad, Ijaz Malook and Shui Jin Zhu (2017). "Drinking Water Quality Status and Contamination in Pakistan." *BioMed research international* 2017: 7908183-7908183. 10.1155/2017/7908183

systems, followed by the disposal of toxic chemicals such as industrial effluents, pesticides and fertilizers into the water bodies.

2.18 The World Bank estimates that poor water management is costing Pakistan four per cent of its annual GDP in production alone; and if it reforms its water sector it will be an upper middle-income country by 2047⁴⁰. Pakistan's major water challenge is related to increasing competition for water between the rapidly growing urban population and the world's largest irrigation sector. Major urban centres like Lahore and Karachi, dependent on water sources that originate outside of Pakistan, are struggling to keep up with the needs of an influx of new urban dwellers and the gap is partially met by tankers charging inflated prices. Wastewater and sanitation infrastructure is 'woefully inadequate'⁴¹ worsening the water-health insecurity loop.

2.19 Overall water scarcity in Pakistan is due to poor water governance rather than its absolute water endowment. According to the World Bank, improving water use efficiency and productivity, delivery of water services in cities and in irrigation, and addressing environmental sustainability are the most pressing needs of Pakistan's water sector⁴².

2.20 Water management is covered in a fragmented way by at least two dozen stakeholders. Since 2010, water supply and sanitation responsibilities - including legislation, policy, planning, and service provision - is with provincial governments⁴³. Yet in practice, policies and institutions are distributed across both federal and provincial domains⁴⁴.

2.21 Pakistan enacted its first National Water Policy in 2018 and a National Water Charter has been agreed between the four provinces⁴⁵. The Policy set a priority to increase investment in the water sector, while attempting to clarify some of the institutional confusions of the past, for example by establishing an apex level body to approve strategic decisions. **The Policy also recognises the importance of integrating urban water management in the overall water management system of the country, and the need to improve water quality in urban areas, in addition to ensuring adequate and equitable access.** While progress under the new Policy has been slow and there is limited governance capacity to collect, manage and forecast complex water data, the Government is taking steps to improve its ability to measure and manage existing water sources including discussions on storage and pricing.

2.22 Significant consultation between the Pakistan and Australian Governments was undertaken prior to signing the 2018 MoU. Of the four identified priority areas under the MoU, two relate to urban water – water for cities and water for drinking. The Pakistan Government's focus on urban water is evidenced by their direct request for Australian support to map the urban water sector in Lahore and Karachi. Drafts of the SAWASI design were shared with Partner governments by Posts. The response has been very positive with both Pakistan and Indian Government's moving to consider the most appropriate location for the demonstration projects and the most pressing needs for technical assistance.

Lessons learnt from previous programs

2.23 SAWASI builds on the Sustainable Development Investment Portfolio (SDIP) program which ran for eight years from 2012-2020 in two 4-year phases. SDIP was framed as a water-energy-food program across South Asia. Although its outcomes were focused on regional cooperation, its work focussed at the country level in the basins of the Ganges and Indus rivers. An evaluation of the second phase of SDIP was conducted

⁴⁰ Young et al, World Bank (2019) Pakistan: Getting More with Water

⁴¹ Young et al, World Bank, Getting more with water (2019)

⁴² Young, William J, et al (2019). Pakistan: Getting More from Water, World Bank.

⁴³ Young, William J, Arif Anwar, Tousif Bhatti, Edoardo Borgomeo, Stephen Davies, William R Garthwaite III, E Michael Gilmont, Christina Leb, Lucy Lytton and Ian Makin (2019). [Pakistan: Getting More from Water](#), World Bank.

⁴⁴ Young, William J, Arif Anwar, Tousif Bhatti, Edoardo Borgomeo, Stephen Davies, William R Garthwaite III, E Michael Gilmont, Christina Leb, Lucy Lytton and Ian Makin (2019). [Pakistan: Getting More from Water](#), World Bank.

⁴⁵ When this happened, it was a matter of national news in Pakistan, for example, Dawn, 25 April 2018, <https://www.dawn.com/news/1403743>

in 2020. Whilst highlighting a number of significant issues with the program, the evaluation noted that 'Australia is highly valued in the region and seen as a trusted, neutral, reliable and knowledgeable partner'⁴⁶. A brief overview of the findings, all of which DFAT accepted, follows.

	Finding
Program design and logic	<ul style="list-style-type: none"> • Performance Assessment Framework suffers from a lack of clarity in the overall purpose and framing of the program • Outcomes and focus areas are imprecisely stated and hence difficult to measure • No functional program logic model nor adequate performance indicators • Disconnect between the end-of-investment outcomes, the six focus areas, the actual work and successes of the program, and SDIP's performance reporting making it difficult to see how the activities undertaken contributed to overall outcomes
Regional programming	<ul style="list-style-type: none"> • Greater consideration of what regional focus means: for example a portfolio of initiatives working at different levels within the region (but not necessarily working on regional cooperation), facilitating the sharing of lessons and good practice between countries in the region, or promoting regional cooperation across boundaries
Implementation and governance	<ul style="list-style-type: none"> • Advisors should provide technical and capacity support to partners and strategic guidance to DFAT, not program management or coordination functions • While the mix of Australian and international partners was a strength, the role of advisors and the lack of capacity within DFAT to effectively manage the program meant that it is difficult to fully comprehend the program's approach to governance, and who is being held accountable for what
Cross-cutting issues	<ul style="list-style-type: none"> • SDIP made a significant contribution to climate change adaption and mitigation • Across the portfolio of projects there was increased attention towards and sensitisation on gender mainstreaming,
Public diplomacy	<ul style="list-style-type: none"> • SDIP contributed to policy discussions and raised public awareness about water issues and Australia's involvement • The program should have more communications and outreach targeting national stakeholders and use Posts more consistently to highlight its achievements

2.24 A **2018 evaluation of the South Asia Water Initiative (SAWI)** - a multi-donor trust fund managed by the World Bank that Australia contributes to - **noted the inherent difficulty in transboundary water programs given the geopolitical considerations of the region.** This finding is very much in line with the SDIP evaluation which noted that despite having regional end-of-program outcomes, many of the activities undertaken were confined to a single country's boundaries making it difficult to connect them to specific regional impacts.

2.25 **SAWASI is not envisioned as a third phase of SDIP**, which had a focus on river basin management through a water-energy-food nexus lens. SAWASI emerges from a new context and rationale to tackle urban water security in the current time of pandemic, and also from the need to address the problem of water insecurity and poor governance of water and sanitation services in the rapidly expanding megacities of South Asia. SAWASI's urban focus also builds on the SDIP lessons around sensitivities involved in the transboundary

⁴⁶ Evaluation of the Sustainable Development Investment Portfolio (SDIP): Final Report, December 2019

river basin work in South Asia and is informed by emerging innovations in urban water management both in Australia and South Asia.

A more focused program

2.26 SAWASI has a modest budget and must focus on areas where it can make a difference with these resources. Based on the situational analysis and lessons learnt from past work and that of other donors, SAWASI will focus on urban water management and governance, with a particular focus on strengthening mechanisms for marginalised urban poor communities, including women and people with disabilities to engage in decision-making processes. It will also leverage efforts of the partner governments and others working in the urban water sector by establishing processes of dialogues and collaboration. With its modest budget, SAWASI will not attempt to address supply issues which often require major infrastructure investments; the Asian Development Bank is particularly focused on these issues.

2.27 A key rationale for SAWASI's approach and targeting relates to the significant opportunity to improve access to water, by improving the management of water that is already available to cities. By taking a water-sensitive approach, incorporating techniques such as rainfall harvesting, water recycling, reducing system losses and non-revenue water, SAWASI will improve access to safe and affordable water and sanitation without increasing the city's environmental impact. This approach is well aligned with the national policies of South Asian governments, which have recognised the need for such solutions including rainwater harvesting, though these are not yet effectively implemented. These techniques when combines, are able to have a significant impact on urban water availability in India and Pakistan⁴⁷. By taking a water-sensitive approach to community level projects, while simultaneously building the capacity of government and water authorities at all levels, SAWASI has the potential to reduce cities' dependence for water from upstream agricultural regions, while also contributing to flood reduction and water quality enhancement in downstream areas.

2.28 While SAWASI recognises that water is a cross-border issue that affects all of South Asia, the program has taken the deliberate decision to address the issue by focusing on building urban water management capacity and demonstrating at a community level more efficient and resilient water practices within individual countries in the region. SAWASI will not work on basin-level issues but recognises the significant impact improved urban water management can have on basin cooperation. Small improvements in urban water use efficiency can alleviate the pressure on transboundary watercourses to meet burgeoning domestic demand. As the SDIP evaluation noted, regional programming can take many forms. SDIP attempted to work on regional issues but activities largely retreated to within individual country borders for political and implementation reasons. SAWASI has made the deliberate decision to focus its limited resources on an issue that is common across the region but contained within country borders - urban water issues. SAWASI will retain a regional element through knowledge sharing workshops that aim to increase capacity in the medium term to address common issues and develop an approach to urban water management that can be utilised across the region.

2.29 Australia's two main global water-focused programs, Water for Women and the Australian Water Partnership (AWP), operate in South Asia. Water for Women has a specific WASH focus, whilst AWP mainly focuses on water resource management at the government and utility level. SAWASI will position itself as bridging Water, Sanitation and Hygiene (WASH) and Water Resources Management in urban areas to improve water and health security of the urban poor in times of COVID-19. With the overarching goal to 'ensure availability and sustainable management of water and sanitation for all', Sustainable Development Goal (SDG) 6 makes a strong case for the integration of Water, Sanitation and Hygiene and Water Resources Management. SDG 6 recognises the need to consider water issues from the community level right up to national policy level. The institutional issues noted above are impediments to India and Pakistan

⁴⁷ Ahmed et al, 2018, Rainwater harvesting scenarios and its prospect in Pakistan, Meteorology, Hydrology and Water Management: Vol 8, Issue 1 <http://www.mhwm.pl/Rainwater-harvesting-scenarios-and-its-prospective-in-Pakistan,113689,0,2.html>

achieving SDG 6. While SAWASI alone cannot cover all of what is essential to achieve SDG 6, it can demonstrate that by working at multiple levels of government simultaneously, access to water in urban regions can be improved while also positively contributing to downstream communities.

C. Strategic Intent and Rationale (Why?)

3.1 DFAT's strategy for responding to the COVID-19 pandemic, *Partnerships for Recovery*, is very clear on where Australia will focus its COVID-19 recovery efforts. Whilst the strategy states that 'Australia's neighbourhood is the Indo-Pacific region'⁴⁸, an area that includes India and Pakistan, it narrows the geographic focus further, with the Pacific, Timor-Leste and Indonesia listed as 'first-tier priorities'⁴⁹. Despite this explicit focus, *Partnerships for Recovery* allows investments outside of that narrow geographic region where value to Australia can be demonstrated. **The strategy states 'We will continue targeted investments outside of the Pacific and Southeast Asia, including South Asia, where there are strong reasons to do so and we can make an impact'⁵⁰. SAWASI is such an investment.**

3.2 *Partnerships for Recovery* also clearly articulates the three thematic areas where Australia can make a significant contribution in supporting our neighbours recover from the pandemic. One of the identified areas is health security. **By improving access to safe water in densely populated urban areas, SAWASI is contributing to health security** in the communities it is targeting. Urban areas have been hotspots for cases of COVID-19 in South Asia. For example, India's two largest cities – Mumbai and Delhi – account for 1.7 percent of the population but 11 percent of COVID infections⁵¹. **SAWASI also contributes to stability, the second thematic area in *Partnerships for Recovery*, through improved governance in the water sector.** SAWASI will work to increase the voice of marginalised communities in water governance in urban areas while also providing technical assistance to city water authorities and utilities to improve water resource management and WASH services for those communities. Links to existing high-level dialogue mechanisms are designed to ensure the program's achievements influence partner government policy. Consistent with *Partnerships for Recovery*, SAWASI explicitly focuses 'on the most vulnerable, including women and girls and people with disabilities and those living in poverty'⁵².

3.3 **SAWASI use Australian expertise to help partner governments recover from the COVID-19 pandemic.** By using a government-to-government mechanism for technical assistance, SAWASI will strengthen partnerships throughout the region in line with the approach outlined in *Partnerships for Recovery*. While South Asia is not a 'first tier priority' under Australia's COVID response strategy, SAWASI is a targeted, impactful investment underpinned by strong national interest considerations. Both Pakistan's and South Asia Regional section's (draft) COVID Response Plans include references to water programs assisting in the recovery efforts.⁵³

3.4 **The importance of the region to Australia was highlighted by the Virtual Leaders' Summit between Prime Ministers Modi and Morrison** on 4 June 2020. Affirming their commitment to strengthened long-term ties between the two countries, the Prime Ministers signed a Comprehensive Strategic Partnership⁵⁴. The Comprehensive Strategic Partnership reflects India and Australia's strong commitment to practical global cooperation to address major challenges like COVID-19. A Memorandum of Understanding on cooperation in the field of Water Resources Management was signed as part of the Comprehensive Strategic Partnership.

⁴⁸ *Partnerships for Recovery: Australia's Covid-19 Development Response*, DFAT, 2020

⁴⁹ *Ibid*, p.13

⁵⁰ *ibid*

⁵¹ As at 14 August 2020, published on www.covid19india.org using information from India's Ministry of Health and Family Welfare

⁵² *Partnerships for Recovery: Australia's Covid-19 Development Response*, DFAT, 2020, p. 1

⁵³ COVID Response Plans are yet to be finalised for South Asia Regional section or Pakistan. Drafts have been shared with the design team. India's Covid Response Plan has not been shared with the design team.

⁵⁴ <https://www.dfat.gov.au/geo/india/Pages/joint-statement-comprehensive-strategic-partnership-between-republic-india-and-australia>

Prime Ministers Modi and Morrison noted that water security is a critical challenge for both countries and committed to deepen policy and technical cooperation around water resource management⁵⁵. SAWASI will utilise two of the three forms of cooperation agreed to in the MoU: mutually determined joint projects in country; and capacity building, training, study tours, education and knowledge sharing.

3.5 Similarly, **the Government of Pakistan has officially recognised Australia's expertise in water management and governance** through the MoU on Water Resources Management (September 2018)⁵⁶. The MoU expressly includes support for water in urban environments, including water-sensitive cities, as well as drinking water, urban flood management and water-related policy and institutional evolution. It recognises and builds upon Australia's strong relationship with the Government of Pakistan, especially around water-related issues. SAWASI will further support and strengthen Australia's relationship with Pakistan.

3.6 **The 2017 Foreign Policy White Paper notes Australia's position as a global leader on water management** with a potential to share the expertise across Asia and the Pacific⁵⁷. The water focused MoUs with India and Pakistan are examples of partner governments recognising the value of Australia's expertise in this sector.

3.7 The 2019 *Climate Change Action Strategy* acknowledges the rapid and continuing urbanisation around the world and highlights Australia's considerable skills and technologies for mitigating against the impacts of climate through sustainable water and waste management infrastructure and systems⁵⁸. **Domestic experience in dealing with increasing extreme weather events, including prolonged drought and floods, is transferrable to the South Asia region.** As the Comprehensive Strategic Partnership with India notes, knowledge transfer is a two-way proposition - Australian experts can also learn from their South Asian counterparts and bring different thinking and ways of managing water back to Australia

3.8 **Water-related issues impact men and women differently.** In line with Australia's *Gender Equality and Women's Empowerment Strategy* (2016), SAWASI will adopt gender responsive approaches and promote and facilitate women's decision-making in community committees and city water fora established under the program and ensure that all technical assistance provided directly to partner city, provincial / state and national governments and water authorities will promote the role of women in the water sector and encourage partner government agencies to introduce and institutionalise equal employment opportunity. Gender equality and social inclusion will be considered when determining participants in any regional knowledge sharing workshops or other development opportunities.

3.9 **Australia's Development for All Strategy (2015-2020) highlights specific water and sanitation issues faced by people with disabilities⁵⁹.** It notes the importance of ensuring all community water and sanitation infrastructure is accessible. Involving organisations that represent people with disabilities that are based in the community in decision-making processes is critical to ensuring appropriate, accessible infrastructure is built. Improving access and inclusion in WASH not only brings increased dignity and self-reliance for people with disabilities and social benefits for their families and communities, it can also contribute to poverty reduction and economic development. Given that caring duties disproportionately fall on women and girls in the family, improving accessibility of water and sanitation facilities improves gender outcomes as well.

3.10 **Water security is one of the key pillars of engagement identified in the South Asia Regional Development Cooperation Strategy 2019-23⁶⁰.** The strategy recognises poor governance and management capacity as the fundamental problem in the water sector, with climate change exacerbating an already challenging situation. Consistent with this view, the independent report to the Australian government, *An*

⁵⁵ ibid

⁵⁶ <http://mowr.gov.pk/index.php/press-release/>; accessed 15 July 2020

⁵⁷ 2017 Australian Foreign Policy White Paper.

⁵⁸ Climate Change Action Strategy. DFAT, 2019, p. 31

⁵⁹ The Development for All Strategy (2015- 2020), DFAT

⁶⁰ South Asia Regional Development Cooperation Strategy 2019-23; unclassified abstract provided to design team by SRG

Indian Economic Strategy to 2035, notes that due to high levels of inequality and poverty in India, there will continue to be huge unmet need for basic services such as water and sanitation. The report also lists water scarcity, exacerbated by population growth, pollution and water management, and climate change as two of the three major potential sources of disruption to India's economy through negative impacts on the country's productivity⁶¹. SAWASI directly targets urban water governance and management in India and Pakistan. The program incorporates disaster resilience from a community perspective and incorporates climate change considerations.

3.11 Australia has previously supported the Pakistan Government on issues of urbanisation. In 2018, Australia, through Islamabad Post, supported UN Habitat to produce *The State of Pakistan Cities* report⁶². The report 'attempts to shed light on the depth and complexity of the urban challenges' facing Pakistani cities. In introducing the report, Australia's then High Commissioner to Pakistan noted that the report went 'some way to addressing Pakistan's "data deficit" in the urban sector'. This positive engagement with the Government of Pakistan should be consolidated and strengthened under SAWASI.

3.12 SAWASI provides Australia with strong public diplomacy opportunities. By taking a demand-driven approach, SAWASI ensures that Australian support is delivered to key areas identified by partner governments. This ensures the highest levels of partner government are invested in addressing the issues identified, presenting Australia with a great opportunity to tell its story as a trusted, helpful friend in the region. Demonstration projects at the community level provide a visible outcome for all parties to hold up as an example of high-level partnerships producing tangible results for marginalised urban communities. By linking city water fora with existing dialogue mechanisms established under the country specific MoUs, Australia's assistance, from grassroots community projects through to technical assistance at the national level, presents a comprehensive and coherent package of support that can be widely promoted.

Development impact

3.13 SAWASI has a modest budget with which to tackle a major issue in South Asia. The program is ambitious but has realistic and achievable goals. It is highly targeted in the urban water sector, working at both the government and community level. Wherever possible, it aims to work closely with partner governments and leverage the work of development partners such as the Asia Development Bank and World Bank, as well as work undertaken by other Australian-supported programs such as the Australian Water Partnership and Water for Women, to achieve the program aims. SAWASI will have a reduced impact if it operates as a stand-alone program but by taking a demand-driven approach and building on other Australian and international donors' investments, SAWASI is designed to maximise its impact on poor urban communities in Pakistan and India.

3.14 SAWASI will draw on Australian expertise in urban water management to support four communities in two megacities in India and Pakistan to become more water sensitive and climate resilient while also building the capacity of partner governments through targeted, demand-driven technical assistance. SAWASI will demonstrate what is possible by elevating the voices of the people living in four marginalised urban communities in India and Pakistan. By linking these voices to important government decision makers through existing, or newly created, dialogue fora, and sharing lessons learnt through regional workshops, an approach will be developed that can be shared with other development actors and partner governments of the region improve access to water and sanitation services in poor urban areas. Key intermediate outcomes that SAWASI will target are increased planning and resource allocation by authorities to integrated urban water management, better understanding across the region of urban water management issues, increased the voice of women and other disadvantaged groups in decision making in the urban water sector,

⁶¹ Varghese, Peter A, *An Indian Economic Strategy to 2035: Navigating from Potential to Delivery*, A report to the Australian Government, April 2018

⁶² https://unhabitat.org/sites/default/files/documents/2019-05/state_of_pakistan_cities_0.pdf; accessed 6 July 2020

community priorities are incorporated into city planning and improved partner government information systems and use in planning and decisions making.

3.15 Water insecurity has a direct economic impact on countries in South Asia; as noted earlier, it is estimated to cost India between 7-12 percent of annual GDP, and 4 percent of Pakistan's GDP. **Improving water security in targeted urban areas through a combination of technical assistance and increased community participation in decision-making, with lessons learnt from the different contexts shared at annual knowledge sharing workshops, will inform a replicable approach to urban water management.** The economic impact flowing from improved water security will have an economic benefit, especially on poor marginalised sections of the community.

Other donors in the South Asia water sector

3.16 Both India and Pakistan are relatively high capacity countries. **Even before the pandemic, urban water development and governance reform has been a priority of the national and provincial governments,** frequently supported by bilateral and multilateral development agencies. The governments of both countries have launched major water-related initiatives in the recent past supported by international actors such as the World Bank and Asia Development Bank. **SAWASI's modest investment is not designed to compete with these investments,** rather it is designed to fill aspects often overlooked by these investments around implementation and system management capacity. The technical assistance element of SAWASI aims to address this issue.

3.17 **The World Bank has 35 active water and sanitation projects in India**⁶³. A high proportion of these projects are focused in targeted rural areas on issues around irrigation and water for agriculture. A large proportion are infrastructure projects that incorporate climate change and disaster risk reduction elements. The World Bank is supporting the Government of India's Atal Mission for Rejuvenation and Urban Transformation (AMRUT), a nationwide program to improve the wellbeing of marginalised communities in urban areas by providing every household with access to a tap with assured water supply and a sewerage connection. Started in 2015, AMRUT has committed approximately 60 percent of its US\$15 billion budget, although only approximately four percent of projects have been completed to date⁶⁴. In Pakistan, the World Bank is supporting the US\$230 million 'Competitive and Liveable City of Karachi Project' which among other things includes work on solid waste management⁶⁵. The project had a slow start with progress further affected by the pandemic⁶⁶. The US\$100 million Karachi Water and Sewerage Services Improvement Project was also approved in 2019⁶⁷. The program aims to improve access to safe water services in Karachi and to strengthen capacity of the local water authority⁶⁸.

3.18 **The World Bank is also supporting several regional programs on water and climate change** such as the recently approved US\$36 million *Climate Adaptation and Resilience for South Asia (CARE)*⁶⁹ aimed at creating an enabling environment for climate-resilient policies and investments across South Asia. The World Bank also administers the South Asia Water Initiative (SAWI) a multi-donor trust fund supported by the United Kingdom, Australia and Norway that works on regional issues across three river basins (Indus, Ganges and Brahmaputra) and one landscape (Sundarbans).

⁶³ <https://projects.worldbank.org/en/projects-operations/projects-list>

⁶⁴ <http://amrut.gov.in/upload/newsrelease/5db80ab0733d05d3e9da5b8de4Minutesof22ndApexCommittee.pdf>

⁶⁵ World Bank loans and credit information page, <https://www.worldbank.org/en/news/loans-credits/2019/06/27/competitive-and-liveable-city-of-karachi-project>

⁶⁶ A project update report dated 28 June 2020 posted in the World Bank states that "the ongoing global pandemic COVID 19 has had major impact on the project implementation" but notes that some progress has been made among government implementing agencies, and that the staff recruitment is now underway for the Excise and Taxation Department, and Sindh Investment Department. The report further states that the project will provide support for the economic recovery in the aftermath of the COVID 19 by including labour intensive capital works in the performance based grant, which is designed to mitigate the negative economic impact among the urban poor, and also as a way to stimulate local economic activities.

⁶⁷ Project abstract page, <https://projects.worldbank.org/en/projects-operations/project-detail/P164704?lang=en>

⁶⁸ The project has entered active implementation phase and a Pakistani news reported on 21 July 2020 that the project's awarding of some contracts is being contested in the court, a reminder of how local political economy impacts the operation of projects. <https://nation.com.pk/21-Jul-2020/sindh-govt-submits-report-to-sc-on-funds-for-various-projects>

⁶⁹ <https://projects.worldbank.org/en/projects-operations/project-detail/P171054>

3.19 India has been the highest borrower from the Asian Development Bank; **the ADB is currently supporting 31 active projects focusing on water and sanitation infrastructure** including a US\$500 million facility to develop climate resilient urban water and sanitation in Tamil Nadu state⁷⁰. On 28 April 2020, the ADB approved \$1.5 billion financing to support India's fight against COVID-19. The 'India Urban and Water Projects Support Facility' (2020-2022) is a US\$2 million technical assistance facility to support the development of urban water and energy projects. The ADB is also supporting the Karnataka Urban Integrated Water Management project, the US\$150 million project runs until 2024 and aims to improve water security in the city through improved infrastructure and capacity building measures with the local authority.

3.20 Given the prominence of the development banks in the water sector in India and Pakistan, **Australia should seek to enhance engagement with the ADB and World Bank**. Australia already convenes the Water Donor Committee in Pakistan; a similar mechanism should be explored in India to ensure SAWASI is leveraging the work of the larger donors as much as possible. Although the technical assistance element of the program is very much demand driven by partner governments, if opportunity arises, Australia should explore the potential to provide technical assistance to World Bank and ADB projects, provided the assistance meets the skillsets agreed with partner governments as set out in paragraph 4.16.

3.21 **USAID has been among the largest supporters of Pakistan in recent years**, with a focus on resilience that includes water related programs. USAID has supported the Safe Water Network to conduct studies of the status of water access in Mumbai. The 2016 report assesses drinking water provision to the urban poor. It was part of the USAID agreement with the Ministry of Urban Development to contribute towards the Clean India Mission. In addition, USAID is supporting India's National Institute of Urban Affairs (NIUA) to reinforce the WASH ecosystem to improve urban WASH sector performance through incubation and acceleration of innovative solutions and technologies while fostering partnership and inclusion at all levels. USAID is also supporting a global initiative called Sustainable Water Partnership, of which Pakistan and Nepal are part, together with other Asian and African countries⁷¹.

3.22 **The United Kingdom supports the Program for Asia Resilience to Climate Change (PARCC) trust fund**. PARCC was launched in 2018 to strengthen disaster and climate resilience in Afghanistan, Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. The program aims to develop hydromet services and early-warning systems that can save lives, improve livelihoods, and strengthen the resilience of vulnerable communities⁷².

3.23 **The European Union funds the Revival of Balochistan Water Resources Program**, a EUR58 million program in Pakistan, which support the Government's National Water Policy and the Balochistan Integrated Water Resource Management (IWRM) policy and strengthens the Balochistan Water Authority. The India-EU Water Partnership (IEWP) is an outcome of the 'Joint Declaration on Water' adopted by India and the EU on 30 March 2016 during the 13th EU-India Summit in Brussels, to enhance cooperation on water issues, including 'Clean Ganga' program of the Government of India.

3.24 The University of Virginia's Yamuna River Project is an inter-disciplinary **research project whose objective is to revitalise the ecology of the Yamuna River in New Delhi, thus reconnecting India's capital city back to the water**. There are six partners working together in the project, including the Delhi Jal Board. The Korea International Cooperation Agency (KOICA) is also working with the Pakistan Government to enhance Pakistan's water quality monitoring system as a part of the country's efforts to achieve SDG 6.

3.25 As noted, **Australia is providing ongoing assistance to both India and Pakistan through its two existing global water programs: Water for Women and the Australian Water Partnership**. Water for Women has a specific WASH focus, whilst the AWP focus is mainly at the government and utility level. Given the prioritisation of Water for Cities and Water for Drinking by the Government of Pakistan in affirming the

⁷⁰ ADB News Release, 25 September 2018, [https://www.adb.org/news/adb-500-million-facility-develop-climate-resilient-urban-water-and-sanitation-services-india#:~:text=MANILA%2C%20PHILIPPINES%20\(25%20September%202018,cities%20in%20the%20Indian%20state](https://www.adb.org/news/adb-500-million-facility-develop-climate-resilient-urban-water-and-sanitation-services-india#:~:text=MANILA%2C%20PHILIPPINES%20(25%20September%202018,cities%20in%20the%20Indian%20state)

⁷¹ USAID Sustainable Water Partnership Page, <https://www.globalwaters.org/swp>

⁷² <https://www.worldbank.org/en/programs/south-asia-regional-integration/brief/program-for-asia-resilience-to-climate-change>

Water MoU, Australia, through DFAT (South Asia Regional Section working with Islamabad Post) has responded to requests for support in this area by funding comprehensive water diagnostics of Karachi and Lahore. SAWASI will continue to work under the MoU in this priority area with technical assistance and the location of the demonstration projects guided by discussions with the Ministry of Water Resources.

D. Proposed Outcomes and Investment Options (What?)

4.1 **The SAWASI program (2021-2025) is a multi-year AUD17.685 million commitment from Australia to improve access to safe water and sanitation in the South Asia region.** This program is being developed in the context of a dynamic global environment that includes the ongoing response and recovery to the COVID-19 pandemic throughout the world. Flexibility is a key feature of this design to ensure the program maintains relevance within each country context amid a dynamic global environment.

4.2 **Problem Statement:** Capacity constraints among current urban water resource governance and decision making agencies excludes the voice and active participation of disadvantaged communities in policy, planning and management of urban water and sanitation services and a failure to deliver safe and efficient urban water and sanitation services.

4.3 **The program goal** is *improved access to safe water and sanitation services for disadvantaged communities in South Asian cities.*

4.4 **The objective of the program** is *to strengthen South Asian city-level water governance and undertake investments that provide urban water services support to disadvantaged communities (particularly women and girls) to access reliable, safe water and sanitation services.*

4.5 Program Outcomes

At the end of the four-year program in 2025, it is expected that two outcomes will be achieved:

Outcome 1 - Safe Water and Sanitation: *By 2025, four disadvantaged urban communities in India and Pakistan have safer and more reliable access to water and sanitation services, particularly for women.*

Outcome 2 – Resilient Communities: *By 2025, improved governance of urban water systems in two South Asian cities enhances community resilience to climate change and other water-related shocks.*

These end of program outcomes are mutually reinforcing as safe water and sanitation services help build resilient communities, and resilience to climate change can secure access to safe water and sanitation services.

Intermediate Outcomes

4.6 **Achievement of the end-of-program outcomes will be supported by progress in five intermediate outcome areas.** The intermediate outcomes articulate the results expected to be achieved through the activities implemented in each city, as well as the regional knowledge sharing activities, and inputs supported by DFAT including technical support, monitoring evaluation and learning (MEL), and communications and advocacy.

4.7 **The intermediate outcomes are linked and interdependent and contribute to both end-of-program outcomes.** For example, partner governments allocating more resources to urban water management will assist communities' access to safe water and sanitation, and demonstrate improved governance that will support resilience to climate change.

4.8 The intermediates outcomes are:

- *Partner governments are planning and allocating greater resources to integrated and inclusive urban water resources management*

- *Urban water leaders in South Asia have improved understanding of urban water systems and advocate for resilient and equitable management approaches.*
- *Disadvantaged communities, particularly women and people with disabilities, have an effective voice, and are able to participate actively in city-level decision making on urban water management*
- *Community-identified priorities for safe water access and improved sanitation services are incorporated in urban water services planning and delivery*
- *Partner government utilise evidence-based information and data on water use, distribution, leakage, water quality and sanitation to inform planning and decision making for cities.*

4.9 Outputs

The program outputs will be tailored to each country and implemented through the relevant in-country partners as agreed through annual work plans. A number of common outputs will be pursued across countries (see Annex 1 for more detail), however, to deliver the most relevant and effective results the scale and scope of outputs and activities will vary between countries.

4.10 Assumptions

A number of key assumptions underpin the achievement of the program outcomes articulated in the program logic. These assumptions will be routinely monitored, and updates made as required based on changes in the operating context and on additional information obtained from monitoring and reporting on progress and performance (see Annex 1 for further detail).

4.11 The program outcomes were formulated and negotiated through a process of consultations with program design stakeholders, regular review and discussion with DFAT program and policy areas, and a facilitated program logic workshop with key DFAT stakeholders in Canberra, India and Pakistan. A draft of the program outcomes was also shared with partner governments and warmly received.

Delivery approach

4.12 SAWASI is designed to be responsive to partner government needs, while also building resilience among disadvantaged communities in response to COVID-19 and other future shocks. As the COVID-19 crisis continues to evolve in South Asia, SAWASI needs to retain considerable flexibility to ensure that it meets the needs of partner governments, while still remaining focused on the program goals and expected outcomes.

4.13 SAWASI is a modest investment, as such it is critical that it remains focused. Investments in SAWASI should be guided by the following principles:

- Ensure a focus on urban water systems management and resilience
- Create strong, enduring partnerships between local stakeholders
- Embed accountability
- Include disadvantaged people, particularly women and people with disabilities, in decision making
- Establish pathways for Australian private sector engagement

4.14 SAWASI consists of three main elements:

- Demand-driven, government-to-government technical assistance
- Community-level demonstration projects
- Regional knowledge sharing workshops

Program element one - Demand-driven, government-to-government technical assistance program

4.15 In response to requests to Post from partner governments, Australia will consider providing **technical assistance** as requested to help build partner government capacity in water resource management and governance. The Grantee, while implementing the community-based element of SAWASI, may also identify opportunities for technical assistance. These should be communicated to the locally engaged staff for discussion with the partner government. Only official requests for technical assistance received from partner governments will be acted upon. Technical assistance under SAWASI can be provided across all levels of government but will be skewed towards provincial/ state and city level water authorities and utilities in the chosen cities.

4.16 Australia has the potential to deliver a wide range of technical assistance to partner governments in key aspects of urban water management. However, the limited resources available to SAWASI means it must stay focused. As part of the program inception period, **skillsets and experience will be identified by Post with the partner government** to guide which requests for technical assistance will be considered. The agreed range of skillsets should be revised annually, and include the Grantee in discussions, to ensure flexibility within the skillsets and ensure they reflect the needs of the specific communities and cities selected. With this flexibility comes the risk of fragmentation. In discussing possible assistance with partner governments, Post must guard against this risk and ensure that a manageable number of impactful, and preferably connected, technical assistance positions are implemented over the life of the program.

Potential skillsets and experience supported by SAWASI:

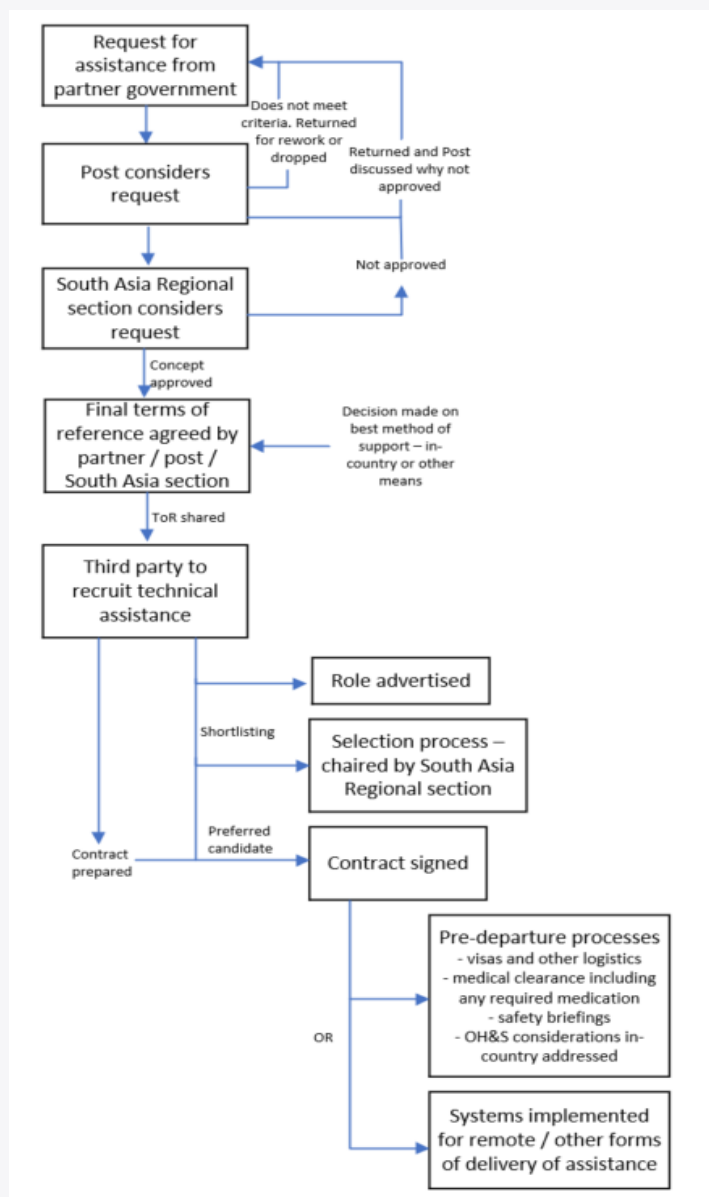
- Urban water planning and governance
- Wastewater treatment and recycling
- Water-sensitive cities including circular water economy concepts
- Managing climate risks to water system and building resilience
- Disaster risk reduction, including:
 - Resilient infrastructure
 - Urban flood prevention and management
- Water information systems and data analysis, including water leakage control
- Water pricing and market-oriented solutions
- Water quality management including pollution reduction methods
- Water utilities governance and financing

Skillsets and experience specifically excluded from SAWASI:

- Country-wide water information systems
- Irrigation systems
- Research, unless requested by partner government to inform a specific policy that is being drafted
- Support for basin-wide initiatives, unless a very direct, clear impact on the water supply of the city SAWASI is working in can be demonstrated
- Agriculture-related water issues, unless it is the biggest water-related issue affecting a peri-urban community in which SAWASI is working

4.17 In the case of Pakistan, as well as assessing the request for support against the criteria, **the request should also be assessed against the Roadmap currently being developed** by Aither - an Australian water consulting company - under the auspices of the MoU, in response to a direct request from the Government of Pakistan. Two roadmaps are being developed, one for Lahore and one for Karachi, which will outline priorities for improving water-related investment and management, with a focus on addressing urban water challenges. The roadmaps provide the Governments of Pakistan and Australia a detailed assessment of where potential technical assistance will be of most value.

4.18 As the COVID-19 pandemic is ongoing in South Asia, it is unclear whether physical deployment of technical assistance will be possible during the initial stages of the program. **In instances where physical deployment is not possible, technological and other creative solutions will be pursued.** Regardless of the delivery mechanism for technical assistance, the following outlines the main processes and responsibilities before technical assistance can be begin.



Key points to note:

- South Asia Regional section has final approval over all requests for technical assistance
 - They will be guided by recommendations from Post who discuss with partner government
 - Post is responsible for developing the terms of reference for all approved requests for technical assistance
- Recruitment and deployment of technical assistance outsourced to a third party
 - Contract for service will be managed by South Asia Regional section
 - Contractor bears responsibility for deployment of technical assistance including health and safety in country
- If due to COVID-19 travel restrictions in-country travel is not possible alternative forms of support will be considered:
 - Partner travel to Australia (if possible)
 - Third country meetings (if possible)
 - Regular online meetings
 - Virtual ‘twinning’ with similar organisation in Australia
 - Support to enrol in relevant online courses
 - Establishing a water ‘hotline’ with experts ready to provide advice to partner governments

4.19 **All providers of technical assistance under SAWASI must have a demonstrated understanding of the different social impacts of water on men and women, people with disabilities and other marginalised groups in society.** SAWASI is an inclusive program - all technical assistance provided must reflect these inclusive values in terms of selection processes and the skills and knowledge of those selected. South Asia has a number of high-performing equality and disability rights organisations who may be well placed to provide technical assistance. Post must work with the requesting partner government department or authority prior to any technical assistance being deployed to ensure they are aware of Australia’s strong advocacy for gender equality, disability and social inclusion. Regular contact by Post with the receiving

department or authority and provider of technical assistance should monitor the willingness to implement initiatives that promote equality and inclusion.

4.20 Past evaluations of the use of technical assistance in urban water projects have noted that ‘technical assistance can undermine ownership and leadership of the host organisation and can sometimes be a case of consultants ‘doing’ rather than ‘enabling and supporting’⁷³. The criteria for city selection outlined in paragraph 5.24 includes that the partner organisation must have capacity to absorb the technical assistance and share their knowledge in return. **Strong emphasis will be placed on the enabling and supporting element of technical assistance during the selection process for each role. The locally engaged staff should monitor the progress of each role and ensure that technical assistance provided is genuinely building capacity of the host organisation and not performing an in-line function.**

Program element two - Community based demonstration projects

4.21 In each megacity, two communities will be chosen where demonstration projects will be implemented to showcase practical ways to improve access to safe water and sanitation services in informal settlements while considering climate change and other disaster risks. **SAWASI will adopt a ‘water-sensitive cities approach’ to the demonstration projects with a strong focus on equitable access to water and sanitation services.**

The water-sensitive cities approach works towards the vision where urban areas:

- Serve as a potential water catchment, providing different water sources for different uses
- Promote ecosystems and healthy natural environments for social, ecological and economic benefits
- Have citizens with the necessary knowledge to actively participate in decision making and display water conservation behaviours

Adapted from: <https://watersensitivecities.org.au/what-is-a-water-sensitive-city/>

4.22 The **demonstration projects will identify and support community specific solutions**, not only to augment access to water and sanitation services but also to build resilience of the community to shocks and stresses of climatic and societal origins. Best practices around water-sensitive cities from Australia⁷⁴ and elsewhere will inform a variety of circular economy solutions, for example green infrastructure, wastewater recycling, rainwater harvesting, flood warning systems, water quality monitoring and treatment and safe water storage and handling.

4.23 This will be **complemented by a community empowerment approach** wherein the perspectives of members of marginalised groups will be considered through inclusive and accessible co-designing processes, which can lead to more equitable water and sanitation services.

4.24 A **competitive process will be undertaken to identify an appropriate Grantee who can implement the demonstration projects in both Pakistan and India**. A grant is the most appropriate mechanism for this investment as there are already a number of actors within India and Pakistan, as well as in Australia and internationally, who are implementing water projects in urban areas using principles and approaches that align with the water-sensitive cities concept outlined above. This experience will be invaluable for the success of the SAWASI project.

4.25 **South Asia Regional section is responsible for running the process to select the most appropriate Grantee**. Representatives from Delhi and Islamabad Posts should be included in the process. It is strongly recommended that the process include seeking expressions of interest from organisations working on water initiatives in the region. Capacity in South Asia is high, and it is likely that strong local organisations will be identified during the process. Even if no organisation is found that can implement projects in both countries,

⁷³ WaterAid, Systems Strengthening for Sustainable Urban WASH Services Big Gains from Small Funds, 2017

⁷⁴ Examples from Australia include flood and drainage management innovation Fisherman’s Bend in Melbourne (<https://watersensitivecities.org.au/wp-content/uploads/2016/04/Ideas-for-FishermansBend-REPORT.pdf>), and Australia’s most water and energy efficient residential community called Aquarevo in Victoria (<https://southeastwater.com.au/CurrentProjects/Projects/Pages/Aquarevo.aspx>).

the process will identify competent local partners for an international Grantee. If an international Grantee is selected, they should be strongly encouraged to partner with local organisations for a number of reasons:

- Local knowledge and understanding of cultural factors that may impact the project
- A presence on the ground if international travel restrictions remain in place ensures better continuity of the project
- Replicability of the project in other communities and cities is greatly increased if a local organisation has experience in delivering a project alongside international expertise

4.26 A critical aspect of the demonstration projects is the role of a city water forum. Where possible, existing, effective mechanisms established by other water actors should be leveraged. If there is no existing structure in place that is fit for purpose (see 4.27), then a new structure may have to be created. Whether existing or established, the fora will be managed by the Grantee working closely with the locally engaged staff. These multi-stakeholder water fora will create an important link between community demonstration projects and the city and provincial water and sanitation services agencies and policy makers. Establishing city water fora is also a critical disaster risk reduction aspect of the program. The United Nations Disaster Risk Reduction Global Assessment Report (2019) notes that ‘participatory slum-upgrading practices are a prerequisite for DRR and resilience building in many rapidly urbanising cities’⁷⁵.

4.27 The purpose and functions of the city water fora are as follows:

- Establish mutual accountability frameworks to hold water and sanitation agencies as well as communities to account
 - Establish targets around access and quality of services; reduce illegal connections and other factors that increase non-revenue water
- Ensure that community voices are heard, including women and people with disabilities, and that their priorities and concerns are factored into planning processes
- Create wider ownership among city and provincial officials of demonstration activities
- Create a platform for evidence to be fed directly to water managers and policy makers
- Build wider awareness about community demonstration projects among key water sector stakeholders such as World Bank, ADB and bilateral donors for potential upscaling and support
 - Invite representatives of these stakeholders to meetings in which key milestones of community demonstration projects are shared and showcased

4.28 The composition of the city water fora will depend on the local context and the architecture of water and sanitation governance. The locally engaged staff, supported by others at Post, will need to provide guidance to the Grantee to ensure local politics is considered in the makeup of the forum. Post will retain responsibility for inviting government officials to join the forum in order to demonstrate commitment to the program and increase the likelihood of participation. **It is envisaged that the city water fora will be pitched closer to the community / city level than the national policy level, but with strong links to existing high-level dialogue processes which involve national policy makers.**

An indicative composition might be:

- Senior representative from provincial water resources and sanitation agencies
- Senior representative from city water and sanitation supplier
- Senior representative from city authority / municipal corporation
- Regional managers responsible for water and sanitation services for selected communities
- Head of a water think tank / prominent NGO to act as independent voice
- 4 x community representatives
- Grantee representative
- Locally engaged staff, other Post staff

⁷⁵ UNDRR, Global Assessment Report on Disaster Risk Reduction 2019, Chapter 14; <https://gar.undrr.org/chapters/chapter-14-local-disaster-risk-reduction-strategies-and-plans-urban-areas#14.4>

4.29 **The Grantee, supported by the locally engaged staff, will identify two members from the selected communities, preferably women, to join the city water fora.** The Grantee, supported by Post, will strongly encourage other agencies and organisations approached to be involved in the city water forum to also consider women and people with disabilities to represent them. Evidence shows greater representation of women in policy and regulatory roles helps increase awareness of the concerns and needs of women⁷⁶. For example, research has shown that in India the number of drinking water projects in areas with female-led councils was 62 percent higher than in those with male-led councils⁷⁷. The fora should aim for equal gender representation.

4.30 **Sound risk governance is one of the most important underlying factors in designing, developing and implementing urban disaster risk reduction strategies⁷⁸.** Understanding the different risks at different stages of a project and from different perspectives strengthens the governance of a project. The potential range of voices on the city water fora, from provincial level government officials, through city authority and water and sanitation service providers to community members, establishes a robust governance mechanism around the water security of the identified communities.

4.31 It is critical that **the most senior person on the forum has influence** within State / Provincial Government and also an ability to communicate success to senior policy makers at the national level. If agreed to by the partner government, **the most senior person on the water fora should be invited to the annual meetings held under the MoU** between Australia and partner governments. This is an effective way to influence policy and a powerful public diplomacy opportunity for Australia with senior partner government officials. If full participation is not possible, presenting an update on the projects during a session of the meetings still has positive policy impacts.

4.32 **The locally engaged staff also has an important role in ensuring higher levels of government are aware of these projects.** Arranging visits to the communities for provincial level government officials from a wide range of ministries including climate change and the national disaster management offices when the projects are starting to achieve results increases the number of partner government advocates for the approach whilst also providing public diplomacy opportunities in a wider range of government departments. The officials targeted and the timing of these visits should be coordinated with other existing high-level mechanisms as outlined below, to maximise their impact and public diplomacy value.

Program element three – Regional knowledge sharing workshops

4.33 Although SAWASI is operating discretely in India and Pakistan, **the issues faced in water resource management and WASH in informal urban settlements are similar across the region**, especially in very large urban areas. The annual regional knowledge sharing workshops are an opportunity for SAWASI stakeholders - including the Grantee, providers of technical assistance, municipal decision-makers in the urban megacity and community representatives - to come together to **share lessons learned around how to undertake participatory resource planning in the urban water sector in megacities**. Learning can be shared across the countries from both elements of the program. In order to strengthen the understanding of the issues being faced by those responsible for water resource management, such as city authorities and service providers, and the water and sanitation issues faced daily by communities, the knowledge sharing workshops should be give equal weight to the issues and discussions focused on the connections between the two.

4.34 The aim of the regional workshops over its three iterations is to **establish a workable, scalable and replicable approach to participatory decision-making on urban water management and governance in South Asian megacities**. Sharing the lessons learnt at individual workshops, and the approach developed over the life of program, with partner governments through the annual Joint Advisory Committee / Joint

⁷⁶ Thompson, Kate, Kathleen O'Dell, Sameera Syed, Hannah Kemp, and Eva Vazquez. 2017. "Thirsty for Change: The Untapped Potential of Women in Urban Water Management." Deloitte Review 20: 154–167.

⁷⁷ Ibid

⁷⁸ UNDRR, Global Assessment Report on Disaster Risk Reduction 2019, Chapter 14; <https://gar.undrr.org/chapters/chapter-14-local-disaster-risk-reduction-strategies-and-plans-urban-areas#14.4>

Working Group mechanisms will help influence policy and promote rollout of successful approaches across the countries. Sharing the lessons learnt at individual workshops, and the approach developed over the life of program, with multilateral banks as part of the planned annual dialogue with the ADB and the World Bank will contribute towards a consistent model being developed that can be used by all actors implementing similar projects.

4.35 Participants at the workshop shall be recommended by Post, but final approval of attendees is the responsibility of South Asia Regional section. **It is strongly recommended the community members on the city water fora attend the workshop** to ensure community voices are heard and lessons learnt at community level shared across countries. While it may be appropriate for some international technical expertise to attend the workshops, priority should be given to partner government representatives and other local organisations, including disabled persons organisations. The workshop is about sharing experience and lessons – what worked, what did not and why – not a technical training workshop.

4.36 **A neutral venue should be chosen for the workshop that is accessible or can make reasonable adjustments to accommodate people with disabilities to ensure maximum participation.** The host country should also be invited to participate to bring additional perspectives as well as other partners from Water for Women and Australian Water Partnership where appropriate. Delhi Post and South Asia Regional section should also consider whether the Australia-India Institute's (through Australia's Department of Education) research on water would add value to the workshops.

4.37 South Asia Regional section, in conjunction with Post, is responsible for organisation of the workshops. DFAT may contract the organisation of the regional workshops to a local provider who is experienced in organising these types of events. The budget includes provision for three workshops to be held, the first in year two and then annually.

Complementarity to existing mechanisms

4.38 Both MoUs between Australia and India and Australia and Pakistan **stipulate that annual high-level meetings will be held between the responsible areas of government for water in the countries.** The Joint Advisory Committee in Pakistan met twice in 2019. The meetings were attended by a range of Australian officials, including representatives from South Asia Regional section as well as partner organisations such as CSIRO and Australian Water Partnership, and Pakistan Government officials from central and provincial water-related ministries. These face-to-face interactions provide an opportunity for Australia to build relationships with government counterparts at the highest level. The recently signed Australia – India Memorandum of Understanding on Water Resource Management stipulates that annual meetings should be held in alternating countries between senior officials from the relevant water ministries. None of these have been held yet.

4.39 Whilst these meetings are high-level, **they represent an opportunity to increase partner government visibility of SAWASI**, particularly the community demonstration projects which may be less visible to senior bureaucrats than the technical assistance element of the program. Consideration should be given to **a site visit to one of the demonstration projects as part of the meeting once results are beginning to show.** This will increase the credibility of the water fora and have significant public diplomacy benefits for Australia if managed correctly. As noted in paragraph 4.31, if appropriate the most senior member of the city water forum should be invited to the annual meetings, even if only for selected sessions, to ensure they are given profile at this senior level and experience shared.

E. Implementation Arrangements (How will DFAT engage?)

5.1 **The South Asia Regional section of DFAT is responsible for the success of SAWASI.** SAWASI will utilise a hybrid implementation model whereby a Grantee will deliver the community demonstration projects

and South Asia Regional section will sub-contract a range of services, either directly or through Post, required for the technical assistance elements of the program, as well as monitoring and evaluation and communications skills.

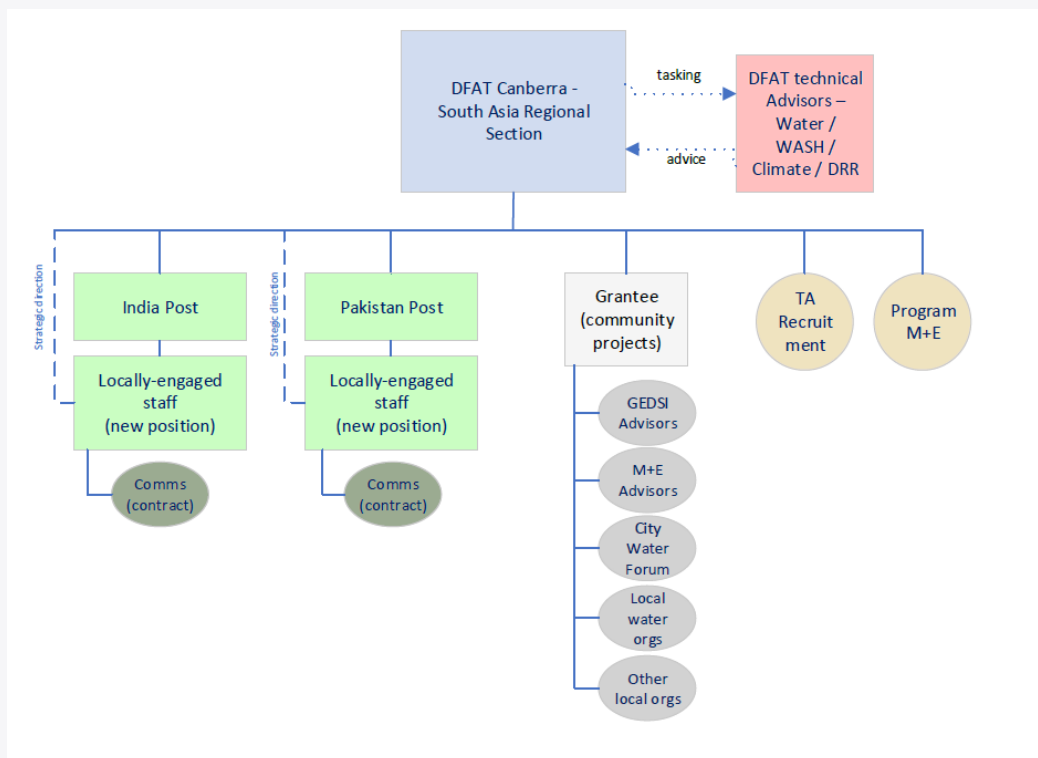
5.2 The South Asia Regional section has the capacity and the skill to manage the technical assistance element program. The water sector is an area of focus for Australia in South Asia, and a sector given high prominence by partner governments. The South Asia Regional section has been involved in Joint Advisory Committee meetings in Pakistan and played an active role in the evaluation of the precursor SDIP program. Given the relatively modest initial budget and uncertainty about funding in future years, South Asia Regional section has committed to taking a hands-on implementation role. They have effectively been operating in this fashion for the past year, trialling the approach during their engagement with the Pakistan Joint advisory Committee. The Director of South Asia Regional section will be responsible for ensuring sufficient, appropriately trained internal resources, budgeted at 1.5 full time staff, are available across the life of the program.

5.3 SAWASI is designed to be responsive to partner government needs. The technical assistance element will be demand driven. The Grantee may identify and recommend support in a particular area, for example waste-water management, but only official requests from partner governments will be acted upon. Partner governments will shape the terms of reference alongside Post. Annual dialogue under the MoUs will ensure that there is a formal mechanism for partner governments to provide feedback on performance of the program and outline their plans for the coming year and the types of support that they will be requesting. Provided the requests are within the parameters agreed between the partners as set out in paragraph 4.16, Australia should be responsive in sourcing the requested technical assistance. Annual workplans, jointly developed by Post and the partner government allows for joint ownership of the program's progress and achievements.

5.4 As a demand-driven program, in-country relationships are key to its success. A locally engaged staff member will be recruited in Delhi and Islamabad Posts who will be responsible for the day-to-day operations of the program. The person will require a strong understanding of urban water management and governance in the country as well as solid background understanding of water-sensitive urban design (WSUD) principles and approaches. A sample position description is included at Annex 6. Given the seniority of the locally engaged positions, **Post should ensure that an appropriate reporting line is established that recognises their experience and expertise.** Regular contact, at least monthly, will be maintained between the locally engaged staff and key staff in the South Asia Regional section in Canberra.

5.5 Internal DFAT expertise may be requested by South Asia Regional section to support the program, for example, thematic specialists from DFAT's Economic Growth and Sustainability Division, including water and water-related specialists from within the Agriculture, Infrastructure and Water Branch and climate change and disaster risk reduction specialists. These experts will be called upon to provide input into terms of reference for requested technical assistance or provide briefings and other input into technical program meetings. They will not have a management function in the program. They do not hold the relationships with partner governments, it is critical that these relationships are held by Post. They may be called on to engage with partner governments, but this should be coordinated by Post.

5.6 The management of SAWASI will be as follows:



Description of proposed (indicative) roles:

5.7 DFAT Canberra - South Asia Regional section

- Full-time equivalent of 1.5 staff – a combination of a Program Manager (EL1 - full time) and Program Officer (APS6 – 0.5)
- Overall management responsibility for the program – accountable for the success of the program
 - This includes responsibility for monitoring and evaluation of the program through an internationally contracted monitoring and evaluation specialist who will work in conjunction with the Grantee’s monitoring and evaluation advisors
- Responsible for selection process of Grantee
- Liaises regularly with local engaged staff – at least monthly individually and monthly group teleconferences to share learnings; at least annually in person as travel restrictions allow to attend high-level meetings
- Works with Post and locally engaged staff to prepare Terms of References for requested technical assistance by host government; approves final Terms of Reference
- Contracts third party to perform recruitment and deployment services
- Chairs the selection panel for requested technical assistance
- Provides input into policy discussions led by staff at Post
- Responsible for all DFAT quality assurance processes related to SAWASI

5.8 DFAT technical advisors

- Internal DFAT expertise, where existing, may be requested by South Asia Regional section to support the program as noted in paragraph 5.5.
 - Advisors provide written briefing notes to South Asia Regional section in line with the tasking notes
 - South Asia Regional section should have visibility on all contact between advisors and Post

- To ensure relationship are built between Post and partner government, advisors should not have direct contact with partner governments unless as part of a delegation

5.9 **Australian diplomatic Posts – India and Pakistan**

- Responsible for the national level government-to-government relationships and implementing key guiding documents (2018 Memorandum of Understanding in Pakistan; 2020 Comprehensive Strategic Partnership in India)
 - Lead role in all policy discussions – city level (A-based staff member), provincial and national level (DHOM /HOM)
- An appropriate A-based staff member will have line management responsibility for the locally engaged staff
- Support SAWASI public diplomacy efforts as part of the wider efforts in country
- Monthly meeting with South Asia Regional section program manager to discuss program progress and workplan for locally engaged staff
- Provide strategic program input to South Asia Regional section who retain overall responsibility for program strategy but rely on timely advice from Post to make informed decisions
- Jointly with South Asia Regional section arranges (or contracts) regional workshop organisation

5.10 **Locally engaged staff – India and Pakistan**

- Has the primary role of maintaining program momentum and supporting Post to build relationships with municipal water authorities, which is particularly important when working across multiple layers of bureaucracy (in Delhi, support A-based staff with monthly Joint Implementation Group Meetings under Australia-India MOU).
- Reports to appropriate A-based staff at Post; liaises closely with South Asia Regional section on strategic program issues at least monthly
- A sample position description is included at Annex 6; the following outlines main responsibilities envisaged for the role:
 - Responsible for liaising with provincial government / city water authorities on required technical assistance, and drafting terms of reference to match program parameters
 - Day-to-day coordination of technical assistance once in-country
 - Monitors and assists Grantee to achieve community level outcomes
 - Works with South Asia Regional, to contract the delivery of Regional knowledge sharing workshops.
 - Liaises with Grantee's monitoring and evaluation consultant and GEDSI advisor, utilises their skills to support technical assistance elements of the program
 - Establishes preferred local communications services supplier to work with Post PD team and local media outlets to promote SAWASI (as Australia-India Water Security Initiative or Australia-Pakistan Water Security Initiative as appropriate) to the partner country public and for circulation to DFAT Canberra communications team
 - Provides communications contractor with all reports and information as appropriate to produce quality content
 - Contributes to policy discussions and provides evidence to support positions
 - Works with Program Managers / Heads and Deputy Heads of Mission on public diplomacy opportunities
 - Produces content (photos / videos) of program activity as appropriate for sharing on official social media accounts in coordination with the contracted Communications function (below)

5.11 **Grantee**

- A Grantee will be selected after a competitive international process to manage the community demonstration projects. The main responsibilities of the Grantee include:
 - Brings together multi-sector stakeholders to showcase the value of collaborative governance approaches in water resources planning, in terms of health, climate resilience and sustainability outcomes for the community
 - Through this water sensitive cities process, works with relevant organisations in the selected communities to understand the water-related disaster risks they face, their vision and priorities for a water secure future, and identifies and implements low-cost nature based options that strengthen climate and disaster resilience while creating healthier and more liveable spaces.
 - Works with communities and organisations to implement demand management strategies, enhance water literacy and build local institutional capacity to undertake water sensitive cities approaches.
 - Establishes, with support from Post, and convenes city water fora – to connect communities with decision-makers and policymakers.
 - Work with local water forum and DFAT staff to facilitate community water groups' access to decision-makers and embed collaborative governance opportunities into local business-as-usual water resources planning.
 - Seek local expertise, such as the Coalition for Disaster Resilient Infrastructure (CDRI) and other relevant local think tanks and organisations
 - Contract local monitoring and evaluation and GEDSI advisors for community projects
 - Sourced in-country to provide local insights into gender and program performance issues
 - Locally engaged staff will also be able to access GEDSI and M+E expertise as required for technical assistance element of the program
- Provides semi-annual progress and financial reports to South Asia Regional section (copied to Post).

5.12 **Third party to recruit technical water specialists**

- Contract established with appropriate company that has an existing expertise in recruiting water experts for project-based work
 - Advertise, screen and complete selection process for project technical assistance
 - Complete necessary contracting, travel logistics and pre-departure training required
 - Company will be responsible for the health and safety of the deployee whilst providing technical assistance
 - Deployed personnel will not become Commonwealth employees while they are contracted to provide advice under SAWASI
 - Provides demobilisation report to South Asia Regional section which provides summary of discussion with deployed personnel, covering both program issues and outcomes and deployment issues

5.13 **Providers of technical assistance to partner governments**

- Terms of reference developed by partner government in conjunction with Post; approved by South Asia Regional section
- Provides support to partner government (city / provincial / national) as per the terms of reference
- Provides brief (2 pages maximum) monthly reports to DFAT Post via locally engaged staff on project progress
 - Where assignment is shorter than one month – one end of assignment report only
- Performance management issues are the responsibility of South Asia Regional section

5.14 **Program monitoring and evaluation advisor**

- One monitoring and evaluation advisor contracted by South Asia Regional section will have overall responsibility for measuring the impact of the program
 - Based anywhere in the world, regular communication with South Asia Regional section
 - Responsibility for collating information provided by country-based monitoring and evaluation advisors and measuring overall impact of the program against the program outcomes using the monitoring, evaluation and learning framework
 - Contract to specify maximum number of days per year, estimated to be 45 days in year 1 with additional days allowed in future years for project visits and regional workshops

5.15 **City Water Fora**

- A diverse group of stakeholders as noted earlier
- Plays a key role linking community and water authorities
- Convened at a minimum twice a year
 - Likely to have sub-group meetings more regularly, for example just with community representatives and local water authority representative to gauge progress and maintain engagement
- Most senior person on forum should be invited to high-level annual meetings under the MoUs

5.16 **A key lesson from SDIP was the need to improve public diplomacy and communications** around the program. The SDIP evaluation noted the need for more outreach with national stakeholders. This necessarily requires a strengthened communications function with the ability to produce accessible communications materials. Post is responsible for determining what stories or events represent the best public diplomacy opportunities for Australia. To ensure the pitch of stories is right for the local audience, communications expertise should be in India and Pakistan, with content shared with Canberra. Post is responsible for sharing relevant program information with the communications contractor to maximise the value of the public diplomacy efforts. These positions provide a flexible resource for Post to use to assist with public diplomacy initiatives. Relationships should be established but work only contracted as required.

5.17 **Communications (contract)**

- Engaged after a competitive process, a local communications company to be contracted (on a piecemeal basis) to promote SAWASI:
 - Based on program reports and other material provided by the locally engaged staff, prepare engaging program updates and case studies to promote the program / report achievements with partner government
 - Prepare infographics and other promotional material
 - Work with local media outlets to generate interest in events and have articles published that promote achievements
- Provide support to Post by generating and producing video content / photography services for SAWASI and other Post events, including for use on social media
- Coordinate with South Asia Regional section (through Post) on content and materials that may be used for Australian-based audiences including copy for Australian media
- Experience in developing accessible communications for people with disabilities is essential

5.18 **SAWASI also represents a significant opportunity for DFAT to promote its work to the large South Asian population living in Australia** (estimated at 1.14 million foreign-born South Asian at 2019)⁷⁹. South Asia Regional section should proactively seek out speaking opportunities at events hosted by peak

⁷⁹ "Table 5.1 Estimated resident population, by country of birth(a), Australia, as at 30 June, 1996 to 2019(b)(c)". Australian Bureau of Statistics. Accessed 11 August 2020.

organisations such as the Australia-India Business Council⁸⁰. It should seek to leverage existing DFAT mechanisms such as the Australia-India Council which lists as one of its key activities as ‘Promot[ing] collaboration between Australian and Indian organisations in fields of relevance to the strategic partnership’⁸¹. South Asia Regional section should also leverage the significant number of online and regular media outlets which target the Indian and Pakistani populations living in Australia⁸². Efforts should be made to build relationships with the most prominent of these and provide content generated by the country-based communications teams for inclusion in their publications and on their websites.

5.19 The following summarises the reporting requirements of different actors involved in SAWASI:

Internal DFAT reporting				
Who	Reports to	Purpose	Format	Frequency
Post	South Asia Regional section	Program updates / strategy discussions	Phone / telecon	Monthly
	South Asia Regional section	Knowledge sharing / lessons learnt with both Posts	Phone / telecon	Monthly
Grantee	Post (locally engaged staff)	Program monitoring	Verbal / informal meetings	At least monthly
	South Asia Regional section / Post	Program update and financial report	Written report (format agreed with South Asia Regional Section)	Semi-annual
Providers of Technical Assistance	Post (locally engaged staff)	Progress report	Written (2-page maximum)	Monthly
Communications contractors	Post (locally engaged staff)	Comms products as requested	Various as per contract	Ad hoc
DFAT Technical Advisors	South Asia Regional section	Output from tasking notes	As per tasking note	As requested
Third party to recruit TA	South Asia Regional section	Demobilisation reports	Written report (format to be agreed)	After completion of all TA assignments
	South Asia Regional section	Program monitoring /	As per DFAT quality processes / performance	6-monthly

⁸⁰ <https://aibc.org.au/about-australia-india-business-council/>

⁸¹ <https://www.dfat.gov.au/people-to-people/foundations-councils-institutes/australia-india-council/Pages/australia-india-council>; <https://multicultural.nsw.gov.au/multicultural-media-outlets/pakistani>

⁸² <https://multicultural.nsw.gov.au/multicultural-media-outlets/indian>

Monitoring and evaluation advisor		performance assessment	assessment framework	
	South Asia Regional section	Record of Regional workshop proceedings	Outcome report from annual regional workshops	Annual
External processes involving DFAT support				
Body / process	Person responsible	Purpose	Format	Frequency
City Water Fora	Post (locally engaged staff)	Record of meetings	Minutes	Bi-annually
ADB / World Bank annual dialogue	Canberra Desks	Record of meetings	Minutes	Bi-annually

Role of partner governments

5.20 SAWASI takes a demand driven approach to all elements of the program. **Partner governments will be central to key decisions** including city and community selection (see paragraphs 5.24-5.25). Responsible agencies will be listed on annual workplans that are developed under the respective MOUs to ensure accountability. DFAT staff will identify focal points within the partner government who will play important roles in delivering and overseeing SAWASI from a city level contact who will participate in the selection of technical assistance providers for agreed upon assignments through to a contact at Joint Working Group / Joint Advisory Committee/Joint Implementation Group level who will discuss program performance with DFAT at the highest levels. Partner governments, at all levels, will be actively involved in SAWASI and monitoring its progress through the mechanism established under the MOUs.

Where SAWASI will operate

5.21 UN Habitat notes that ‘**the impact of COVID-19 will be most devastating in poor and densely populated areas, especially for the one billion people living in informal settlements and slums worldwide**’⁸³. Given the limited resources available to SAWASI, the program will initially focus its efforts in South Asia’s two most populous, and worst COVID-affected, countries, India and Pakistan.

5.22 **SAWASI will focus its efforts in one megacity in each of India and Pakistan.** The choice of city will be determined by South Asia Regional section in conjunction with India and Pakistan Posts. Both Memoranda of Understanding with India and Pakistan emphasise a partnership approach to water resource management. It is important this is applied at the earliest stages; including partner government views on where the project should focus is a good way to demonstrate the collaborative nature of SAWASI from the beginning.

5.23 **SAWASI will retain the flexibility to expand into new countries over the course of the program.** Afghanistan, Bangladesh, Nepal and Sri Lanka have all expressed interest in the program. A brief overview of the water sector in these countries is at Annex 8. Expanding the program should only be considered if additional budget becomes available and the principles set out in paragraph 4.13 are met in the proposed expansion country. Keeping with the demand-driven nature of SAWASI, a specific request for Australian

⁸³ UN Habitat, Covid-19 Response Plan, April 2020, p.3

water expertise must have been received from the partner government before a country will be considered. If multiple requests are received at the same time, the country where the COVID-19 pandemic is having the largest detrimental impact should be prioritised. The decision to add new countries rests solely with the South Asia Regional section. Prior to implementation, a full situation analysis, political economy analysis and stakeholder mapping of the proposed country should be completed.

Criteria for city and community selection

5.24 A disproportionate number of COVID-19 cases are located in large urban centres in both India and Pakistan. For this reason, SAWASI will focus its efforts on megacities in each country considering the following criteria⁸⁴.

- Cities with a population of over 10 million people in India (Delhi, Mumbai, Kolkata, Bengaluru, Chennai) and Pakistan (Karachi, Lahore) (*Note that Government of India has nominated Delhi*)
- Preference of partner government
- Cities with an infrastructure plan or recent / active infrastructure renovation or expansion projects, including water and sanitation elements, will be prioritised
 - Consideration of other donor infrastructure investments where technical assistance may boost the productive capacity of the infrastructure
- Capacity of authority / utility to manage and absorb technical assistance
 - Consideration of technical assistance being provided by other donors
- Cities located in the same water basin as previous SDIP work – Ganges basin (India) and Indus (Pakistan)
- Willingness of the city level water authorities and municipalities to engage in equitable water and sanitation services reforms
- Proximity to Post will be considered for ease of site visits (monitoring by locally engaged staff of demonstration projects, ease of public diplomacy visits and ability to reach the project site in the event of COVID-related travel bans)

5.25 Within the chosen city in each country, **two disadvantaged communities will be chosen where SAWASI will work with the community to improve access to safe water and sanitation services** using water sensitive cities approaches to build in disaster risk reduction and climate change considerations. The following criteria should be used to choose the communities:

- Informal settlements, with a disadvantaged population, in the urban or peri-urban region of the identified city
- Communities with an existing, inclusive community water organisation, preferably with a WASH focus, and with strong female leadership
- Communities with an existing, strong disabled people's organisation
- Communities must be officially recognised by government in some fashion – for example, in India they should be 'notified' slums
 - SAWASI does not have capacity to argue legal status of communities as well as address water issues
- Existence of nearby water and sanitation infrastructure projects, either recently completed or planned, by the partner government or other funding organisation preferred
- Preference of city / provincial authorities
- Urban hydrological feasibility of implementing nature-based or socio-technical solutions for water and sanitation services

⁸⁴ If additional countries are added to SAWASI in subsequent years, interventions should be focused only on cities with a population of over 1 million people

Policy dialogue

5.26 **Responsibility for influencing policy rests with Post.** They have the relationships with policy makers or will be able to build the necessary relationships across the life of the program. The locally engaged staff is responsible for the day-to-day management of the program and will have a significant role in providing supporting evidence to inform policy. South Asia Regional section will have input into all policy discussions but given the need for a nuanced understanding of the political context in Pakistan and India, Post retains responsibility for developing and implementing policy positions and influencing strategies. Post can determine who is best placed to participate in policy discussions; this may range from relatively informal discussions between the locally engaged staff right through to Head of Mission remarks to formal Joint Advisory Committee meetings under the MoUs.

5.27 **The city water fora have a key role to play in influencing policy decisions.** SAWASI aims to demonstrate that by adopting a water-sensitive approach to water and sanitation management in disadvantaged urban communities not only can access to these services be increased among a vulnerable section of the population, but the environmental footprint of the community can be significantly less than current water management practices (see paragraph 2.27). With senior city water authority officials and a senior representative from the provincial water authority also on each forum, they will directly engage with the demonstration projects and see firsthand the positive impact they are making. Ensuring the right representatives are on the fora is critical for them to be able to influence their institutions and encourage replication in other communities across the city.

5.28 If agreed with partner government, **the most senior person on the city water fora should be invited to the annual meetings held with senior government officials under the MoUs.** This will result in city or provincial /state officials advocating with their national level colleagues for pro-poor policies that improve access to water and sanitation services whilst also mitigating climate and other risks. Having a provincial / state government official speak positively about the projects and the impact they are having adds great support and credibility to policy positions taken by the Head of Mission and other members of the Australian delegation in regard to broader issues such as gender-sensitive approaches and social inclusion in the water sector.

5.29 The **regional knowledge sharing workshops represent another opportunity** for water sector actors from across the region to discuss best practice based on evidence from projects. Held in a neutral venue it is a chance for Indian, Pakistani and host country government officials, water organisations and community members to build relationships and learn from each other's experiences. Involving other Australian-supported water programs, such as Water for Women, provides a wider group from which to learn and a greater opportunity for Australia to promote the range of its work to partner government officials. Across the three annual workshops, a solid cohort of South Asian water professionals will be exposed to Australia's water expertise.

Early Activities

5.30 **The first activity to be undertaken by the SAWASI program is to recruit the locally engaged staff member who will be responsible for the operation of the program in each country.** This position is critical as they will ensure momentum of program is built early and maintained across the life of program. They will play a key role in identifying public diplomacy opportunities for Australia. A sample position description is included at Annex 6.

5.31 **Two critical early activities will be undertaken by the locally engaged staff** that will lay the foundation for the success of SAWASI:

- Working with city water officials and other relevant stakeholders, and with reference to the criteria set out earlier, **identify the two marginalised communities** in the selected city that will serve as the demonstration site for SAWASI
- Undertake a **political economy analysis** in the selected communities and at the city level
 - May be conducted in conjunction with the Grantee for the community-level projects
 - The roadmaps being produced for the urban water sectors in Karachi and Lahore should be useful for the Pakistan context
 - It is not expected that the same level of analysis will be undertaken in the chosen Indian city, but a solid understanding of the context and operational and policy environment is necessary for SAWASI to be successful

5.32 Selection of a suitable Grantee is a critical early step in the program. The Grantee is responsible for identifying **an appropriate existing water mechanism or establishing the city water fora** capable of meeting its objectives as set out at 4.27

- Where possible leverage existing mechanisms established by other water actors
- In conjunction with the locally engaged staff member identify two leaders from each community – preferably women or people with disabilities – to join the city water fora

5.33 **Initiating processes to establish the monitoring, evaluation and learning (MEL) system for the program** will also be important during the inception phase. This includes recruitment of the program M+E Advisor and establishing the program level MEL plan, with key targets and progress markers, and collecting baseline data accordingly.

Sustainability

5.34 SAWASI is designed to **support the water focused MoUs that Australia has with both the Pakistan and Indian Governments**. The Governments of India and Pakistan recognise that water is a major issue for them and are committed to addressing the issue. Both countries have adopted policies and legislation aimed at addressing water issues in their countries, but both have lacked the capacity to effectively implement these policies. Both India and Pakistan recognise Australia's expertise in the water sector and are keen to access that expertise. Each MoU contains a commitment to annual bilateral talks to discuss water policy issues. The political will to ensure Australia's contribution has a meaningful impact is present in both India and Pakistan. For example, previous meetings of the Joint Advisory Committee in Pakistan have focused heavily on SDIP's achievements and policy implications. It is expected that SAWASI will feature prominently in future high-level meetings and policy discussions. Regional workshops will include discussions on barriers to compliance with policies and further reform.

5.35 **Taking a water-sensitive cities approach to addressing issues of access to water and sanitation services in poor communities, significantly reduces the environmental footprint of the community** compared to current practice. This is critical for the whole water sector to be sustainable. Particularly in India where issues around available water supply are more acute, adopting an approach that is designed to turn urban areas into water catchment zones, to recycle water where possible and promotes water conservation behaviours among the community contributes to sustainability of the water system as less water is taken from the system despite greater access for poor urban dwellers. The evidence gained from these demonstration projects will be used to influence policy.

5.36 **The city water fora are designed to be the key link to policy makers**. Including city water authority officials on the fora ensures that they are engaged in the demonstration projects and can see firsthand the long-term benefits of the program. They are in a position to influence city level policy. Including a senior representative from the provincial water authorities has the same result – a policy maker directly engaged with the program and able to influence provincial policies. Where possible, having the highest-ranking

member of the city water fora attend the annual meetings provides a direct link from project achievements to national level policy makers. This multilevel stakeholder platform contributes to sustainability by ensuring policy makers either see for themselves or are provided firsthand evidence on which to make policy decisions.

5.37 Technical assistance provided to various levels of government will improve their ability to implement policy changes that flow as a result of the demonstration projects. The demonstration projects provide evidence that improvements in access and quality of water and sanitation can be made in communities, the city water fora provide the channel for results to reach city, provincial and national level policy makers directly and the technical assistance ensures capacity exists within government and service providers to implement the changes. The combination of community-driven demonstration projects to provide evidence to change policy and partner government demand for technical assistance to build capacity to implement new water-sensitive policies is a powerful mechanism for sustainability.

5.38 Regional knowledge sharing workshops contribute to the program's sustainability by establishing an approach, based on learning from the demonstration projects, that can be shared with partner governments and other donors. Bringing together community members and policy makers, as well as representatives from other Australian water investments, provides a platform for the demonstration projects and other community-based projects from different countries to explain to policy makers directly the impact the projects have had on their lives. It is a powerful opportunity for ideas to be shared, relationships built and a technical community of urban water practitioners and policy makers to be established. Having as much consistency of representation year on year is a good way to build a cohort of South Asian urban water policy makers.

5.39 Significant levels of investment from the wider donor community, particularly around improved infrastructure, are ongoing in South Asia. **SAWASI is designed to complement these investments by addressing issues of water resource management at the city level** and through demonstration projects show how water and sanitation access and services can be improved at the community level in megacities. Annual dialogue with other multilateral actors with far greater resources than SAWASI will serve to highlight the need for greater investment by these actors in community level infrastructure and governance mechanism as well as high profile major water infrastructure. Providing evidence that can leverage even a small percentage of the billions of dollars of investment by these actors will contribute greatly to increased impact of their projects and overall adoption of water-sensitive approaches.

F. Monitoring and Evaluation (How will DFAT measure performance?)

6.1 Monitoring, Evaluation and Learning (MEL) is expected to **deliver accountability and demonstrate the effectiveness of program delivery and results**. In particular, the MEL Framework (MELF) will address the challenges of aggregating data across different countries to provide results for the region as a whole, achieve an appropriate balance between quantitative and qualitative data that does not overly burden program staff, and use information as evidence for ongoing program improvement. The program team and partner capacity to provide high-quality data will require ongoing and targeted support. A strong learning culture for the program should be established and reinforced through practical utilisation of MEL data.

6.2 There are **three main objectives for the SAWASI program MELF**:

- 1.** To *support learning and decision making* for the improvement of the program and strengthening overall impact.
- 2.** To *generate evidence and information* that supports the program theory of change and can be communicated to influence program stakeholders

3. To *ensure accountability* of the program to all program partners and stakeholders, including Australian taxpayers and the people of South Asia.

6.3 The primary users of the MEL information will be the program team, both DFAT in Canberra and at Post in India and Pakistan, and the regional and national stakeholders engaged to implement specific aspects of program implementation. Secondary users will be the national and subnational government stakeholders in South Asia, relevant water sector professionals, and other DFAT staff who wish to be informed about progress and results.

6.4 **The MEL Framework for this project will measure progress towards the project outcomes by articulating the methods and timing for capturing relevant data.** The MELF covers the four-year period of the project and will be updated annually to reflect any changes in the project approach. It has been designed to align with DFAT's Monitoring and Evaluation Standards and incorporates lessons learned on monitoring and evaluation from the SDIP and SDIP II regional programs.

6.5 The MELF has been developed with the following characteristics in mind:

- **Flexible and adaptable:** Monitoring and evaluation methods and tools will be flexible to respond to local contextual factors, particular in the early phase of implementation where remote or third-party MEL may be required.
- **Emphasis on learning:** As a new and innovative program in the water sector for DFAT, there are likely to be significant learning moments during the program. The MELF prioritises the need to internalise and share those lessons learned above any judgement of performance to date. Given this program will begin implementation during a global pandemic, new ways of working will also be tested which require ongoing reflection and adjustment.
- **Mutual accountability:** Ensuring there is mutual accountability between DFAT and implementing partners, as well as to Australian taxpayers and people in South Asia, the MELF will capture information that demonstrates the quality of the investment and value for money.
- **Focus on outcomes over outputs:** With regional investments it can be simple to focus on the outputs and overlook the outcomes and impact that is trying to be achieved on a broader scale. The MELF strengthens the focus on measuring and communicating outcomes of the program rather than outputs, recognising that data on both will need to be collected.
- **Promoting equality and inclusion:** With a particular focus on gender equality, and the inclusion of people from diverse backgrounds (such as those with disabilities), the program's contribution to equality and inclusion will be mainstreamed throughout the MELF.

Key Evaluation Questions

6.6 **A set of key evaluation questions have been developed for assessing the overall performance of the SAWASI program.** These questions are based on the Organisation for Economic Co-operation and Development – Development Assistance Committee's (OECD-DAC) criteria, to which DFAT and other bilateral donors subscribe, and also align with DFAT's investment performance criteria.

6.7 The criteria for MEL include relevance, efficiency, effectiveness, sustainability, management of risk, innovation and private sector engagement. Gender equality and social inclusion are included separately as well as incorporated across all criteria where relevant.

1. Has SAWASI maintained *relevance* in aligning with Australia's strategic goals in the region and the priorities of South Asian government partners?
2. How *effective* has SAWASI been in achieving the project outcomes and contributing to improved access to safe water and sanitation in South Asia?
3. How *efficient* are the management and governance arrangements supporting the performance of SAWASI in the region?
4. Has the information generated by SAWASI's MELF generated credible *information* that has been used to improve program implementation?
5. What is the likely legacy of SAWASI and *sustainability* of the benefits?
6. How successful has SAWASI been in promoting *gender equality, disability and social inclusion* in policy and practice?
7. How well did SAWASI identify and manage *risk* and protect *safeguards*?
8. To what extent did the program employ *innovative* approaches and involve the *private sector*?

6.8 A performance assessment framework (see Annex 1) is **designed to capture data to assess the program logic** and report against the key evaluation question 2 on *effectiveness*. It will measure indicators of change linked to the two outcome levels.

MEL Responsibility

6.9 An overarching MEL plan will be developed in the inception phase of the program that will focus on approaches to monitoring at two levels:

- *Whole-of-program change monitoring*: this level will focus on and test the effectiveness of the program logic, including whether assumptions are holding true. It will also track the relevance of the program and aggregate information from the country level to tell a whole-of-program story of change.
- *Program delivery monitoring*: this level will focus on the delivery and enabling functions of the program, through monitoring the quality of inputs, and the efficiency of activities identified and implemented under the annual work plans.

6.10 **Primary responsibility for MEL monitoring will reside at a whole-of-program level with DFAT Canberra South Asia Regional section**, with technical support provided by the program MEL advisor. DFAT staff at Post in India and Pakistan will have a secondary role in supporting data collection and analysis that can support performance decision making and learning, drawing on local MEL support as required.

6.11 The **collection of data and information for MEL will require a variety of tools and methods** that suit the information needs of each activity. Key features of the MEL monitoring include:

- Activities in India and Pakistan will be supported by the Grantee's MEL advisors in each country. This approach allows ongoing reflection, co-creation and adaptation with key partners in country, under the close supervision of DFAT staff at each country Post.
- Quarterly reflection meetings for DFAT staff and key implementing partners to assess MELF adequacy for the program (including refining program logic, developing common MEL tools, methods) and make adjustments as required (ideally facilitated by a MEL advisor).
- Collection of baseline data in India and Pakistan early in program implementation with support from MEL advisors.

- Semi-annual progress reports from partners where specific project activities are being undertaken that respond to program outcomes and indicators (consider using a template to streamline reporting)
- Regular field monitoring visits by locally engaged staff (at least quarterly) in each location that includes direct engagement with communities where possible.
- Semi-annual government dialogues at both national and city level to support relationships and learning that will secure sustainable outcomes for the program
- Meetings with other donors and private sector to maximise sectoral coordination and collaboration
- Annual investment performance checks, according to DFAT's Monitoring and Evaluation Standards
- Mid-term partnership workshop with implementation partners to reflect on progress and forward plan, facilitated by an independent expert
- Independent end-of-program evaluation to capture program learning, stories of success, and guide future planning and investment

G. Gender, Disability and Other Cross Cutting Issues

Gender Equality

7.1 Gender equality is a significant objective for this investment as the South Asia region includes many countries that continue to have large gender gaps in education, economic participation, and health outcomes. **Women and men generally have distinct roles in water management in South Asia**, with women often managing household water as an extension of their domestic duties. The burden of household water collection and management, particularly in marginalised communities, reduces the time women can spend on productive activities such as education and wage employment. Also, **women's knowledge of water resources and sanitation at the local levels is often not incorporated in designing and planning for city-level water investments**, leading to fewer benefits flowing to the most vulnerable women and their communities.

7.2 Representation of women as water professionals in technical roles is significantly lower than men in South Asia, with social norms around gender the largest barrier to entry and a continuing barrier to women's leadership within the sector. DFAT's Gender Equality and Women's Empowerment Strategy 2016 identifies "enhancing women's voice in decision-making, leadership and peace-building" as one of three priorities. This investment will use the **gender mainstreaming approach to identify opportunities for activities that will promote women's participation and leadership in the water sector** in South Asia. A gender-responsive lens will be applied to all activities that ensures gender-differentiated systems that address barriers and opportunities to accessing and controlling resources, labour, water uses, water rights, and the equitable distribution of benefits and production. It will also ensure a "do no harm" approach is taken to engaging women in program activities and appropriate mechanisms in place to protect women who may be at risk (see also Risk Management and Safeguards section).

Disability and social inclusion

7.3 People with disability make up at least 15 percent of the population in the South Asia region⁸⁵. Despite this, useful information on the functional barriers to participation and access that are experienced by people with disabilities is difficult to find. The data is also very weak in regard to less visible groups, particularly those living in more remote areas, and people with psychosocial disabilities, hearing impairments, intellectual disabilities and other more complex disabilities. What data does exist is not consistently disaggregated for gender.

⁸⁵ World Report on Disability, World Health Organization (2011)

7.4 In line with **Australia's policy commitment on disability inclusion accessible infrastructure and WASH, people with disabilities will be prioritised in this investment**⁸⁶. The Government of Australia and of India and Pakistan have ratified the UN Convention on the Rights of Persons with Disabilities and have made commitment to the 2030 *Agenda for Sustainable Development*, "leave no one behind". There are well established and active disabled people's organisations in South Asia that have experience of effective advocacy and engagement with government and national and local levels on improving equity and access to services by people with disability. This provide opportunities for enhancing understanding of and improving the participation by people with disabilities in the water sector.

Caste

7.5 **Caste based social exclusion continues in India, even in urban areas**, despite a legal ban on such social discrimination⁸⁷. Caste has been found to be linked to a range of aspects of social inequality and to shape water access and distribution. Cases of active violence against the so-called lower castes in times of intense competition for water have been reported⁸⁸. In establishing demonstration projects, caste will be an essential dimension of social disadvantage together with gender and disability to be considered so that solutions created will deliver inclusive outcomes.

7.6 **Proposed measures for gender equality, disability and social inclusion:**

In program management:

- Development of a program level **Gender Equality, Disability and Social Inclusion Action Plan** early in program implementation, with specific actions tailored to each country and local priorities
- Utilise **local GEDSI advisors** where possible to provide analysis and advice to program activities, particularly on the nexus of gender, disability and age
- Identify **champions within government** who can advocate for gender equality, women's empowerment, disability and social inclusion
- Support program partners with **targeted GEDSI analysis** (through program funded GEDSI advisors) at key points through program design, implementation, monitoring and review
- Utilisation of the universal standards set out in the UN World Water Program "Guidelines on how to collect **sex-disaggregated water data**"⁸⁹ and the Washington Group Short Set questions that is applied internationally to collect consistent **data on functional levels of disability**
- Ensure program **communications promote gender equal representation** and highlight the contributions of diverse women in particular. Also ensure the participation and **equity of access by people with disability** and make information available in accessible formats.

In activity design and implementation:

- Ensure **diverse**⁹⁰ **women and people with disabilities' participation in decision making processes**, particularly at the local level
- Ensuring technical assistance teams demonstrate **gender diversity** where possible, and showcase diverse women's talent in the water sector
- Identification and support to **local women's rights and disabled people's organisations** to assist with program implementation at the community level

⁸⁶ Development for All (2015-2020)

⁸⁷ S. Chandrasekhar & Arup Mitra (2019) Migration, caste and livelihood: evidence from Indian city-slums, *Urban Research & Practice*, 12:2, 156-172, DOI: [10.1080/17535069.2018.1426781](https://doi.org/10.1080/17535069.2018.1426781)

⁸⁸ Inequality in water service delivery in Delhi, <https://www.waterintegritynetwork.net/2016/02/02/inequalities-in-water-service-delivery-in-delhi/>

⁸⁹ UN World Water Programme, "Guidelines on how to collect sex-disaggregated data", Accessed at <https://programme.worldwaterweek.org/Content/ProposalResources/allfile/234513E.pdf>

⁹⁰ "Diverse" includes women with different intersectional identities such as age, ethnicity, sexual orientation, caste, religion, as well as women with disabilities.

- Promote a **“do no harm” approach** to engaging with women and other vulnerable people and provide adequate protection and safeguard support; this includes an assessment of the potential repercussions of women taking a more prominent role in decision-making in their communities
- Identify **diverse women water leaders** in the sector (current and emerging) and provide a **safe space** for regional knowledge sharing and empowerment between women water professionals
- Establish **preparatory meetings for women and disabled participants/experts/leaders** in advance of workshops to caucus ideas and enable their meaningful participation
- Prioritisation of **women and people with disabilities protection**, including appropriate risk assessment and grievance and redress mechanisms.

Climate Change

7.7 The **impacts of climate change in South Asia are strongly linked to the monsoon system**, which is a critical factor for the supply of water over large parts of Asia. For instance, nearly 80 percent of India and Nepal’s total annual rainfall occurs during the summer monsoon season⁹¹. The region has six major climatic zones, each with a unique regime of rainfall and temperature and subject to variable changes in climate. The driest part of South Asia receives less than one-fifth of the annual rainfall occurring in the wettest region. Changing variability in climate is adding to the shocks and stress in the water supply and governance systems, forcing water sector agencies to consider climate risks and associated disasters in water planning and services delivery.

7.8 **Climate-related disasters in the South Asia region are becoming more frequent, destructive, and costlier in terms of both economic and social impacts**⁹². The impacts of these disasters are often felt most acutely amongst the most vulnerable and marginalised people, including women, people with disabilities, children and older people. Urban informal settlements are often areas of most risk as people lack the essential resources and services needed to secure their most basic needs before, during and after a disaster. The South Asia Women’s Resilience Index⁹³ demonstrates that countries in South Asia are faring poorly in considering women in building resilience to disasters, which is creating a vicious circle of vulnerability and disempowerment.

7.9 This program will **incorporate climate change and disaster risk assessments** in the development of partner activities where necessary. All assessments will be required to incorporate consideration of gender equality, and disability and social inclusion in assessing the potential impacts on communities. Where significant risks or impacts are identified, the partner will be required to incorporate these risks into their risk mitigation plan and consider opportunities to build resilience within communities that contribute to Outcome 2 of the program. For example, partners may consider identifying risk integration champions in communities or government, or contributing to local development and implementation of disaster risk strategies as required under the Sendai Framework for Disaster Risk Reduction⁹⁴.

Private Sector

7.10 Australia has a well-developed private water sector ranging from technology suppliers, private utilities to technical and management consultants. **Opportunities to involve the private sector in the program will be explored during implementation.** It is possible that some technical assistance provided will identify a weakness in a system or process that an Australian private sector entity is well placed to meet.

⁹¹ Pokharel, A. K., & Hallett, J. (2015). Distribution of rainfall intensity during the summer monsoon season over Kathmandu, Nepal. *Weather*: 70 (9): 257-261

⁹² Bhatt, D., R.K. Mall, and T. Banerjee. 2015. Climate change, climate extremes and disaster risk reduction. *Natural Hazards* 78(1): 775–778.

⁹³ The Economist intelligence Unit (2014), “South Asia Women’s Resilience Index”: Examining the role of women in preparing for and recovering from disasters”, Accessed at: <https://perspectives.eiu.com/sites/default/files/The%20South%20Asia%20Women's%20Resilience%20Index%20Dec8.pdf>

⁹⁴ UNDRR (2015) “Sendai Framework for Disaster Risk Reduction 2015-2030, Accessed at: https://www.preventionweb.net/files/43291_sendaiframeworkfordrrren.pdf

While Australian companies should expect no preferential treatment around any opportunities that may arise through SAWASI, the program will alert Australian companies to opportunities through its networks at Austrade and Australian Water Partnership, both of whom regularly provide updates to companies in the water sector looking to expand internationally. Given the academic and research collaboration between Australia and South Asian academic communities and given Australia's reputation in the region for higher education, SAWASI has an opportunity to interact with Department of Education to augment capacity building efforts in SAWASI countries.

Innovation

7.11 SAWASI will use an innovative approach to water projects in that it attempts to **bring together elements of traditional water resource management projects and elements of traditional WASH projects. By taking a water sensitive cities approach to the demonstration projects, climate change and disaster risk reduction considerations are incorporated at the community level.** Establishing city water fora that bring community members, service providers and policy makers together represents an innovative approach to bridge the water resource management – WASH divide. Establishing mutual accountability frameworks will provide disadvantaged communities with a new, direct manner by which hold service providers and government to account. If the approach is successful, this provides a new template not only for future DFAT water projects, but also for partner governments to replicate in other communities in the chosen megacities as well as other cities across their countries.

H. Budget and Resources

8.1 **SAWASI will utilise a hybrid implementation model.** A Grantee will be sourced to implement the demonstration elements of the program, manage the city water fora, and engage country-level monitoring and evaluation and GEDSI advisors, and South Asia Regional section will manage the technical assistance components with the assistance of a third party to recruit the required providers of technical assistance. Regional workshops will be the responsibility of South Asia Regional section with support provided by Post. The option to contract a local organisation to organise the regional workshops should be explored in year two.

8.2 **The total estimated budget for SAWASI is \$17.685 million over 4 years – see Annex 4 for breakdown of costs.** This amount includes:

- **Cost of technical assistance - \$5.2 million**
 - Demand driven by partner governments based on skillsets agreed by Post and the partner governments as discussed in paragraph 4.16
 - Amount of \$650,000 per annum per country forecast based on existing costs and discussions with Post and South Asia Regional section
 - South Asia Regional section retains the discretion to reallocate funds between countries within the total annual budget envelope (\$1.3 million)
- **Payments to Grantee for demonstration projects - \$9.95 million**
 - Community-led small infrastructure projects consistent with water-sensitive cities approach - \$5.66 million
 - Includes in country monitoring and evaluation and gender and social inclusion specialists in India and Pakistan - \$1 million
 - Community engagement and dialogue processes - \$1.81 million
 - Management and project oversight - \$1.48 million
- **Salaries of Post-based locally engaged staff and communications contractors - \$960,000**
 - Locally engaged staff based on discussions with Post (\$80,000 per annum per country)
 - Estimated \$40,000 per annum per country communications contracts

- **Cost of regional knowledge sharing workshops - \$750,000**
 - Estimated based on three workshops across the life of the program, each with 40 participants (\$6,250 per head for flights, accommodation and allowances), to be held in a neutral venue
- **Monitoring and evaluation costs - \$625,000**
 - This amount only includes the International Monitoring and Evaluation Advisor who will be responsible for overall program M+E, reporting to South Asia Regional section
 - Includes \$75,000 and \$100,000 for independent mid-term partnership review and independent final evaluation
 - If M+E costs under the Grantee line above are included, the total M+E budget is \$1,125,000, approximately 6.5 percent of total budget
- **Program management costs - \$200,000**
 - Travel for monitoring missions to countries and costs associated with domestic stakeholder engagement by DFAT Canberra

8.3 The budget is **prepared on the basis that international travel will be possible by 2022**. If this is not the case, cost savings may be realised as travel associated with deployment of technical assistance and knowledge sharing workshops will not be incurred. There may be additional costs in establishing alternative arrangements to ensure the program can continue to function, but these are not expected to exceed the included travel costs.

8.4 The budget prepared is based on the minimum amount available to SAWASI over the four-year period. It is possible that additional funding becomes available during implementation of the program. As noted in paragraph 5.23, expansion into additional countries may be an option. Alternatively, the demonstration projects could be expanded to incorporate more households. The current budget is based on 380 households per city. This could be relatively easily increased, providing access for more households at relatively little marginal cost when compared to establishing SAWASI in a new country.

8.5 An indicative staffing profile is included below. **Localisation was a guiding principle when determining the staffing required for SAWASI**. Given the uncertain ongoing impact of COVID-19 on international travel, the high capacity consultants available in South Asia and DFAT's push for greater localisation, a number of the below positions have been recommended to be recruited locally. This complicates the structure slightly, but the benefits of local knowledge and better access to the program site outweighs the costs. For example, it would be possible to contract a single monitoring and evaluation specialist to work across the two countries. However, having a monitoring and evaluation consultant in each country has been preferred, with an additional consultant considering the overall program impact.

8.6 The staffing profile of SAWASI will incorporate a diverse range of skills including some directly employed by DFAT, some contracted in by DFAT and staff of the successful Grantee. It is important to note that **technical assistance contracted under SAWASI do not become DFAT or Commonwealth employees**. They are considered contractors employed by the third party tasked to recruit and deploy technical assistance. An indicative staffing profile is outlined as follows:

- *DFAT South Asia Regional section*
 - Program Manager; full-time, overall responsibility for program
 - Program Officer; part-time, supporting Manager with implementation
- *DFAT Posts – Islamabad and Delhi*
 - Locally engaged staff; full-time, one at each Post (Note Delhi has indicated their intention to hire two LE staff to support SAWASI (one with water and the other with program management/PD experience , within their budget allocation).
- *Grantee*
 - Project Director; part-time providing technical input into the demonstration projects
 - Project Manager; full-time overseeing the implementation of the demonstration projects

- Project Officer; full-time providing administrative and general project support
- Monitoring and evaluation advisors; part-time, one per country with responsibility for M+E of project and support to locally engaged staff in monitoring the technical assistance element of SAWASI
- GEDSI Advisors; part-time, one per country with responsibility for gender, and disability and social inclusion aspects of project and support to locally engaged staff in ensuring receiving government agencies / authorities are aware of Australia's strong position on gender, and disability and social inclusion
- *Other external contractors*
 - Monitoring and Evaluation Advisor contracted by South Asia Regional section. Supports local M+E Advisors and measures overall impact of SAWASI. Reports to South Asia Regional section. Expected 45 days maximum required per year.
 - Third party to recruit technical assistance (contractor); contracted by South Asia Regional section to recruit and deploy approved technical assistance. Payment basis to be negotiated during procurement process.
 - Communications specialists (contractors); one contracted by each Post to support public diplomacy efforts as required.

8.7 This staffing profile results in:

- **South Asia Regional section managing three contracts directly –**
 - Grantee
 - Third party to recruit technical specialists
 - One monitoring and evaluation consultant
- **Islamabad and Delhi Posts managing one contract each** (to be managed by new locally engaged staff) –
 - One communications contractor
 - The locally engaged staff will have close working relationship with the Grantee's monitoring and evaluation and GEDSI advisors as these roles provide support in ensuring that all technical assistance is being provided and implemented in a gender-responsive and inclusive manner

Value for money

8.8 **The investment in SAWASI represents strong value for money.** Specifically:

- **Economy**
 - Localisation of advisors has been prioritised wherever possible to reduce travel and other costs, whilst also insuring against COVID-19 travel restrictions as much as possible
 - The Grants mechanism encourages competition among possible providers
 - The opportunity will be promoted locally in South Asia to ensure local organisations have a chance to participate
 - Building on the outputs and achievements of the past and ongoing Australian supported initiatives in the partner countries, leveraging other donor activities wherever possible
- **Efficiency**
 - SAWASI will apply its limited resources addressing issues consistent with requests from partner governments
 - Targeting spatially concentrated and dense settlements and population lead to efficient mobilisation of project inputs

- Given the relatively high capacity context of the program, utilising as much local talent as possible
- Effectiveness
 - Additional in-country resources through locally engaged staff and Grantee's monitoring and evaluation advisors effectively manages risk through strong on-ground presence and increased monitoring across the term of the program
 - Flexibility has been built into the design to allow for adaptation if plans are disrupted by COVID-19 pandemic restrictions
 - The water-sensitive cities approach, combined with the creation of the city water fora, is an innovative approach to risk identification and governance in disaster risk reduction as well as a new approach to bridging the water resource management and WASH gap
 - Establishment of city water fora contributes to wider ownership of the demonstration work and is likely to facilitate upscaling of some aspects of SAWASI across the city
 - Explicit focus on marginalised voices in city water fora to ensure appropriateness and practical applicability
- Ethics
 - Monitoring and evaluation resources have been included in both India and Pakistan to ensure oversight. The locally engaged staff also has a strong role to play in monitoring the program activities
 - Aligning the city water fora with the annual meetings under the memoranda of understanding between Australia and the partner governments

I. Procurement and Partnering

9.1 No single managing contractor or grantee will manage the entire program. South Asia Regional section will retain overall responsibility for the program. However, a number of contracts and grant agreements will be entered into by South Asia Regional section and Posts as part of SAWASI.

Grants

9.2 A competitive grants process will be undertaken to identify a single Grantee who will implement the community-based demonstration projects. It is strongly recommended that expressions of interest be sought from Indian and Pakistan based organisations. The Grantee will be responsible for sourcing monitoring and evaluation and GEDSI Advisors in both countries that can be utilised across the program.

Contracts

9.3 A number of contracts will be entered into for necessary services for the successful completion of SAWASI. A third party will be contracted to provide recruitment and deployment services for the technical assistance element of the program. Given the specialist nature of the services an initial scope of the market should be conducted by South Asia Regional section; a limited tender basis may be the most appropriate method for contracting this service. The basis for payment will be negotiated with the chosen supplier, noting that the recruitment provider will also assume the risks of deployment, not DFAT.

9.4 Relatively small contracts are required for monitoring and evaluation services (international), and communication services (country-based). It is recommended that these be contracted for an initial 2-year period with the option to extend to four years. This gives flexibility to change providers if some relationships are not working and also provides flexibility to amend contracts if necessary, as monitoring requirements may change over the life of the demonstration projects. Should an outstanding local monitoring and

evaluation consultant be found it may be possible that after two years they are contracted by South Asia Regional section instead of Post and manage both the country level monitoring and evaluation and the overall program impact.

J. Risk Management and Safeguards (What might go wrong?)

10.1 The Risks and Safeguards tool has been completed for this program and is included in Annex 2. **Overall, the current inherent risk rating is very high; when controls are considered the residual risk rating is medium.** The area identified as having the *highest residual risk* is the operating environment, due to the potential impacts of the COVID-19 pandemic (*high*), potential for a terrorist attack (*high*), and the regional susceptibility to hazards that may result in an extreme disaster event (*high* e.g. major floods, droughts). Risks relating to partner capacity and relations, fiduciary and fraud, political, and environmental and social safeguards are considered *medium* risks due to the potential for terrorism-related financing of activities, corruption, political instability, lax health and safety practices, and new partnerships that will require close monitoring for child protection and prevention of sexual exploitation, abuse, and harassment (PSEAH) risks. All other areas are considered low residual risks for this program.

10.2 The **COVID-19 pandemic** is likely to have an ongoing and uncertain impact on the program throughout its early implementation. Responses to COVID-19 globally continue to shift within a dynamic context. DFAT's *Partnerships for Recovery: Australia's COVID-19 Development Response* will continue to provide the strategic and performance monitoring frameworks for responding to the pandemic, and more specifically the South Asia Regional COVID-19 Development Response Plan will guide the adaptive management of risks related to COVID-19 in the region.

10.3 **Pakistan is an inherently risky country** for DFAT to implement programs in. It is rated fifth on the index of countries most affected by terrorism.⁹⁵ Corruption is also perceived to be high in Pakistan; it is ranked 120 out of 198 countries surveyed by Transparency International.⁹⁶ India is marginally better on both counts, coming in seventh on the global terrorism index and 80th on the corruption index. However, much of the terrorism activity in India is concentrated in the disputed Kashmir region, unlike in Pakistan where terrorism activity is spread across the country. A number of local contracts will be entered into under SAWASI such as local consultants and communications specialists and possibly the Grantee(s). Post has controls in place to manage terrorism financing, fraud, corruption and other related risks when entering into local supply contracts. These processes should be followed for all contracts entered into under SAWASI, including Grantee(s) contracts that will be held by South Asia Regional section in Canberra, and all contracts entered into by the Grantee, such as for monitoring and evaluation and GEDSI services.

10.4 **Safeguards risks are considered a high risk, with health and safety an area of a specific concern.** While there remains potential for water infrastructure works under this program, there is also potential for forced or unsuitable labour to be utilised, and for workers to be exploited. Sexual abuse, exploitation and harassment of children and vulnerable or disadvantaged adults is considered a medium risk for this investment based on the proposed activities, however an early implementation activity will be to complete the child protection PSEAH risk assessments to include organisational risks once the grantee(s) have been selected. This should also include a negation of roles and responsibilities with the grantee(s) in relation to child protection, PSEAH, and environmental and social safeguards. An Environmental and Social Management Framework has been developed for this investment (see Annex 7), which will need to be updated in the first six months of implementation once the grantee(s) and annual workplans have been developed.

⁹⁵ <http://visionofhumanity.org/indexes/terrorism-index/>, accessed 22 September 2020

⁹⁶ <https://www.transparency.org/en/cpi>, accessed 22 September 2020

10.5 **Controls that have been incorporated in the design of this program** for DFAT to mitigate the inherently high-medium risks include:

- Complete **due diligence and contracting processes with all new partners** to ensure they meet the requirements set out in Commonwealth legislation and DFAT's policies and guidelines on financial management, PSEAH, Child Protection and Environmental and Social Safeguards.
- Undertake **political economy analysis at city level during inception phase** to refine and adjust risk management frameworks at the city level.
- Monitor effective **implementation of mitigation and identify emerging risks** through the MEL framework and reporting system, including monitoring downstream partners and affected populations where possible and providing clear lines of communication.
- Ensure grantee(s) undertake an **environmental and social safeguards risk assessment** along with consideration of potential climate change and disaster risks and recommend mitigation measures appropriate to the scale and focus of the activities.
- Strengthen **partner awareness of protection risks** (child protection and PSEAH) and support monitoring through field visits, reporting, and regular communications.
- Continue **regular dialogue with national government partners** and invest in building strong relationships at the subnational level, potentially through formal arrangements as required.
- Strengthen the **skills and knowledge of DFAT staff at Post** through access to training and resources to ensure they are equipped to monitor and manage any incidents that may occur.
- Ensure partners provide **accessible information and safe, equitable processes for marginalised people** (religion, caste, ethnic, tribal and gender and sexual identities) that also support DFAT staff to report and manage any incidents or grievances.

10.6 **Program risks will be actively managed** through a regular, quarterly discussion of risks by Post and South Asia Regional section with program partners and stakeholders. Consequently, the program risk register will be updated quarterly to reflect any changes in the risk profile of the program. This includes ensuring that the individual named as the Risk Owner remains the most appropriate. Where required, issues of poor risk management will initially be discussed with the relevant government focal point. Issues around risk management perceived by any party involved in the program may also be raised at the City Water Forum. If necessary, the discussion may be escalated higher by DFAT staff up to Joint Working Group / Joint Advisory Committee meetings if required.

K. Annexes

Annex 1	Monitoring and Evaluation Framework, including Program Logic model
Annex 2	Risk and Safeguards Screening Tool
Annex 3	Policy Dialogue Matrix
Annex 4	Budget and Resourcing Requirements (including costing methodology)
Annex 5	Gender and Social Inclusion Analysis/Strategy
Annex 6	Sample job description – locally engaged staff
Annex 7	Environment and Safeguards Management Plan
Annex 8	Country profiles of water sectors in Afghanistan, Bangladesh, Nepal and Sri Lanka
Annex 9	Grantee Approach to Market
Annex 10	List of people consulted as part of the design process

Monitoring, Evaluation and Learning Framework

MEL is expected to deliver accountability and demonstrate the effectiveness of program delivery and results. In particular, the MEL Framework will address the challenges of aggregating data across different countries to provide results for the region as a whole, achieve an appropriate balance between quantitative and qualitative data that does not overly burden program staff, and use information as evidence for ongoing program improvement. The program team and partner capacity to provide high-quality data will require ongoing and targeted support and a strong learning culture for the program should be established and reinforced through practical utilisation of MEL data.

Purpose of the MELF

There are three main objectives for the SAWASI program:

1. To *support learning and decision making* for the improvement of the program and strengthening overall impact.
2. To *generate evidence and information* that supports the program theory of change and can be communicated to influence program stakeholders
3. To *ensure accountability* of the program to all program partners and stakeholders, including Australian taxpayers and the people of South Asia.

Audience for the MELF

The primary users of the MEL information will be the program team, both DFAT in Canberra and at Post in India and Pakistan, and the regional and national stakeholders engaged to implement specific aspects of program implementation. Secondary users will be the national and subnational government stakeholders in South Asia, relevant water sector professionals, and other DFAT staff who wish to be informed about progress and results.

MEL Approach

The MEL Framework for this project will measure progress towards the project outcomes by articulating the methods and timing for capturing relevant data. The MEL Framework covers the four-year period of the project and will be updated annually to reflect any changes in the project approach. It has been designed to align with DFAT's Monitoring and Evaluation Standards and incorporates lessons learned on monitoring and evaluation from the SDIP and SDIP II regional programs.

The MELF has been developed with the following characteristics in mind:

- **Flexible and adaptable:** Monitoring and evaluation methods and tools will be flexible to respond to local contextual factors, particular in the early phase of implementation where remote or third-party MEL may be required.
- **Emphasis on learning:** As a new and innovative program in the water sector for DFAT, there are likely to be significant learning moments during the program. The MELF recognises the need to internalise and share those lessons learned above any judgement of performance to date. Given this program will begin implementation during a global pandemic, new ways of working will also be tested which require ongoing reflection and adjustment.
- **Mutual accountability:** Ensuring there is mutually accountability between DFAT and implementing partners, as well as to Australian taxpayers and people in South Asia, the MELF will capture information that demonstrates the quality of the investment and value for money.

- **Focus on outcomes over outputs:** With regional investments it can be simple to focus on the outputs and overlook the outcomes and impact that is trying to be achieved on a broader scale. The MELF strengthens the focus on measuring and communicating outcomes of the program rather than outputs, recognising that data on both will need to be collected.
- **Promoting equality and inclusion:** With a particular focus on gender equality, and inclusion of and accessibility for people with a disability, the program's contribution to equality and inclusion will be mainstreamed throughout the MELF. Inclusion of people from different caste, tribal, ethnic, religious and gender and sexual identities will also be considered.

Key Evaluation Questions

A set of key evaluation questions have been developed for assessing the overall performance of the SAWASI program. These questions are based on the Organisation for Economic Co-operation and Development – Development Assistance Committee's (OECD-DAC) criteria, to which DFAT and other bilateral donors subscribe. These questions also align with DFAT's investment performance criteria.

The criteria for MEL include relevance, efficiency, effectiveness, M+E, sustainability, management of risk, innovation, and private sector engagement. Gender equality and social inclusion are included separately as well as incorporated across all criteria where relevant.

- 1 Has SAWASI maintained *relevance* in aligning with Australia's strategic goals in the region and the priorities of South Asian government partners?
- 2 How *effective* has SAWASI been in achieving the project outcomes and contributing to improved access to safe water and sanitation in South Asia?
- 3 How *efficient* are the management and governance arrangements supporting the performance of SAWASI in the region?
- 4 Has the information generated by SAWASI's MELF generated credible *information* that has been used to improve program implementation?
- 5 What is the likely legacy of SAWASI and *sustainability* of the benefits?
- 6 How successful has SAWASI been in promoting *gender equality, disability and social inclusion* in policy and practice?
- 7 How well did SAWASI identify and manage *risk* and protect *safeguards*?
- 8 To what extent did the program employ *innovative* approaches and involve the *private sector*?

Program Logic

STRATEGY	DFAT's Partnerships for Recovery: STABILITY - Improved Governance, HEALTH SECURITY Sustainable Development Goals: SDG 5 – Gender Equality, SDG 6 – Clean Water and Sanitation, SDG 11 – Sustainable Cities and Communities, SDG 13 – Climate Action	
	Improved access to safe water and sanitation services for disadvantaged communities in South Asian cities	
	To strengthen South Asian city-level water governance and undertake investments that provide urban water services support disadvantaged to communities (particularly women and girls) to access reliable, safe water and sanitation services.	
	1 - SAFE WATER AND SANITATION: By 2025, four disadvantaged urban communities in India and Pakistan have more reliable access to safer water and sanitation services, particularly for women	2 - RESILIENT COMMUNITIES: By 2025, improved management of urban water systems in two South Asian cities enhances community resilience to climate change and other water-related shocks.
	A: Partner governments are planning and allocating greater resources to integrated and inclusive urban water resources management B: Urban water leaders in South Asia have improved understanding of urban water systems and advocate for resilient and equitable management approaches. C: Disadvantaged communities, particularly women and people with disabilities, have an effective voice, and are able to participate actively in city-level decision making on urban water management D: Community-identified priorities for safe water access and improved sanitation services are incorporated in urban water services planning and delivery E: Partner government utilise evidence-based information and data on water use, distribution, leakage, water quality and sanitation to inform planning and decision making for cities.	
COMMON OUTPUTS	<ul style="list-style-type: none"> • Partner governments access quality and timely Australian urban water technical assistance • Projects in disadvantaged communities demonstrate water-sensitive cities approach • Regional events and networks support knowledge sharing on integrated urban water management and equitable water access • Australian water systems expertise is promoted in South Asia for its contributions in integrated urban water management • Diverse women are represented and engaged in local decision-making bodies 	

ACTIVITIES	Technical assistance fund
	Climate resilient cities visioning and planning
	Water equitable community demonstration projects
	City water fora
	Regional sharing/learning networks
CROSSCUTTING ACTIVITIES	Gender Equality, and Disability and Social Inclusion Analysis
	Gender, and Disability and Social Inclusion Action Plan Implementation
	Monitoring, Evaluation and Learning
	Public Communications and Advocacy
	Political Economy Analysis

Assumptions

- Local partners are seeking external expertise in integrated urban water management
- Local partners have the capacity to absorb/incorporate external advice in their service planning/delivery
- Assistance can primarily be delivered via remote/online approaches during COVID-19, or international travel will resume for South Asia by 2022
- New policies and regulations in each country do not create additional barriers for progressing integrated urban water management
- Communities have the capacity and willingness to engage in multi-stakeholder governance/decision making (particularly women)
- Partner government will allocate resources for continued implementation of integrated urban water management beyond 2025
- Creating spaces for community-government dialogue through city water fora will create opportunities to influence policy change in India and Pakistan

MEL Responsibility

An overarching MEL plan will be developed in the inception phase of the program that will focus on approaches to monitoring at two levels:

- *Whole-of-program change monitoring:* this level will focus on and test the effectiveness of the program logic, including whether the assumptions are holding true. It will also track the relevance of the program and aggregate information from the country level to tell a whole-of-program story of change.
- *Program delivery monitoring:* this level will focus on the delivery and enabling functions of the program, through monitoring the quality of inputs, and the efficiency of activities identified and implemented under the annual work plans.

Primary responsibility for MEL monitoring will reside at a whole-of-program level with DFAT Canberra South Asia Regional section, with technical support provided by the program MEL advisor. DFAT staff at Post in

India and Pakistan will have a secondary role in supporting data collection and analysis that can support performance decision making and learning, drawing on Grantee MEL Advisors support as required.

The collection of data and information for MEL will require a variety of tools and methods that suit the information needs of each activity. An effective monitoring approach will enable timely production of program reports that include sex, age, and disability disaggregated (SADD) data to the extent that ethical and privacy obligations permit. Where relevant, the program should utilise the universal standards set out in the UN World Water Program “Guidelines on how to collect sex-disaggregated water data”⁹⁷ and the Washington Group Short Set Questions⁹⁸ to identify people with a disability.

Relevant MEL tools and methods may include stakeholder surveys, logs of requests, participant surveys/interviews, most significant change stories, independent reviews, and media monitoring. All monitoring methods should ensure that they are inclusive and accessible to all, with appropriate adjustments made to cater specifically to the needs of vulnerable or marginalised groups.

The collection of data and information for MEL will require a variety of tools and methods that suit the information needs of each activity. Key features of the MEL monitoring include:

- Activities in India and Pakistan will be supported by contracted MEL advisors in each country. This approach allows ongoing reflection, co-creation, and adaptation with key partners in country, under the close supervision of DFAT staff at each country Post.
- Quarterly reflection meetings for DFAT staff and key implementing partners to assess MELF adequacy for the program and adjust as required (ideally facilitated by a MEL advisor).
- Semi-annual progress reports from partners where specific project activities are being undertaken that respond to program outcomes and indicators (consider using a template to streamline reporting)
- Regular field monitoring visits (at least quarterly) in each location that includes direct engagement with communities where possible.
- Semi-annual government dialogues at both national and city level to support relationships and learning that will secure sustainable outcomes for the program
- Meetings with other donors and private sector to maximise sectoral coordination and collaboration
- Annual investment monitoring reports, according to DFAT’s Monitoring and Evaluation Standards
- Independent end-of-program evaluation to capture program learning, stories of success, and guide future planning and investment

Baselines and targets

Baselines and targets for the MEL Framework will need to be progressively established during inception as the program MEL plan is developed. In operationalising the performance assessment framework, partners will require agreement on the definitions of concepts such as ‘community resilience’, ‘safe water and sanitation’, ‘water-sensitive cities’, ‘circular economy’ and indicators of ‘resilient and equitable management approaches’. For many of these concepts, there will be no immediately apparent baseline information. Target setting may require the development of performance guidelines which set out a shared understanding of what ‘success’ would look like. From these, markers of progress at various stages of program implementation

⁹⁷ UN World Water Programme, “Guidelines on how to collect sex-disaggregated data”, Accessed at <https://programme.worldwaterweek.org/Content/ProposalResources/allfile/234513E.pdf>

⁹⁸ Washington Group on Disability Statistics, “Short Set of Disability Questions”, Accessed at http://www.washingtongroup-disability.com/wp-content/uploads/2016/01/Rationale_WG_Short-1.pdf

could be identified and agreed to establish key baselines and realistic targets for the Performance Assessment Framework (see below).

Reporting

Reporting according to the MELF will be on a semi-annual basis and will provide updates on progress against the performance indicators, financial expenditure, review of stakeholder partnerships, and the program risk register. All reporting will adhere to DFAT's Monitoring and Evaluation Standards on investment progress reporting (standard 3). Regular reflection sessions between partners will also allow for a more dynamic approach to monitoring that empowers partners and builds on mutual accountability. Program reports from partners will focus on communicating the contributions of activities to project outcomes and the lessons learned with time and cost-efficient collection of data, analysis, reporting and learning pursued.

Independent Monitoring

Mid-term Partnership Workshop

To support adaptive management of the program, a mid-term workshop will be held with all key implementing program partners. This workshop will be facilitated by a suitably qualified independent facilitator with experience in program evaluation. The workshop may be held in person or remotely online.

The purpose of the workshop will be to reflect on program and partnership performance to date and identify areas for improvement, as well as any emerging risks and opportunities; collectively build a vision and pathway for the remaining period of program implementation; and an opportunity for rapid independent assessment with recommendations to be made on key priorities for strengthening the overall program implementation.

Independent End-of-Program Evaluation

In addition to the routine monitoring and reporting, the program will be subject to an evaluation of the program prior to its finalisation, conducted by a suitably qualified independent evaluator.

An Independent End-of-Program Evaluation will take place in year 4 of the program to examine the overall performance of the investment. The evaluation will provide a robust assessment of the program's progress and strong recommendations on improvements and future directions. It will utilise the Key Evaluation Questions outlined in the MELF as the basis for review. Evaluation implementation and quality must adhere to DFAT's Monitoring and Evaluation Standards (standards 4, 5, and 6).



Performance Assessment Framework

A performance assessment framework is designed to capture data to assess the program logic and report against the key evaluation question 2 on effectiveness.

Outcome	Performance Questions and Indicators	Data sources / collection methods	Reporting and Responsibility
End-of-Program Outcome 1. By 2025, four disadvantaged urban communities in India and Pakistan have more reliable access to safer water and sanitation services, particularly for women	<p>Q. What changes have occurred in each of the four communities that demonstrate improvements in access and safety of urban water supply systems (e.g. improved quantity, quality, accessibility, availability, affordability of water services)?</p> <p>Q. Have the practical needs of disadvantaged groups within these communities (particularly women/girls and people with disability) been met by these changes?</p> <p>Potential Indicators:</p> <ul style="list-style-type: none"> • Number/percentage of additional people using improved drinking water (SADD data) • Number of additional people using an improved sanitation facility (SADD data) • Number of additional people with hand washing facilities in their household • Number of people with the ability to access additional WASH facilities in public buildings and/or institutions 	<p>Semi-annual progress reports, field monitoring visits, quarterly partner reflection meetings, semi-annual government dialogue, annual investment monitoring report, regular partner meetings</p> <p>Participant and stakeholder interviews/surveys, stories of most significant change, independent reviews, baseline analysis</p>	DFAT SRG in Canberra
End-of-Program Outcome 2. By 2025, improved management of urban water systems in two South Asian cities enhances community resilience to climate change and other water-related shocks.	<p>Q. What changes in governance, capacity, or performance of water institutions (from local to national level) have occurred to improve urban water systems management for marginalised communities, particularly women?</p> <p>Q. Has improved management of urban water systems incorporated assessment of climate and disaster risks (including epidemic/pandemic) and ways to build community resilience?</p>	<p>Semi-annual progress reports, field monitoring visits, quarterly partner reflection meetings, semi-annual government dialogue, annual investment monitoring report, regular partner meetings</p> <p>Participant and stakeholder interviews/surveys,</p>	DFAT SRG in Canberra

	<p>Potential Indicators:</p> <ul style="list-style-type: none"> • Evidence of community-based resilience practices are institutionalised in the four communities • Number of water professionals with increased knowledge on integrated urban water management • Additional number of women in water leadership and decision-making positions • Increased positive community perception of urban water services delivery 	<p>stories of most significant change, independent reviews, baseline analysis, media monitoring</p>	
<p>Intermediate Outcome A: Partner governments are planning and allocating greater resources to integrated and inclusive urban water resources management</p>	<p>Q. What evidence is there of increased planning and investment by government in urban water management that delivers integration of freshwater, wastewater, and stormwater with consideration of equitable access and resilience?</p> <p>Potential Indicators:</p> <ul style="list-style-type: none"> • Additional investment in integrated urban water resources management approaches (including policy, planning and delivery) • Number of requests for support from government in urban water management 	<p>Semi-annual progress reports, quarterly partner reflection meetings, semi-annual government dialogue, regular partner meetings</p> <p>Participant and stakeholder interviews/surveys, independent reviews, baseline analysis, media monitoring, logs of requests</p>	<p>DFAT SRG in Canberra, DFAT Program Officer at Posts, Contracted partners</p>
<p>Intermediate Outcome B: Urban water leaders in South Asia have improved understanding of urban water systems and advocate for resilient and equitable management approaches.</p>	<p>Q. How are urban water leaders influencing decision making on urban water management to improve resilience and equity of systems and communities?</p> <p>Potential Indicators:</p> <ul style="list-style-type: none"> • Evidence of urban water leaders communicating new knowledge on integrated urban water systems within their institutions • Percentage of urban water leaders' who rate highly their satisfaction with technical assistance 	<p>Semi-annual progress reports, field monitoring visits, quarterly partner reflection meetings, semi-annual government dialogue, regular partner meetings</p> <p>Participant and stakeholder interviews, stakeholder satisfaction surveys, stories of most significant change, independent reviews, baseline analysis</p>	<p>DFAT SRG in Canberra, DFAT Program Officer at Posts, Contracted partners</p>

<p>Intermediate Outcome C Disadvantaged communities, particularly women and people with disabilities, have an effective voice, and are able to participate actively in city-level decision making on urban water management</p>	<p>Q. In what ways have women, people with disabilities, disadvantaged community members (i.e. from diverse age, caste, religion, ethnicity etc) demonstrated they have effective voice or are able to participate in decision making relating to urban water management?</p> <p>Potential Indicators:</p> <ul style="list-style-type: none"> • Number of women, people with disabilities on local water management committees/decision making bodies • Number and type of community engagement fora created by water utilities providers and water resources governing agencies 	<p>Semi-annual progress reports, field monitoring visits, quarterly partner reflection meetings, semi-annual government dialogue, regular partner meetings</p> <p>Participant and stakeholder interviews/surveys, stories of most significant change, independent reviews, baseline analysis</p>	<p>DFAT SRG in Canberra, DFAT Program Officer at Posts, Contracted partners</p>
<p>Intermediate Outcome D: Community-identified priorities for safe water access and improved sanitation services are incorporated in urban water services planning and delivery</p>	<p>Q. In what ways have community priorities been incorporated into urban water services planning? How has this improved access of diverse groups (women, people with disabilities) to safe water and sanitation?</p> <p>Potential indicators:</p> <ul style="list-style-type: none"> • Number of people (SADD) with improved access to safe water and sanitation • Number of community meetings held to caucus and communicate needs relating to water and sanitation 	<p>Semi-annual progress reports, field monitoring visits, quarterly partner reflection meetings, semi-annual government dialogue</p> <p>Participant and stakeholder interviews/surveys, stories of most significant change, independent reviews, baseline analysis</p>	<p>DFAT SRG in Canberra, DFAT Program Officer at Posts, Contracted partners</p>
<p>Intermediate Outcome E: Partner governments utilise improved information and data on water use, distribution, leakage, water quality and sanitation to inform planning and decision making for cities.</p>	<p>Q. What improved information or data has government used to inform planning and decision making for their cities (with a focus on inclusive water access and building climate and disaster resilience)?</p> <p>Potential Indicators:</p> <ul style="list-style-type: none"> • Number of new infrastructure projects or policies incorporating more robust data and information for inclusive and resilient water systems • Number of new partnerships or collaborations established to 	<p>Semi-annual progress reports, quarterly partner reflection meetings, semi-annual government dialogue, regular partner meetings</p> <p>Participant and stakeholder interviews/surveys, independent reviews, baseline analysis</p>	<p>DFAT SRG in Canberra, DFAT Program Officer at Posts, Contracted partners</p>

	develop innovative urban water systems		
Management arrangements effectiveness	Q: To what extent are the management and governance systems and processes working well to support partnerships and relationships in South Asia?	Semi-annual progress reports, quarterly partner reflection meetings, Participant and stakeholder interviews/surveys, independent reviews,	DFAT SRG in Canberra
Safeguards and Protection	Q. Have systems and processes been appropriate and adequately implemented to mitigate or manage any adverse environmental and/or social impacts?	Semi-annual progress reports, quarterly partner reflection meetings, semi-annual government dialogue, regular partner meetings Participant and stakeholder interviews, stakeholder satisfaction surveys, stories of most significant change, independent reviews	DFAT SRG in Canberra


ANNEX 2

Investment Risk Summary		Highest individual inherent risk rating in each category (before controls)	Highest individual residual risk rating in each category after controls but before treatments
1.	Operating environment: What factors in the operational or physical environment (security, lack of essential infrastructure, gender inequality, land tenure etc.) might impact directly on achieving the outcomes? Is the investment or intended outcomes exposed to disasters that typically occur in the investment area and/or country? Will the investment be exposed to climate change risk?	Very High	High
2.	Partner capacity and relations: Could a relationship breakdown occur with key partners or stakeholders and would this prevent the outcomes from being achieved? Does the intended partner/s (if known) have the capacity and capability to manage their role/work involved in this investment, including risks? Are there governance mechanisms (in the design and agreement) in place to ensure adequate ongoing communication and reporting between DFAT and the investment partner?	High	Medium
3.	Fiduciary and fraud: Are there any significant weaknesses that mean funds may not be used for intended purposes, not properly accounted for or do not achieve value for money? Is there a risk that DFAT aid program funding could be diverted for use by terrorists?	High	Medium
4.	Political: Is there a likelihood that political instability, changes to a partner government's strategy or policy may jeopardise the investment outcomes? Change in government? Might this negatively affect DFAT's relationship with the partner government?	High	Medium
5.	Resources, Management and Planning: How realistic are the outcomes and can they be achieved within the timeframe? Are the outcomes sustainable? What factors may prevent the outcomes being met? Are there adequate resources, including budget and people allocated to implementation (within DFAT and/or the partner government)?	Medium	Low
6.	Environment and Social Safeguards: Do any of the activities involved in this investment have the potential to cause harm to the environment and people - (environmental protection; children, vulnerable and disadvantaged groups; displacement and resettlement, indigenous peoples; health and safety)?	High	Medium
7.	Other: Are there any other factors specific to this investment that would present a risk (e.g. this is a new area of activity or it is an innovative approach)?	-	-
		Use this overall inherent risk rating during planning and concept	Use this overall residual risk rating during design and implementation
Overall Risk Rating		Very High	Medium



Policy Dialogue Matrix

Related End-of-Investment Outcome	Problem/ Issue	Policy outcome sought	Program entry points for policy dialogue	Influential stakeholders	Resources required	Policy dialogue lead within AHC	Partnership engagement lead within Grantee / SRG
<i>By 2025, four disadvantaged urban communities in India and Pakistan have safer and more reliable access to water and sanitation services, particularly for women</i>	Water and sanitation services in poor communities in urban areas are either poor or non-existent, with serious health consequences.	Widespread adoption of water-sensitive cities approach to water and sanitation developments in poor, urban communities across the region	Annual meetings held under existing MoUs with India and Pakistan Regional knowledge sharing workshops Annual meetings with development banks and other major donors	Head of water department / authority at city, provincial and national levels. Minister for Water. Country representatives of ADB / WB / EU / USAID and others	Held under MoU Annual regional workshop budgets (\$250,000 per year for three years)	Head of Mission supported by A-based and South Asia Regional section Program Manager South Asia Regional section Program Manager Deputy HOM, supported by A-based and locally engaged staff	Head of Mission South Asia Regional section Program Manager / Grantee Program Director Deputy HOM / Grantee Program Director
<i>By 2025, improved governance of urban water systems in two South Asian cities enhances community resilience to climate change and other water-related shocks</i>	This outcome is focused on building the capacity of city, provincial and national level water departments and authorities. Unless partner government specifically seeks technical assistance in developing a specific policy, this outcome is not intended to influence government policy, rather to assist them in implementing policies that have been devised as a result of the first end of program outcome.						



Annex 4: Redacted Program Budget

Gender, Disability, and Social Inclusion Analysis

Countries in South Asia rank among the lowest in the world according to the Global Gender Gap Index 2020⁹⁹. Of particular interest for this investment, India is ranked 112 on gender parity and Pakistan ranks a very low 151 of 153 countries included. While both countries score relatively well on gender parity in political empowerment, this has not translated across to economic participation, educational attainment, and health outcomes where large gender gaps remain. These gaps are largely driven by the endemic nature of patriarchal structures in the region that create gendered inequalities where women are often subordinate to men.

In the water sector, broader social inequities related to gender are replicated with women generally responsible for domestic water management where it becomes an extension of their gendered domestic roles. Water collection is a time and energy consuming activity that reduces women and girl's time available for productive pursuits (including wage employment and education) and can often impact on women's health¹⁰⁰. Women's knowledge of water in this domestic context, and their role in securing water for their families and communities makes their participation and empowerment in local decision making on water resources essential.

Men generally have a greater role in the productive uses of water, such as agricultural and industrial utilisation, and play a more influential role in broader decision making and leadership within the water sector. A situational analysis of women water professionals in South Asia¹⁰¹ demonstrated that a small number of women are working as water professionals in South Asia, with very few women occupying technical water roles. There was also evidence of a 'glass ceiling' for women water professionals in technical roles which meant they rarely progressed to the most senior levels of the water sector hierarchy. Strikingly, many water authorities in South Asia have limited non-engineering professional roles, such as in the field of social sciences, which not only further limits the number of women formally employed in the water sector but also points to the technocratic approach to water management in the region that can overlook the needs and priorities of socially diverse communities. Lack of sex disaggregated data on women and men's roles in the water sector has also been identified as an issue that limits visibility of gender gaps in water governance¹⁰².

When it comes to municipal water supply systems, there is evidence that lower social strata and people living in the most disadvantaged communities are not sufficiently covered by these systems. Within these communities, gender identity may intersect with caste, religion, age, ethnicity or disability during periods of water scarcity to further discriminate and exclude the most vulnerable, at times violently through abuse and harassment¹⁰³. Intersectional approaches to gender that assess the underlying power relations are essential to understanding who participates in decision making, who has access to or control over resources, and who gains or loses.

While women are well-represented in national political arenas, this has not resulted in similar women's leadership across all levels of governance or across all sectors of government. The exclusion of women from the design and planning of water supply and sanitation in low income countries is a significant obstacle to development. A World Bank report, *Women in Water Utilities: Breaking Barriers*¹⁰⁴, recognises the lack of women in these processes and identified a number of barriers to women's employment and representation within water utilities. This included entrenched social norms making these roles less attractive, discriminatory recruitment and workplace environments, and lack of opportunities for career advancement. It also identified

⁹⁹ World Economic Forum (2020) *Global Gender Gap Index Report 2020*, Geneva

¹⁰⁰ Lahiri-Dutt, K. (2008) "Introduction: Placing Water First", in Lahiri-Dutt, K. and Wasson, R.J. eds. (2008) *Water First: Issues and Challenges for Nations and Communities in South Asia*, Sage Publications India Pvt Ltd.

¹⁰¹ Kulkarni, S. (2013), "Situational Analysis of Women Water Professionals in South Asia", *South Asia Water Studies Journal*, 3:1, Article 3.

¹⁰² Jalal, I. (2014) "Women, Water, and Leadership", ADB Briefs, No. 24.

¹⁰³ Ahmed, S. (2008) "Gender and Integrated Water Resources Management in South Asia: The Challenge of Community Managed Alternatives", pp. 185-206 in Lahiri-Dutt, K. and Wasson, R.J. eds. (2008) *Water First: Issues and Challenges for Nations and Communities in South Asia*, Sage Publications India Pvt Ltd.

¹⁰⁴ World Bank (2019), *Women in Water Utilities: Breaking Barriers*, World Bank, Washington D.C.

the wider economic and financial benefits from increasing the female workforce participation in higher skilled jobs within the water sector.

Consideration of women's leadership in India and Pakistan must also take into account violence against women and girls which can often be exacerbated by shifts in gender norms. Almost 29% of women in India experience intimate partner physical or sexual violence in their lifetime – almost 1 in 3 women¹⁰⁵. In Pakistan, up to 32% of women have experienced physical violence and 40% of ever-married women have suffered from some form of spousal abuse in their lifetimes. Both India and Pakistan have ratified the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

Numerous donors are already working on gender equality in water resources and sanitation in South Asia as noted earlier. DFAT's *Water for Women Fund* is supporting a number of NGO-led water and sanitation programs operating at the community level in South Asia to improve health and gender equality outcomes. The *Women in Water Utilities* report mentioned above is part of the World Bank's *Equal Aqua* program which has developed a platform for dialogue around creating inclusive water institutions.

People with disability make up at least 15 percent of the population in the South Asia region¹⁰⁶. The data generally does not provide useful information on the functional barriers to participation and access that are experienced by people with disabilities. The data is also very weak in regard to less visible groups, particularly those living in more remote areas, and people with psychosocial disabilities, hearing impairments, intellectual disabilities, and other more complex disabilities. Because survey instruments do not consistently disaggregate for gender, data on women with disabilities, and women in caring roles for people with disabilities, is often limited. Furthermore, women are often less visible and as a result may not be included in the survey process. In addition, persons over the age of 60 comprise 12 percent of the world's population; that proportion is set to rise over 20 percent by 2050. There is a strong correlation between aging and the onset of disability.

Although there is inadequate data to assess the exact number of persons with disabilities who face water scarcity and lack of access, there is evidence that points to the relative marginalisation and invisibility of this population in water sector development programs. A 2011–12 survey of 16 Area Development Programs run by World Vision in Ethiopia showed that 96.6 percent of people with disabilities and the elderly faced difficulties in accessing basic water facilities¹⁰⁷. Research findings from five countries, including India suggest that households with one or more people with disabilities live further away from centrally located water points and are likely to experience increased time to complete the same journey to access water as others¹⁰⁸.

The Government of Australia and of India and Pakistan have ratified the UN Convention on the Rights of Persons with Disabilities and have made commitment to the 2030 *Agenda for Sustainable Development*, "leave no one behind". There are well established and active Disabled People's Organisations (DPOs) in South Asia that have experience of effective advocacy and engagement with government and national and local levels on improving equity and access to services by people with disability. This provides opportunities for enhancing understanding of and improving the participation by people with disabilities in the water sector.

Of particular importance in South Asia is the role India's *caste* system plays in systemically excluding and discriminating against people. Caste based social exclusion continues in India, even in urban areas, despite a legal ban on such social discrimination¹⁰⁹. Caste has been found to be linked to a range of aspects of social inequality and to shape water access and distribution. Cases of active violence against the so-called lower castes in times of intense competition for water have been reported¹¹⁰.

¹⁰⁵ UN Women (2020) Global Database on Violence Against Women. Accessed at <https://evaw-global-database.unwomen.org/en/countries/asia/india>

¹⁰⁶ World Health Organisation (2011), *World Report on Disability*, World Health Organisation, Geneva.

¹⁰⁷ World Bank (2017) *Including Persons with Disabilities in Water Sector Operations: A Guidance Note*, World Bank, Washington, DC.

¹⁰⁸ Mactaggart I, Schmidt W-P, Bostoen K, et al. (2018) "Access to water and sanitation among people with disabilities: results from cross-sectional surveys in Bangladesh, Cameroon, India and Malawi." *BMJ Open* 2018;8:e020077. doi:10.1136/bmjopen-2017-020077

¹⁰⁹ S. Chandrasekhar & Arup Mitra (2019) Migration, caste and livelihood: evidence from Indian city-slums, *Urban Research & Practice*, 12:2, 156-172, DOI: [10.1080/17535069.2018.1426781](https://doi.org/10.1080/17535069.2018.1426781)

¹¹⁰ Inequality in water service delivery in Delhi, <https://www.waterintegritynetwork.net/2016/02/02/inequalities-in-water-service-delivery-in-delhi/>

Priority actions:

In program management:

- Development of a program level **Gender Equality, Disability and Social Inclusion Action Plan** early in program implementation, with specific actions tailored to each country and local priorities
- Utilise **local GEDSI advisors** where possible to provide analysis and advice to program activities, particularly on the nexus of gender, disability and age.
- Identify **champions within government** who can advocate for gender equality, women's empowerment, and disability and social inclusion
- Support program partners with **targeted GEDSI analysis** (through program funded GEDSI advisors) at key points through program design, implementation, monitoring and review
- Utilisation of the universal standards set out in the UN World Water Program "Guidelines on how to collect **sex-disaggregated water data**"¹¹¹ and the Washington Group Short Set questions that is applied internationally to collect consistent **data on functional levels of disability**.
- Ensure program **communications promote gender equal representation** and highlight the contributions of diverse women in particular. Also ensure the participation and **equity of access by people with disability** and make the information available in accessible formats.

In activity design and implementation:

- Ensure **diverse**¹¹² **women and people with disabilities' participation in decision-making processes**, particularly at the local level
- Ensure technical assistance teams demonstrate **gender diversity** and showcase diverse women's talent in the water sector
- Identify and support **local women's rights and disabled people's organisations** to assist with program implementation at the community level
- Promote a **"do no harm" approach** to engaging with women and other vulnerable people and provide adequate protection and safeguard support; this includes an assessment of the potential repercussions of women taking a more prominent role in decision-making in their communities
- Identify **diverse women water leaders** in the sector (current and emerging) and provide a **safe space** for regional knowledge sharing and empowerment between women water professionals
- Establish **preparatory meetings for women and disabled participants/experts/leaders** in advance of workshops to caucus ideas and enable their meaningful participation
- Prioritise **protection of women and people with disabilities**, including appropriate risk assessment and grievance and redress mechanisms.

¹¹¹ UN World Water Programme, "Guidelines on how to collect sex-disaggregated data", Accessed at <https://programme.worldwaterweek.org/Content/ProposalResources/allfile/234513E.pdf>

¹¹² "Diverse" includes women with different intersectional identities such as age, ethnicity, sexual orientation, caste, religion, as well as women with disabilities.

Draft Position Description**Locally Engaged Staff – Australian Posts in India and Pakistan****BACKGROUND**

SAWASI is a four-year urban water program implemented by the Government of Australia. This position will be responsible for the in-country management and day-to-day operations of the program. They will implement the strategy as set by DFAT's South Asia Regional section, based in Canberra.

This is a senior locally engaged staff position which will oversee critical elements of the program and work closely with city and regional government officials. They will play a key role in identifying public diplomacy opportunities for Australia by closely working counterparts and other program contractors and short terms advisors. They are responsible for maintaining momentum in the program, ensuring progress is being made and bureaucracy at all levels is navigated efficiently.

POSITION TYPE

Full-time, employed by Islamabad and Delhi Post

KEY TASKS AND RESPONSIBILITIES**COORDINATION AND RELATIONSHIP MANAGEMENT WITH PARTNER GOVERNMENT AGENCIES**

- Liaises with provincial government / city water authorities to ensure smooth operation of SAWASI
- Ensures day-to-day coordination of technical assistance work in country

SUPPORTS TECHNICAL ASSISTANCE

- Identifies and develops skillsets and needs for technical expertise in coordination with the partner government
- Monitors the progress of technical assistance provided to ensure quality and relevance

MONITOR AND SUPPORT DEMONSTRATION PROJECTS

- Works closely with the Grantee managing the demonstration projects at the community level
- Provides necessary support for smooth implementation through coordination and engagement with government agencies and other key urban water stakeholders; supports the Grantee to establish and convene the city water forum
- Supports the Grantee to identify two leaders from each community – preferably both women and people with disabilities – to join city water forum

PUBLIC DIPLOMACY

- Supports SAWASI, and other Australian water program's public diplomacy efforts, ensuring a joined up 'one-Australia' approach with regards to the water sector
- Establishes preferred local communications services supplier to work with local media outlets to promote SAWASI to the partner country public and for circulation to DFAT Canberra communications team

- Works with Program Managers / Heads and Deputy Heads of Mission on public diplomacy opportunities
- Produces content (photos / videos) of program activity as appropriate for sharing on official social media accounts in coordination with the contracted Communications function

ADMINISTRATIVE ROLES

- Contracts and manages local communication consultants
- Assists DFAT Canberra and Post staff to prepare Terms of References for requested technical assistance by host government

SUPPORT AND COORDINATE WITH OTHER ACTORS AND AUSTRALIAN PROGRAMS

- Consults and co-ordinates with other Australian funded water programs in the region such as Water for Women
- Working with other staff at Post, co-ordinates with other multilateral and bilateral actors as appropriate
- Engages with Coalition for Disaster Resilient Infrastructure to explore opportunities for collaboration (for Delhi based LES)
- Engages with key stakeholders operating at the city and state level covering urban water, climate change, and disasters, including The World Bank, Asian Development Bank, and bilateral donors.

REPORTING

- Regular progress reporting to direct manager at High Commission
- Monthly informal meetings with the South Asia Regional section in Canberra and formal quarterly written reports summarising reports from Grantee and overview of technical assistance provided

SELECTION CRITERIA

- Experience: This is a senior level position with over 10 years of experience in South Asian water, urban development and policy engagement areas. Also demonstrated experience in policy and engagement with government agencies.
- Academic qualification: Masters degree in water resource management, natural resources management, or international development
- Language skills: Conversant with local languages
- Knowledge: Strong knowledge about urban water sector, community development, and willingness to learn interdisciplinary aspects of urban water management and sanitation
- Solid understanding of, and strong commitment to, gender equality, disability, and social inclusion
- Other skills: The locally engaged staff, supported by others at Post, will need to be politically astute in working across the government and multiple urban water stakeholders.
- Experience working with an international organisation preferred

ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

INTRODUCTION

The objective of the SAWASI program investment is to strengthen South Asian city-level water governance and undertake investments that provide urban water services support to disadvantaged communities (particularly women and girls) to access reliable, safe water and sanitation services. Overall, the inherent safeguard risk of this investment is considered high.

The SAWASI program will deliver three program elements:

1. Demand-driven, government-to-government technical assistance
2. Community-level demonstration projects
3. Regional knowledge sharing workshops

It is expected that the first and third elements of the investment, government-government technical assistance and regional knowledge sharing workshops respectively, will have a lower environmental and social impact, than second element, community-level demonstration projects. A comprehensive environmental and social impact assessment and management plan will need to be undertaken for activities related to the community-level demonstration projects upon agreement of a contract and work plan with the successful Grantee who will deliver this program element. Potential environmental and social impacts under elements one and three will be assessed and managed by DFAT as required throughout program implementation to ensure tailored responses that satisfy the government driven approach of this program.

ASSESSMENT OF LEGAL FRAMEWORK AND INSTITUTIONAL CAPACITY

A brief assessment of the country safeguard systems in Pakistan and India demonstrate significant variation between the two countries in the provision of policies, practices, legal frameworks, and institutions that support the avoidance, minimisation or mitigation of adverse environmental and social impacts.

Both India and Pakistan have established legal frameworks and policies at a national level to support environmental management and planning, child protection, labour and working conditions, and antidiscrimination and harassment, however some gaps remain in regulation of safeguards, particularly relating to indigenous peoples and involuntary resettlement in Pakistan¹¹³. The institutional arrangements in both countries have been a barrier to effective implementation of these legal frameworks with commonly cited problems including, weak regulation, monitoring and enforcement capacity; onerous legal requirements; inefficient bureaucracy and long procedural waiting times; lack of sufficient and consistent reporting; and lack of clarity of institutional ownership over specific safeguard issues¹¹⁴. In both countries, consideration must also be given to both national and subnational laws and regulations, and the corresponding institutional capacity of implementing agencies, which will vary between jurisdictions.

¹¹³ Asian Development Bank (2015), Pakistan: Capacity Building for Enhanced Safeguards Management. Project Completion Report, July 2015.

¹¹⁴ Asian Development Bank (2013) Improving Safeguard Policy Applications in South Asia Developing Member Countries, December 2013.

The institutional effectiveness in regulating or enforcing these legal frameworks in both countries is a weakness within the country safeguard systems. The World Bank's Worldwide Governance Indicators 2018¹¹⁵ for government effectiveness, regulatory quality and rule of law show India ranks close to the 50th percentile globally, while Pakistan is closer to the 30th percentile. In both countries, corruption remains an issue. The Global Corruption Barometer 2019¹¹⁶ estimates that in India up to 63% of public service users paid a bribe, while in Pakistan that estimate was 25%.

Further assessment of legal framework and institutional capacity will need to be undertaken in the inception phase of the program once the specific project locations have been identified to adequately assess partner government institutions and subnational legal frameworks.

ANTICIPATED ENVIRONMENTAL AND SOCIAL IMPACTS

The activities to be implemented under this investment are expected to be modest in scale and focused on a community within an urban context. The technical assistance provided under element one will likely be knowledge based and may support decision making in regard to any of the following areas:

- Urban water planning and governance
- Wastewater treatment and recycling
- Water-sensitive cities including circular water economy concepts
- Managing climate risks to water system and building resilience
- Disaster risk reduction, including:
 - Resilient infrastructure
 - Urban flood prevention and management
- Water information systems and data analysis, including water leakage control
- Water pricing and market-oriented solutions
- Water quality management including pollution reduction methods
- Water utilities governance and financing

The second element of the program, community level demonstration projects, will adopt a water-sensitive cities approach that supports communities and government to develop a vision for the urban area that:

- Serve as a potential water catchment, providing different water sources for different uses
- Promote ecosystems and healthy natural environments for social, ecological, and economic benefits
- Have citizens with the necessary knowledge to actively participate in decision making and display water conservation behaviours

The third element of the program will support regional knowledge sharing towards a workable, scalable and replicable approach to participatory decision-making on urban water management and governance in South Asian megacities.

Given the scale and nature of these activities, the following environmental and social impacts have been identified in relation to this investment. This list is not exhaustive and further environmental and social impact assessment at the activity level should be undertaken when the Grantee has been selected.

Environmental

Alterations or adjustments to urban water infrastructure may have:

¹¹⁵ The World Bank Group (2019) World Governance Indicators <http://info.worldbank.org/governance/wgi/Home/Reports>

¹¹⁶ Transparency International (2019) Global Corruption Barometer <https://www.transparency.org/en/gcb/asia-pacific/asia-pacific-2017>

- A direct impact on the environment through pollution (including sedimentation, wastewater, sewage affecting water and soil quality) or emissions (including dust, fumes, smoke).
- An impact on water flows in the catchment or further downstream which may impact water quality, ecosystems, and habitats in the water catchments.
- An impact on water-related hazards such as flooding, salinity, and water scarcity where climate change is an exacerbating factor.

Children, Vulnerable and Disadvantaged Groups

Potential impacts on children, vulnerable or disadvantaged groups include:

- Children or other vulnerable/disadvantaged adults may be sexually exploited, abused or harassed by program-related personnel or participants.
- Child may be abused, injured or killed due to unsafe conditions at urban water infrastructure construction or work sites
- Child or other vulnerable/disadvantaged adults may be excluded from water services or exposed to increased risk of abuse or harassment due to the design of water services.
- People with disabilities are excluded from program activities or have limited participation due to lack of accessibility.

Displacement and Resettlement

The program will actively avoid displacement and/or resettlement of people impacted by the program activities. Potential physical or economic displacement of people may occur where urban water infrastructure investments of significant scale are implemented, although no activities of such scale are envisaged under SAWASI which is focused on small scale nature-based community infrastructure (greenways, rooftop water harvesting, etc).

Indigenous Peoples¹¹⁷

- Indigenous peoples may be excluded from program activities or have limited participation as a result of their ethnic background.

Health and Safety

Potential impacts on staff, contractors or project participants may include:

- Workers are subjected to unsafe working conditions in relation to urban water infrastructure development (construction sites and associated equipment)
- Workers are exploited or subjected to forced labour conditions
- Exposure to COVID-19 virus through group activities or large gatherings
- Personal security or wellbeing compromised through escalation of local conflict, crime or unlawful behaviour

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT FOR ACTIVITIES

During the inception phase of this program, the selection of the Grantee and the selection of the project city and communities in each country will trigger a **review of the safeguard screening and risk rating by DFAT**. The community selection criteria for the program (see section 5 of program design) identifies a number of

¹¹⁷ In India, indigenous peoples comprise an estimated 8.6% of the national population (<https://www.iwgia.org/en/india.html>). No similar data estimate could be obtained for Pakistan where definitions of indigenous peoples are highly contested.

social characteristics of the community that will be important to review at this stage and explore through further impact assessment with the Grantee.

The Grantee will then be required to prepare an environmental and social impact assessment proportional to the investment in each project location. This will be prepared in conjunction with the annual work plan and serve in identifying any environmental or social safeguard risks that may require management or adjustment to the work plan.

If required under DFAT's Environmental and Social Safeguards Policy, **the Grantee may prepare an Environment and Social Management Plan for the project activities in both project locations**, and for the duration of their implementation.

The environmental and social impact assessment and, if required, corresponding management plan will be reviewed by DFAT and partner government focal points at the appropriate levels. The approved plans should also be discussed at the next meeting of the City Water Fora.

CONSULTATION AND INFORMATION DISCLOSURE

The community level demonstration projects will require significant consultation and engagement with communities to effectively achieve the program outcomes. The Grantee will be required to develop an Annual Work Plan that will detail the proposed activities and approaches to engaging with communities, and in particular with people who identify as vulnerable or disadvantaged within those communities. This includes demonstrating how these activities will effectively consult with communities and disclose relevant project information while complying with DFAT policies on environmental and social safeguards, child protection, and prevention of sexual exploitation, abuse and harassment.

The Grantee will be required to establish appropriate grievance and redress mechanisms in each project location that are sensitive to local cultural and social conditions.

INSTITUTIONAL ARRANGEMENT AND RESPONSIBILITIES

The overall responsibility for implementation of this environmental and social management framework (ESMF) will be held by DFAT South Asia Regional Section. Upon selection of implementing partners and project locations, the ESMF may be reviewed to ensure the roles and responsibilities detailed here are appropriate to the implementation arrangements and context. Environmental and social safeguard risk will be captured in the program risk register and reviewed on a quarterly basis through the program governance structure.

The Grantee will be responsible for the preparation of an environmental and social impact assessment for community-level demonstration project activities, in close consultation with DFAT locally engaged staff at Post in India and Pakistan. The impact assessments should be shared with the relevant level government focal point for consideration.

The City Water Forum in each program location will review the environmental and social impact assessment and corresponding management plan.

Should any dispute over assessed environmental or social risks or impacts or the associated management of the risk require escalation, the matters may be escalated to the next most senior government focal point. If

no agreement can be reached, the Joint Working Group / Joint Advisory Committee will be responsible for deciding on mitigation or management actions.

MONITORING AND REPORTING

The program monitoring, evaluation and learning (MEL) framework sets out the broad approach to monitoring and evaluation for this program. A set of program evaluation questions will guide the program implementation to routinely assess the relevance, effectiveness and efficiency of the program. A specific question has been included in the evaluation questions to determine how well the program manages risk and protects safeguards. This is also supported by a specific monitoring question included in the program's performance assessment framework relating to safeguards and protection.

The program will draw on extensive MEL advisory support both at the program level and at the country level with local MEL advisors in Pakistan and India. Given the inclusion of safeguards in both the evaluation questions and the performance assessment framework, it is expected that the MEL advisors will be tasked with incorporating safeguards assessment into the program MEL system that will be established in the inception phase of the program.

Country profiles of water sectors in Afghanistan, Bangladesh, Nepal and Sri Lanka

Afghanistan

Afghanistan is facing an acute water crisis with profound social impacts. Access to drinking water is a major societal problem¹¹⁸. Water is a major source of conflict and approximately 25 percent of deaths (48,000 per year) among children are due to contaminated water and poor sanitation¹¹⁹. Poor rainfall, depleted snow packs, crumbling water infrastructure, and weak water governance stress water supplies and increase the risk of conflict.

More than were internally displaced in 2018 due to drought mostly in the northwest region.¹²⁰ Half of the population drink unsafe water; two-thirds lack access to improved toilets. About 9.5 million people (out of 37 million) live in urban areas, and 64 percent of urban residents live in slum areas. Evidence shows female-headed homes and children are the most vulnerable.¹²¹

The U.S. Geological Survey has found that groundwater levels declined by 1.5m per year between 2008-2012¹²²; 22 of Afghanistan's 34 provinces face drought today.¹²³

Protracted crises have eroded institutional capacity. Management of the country's water resources is characterised by inefficient institutions, lack of capacity and unclear rules and regulations. Water sector development is poorly coordinated primarily because of overlapping mandates and lack of information. The sector is managed through a complex institutional arrangement that splits responsibilities among a number of ministries. The passage of a new Water Law in 2009 failed to clarify mandates. Moreover, decision-makers are unable to make decisions on equitable water allocations as they lack even basic information about what water is available.

The *Afghanistan National Peace and Development Framework* (ANPDF 2017-2021) emphasises the sound management and development of the country's water resources. Water sector development and management are key components of at least three National Priority Programs including the *Comprehensive Agriculture Development Framework*, the *Citizen Charter* and the *National Infrastructure Plan*.

President Ashraf Ghani's government has prioritised the development of water infrastructure including storage. A Presidential decree has mandated the Ministry of Energy and Water (MEW) to consolidate all water related functions from other ministries. This restructuring may have significant implications (positive and negative) for the implementation of integrated water resource management (IWRM).

Afghanistan's *2018 Water Sector Strategy* adopted an integrated water resource management (IWRM) approach. De-concentration and devolution of functions are key tenets of IWRM that are needed to enable decision-making at lowest appropriate level. A 2019 amendment to the 2009 Water Law decentralises management of water resources to the river basin and catchment scales.

The Government is also in the process of fully operationalizing five River Basin Organizations (RBOs) and 35 Sub-Basin Organizations (SBOs). A number of agriculture-focused economic projects the government is planning includes community level irrigation committees that would operate under the Citizens Charter.

¹¹⁸ https://asiafoundation.org/wp-content/uploads/2018/12/2018_Afghan-Survey_fullReport-12.4.18.pdf

¹¹⁹ Khalil M., Ahmed S., Kumar M., Khan M.H., Joshi R.K. (2020) A Need for City-Specific Water Policies—A Case Study of Kabul City: Afghanistan. In: Ahmed S., Abbas S., Zia H. (eds) *Smart Cities—Opportunities and Challenges*. Lecture Notes in Civil Engineering, vol 58. Springer, Singapore

¹²⁰ Shahriar W. (2019) *Afghanistan Country Analysis*.

¹²¹ CSIRO (2020) *National Water Information System Development: A roadman for Afghanistan*, p1

¹²² USGS paper: <https://pubs.er.usgs.gov/publication/70159528>

¹²³ The Diplomat, <https://thediplomat.com/2018/10/is-water-scarcity-a-bigger-threat-than-the-taliban-in-afghanistan/>

A lack of basin sharing agreements with Afghanistan's neighbours in the context of increasing scarcity pose risks of transboundary water disputes. Any unilateral diversions have the potential to negatively impact livelihoods downstream in Iran and Pakistan.

Australia has been active in the water sector in Afghanistan most prominently through the *Strengthening Water Resources Management in Afghanistan (SWARMA)* program. The 2019 DFAT-commissioned SWARMA review report noted the strong Afghan interests, both at political and technical levels, for CSIRO's continued support and technology transfer in water. The review also noted the significant challenges in building capacity in Afghanistan. These have been noted and are included in the design of the follow-on *Afghanistan National Water Information System Development (ANWIS)*. ANWIS also includes strengthened gender elements in the design.

Bangladesh

Bangladesh is rapidly urbanising - its capital, Dhaka, is already the world's sixth largest city¹²⁴. Bangladesh's water insecurity challenge has become an urban issue. It is also a steadily growing economy, achieving an annual growth rate of six percent between 2000 and 2016¹²⁵. In terms of total fresh water resources, the country is not water scarce but is facing a growing, country-wide pressure on ground water sources¹²⁶, intensifying impacts of climate change including droughts, floods and other natural disasters, and growing levels of water pollution due to urbanisation and industrial expansion. Approximately 98 percent of drinking and 80 percent of dry-season irrigation water supplies come from groundwater at shallow depths¹²⁷. The effects of climate change may severely increase the vulnerability of Bangladesh's water dependent communities, with the potential to affect the 164 million residents of the country both directly and indirectly through decreased agricultural production¹²⁸. As in the rest of South Asia, water resource management in Bangladesh is fragmented with limited coordination among various water agencies. Within Bangladesh, a number of water and other related policy instruments are out-of-date due to the lack of integration of climate change considerations.¹²⁹

As a downstream riparian state, predominantly from India but also with flows from Nepal, Bhutan and China, Bangladesh is susceptible to changes in upstream country's water policies.

Bangladesh poses genuine and significant water-induced population displacement and stability risks for Australia. Like India and Pakistan, Bangladesh faces the constant threat of too much or too little water. Monsoons and the rivers bring far too much water during five months of the year; on average 22 percent of the country is flooded every year but this can rise up to two-thirds of the country in severely wet years destroying crops and taking lives. Cyclones sweeping up the Bay of Bengal flood the low-lying delta depositing salt onto valuable farmland. Salt can reduce yield and result in abandonment of farms.

During Bangladesh's dry season water is in short supply in parts of the country. The drier northwest region is a special case in point where there is little water storage capacity. Building dams to store the abundant monsoon water for use in the lean period is impractical due to the region's flat topography. Groundwater is the predominant source of irrigation in the dry season; however, the Government of Bangladesh lacks the skills to effectively manage groundwater.

¹²⁴ Dhaka is expected to rise the rank to become fourth largest by 2035, according to a report by David Satterthwaite, 31 January 2020, Continuity and change in the world's 20 largest cities, International Institute for Environment and Development.

¹²⁵ World Bank, Promising Progress: A Diagnostic of Water Supply, Sanitation, Hygiene, and Poverty in Bangladesh, 2018

¹²⁶ Chowdhury, N.T. Water management in Bangladesh: an analytical review. Water Policy 2010, 12, 32–51.

¹²⁷ Shamsudduha, Mohammad, et al (2019). Multi-hazard groundwater risks to the drinking water supply in Bangladesh: challenges to achieving the sustainable development goals, The World Bank.

¹²⁸ Chan, Ngai Weng, Ranjan Roy and Brian C Chaffin (2016). "Water governance in Bangladesh: An evaluation of institutional and political context." Water 8(9): 403.

¹²⁹ Chan, Ngai Weng, Ranjan Roy and Brian C Chaffin (2016). "Water governance in Bangladesh: An evaluation of institutional and political context." Water 8(9): 403.

Nepal

In Nepal, water utilities are facing considerable pressure following urban growth rates of 4-7 percent a year over the past decade. This trend is expected to continue, even as new provincial capitals are expected to relieve some of the growth pressure in the older cities. Water infrastructure is ageing, and capacity upgrades are overdue. Concurrently, failing rural farms and remittance income from transnational work is fuelling emergence of small towns (population 25,000 or more) across the country. As downstream urban areas expand and commercial agriculture potential in the rural upstream areas grow, water becomes even more contested resources in the country.¹³⁰

Nepal has recently shifted to a federal structure and a lack of clarity around roles and responsibilities for water management across tiers of government poses a destabilisation risk. Attempts to date to clarify authority for allocation and planning have not resolved the issue. Inter-provincial conflicts around water management are likely to arise in the short-term due to poor institutional capacity to effectively shift to the new federated structure.¹³¹

The new governance structure has centralised planning and decision making. Some provincial chief ministers have already challenged the assumption that a singular central government body—the Water and Energy Commission Secretariat (WECS)—can and should make allocation and development decisions on all of Nepal's surface water resources.

Nepal has put significant effort into revising and updating water policies and planning practices, yet there is an absence of a strategic approach to assessing water insecurity in relation to imminent drivers including urbanisation and climate change. Instead there exists a tendency to take a piecemeal and reactive approach to tackle water scarcity. Multiple laws, rules, and policies create overlapping and contradictory provisions to regulate the water sector.¹³² While municipalities have been authorised to conserve, manage and use the water within their jurisdictions, the Water Supply Management Board Act 2006 has provisioned another autonomous and corporate body to manage the service system within one or among multiple municipalities.

Most of these statutory documents have created too many institutions across different levels, without creating effective coordination and collaborative mechanisms.

Sri Lanka

Sri Lanka has made remarkable progress in improving water supply and access over the past two decades, covering 96 percent of the population for improved water access and 95 percent for improved sanitation as of 2016¹³³. The progress has been attributed to a mix of factors including a fairly responsive state, the balance of power between state officials, elected leaders and the civil society, and the coming together of top-down and bottom pressure¹³⁴.

Yet, the water sector has experienced increasing competition across household, urban and agricultural demands. The risk of urban water insecurity is rising amidst urban expansion, aging water infrastructure and climatic extremes such as floods. The country also needs to improve the quality of water and sanitation services, while also ensuring sustainable supply system in terms of financing operations. The COVID-19 crisis has reinforced the need to have safe and secure access to drinking water and sanitation services.

¹³⁰ Kovács, Eszter Krasznai, et al (2019). "A political ecology of water and small-town urbanisation across the lower Himalayas." *Geoforum*.

¹³¹ Prasai, S (2020) Nepal Country Analysis.

¹³² Kautuv Raj Neupane, et al (2020). "Scarcity Amidst Plenty: Lower Himalayan Cities Struggling for Water Security." *Water* 12(2): 567.

¹³³ World Bank and JICA, *Toward Sustainable Water and Sanitation Services in Sri Lanka: Beyond Sustainable Development Goals to Supporting the National Economic Vision*, 2016: https://www.jica.go.jp/english/our_work/evaluation/tech_and_grant/program/thematic/c8h0vm000001rgwp-att/2017_01.pdf

¹³⁴ McLoughlin, C and Daniel Harris, *The Politics of progress on water and sanitation in Colombo, Sri Lanka*, ODI Politics and Governance, January 2013. <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8174.pdf>

Sri Lanka does not have a problem of water availability. It has 103 river basins of which 16 are significant in terms of catchment area and water volume. Climatic variability is however impacting the water sector, with increasing frequency of drought and flood.

Like in other countries of South Asia, water sector responsibility in the government is distributed across multiple agencies, with 10 ministries and 20 departments dealing with one or multiple aspects of water management¹³⁵. The responsibility for policymaking in the water supply and sanitation sectors rests with the Ministry of Water Supply and Drainage (MoWSD). National Water Supply and Drainage Board (NWSDB) is responsible for water supply services to urban areas in Sri Lanka. Responsibility for sanitation is split between central and local government agencies.

World Bank, ADB, and Japanese International Cooperation Agency have been the key international development partners in Sri Lanka's urban water sector. For instance, the World Bank is supporting the Sri Lanka Water Supply and Sanitation Improvement Project (WaSSIP), financing new water supply systems, rehabilitation for existing water supply systems, toilets for households and schools, and septage treatment plants¹³⁶.

The Government of Sri Lanka has also launched programs to address climate variability, yet analysts say that there is still a need for interventions in integrated urban water management and building systems resilience¹³⁷.

¹³⁵ UNDP and LSE, Water Security and Climate Variability, Colombo Development Dialogues 2, dated 31 August 2018. <https://www.lse.ac.uk/south-asia-centre/assets/documents/WorkingPapers/Sri-Lanka-CDD-2-Policy-Paper-English.pdf>

¹³⁶ The World Bank, Sri Lanka – Building a health Nation, 23 June 2020, <https://www.worldbank.org/en/results/2020/06/23/sri-lanka-building-a-healthy-nation>

¹³⁷ UNDP and LSE, Water Security and Climate Variability, Colombo Development Dialogues 2, dated 31 August 2018. <https://www.lse.ac.uk/south-asia-centre/assets/documents/WorkingPapers/Sri-Lanka-CDD-2-Policy-Paper-English.pdf>

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