

HYSAWA
Annual Directors Report 2008

(A Company limited by Guarantee without share capital)
Licensed under Section 28 of the Companies Act, 1994

HYSAWA

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Executive Summary

The Hygiene Sanitation and Water Supply (HYSAWA) Fund has been established and registered in June 2007 as an autonomous financial institution under the Companies Act, 1994 which receives initial funding supports from Government of Bangladesh (GoB) and Danida. The HYSAWA Fund has been financing eligible and applying local government institutions (Union Parishads and Pourashavas) directly to implement Water Supply and Sanitation (WSS) schemes. It is guided by a Governing Board chaired by the Secretary, LGD and set-up to facilitate transparent and accountable administration of the Fund.

The HYSAWA Fund is envisaged to be a long-term funding mechanism that can attract funding from various donor agencies and the GoB, and as such can possibly be a basis for a common programmatic approach in the rural hygiene, sanitation and water sector.

HYSAWA Fund in 2008 successfully launched the project in five different places: namely Naogaon, Rajshahi, Chapai Nawabganj (Northwest districts) and Feni and Barisal (Coastal Belt Regions), in which all UP Chairpersons and other functionaries including the Government and NGO Officials participated. In 2008, as many as 390 UPs submitted their interest to participate in the HYSAWA Project and MoUs were signed with them.

In the reporting period, HYSAWA Fund facilitated as many as 110 UPs to deploy Partner NGOs in the Northwest districts (Rajshahi and Naogaon) which are planned to have assisted the UPs for community organisations and sub-projects preparation, including drawing up of social maps and establishing baseline data and information.

By December 2008, within nine months of its attainment of full staff strength, HYSAWA Fund arranged training and orientation courses wherein as many as 2,791 UP functionaries and volunteers participated. HYSAWA Fund facilitated orientations to Support Organisation staff members and the PNGO officials on tools, methods and procedures for accessing its fund.

HYSAWA Fund reviewed and scrutinised as many as 4,099 water supply and 64 sanitation schemes. However, the actual implementation of schemes was not on the higher sides because most schemes were approved by the end of the year 2008. Once implemented, the schemes will benefit as many as half a million people of whom nearly 40 percent are the hardcore poor including the disabled and the poor women.

Regarding budget, Tk. 290 million was allocated for expenditure for hardware implementation and associated project activities. While total commitments of fund were made was Tk. 239 million and the actual disbursement Tk. 138 million until December 2008 due to procedural difficulties.

In addition, HYSAWA Fund developed a number of project manuals and guidelines in order for better and effective implementation of the schemes. In the first operation year itself the Project created huge enthusiasm among cross-section of people, in particular, its operational jurisdictions.

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Introduction

HYSAWA as Institution

The Hygiene Sanitation and Water Supply (HYSAWA) Fund has been established and registered in June 2007 as an autonomous financial institution under the Companies Act, 1994 which receives initial funding supports from Government of Bangladesh (GoB) and Danida. The HYSAWA Fund has been financing eligible and applying local government institutions (Union Parishads and Pourashavas) directly to implement Water Supply and Sanitation (WSS) schemes. It is guided by a Governing Board chaired by the Secretary, LGD and set-up to facilitate transparent and accountable administration of the Fund.

The HYSAWA Fund is envisaged to be a long-term funding mechanism that can attract funding from various donor agencies and the GoB, and as such can possibly be a basis for a common programmatic approach in the rural hygiene, sanitation and water sector.

The Country Context and Background

Toward the End of Last Millennium, water supply coverage was believed to be 97% with about 11 million hand tube-wells (1 every 20 people) - primarily shallow (80-85% owned by private individuals). However there were many un- or under-served areas due to three reasons:

- 25% contaminated by Arsenic and 29% by Bacteria
- Low aquifers in NW and Salinity in Coastal Belt
- Social inequalities – unequal distribution and inability to pay

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Even where water supply coverage is high, it has not necessarily also resulted into substantial improvements in public health. Improper hygiene practices and low sanitation coverage are the prime factors for the poor public health conditions. The overall latrine coverage by any type is 53% - remaining 47% open defecation or hanging latrines but sanitary latrine is only <30%. Only 43% wash their hand with soap after defecation. To date the service delivery and finance allocation have been managed centrally.

While Bangladesh has gained itself a good reputation with regard to the active role played by individual households and private sector in the provision of rural water supply, Government and donor-funded WSS programmes are still to a very large extend implemented by centrally placed government agencies. The existing centralized service delivery system is seen as a bottleneck for achieving effective and sustainable services to, in particular, those who cannot (fully) afford to pay for the WSS facilities or services themselves.

The Government of Denmark through Danida has provided assistance since 1972 to GoB in the Water Supply and Sanitation (WSS) sector. This technical and financial support was channeled through various agencies and projects. From June 1999, Danida supported the sector in a more comprehensive way

Box 1.1: Hygiene, Sanitation and Water Supply (HYSAWA)

Long-term Objective

- To contribute to poverty reduction through improved public health and sustainable environment.

Immediate Objectives

- To improve hygiene behaviour /practices
- To promote community-led total sanitation
- To increase coverage of safe water supply services
- To strengthen the capacity of Government, Local Government Institutions (LGIs) and non-government stakeholders at all levels to play the roles required to achieve the above three immediate objectives.
- To promote greater devolution of administrative and financial authority to LGIs in regard to hygiene, sanitation and water supply.

through the first phase of the Water Supply and Sanitation Sector Programme Support (WSSPS I). A Second Phase, WSSPS II, is being implemented for a further five-year period starting from December 2005.

Under the WSS Component, one of the projects is the present ‘Hygiene Promotion, Sanitation and Water Supply Project’ (HYSAWA Project). The HYSAWA Project is to facilitate and promote Union Parishad (UP) based investments focusing on the poor, un- and under-served areas. Funding for interventions is being channeled through a dedicated ‘HYSAWA Fund’.



HYSAWA Launching workshop at Barisal, December 2008

The communities are planning their own ‘community schemes’ for hygiene, sanitation and water supply interventions according to their needs and affordability. They share the costs of water supply facilities and fully contribute to household sanitation. The communities are responsible for Operation and Maintenance (O&M) of all the schemes. The HYSAWA Fund, upon application from UPs and subject to certain conditions, provides a grant to engage a local firm or NGO to assist the communities in formulating proposals for schemes and capacity building of community organisations. Such a firm or NGO also provides support to the community organisations for hygiene and sanitation promotion and in safe water use. The community organizations forward the community schemes to UPs for implementation. UP appraises and compiles the community schemes into a consolidated proposal and fund request and submits the same to the HYSAWA Fund. Upon approval of the application by, and receipt of funds from HYSAWA Fund, the UP then manages the implementation through local service providers.

Strategies

The following strategies will be used to achieve the immediate objectives of the current HYSAWA Project:

Decentralisation

The Project implementation modalities promote decentralised service delivery. In case of Bangladesh, the UPs are the lowest tier of the local government system. Direct funding to UPs without influence of the higher level authorities is the key to empower these Local Government Institutions (LGIs) and advance the decentralisation process.

To ensure effective design and sustainable use of the WSS interventions it is important that the communities are involved in planning and implementation according to their need and ability to pay. However, both UPs and the communities do not presently have the means and capacity to carry out these responsibilities. In order to address them, the Project will facilitate establishment of the following two support mechanisms:

- **Financing mechanism** (HYSAWA Fund), upon application and subject to certain conditions, will provide funds, as grants, to the UPs to enable these to: (i) help the communities in preparing their own WSS scheme; and (ii) implement those community schemes.
- **Capacity support mechanism** (through LGSU), which will provide the necessary capacity support to UPs to carry out their responsibilities.

HYSAWA developed a detailed eligibility criteria and procedures of HYSAWA funding. These are elaborated in the UP manuals.

Community Level Implementation Strategies

Community Development Forum: Community organisations will be formed at the community level at the initial stages of the project with a view to develop their capacity to take over the responsibilities of planning, implementation, operating and maintaining community schemes. To ensure participation of all sections of population in a village or a peri-urban area, including disadvantaged groups like women and poor, the organisational structure of the community organisation will be like a federation in nature and comprise of three groups: (i) poor, (ii) women and (iii) general public including also the richer sections of the community. This structure will ensure equity-based representation of poor, women and general families in the organisation and help all segments of the community to bring their relevant agendas into the village development plan. The community consultation process during the feasibility study suggested naming the community organisation as CDF or Village Development Forum to highlight the introduction of multiple groups in the organisation.

Community Management Promotion (CMP) methods will be used for planning and implementing the community schemes. CMP means developing community capacities to plan, implement, monitor and evaluate their development activities and is usually supported by an external facilitating institution, a NGO in this case.

A local NGO will be engaged by each participating UP. The NGO will use appropriate instruments to form community organisations and develop their capacities for planning and O&M of WSS interventions. Community development, training and promotional activities for hygiene, sanitation and safe water to be carried out by the local NGO are interlinked and often overlapping. It is expected that the NGOs will spend 50% of their time on hygiene promotion, 30% in sanitation and 20% water supply.

Formulation of Community Schemes: The three main items of community schemes are: (i) hygiene promotion, (ii) community-led total sanitation (CLTS) and (iii) water supply. A demand responsive strategy will be adopted to formulate the community schemes – the communities ([CDF](#)) will plan their own schemes, according to their ability to contribute towards these investments, and will be fully responsible to operate and maintain the system. These community

schemes will be forwarded to UPs for further processing and implementation. The local NGO will support the [CDF](#) in preparing the community schemes.

CLTS, the term ‘Sanitation’ is defined in a broader sense as ‘Environmental Sanitation’, which means not only installation and use of hygienic latrines but also includes homestead cleanliness, management of animal and other solid waste, drainage of waste water including water from tube-well platforms etc. In CLTS the communities are

Union Parishad Level Implementation Strategies

The UPs will receive requests for support to community schemes from villages, appraise them, prepare a consolidated Union scheme incorporating all the community schemes, and send them to Upazila Watsan Committee (UWC) for validation. Once a Union scheme is validated, the UP will then send the proposal to the HYSAWA Fund with a request for financing.

The UPs will not directly implement the community schemes but will manage the implementation by contracting out the different elements of the community schemes to suitable service providers like NGOs (e.g. for hygiene promotion and sanitation) and private sector (e.g. for tube-wells and piped water supply).

With regard to the overall, more supply driven, capacity building support and technical assistance facilitated through LGSU, the Project will generally rely on the existing government institutional structures, rather than creating new institutions. The Project will thus take advantage of the national ‘territorial’ network and technical capacity of government line agencies like DPHE and Health Department, as well as the existing coordination and management capacity of the government’s administrative units at Upazila level.

To supplement the government institutional support, the UPs will furthermore receive support from a Support Organisation (SO) which may comprise of an Engineering/ Management Firm from the private sector. This support will include technical design, supervision and project management. Among others, the National Institute for Local Government (NILG) will be engaged by the LGSU to provide training to the UPs in the NW and Coastal Belt Districts. The training to the UPs supported by NGO-Forum will generally be carried out by NGO-Forum. The combination of government agencies, private sector and NGOs is expected to have a synergic effect while delivering support to the UPs.

The benefit of the UP based arrangement is that the same can be applied country wide while implementing other large scale programmes. Such an institutional arrangement will enable both a bottom-up planning process and a smooth flow of funds from the centre.

The Project will support capacity building among UP Chairpersons, UP members as well as other key persons in the locality such as *Imams* and school teachers. The SO will, in close consultation with the respective UPs, engage a UP Facilitator (UF) in each of the participating UP. The UF, preferably a local, will be actively involved, and receive on-the-job training, in all activities of supporting institutions like SO, government institutions and NGOs. When the Project is completed, the UP Facilitators can then be utilised for other development purposes.

Poverty and Cross Cutting Issues

The following general issues will be imbedded into the community scheme preparation process and thus will be reflected in all implementation activities:

Poverty: The Project interventions will be designed and implemented to support poverty alleviation. The water supply facilities will be subsidised for the poorer sections of the population of un-served and underserved areas. Provisions for community sanitation facilities and low-cost sanitation options will be promoted. The Project will adopt possible actions at the grass root level in accordance with the Poverty Reduction Strategy Paper (PRSP), and the LGD pro-poor strategy.

Human Rights and Gender: The communities will be responsible for planning and designing their schemes and the local NGOs will facilitate the overall process using the CMP approach. CMP will not only address the hygiene, sanitation and water supply related activities, but will also be able to address broader issues like equitable resource allocation and human rights, particularly improving the vulnerable situation of the poor and women.

The structure of the community organisation, i.e. CDF, will comprise three groups: (a) poor, (b) women and (c) general public, i.e., including richer sections of the community. This structure will ensure equity-based representation of poor, both women and men and general families in the organisation, and help all segments of the communities to bring their relevant agenda in the village development plan. The Project will in the inception phase formulate Project Implementation Guidelines (PIG), which will incorporate details of the above activities.

Good Governance: Good governance will be ensured through establishing systems for accountability, community participation and transparency through mandatory public disclosure systems. The PIG will spell out well-defined business rules for systematic implementation of the Project. Proper handling of funds by the UPs will be addressed by setting up an accountability relationship with the people. The UPs will have a mandatory and transparent public disclosure system. The UP members are obliged to perform properly as the people will judge their performance, based on correct information, and may or may not elect them in the next election. In addition to this bottom-up monitoring, there will be a financial and performance monitoring from higher levels of governments and line agencies.

Culture and Development: The development interventions under the Project will be planned and implemented considering the culture prevailing in the Bangladeshi society. Design, site selection and construction of WSS facilities will be given due attention to privacy as well as cultural aspects. Traditional cultural events will be an integral part of the social mobilisation activities of the NGOs engaged in the Project. The voices of theatre groups, teachers, religious leaders and elderly people of the communities will be respected and their acceptance in society will be utilised by involving them in dissemination of WSS messages under the Project.

HIV/AIDS: The hygiene promotion messages will include issues and contents to create awareness about primary health care, preventing common diseases and HIV/AIDS.

Environment: Environmental improvement activities will be undertaken under the CLTS campaign. This will improve the local environmental situation in terms of cleanliness, proper waste management, etc. All the community schemes will be technically appraised at the Upazila level which will include environmental assessments.

Sustainability

The HYSAWA Project will address sustainability of both the services provided and the capacity developed. The sustainability of the facilities will be relatively easily ensured as the technologies will be simple and the skills and spares required for implementation, O&M are readily available in the market. However, what is more important is the behavioural

sustainability which is essential for continuing the good hygiene, sanitation and safe water use practices that are expected to be developed by the Project. Recent experience in Bangladesh and in regional countries has shown that sanitation installations may not necessarily be used properly, and that people do tend to go back to their previous bad hygiene habits. The main reason identified was that the motivational work was withdrawn before the communities were actually prepared to permanently retain the behavioural changes and fully take over the responsibilities of O&M.

Based on these experiences, the Project will give adequate emphasis to transform the current attitude of people to internalise and permanently retain their behavioural changes. A trial period of one year after completion of the major implementation works is provided within the community scheme implementation period. During the trial period, CMP and hygiene promotion will continue together with the O&M of sanitation and water installations. In this period the CDFs will take a lead role but still supported by the local NGO. The support of the local NGO will be phased out on the basis of a clear exit strategy by the end of the trial period. By that time, the CDF will be fully capable and functional to continue with any follow up work.

Incentive Fund

The Project will provide for an Incentive Fund (or award system) for well-performing UPs and villages, which will be judged by a set of transparent performance parameters. The Incentive Fund will be about 10% of the hardware cost. This Fund will encourage good performance through a healthy competitive environment.

Major Interventions/ Activities

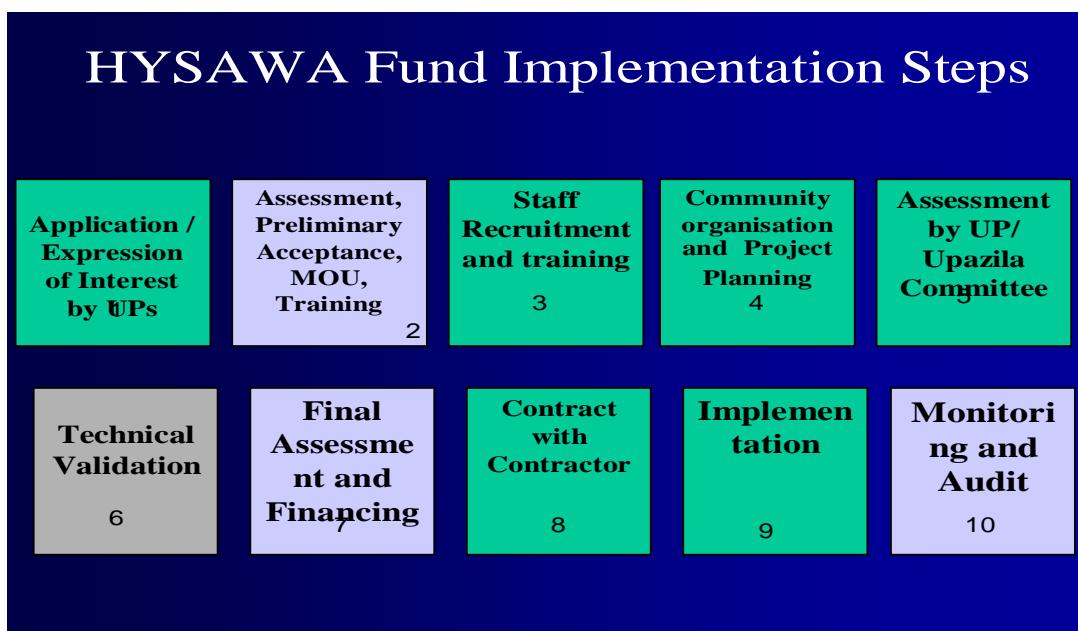
The HYSAWA demonstrates demand-driven and decentralized service delivery modalities in different geographical areas. The following major activities are targeted under the current HYSAWA project:

- Demand based research and development works (e.g. test wells and groundwater investigation in low water table, coastal belt and arsenic and/or other water quality problem areas) and technical design of complex installations (piped water supply, water treatment units, etc.).
- Support selection and engagement of NGOs by UPs. NGOs will Appraise community WSS situations, prepare plan and schemes and approve feasible schemes in Union Watsan Committee. Prepare a consolidated UP scheme incorporating all the community schemes in the Union and forward them to Upazila WATSAN Committee for validation with SAE being the focal person. NGO will also conduct a series of motivational sessions (individual & group) among the community on hygiene promotion. It will also conduct awareness sessions for proper operation, maintenance and protection of the water systems.
- Support demand based training to stakeholders, including orientation and training of different field level government and non governmental staff for the schemes and their supporting role in implementation
- Demand based support to UP including capacity building in developing WSS services.
- Finance training to the concerned UPs, Union and Ward WATSAN Committees CDF/ Community Organisation leaders, Partner and Facilitating NGOs and UP Facilitators on planning and implementation of hygiene education activities to facilitate the CLTS approach.

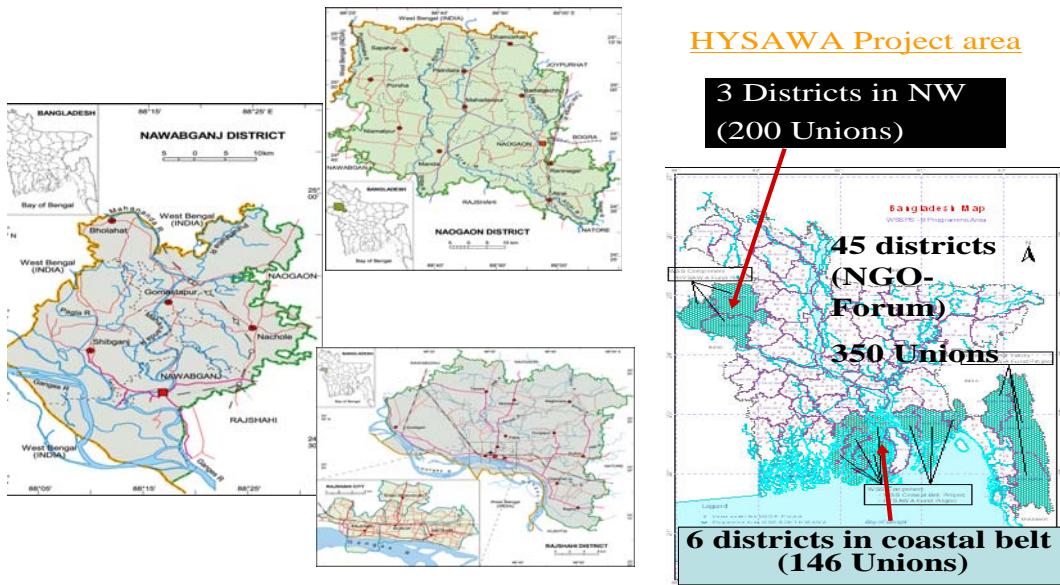
- Finance installation of demand based school latrines, community latrines, small scale drain and waste disposal systems in peri-urban areas, including Paurashavas) and rural growth centre.
- Finance demand based alternative safe water supply options, tube wells and piped water supply systems in rural and peri- urban areas.
- Establish systems for collecting user charges to ensure proper O&M of the water supply systems.
- Conduct action research on critical aspects of the Project specifically related to capacity needs of UPs and develop operational tools for implementing community schemes. The research will include a baseline study of UP capacities and service status in WSS, analysis of innovative approaches related to local government-led development and devising ways to further improve the Project implementation strategies.

After completion of the project, following positive effects on environment will take place:

- i. Arsenic free safe water will be provided to the people under the project area.
- ii. Community- led total sanitation will contribute towards improvement of environment.
- iii. Hygiene promotion interventions will contribute in improvement of personal and environmental hygiene among the population within the project area in a sustainable manner.
- iv. Community sanitation facilities will reduce environmental hazards.



THE WORKING AREA

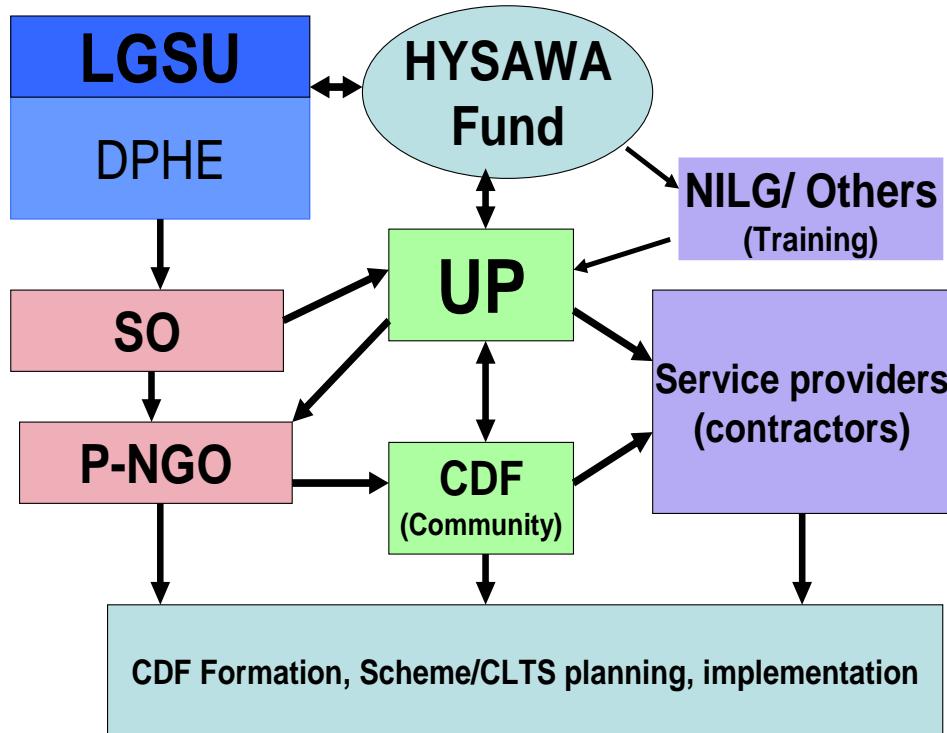


The objective to demonstrate local government based decentralised WSS service delivery modalities will be done in three different areas. These are: (i) 200 UPs in three districts in NW Bangladesh, (ii) 146 UPs in the coastal belt districts and (iii) 350 UP that will be capacitated through the NGO-F managed NGO and Civil Society Networking Project. Although Bangladesh is a homogenous country in terms of social aspects and behavioural practices related to hygiene and sanitation, there are some differences particularly in terms of water supply in these three areas. They are explained below.

- (i) North-Western Districts – The three North-Western Districts of Rajshahi, Nawabganj and Naogaon are among the very poor areas of the country. The water supply coverage is low (1 tube-well for 188 people). The groundwater levels in these districts goes down during the dry seasons (technically known as low water table areas), thereby causing water scarcity by making the widely used shallow tube-wells inoperative. To mitigate this, so-called ‘Deep Set Pumps’ (DSP) are required to draw water from a low ground water level. These technologies are more expensive than the normal tube-wells and difficult to afford for low-income communities.
- (ii) Coastal Belt Districts - The WSS Coastal Belt Project under WSSPS II will, during a 2½ year period between 2006-2008, cover 303 UPs out of total 469 UPs in the eight coastal belt districts. WSS in the remaining 146 UPs in 19 Upazilas in these eight districts will be supported by the HYSAWA Project and will thus be implemented according to the decentralised local government based service delivery. Like the low water table areas in the NW districts, the coastal belt districts are water scarce areas because very expensive deep tube-wells are generally required to avoid the arsenic and saline-effected shallow aquifers.
- (iii) The NGO and Civil Society Networking Project under WSSPS II will facilitate capacity support to UPs and communities in WSS service delivery in 350 unions of 104 Upazilas located in 45 Districts throughout the country. The project will also arrange for hygiene promotion and sanitation facilities. The demand for water supply facilities will be met from the HYSAWA Fund upon applications received from these UPs. NGO-F will facilitate this process. Although the water supply coverage is generally high in the country, the water supply facilities for these Unions are needed for some un-covered low-income communities.

Six hundred Ninety Six Unions were originally targeted HYSAWA programme, however, given the resources available for this item, only 390 Unions could be brought under programme intervention.

The Devolution Approach



Hygiene Promotion

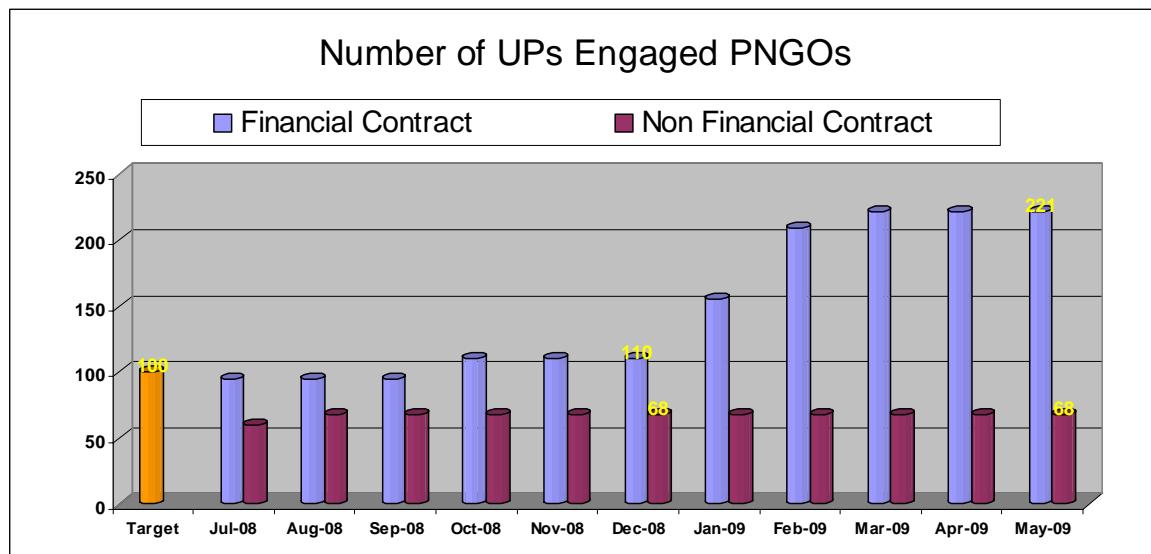
The objective of hygiene promotion is to improve hygiene behaviour and practices. Improved hygiene awareness is expected to generate demand for improved sanitation and safe water use. Hygiene promotion is planned to be implemented through community organizations (CDF) following the CMP method with hands on support from the Partner NGOs. The hygiene promotion messages follow Health Message Guidelines now under preparation.

The major activities related to hygiene promotion are:

- Train P-NGOs to support community (CDF) in hygiene promotion.

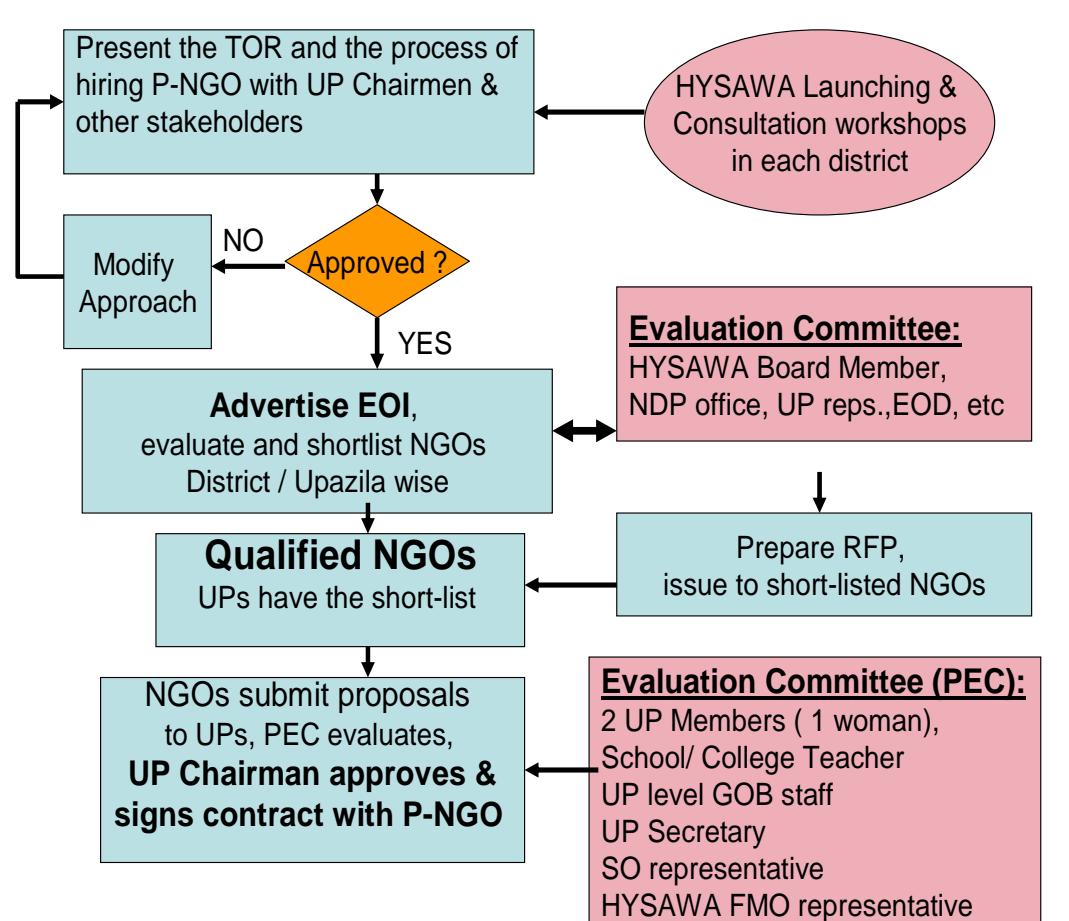
During the reporting period 390 UPs are enlisted and MOUs signed with HYSAWA Fund where the target was 150 only. Expression of Interest (EoI) was invited from NGOs and a total of 211 NGOs showed their interest to work with UPs of the North-West districts. Based on evaluation, 69 NGOs were requested for submission of their proposal (RFP). One P-NGO for one UP was selected for as many as 110 UPs by December 2008.

- Identify and prioritise intervention areas and target communities considering the parameters like under-served, poverty, gender and human rights.
The target areas were not identified by December 2008 because NGOs will facilitate community to identify the target areas considering the parameters.



- Provide training to concerned UPs, Ward WatSan Committee, CDF leaders, and UP facilitators on planning and implementation of hygiene education activities.
The planned training on hygiene issue will be organised later after installation of water points and campaign on household latrine installation.
- Conduct a series of motivational session (individual and group) among the community on hygiene promotion.
Courtyard meeting for campaign on hygiene promotion will be held for dissemination of key health messages with effective participation of women. The project will select 18 volunteers for each union (two for one ward) from the community who have time and able to provide voluntary services. Volunteers will be trained to provide continuous hands on support to their community as and when required. Their knowledge and skills will be developed to make them as community resources towards improve hygiene behaviour and practice.

PARTNER NGO SELECTION PROCESS



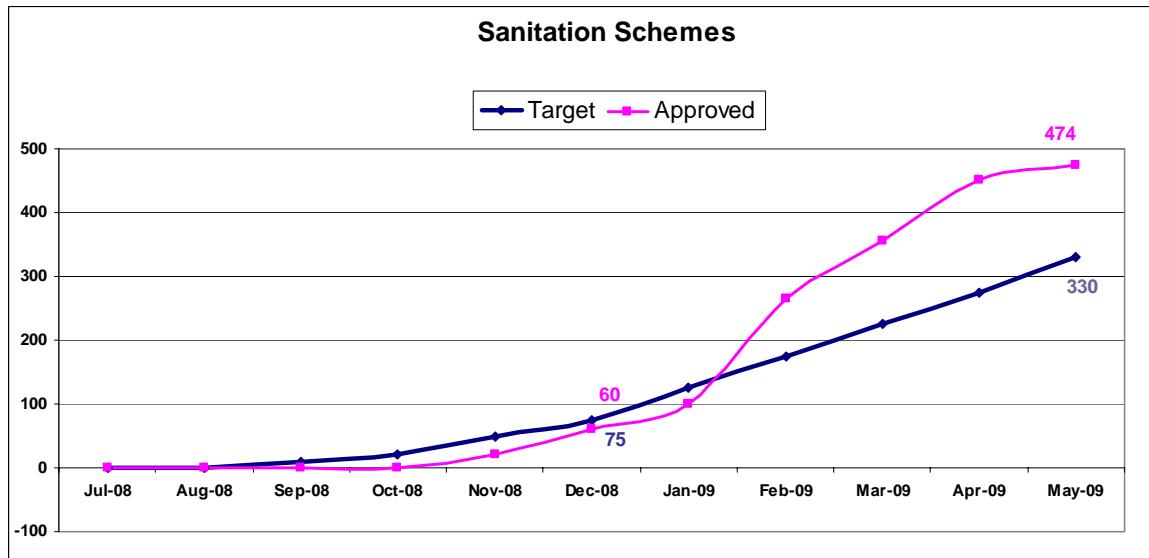
Sanitation

The objective of sanitation is to promote community-led total sanitation. Total Sanitation (CLTS) approach is being adopted with the National Sanitation Strategy (2005) prepared by LGD. In CLTS, the term 'sanitation' is defined in a broader sense as 'Environmental Sanitation', which means not only installation and use of hygienic latrines but also homestead cleanliness, management of animal and other solid waste, drainage of waste water including water from tube-well platforms etc. In CLTS the communities are motivated to take collective action by themselves. CLTS address the communities as a whole and importantly, it aims for 100% coverage in sanitation.

The communities are motivated to stop open defecation, install hygienic latrines or upgrade unhygienic (e.g., 'hanging') latrines to hygienic latrines. The Project does not provide subsidies for household latrine or other environmental sanitation aspects at household level. However, UPs are being supported in planning the utilisation of the government's special Annual

Development Plan (ADP) allocation for sanitation (20% of the annual block grant) for delivery of latrines to the poor households.

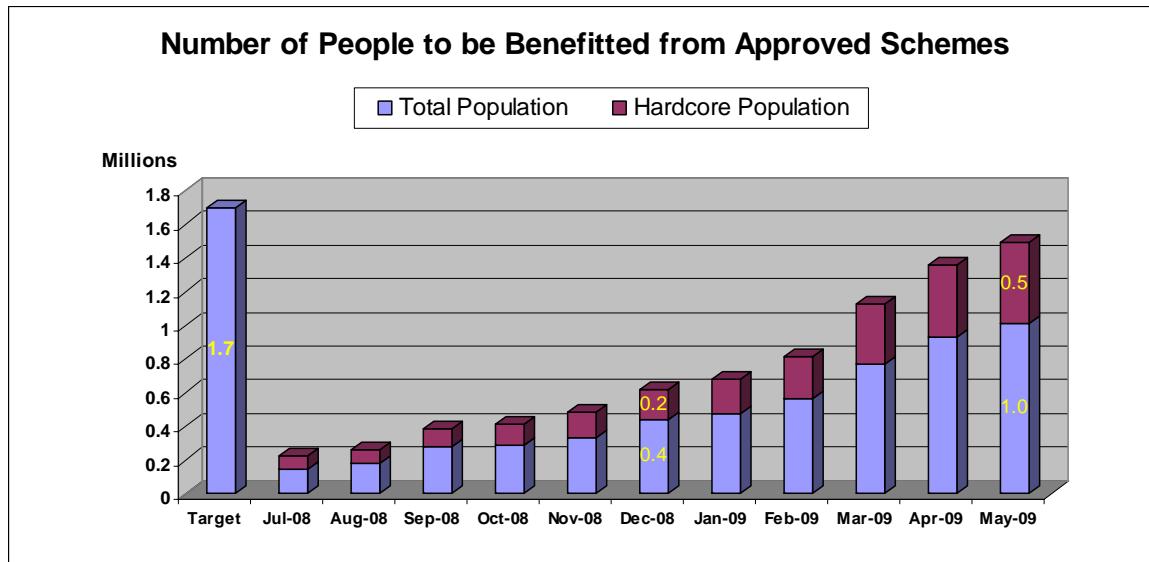
The project provides support in installation of community latrines for educational institution such as school, madrasa etc. and organizations such as growth centre, bazaar, mosque, temple as identified by CDF and UP. The community contribution is 20%, while HYSAWA Fund contributes the rest 80%.



The major activities related to sanitation are:

- Provide training to the concerned UPs Ward WatSan committee, CDF leaders, Community Facilitators on planning and implementation on CLTS. During reporting period, 1,540 UP functionaries were oriented on Community Led Total Sanitation (CLTS). Training for PNGO staff members on CLTS is planned for the next year.
- Conduct a series of motivational sessions (individual and group) among the community people on sanitation promotion and monitoring of progress in latrine installation and eliminating open defecation. After getting training on CLTS the Partner NGOs will facilitate other stakeholders at community level for ensuring active participation in household latrine installation for eliminating open defecation.
- Identify and provide training to the local private sector latrine producers in order to ensure availability of a range of sanitary latrine options to suit the different choices and affordability of the people. During the campaign private sector latrine producer will be identified and they will be trained for ensuring quality of hygienic latrine and also be motivated to innovate different types of latrine to meet the community choice/demand in accordance with their affordability and also condition of soil.
- Provide technical support for installation of hygienic latrines by households themselves. PNGO will facilitate in planning session of UP and Ward WatSan Committee for installation of household latrines. They will facilitate community in identifying the spots of open defecation, households without latrine, existing unhygienic latrines. People will be motivated to create demand and will make community action plan (CAP) for achieving open defecation free community using PRA tools and techniques.

- Identify and install school latrines and conduct school based orientation sessions, and other motivational activities among the students, teachers and guardians on hygiene and sanitation. NGOs facilitate UPs in identifying schools where students have inadequate or no access to latrine. NGOs are being provided supports to identified school authority to prepare sub-project proposal by fill in the community scheme template. During the reporting period 26 school sanitation schemes were approved for North-West districts, where the target was 25.



- Identify design and implement environmental sanitation improvement activities in peri-urban areas like installation of community latrines, small scale drains and waste disposal schemes. Arrange training/motivational sessions for operation and maintenances. Design for sanitary latrine was developed and community was facilitated to identify the sites where community latrines. A total of 38 community latrine schemes approved during reporting period where the target was 25.

Once fully implemented, over 32,000 people will benefit from the schemes, where the target set was 10,000. Of these over 10,000 hardcore people will derive benefit as against a target estimated at 2,000.

Water Supply

The objective of water supply is to increase coverage of safe water supply services. The community organisations identified under-served areas/pockets for installation of water technology. Technology choice is being made according to technical requirements and the community's ability to pay their share of the investment cost. The communities were facilitated by NGOs to identify water point sites by preparing social map. They also identified the households who have no access to safe water within 150 meters (walking distance) and also identified which households are hardcore following criteria of Pro-poor Strategy for Water and Sanitation Sector in Bangladesh, 2005. The user groups were facilitated to make O&M plan on proposed water points. CDFs or the user groups are motivated to pay 20% contribution money for water points but only hardcore households are being contributed half (10%) of the others.

The major activities related to water supply are:

- Identify under-served areas and the disadvantaged communities, e.g. poor, women headed households, and formulate community based water supply plans.

PNGOs facilitated community people (CDF) in identifying under-served areas and disadvantaged communities using PRA tools and techniques. People draw social map for identification of existing facilities and un-served pockets for water supply. Communities were facilitated to make proposal on water supply schemes.

A total of 4,099 water supply schemes were approved by HYSAWA Fund by December 2008, where the target was 1,910 only. Out of them 850 tube-wells were installed during the reporting period. Population covered through the approved schemes is 442,357 where the target was 100,000. As many as 180,677 hardcore poor will be benefited through the approved schemes where target was only 30,000.

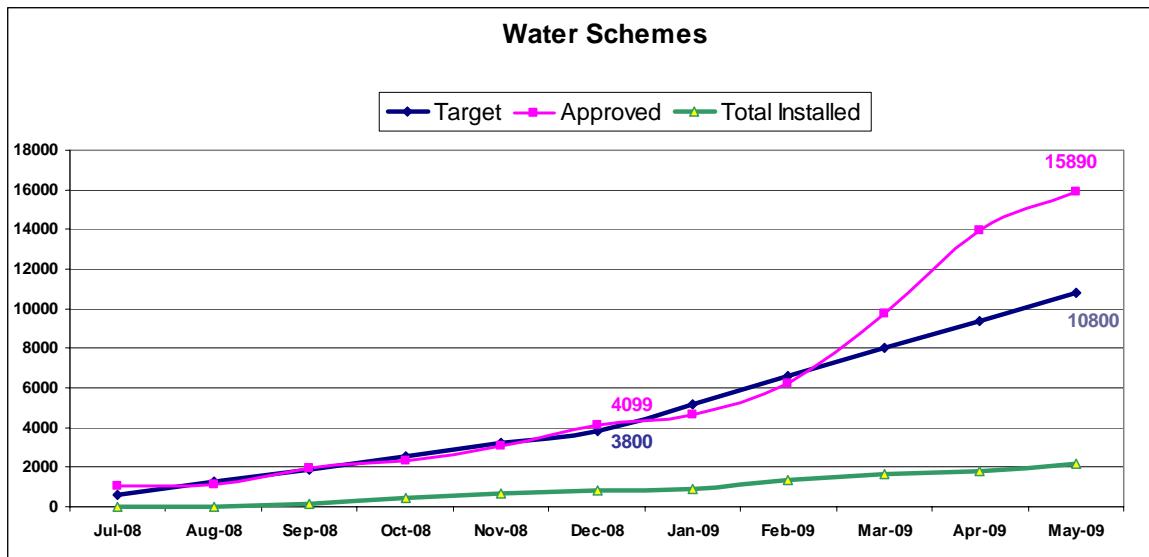


HYSAWA promoting advanced sustainable technology in low water table areas

- Contract private service providers/other agencies for installation of water supply systems (tube-wells in rural areas and piped water supply in peri-urban areas).

The UP functionaries participated in orientation on tendering procedure conducted by HYSAWA Fund and staff members of Support Organization (SO) provided hands on supports in selecting private service providers for installation of water supply systems.

UPs contracted suitable service providers (private sector) for the construction of water supply installation following government tendering procedure (PPR 2003). A total 95 UPs selected private contractors for installation of tube-wells for their unions.



- Conduct awareness sessions for proper operation, maintenance and protection of the water systems.
The users group of water schemes will be aware by conduction sessions on operation and maintenance after installation of water supply schemes.
- Establish system for collecting user charges to ensure proper O&M of the water supply systems.
All users will be motivated to make plan for raising fund among them for ensuring proper operation and maintenance (O&M) of their water points. Ownership mind set-up is important in this regard.

Piped Water Supply: Piped water supply may be feasible in the Project areas where the technology cost is relatively high (Deep tube-well areas in Coastal Belt Districts and low water table areas NW District), in arsenic affected areas, and in densely populated areas (e.g. peri-urban areas). Piped water supply systems have been introduced in rural Bangladesh only recently. Private sector initiatives in rural piped water supply are presently being promoted and tried out under the World Bank supported Bangladesh Water Supply Program Project. In this case, the project will support about 50% of the investment cost while a private sector partner ('sponsor') will arrange the remaining 50% from the communities and capital market. Other organisations having (limited) experience with rural piped water supply are the Department of Public Health Engineering (DPHE), Rural Development Academy (RDA), BMDF and NGOs like NGO Forum, Asia Arsenic Network and Bangladesh Rural Advancement Committee (BRAC). These systems vary in service level (for drinking and cooking only or for all purposes), technology and scale.

The Project will in first instance consider the private sector participation model of Bangladesh Water Supply Program Project. However, as piped water supply systems for rural areas are in an emerging stage in Bangladesh, more experience and information from the ongoing initiative will be necessary to better design the implementation modalities. Thus, the Project will review the experience of the piped water systems before the inception of piped water supply works and, if necessary, modify its implementation modalities.

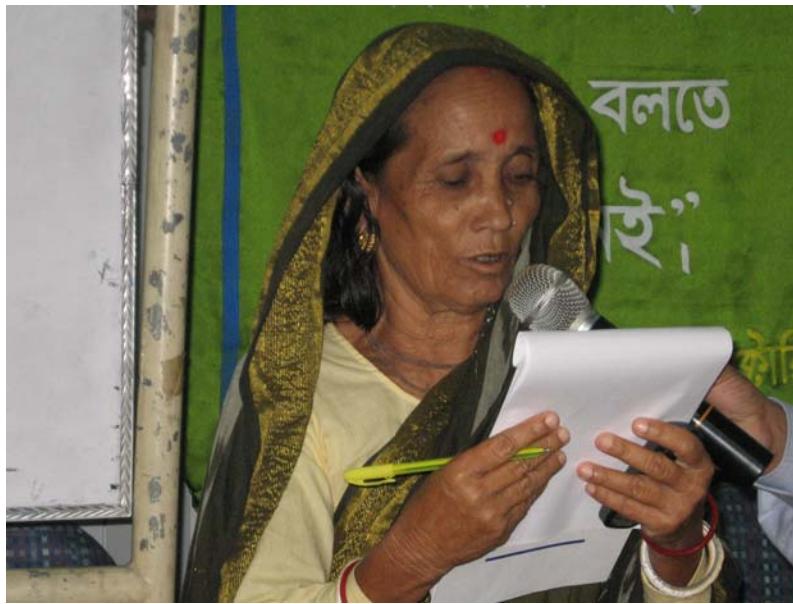
850 Tube wells installed



1st Tube well of HYSAWA in Sakua UP, Chandpur (NGO-F supported Union)

Capacity Building

The forth of five objectives of the project is capacity building of the stakeholders. The objective is stated as “Strengthen the capacity of Government, Local Government Institutions (LGI) and non-government stakeholders at all levels to play the roles required to achieve the three specific objectives i) improve hygiene behaviour and practices ii) promote community-led total sanitation and iii) increase coverage of safe water supply services.”



An old lady presenting in a workshop organized by HYSAWA

The HYSAWA Fund, the Local Government Support Unit (LGSU) in the Department of Public Health and Engineering (DPHE), Community Development Forum (CDF), UPs, Upazila Water and Sanitation Committee, District Executive Engineers (EE) of DPHE, Support Organisations (SO), Partner NGOs (P-NGO), Health Directorate field staff. The HYSAWA Project is overseen by the Office of the National Programme Director (NPD) in the Local Government Division (LGD).

Capacity building for the stakeholders is being followed by four elements of implementation step are as follows:

1. Community Management Promotion (CMP). The CMP process, facilitated by the P-NGO, includes group formation, situation analysis, needs assessment and action plan, programme implementation and monitoring.
2. Hygiene Promotion. The hygiene promotion activities will be incorporated into the CMP process, and in addition to the P-NGO, the Directorate of Health field staff will provide assistance.
3. Community-Led Total Sanitation (CLTS). The hygiene promotion activities will create a demand for sanitation and through the CMP the total village will be encouraged to use hygienic latrines.
4. Water Supply. Installation of different water supply technologies will be implemented by (hardware) service providers. CDFs will play a supportive role in the implementation process.

Training is one of the major inputs to build capacity of the stakeholders. HYSAWA Fund provided supports through training/orientation for UP functionaries, SO and PNGO staff members. The table shows the details:

Table: Course wise training for UP functionaries

Training Title	Participants						
	Chair	Female	Male	Secretary	Volun	Volunteer	Total

	man	member	member		teer (Female)	(Male)	
Community led total sanitation (CLTS)		35	107	11	583	804	1540
Sub-project preparation, implementation and monitoring	300	318	257	376			1251
Financial Management and Accounts							
Procurement							
Total	300	353	364	387	583	804	2791

The project organised the above-mentioned training for capacity building of UP functionaries through local government institutions. Below mentioned table shows institution wise participants of the training courses.

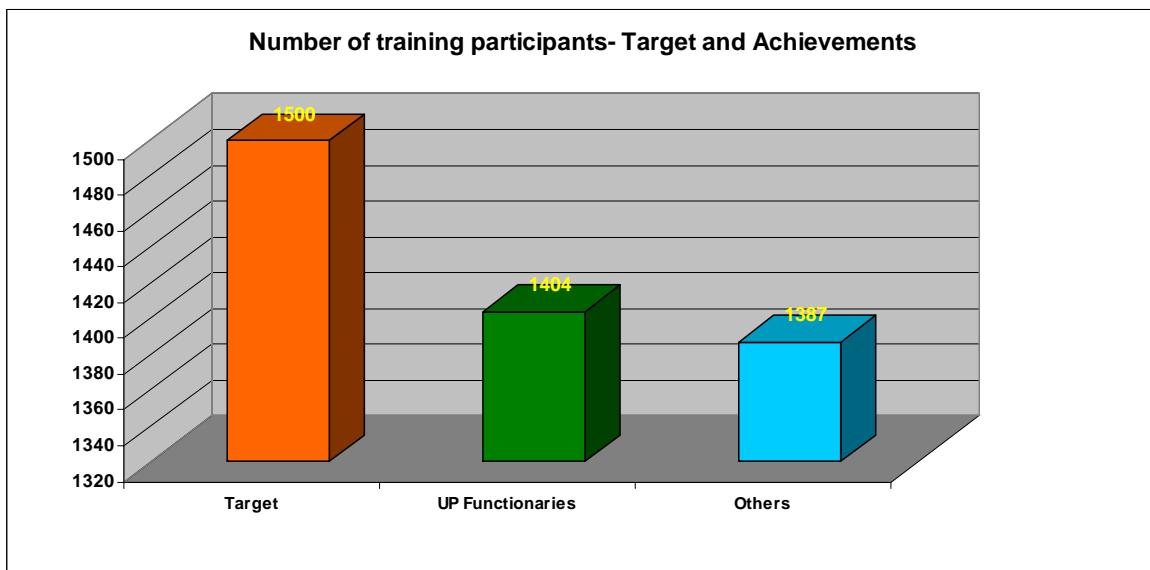


Table: Training for UP functionaries Conducted by Training Institutions

Venue	Chairman	Female member	Male member	Secretary	Volunteer (Female)	Volunteer (Male)	Total
NILG	196	207	153	248	0	0	804
RDA	104	146	211	139	583	804	1987

Total	300	353	364	387	583	804	2791
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HYSAWA Fund took initiative for orientation of the NGO staff members on sub-project preparation, baseline and monitoring to expedite implementation of hardware installation. Because without facilitation from NGOs, community (CDF) will not be able to fill in sub-project template by identifying under-served pockets of water source and households who have no easy access to safe water within 150 meters. However, a total 419 staff member of Support Organizations (SO) and NGOs were oriented at North-West districts.

Empowering Local Government Institutions

Direct funding from the central level (HYSAWA Fund) to the Union Parishad/ Pourashavas is the key to empower LGIs and will promote greater devolution of administrative and financial power to them. The accountability of the UPs to the local people is ensured by setting up mandatory public disclosure systems.

Monitoring and Evaluation

The monitoring system of HYSAWA Project focuses on monitoring the key activity of implementation of WSS schemes at various levels, namely: Community, Union Parishad, Upazila, District and the Central (HYSAWA Fund and LGSU-HYSAWA).



An women collecting water from a Tubwell funded by HYSAWA at Rajshahi

The main objective of the M&E System is to spell out in clear terms: (i) why M&E activities are required under HYSAWA Project; (ii) what appropriate/minimum indicators are selected in order to collect data and generate information for project effect/impact assessment; (iii) who the

persons/parties are involved in conducting the M&E exercises; (iv) what tools/format are required to fill-in and fill-out; (v) what periodicity of the conduct of M&E is foreseen; and (vi) what report and feedback systems are being adopted?

The tools/formats are derived from a Monitoring Plan. Some six of them are prepared, while a few others may emerge as the work progresses. The chart as follows briefly describes the tools/formats for immediate use including an indication of who monitors and who report to. The monitoring periodicity is also indicated.

Broad Focus	Specific Tools (Formats...) with Indicators	Who monitors /who to submit reports?	Periodicity
Sub-project simple monitoring	(01) Households' Access to WatSan Facilities and Promotion of their Hygiene Behaviour	CDF/UPs Report to: FMO/LG SU	Half-yearly
	(02) Progress of Sub-project Implementation (Hardware)	PNGO/UPs Report to: FMO/ LGSU	Monthly
Capacity building	(03) Self-monitoring of CDFs' Capacity and Performance	PNGO Report to: FMO/ LGSU	Quarterly
	(04) UP/CDF's Capacity Building (training, workshop, exposure trips etc.) for promotion of WatSan Activities and Hygiene Practices (Facilitated by PNGOs)	UP Report to: FMO	Monthly
Financial management	(05) Self-monitoring of UP's Capacity Building for Promotion of WatSan Activities and Hygienic Practices	UP Report to: FMO/ LGSU	Half- yearly
	(06) Financial Reporting	UP Report to: FMO	Quarterly

Details of tools/formats drafted in Bengali are used for field level monitoring activities. Preparation of a sub-manual on Monitoring and Evaluation is underway.

Baseline Surveys

Effect monitoring and/or impact evaluation of the HYSAWA Project are planned to be undertaken on the basis of baseline information. Two formats are devised to collect baseline data/information, one is being used for CDF baseline and the other for Union Parishad baseline; the latter is an integration of all CDF data/information for a particular Union.

The baseline data/information is completed by CDF with direct assistance from the NGO staff and the filled-in formats are duly forwarded to HYSAWA Fund along with sub-project proposals.

Only few number of Union Parishads completed baseline data collection until December 2008. All three NW districts are expected to complete the baseline survey by the first quarter of 2009 and the CB district in the second quarter.

Reviews and Evaluation

It is expected that reviews and evaluation are conducted with arrangement of EoD and GoB. A Joint Sector Review on Water and Sanitation Phase II took place in November 2008. The key recommendations of the Review Mission were as follows:

- (01) An assessment and update of work plans and budgets for all components be prepared to accommodate for price increases and changed circumstances. All resources freed from the update of the various budgets and work plans should all be reallocated to the HYSAWA Fund.
- (02) Budget for the HYSAWA Fund be ‘loosened-up’ to allow the Fund to operate more optimally delivering WSS services on the basis of demand rather than on the number of installations and specified technology choices indicated in the DPP, and that authority to co-sign expenses is allocated to persons within each project / component.
- (03) HYSAWA Fund Project implementation modalities be reviewed and optimized in the context to simplify operational procedures and to build the capacity of local government institutes and local people.
- (04) HYSAWA Fund concentrates on financing UP services only through the design model.
- (05) HYSAWA Fund should have one single budget line and procurement plan line in DPP for all the UP schemes supported by LGSU and NGO-Forum instead of several technology specific lines. The HYSAWA Fund Governing Board will approve annual work plan and ensure that the priority schemes are financed

A Technical Review of HYSAWA is also planned for the first quarter of 2009 with the overall objective of reviewing the operational efficiency of the HYSAWA Project. The specific objectives are:

1. Review the organisation, planning, implementation modalities, monitoring and reporting (both planning and finance) of the HYSAWA FMO and LGSU.
2. Review performance and output results of the HYSAWA Project.
3. Review harmonisation and alignment efforts taken by the HYSAWA FMO and LGSU.
4. Provide recommendations for simplification of planning, budgeting and implementation procedures for further enhancement of the performance of HYSAWA FMO.
5. Provide recommendations for scaling-up the activities supported by the HYSAWA FMO.

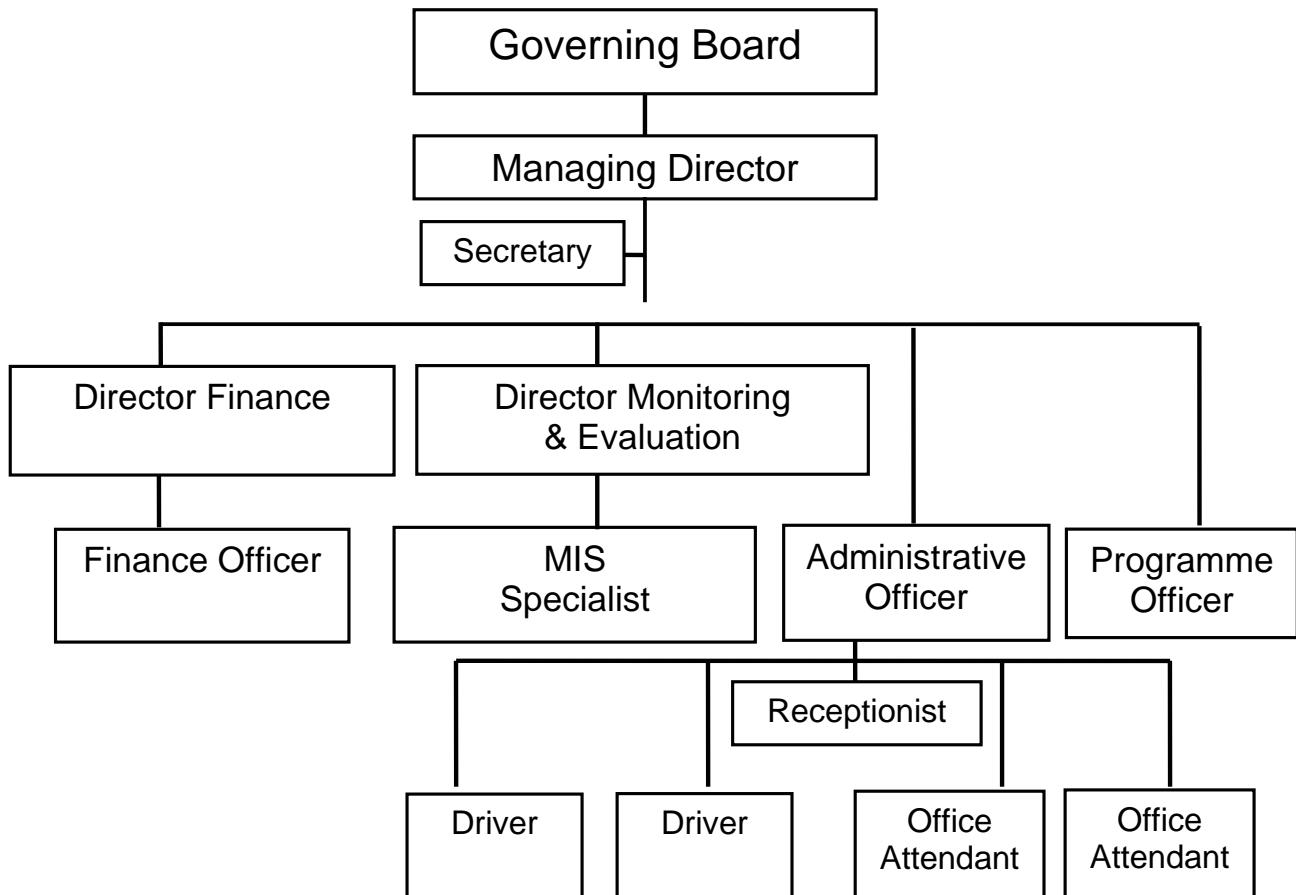
Management & Governance

The HYSAWA Fund is governed by a Governing Board chaired by the Secretary LGD and has members from relevant ministries and departments, government agencies (e.g. DPHE, a number of UP Chairmen from the Project area will be members on a rotation basis, LGED, and

Health Department and civil societies (e.g. National UP Forum, NGO representative, etc.). The detailed composition of the Board included in the Memorandum of Article of Association of HYSAWA incorporated under companies Act, 1991. The Board approves HYSAWA operating procedures and annual budgets. It will also oversee the overall management of the HYSAWA Fund according to the approved procedures. The Managing Director of the HYSAWA Fund Management Office will act as the member-secretary of the Board.

The organisational structure of HYSAWA is as follows:

HYSAWA Organogram



The persons whose names and addresses are subscribed below comprises of the Governing Board of the HYSAWA Fund Company limited by guarantee under the provisions of the Companies Act, 1994, and in pursuance of this Memorandum of Article of Association:

SL. No	Name, address and description of subscribers:	Designation in the Board	Profession
1	Mr. Shaikh Khurshid Alam Secretary, Local Government Division Ministry of Local Government Rural Development and Cooperatives, Government of the Peoples Republic of Bangladesh.	Chairman	Government Service

	Address: Bangladesh Secretariat, Dhaka Nationality: Bangladeshi by Birth		
2	Additional Secretary, Finance Division Representative of Finance Division, Ministry of Finance, Government of the Peoples Republic of Bangladesh Address: Bangladesh Secretariat, Dhaka Nationality: Bangladeshi by Birth Profession: Government Service	Member	Government Service
3	Mr. Md. Mustafizur Rahman Chief Engineer, Department of Public Health Engineering Address: 14, Shaheed Capt. Mansur Ali Sharani, Kakrail, Dhaka Nationality: Bangladeshi by Birth	Member	Government Service
4	Mr. Enayet Hossain Monto, UP Chairman Representative of the Union Parishad Chairmen's Association Address: Union - Gorai, Upazila: Mirzapur, Dist.: Tangail Nationality: Bangladeshi by Birth	Member	Local Government Elected Public Representative
5	Mr. Jan Moller Hansen, Deputy Head of Mission Representative of Donor (DANIDA) Embassy of Denmark House-1, Road-51, Gulshan, Dhaka Nationality: Danish	Member	Diplomat
6	Mr. Wali Ul Islam Project Director, HYSAWA Address: 14, Capt. Shaheed Mnsur Ali Sharani, Kakrail, Dhaka Nationality: Bangladeshi by Birth	Member	Government Service
7	Professor Badiul Alam Majumder Global Vice President & Country Representative, The Hunger Project, Representative from Non-Government Organizations Address: 3/7, Asad Avenue, Mohammadpur, Dhaka-1207, Bangladesh	Member	NGO Worker

	Nationality: Bangladeshi by Birth		
8	Mr. Md. Bazle Rezbee Al Hassan, UP Chairman Representative of Participating Union Parishads from the North West Districts of Bangladesh Address: Chairman, Haripur UP, Paba Upazilla, District Rajshahi, Bangladesh Nationality: Bangladeshi by Birth	Member	Local Government Elected Public Representative
9	Mr. Moshiur Rahman Monju, UP Chairman Representative of Participating Union Parisads from Coastal Belt Districts of Bangladesh Address: Chairman, Balipara UP, Zianagar Upazilla, District Pirojpur Nationality: Bangladeshi by Birth	Member	Local Government Elected Public Representative
10	Dr. Hossain Zillur Rahman, Executive Chairman PPRC, Individual Expert, Representative from Civil Society Address: PPRC, House-77A, Road 12A, Dhanmondi, Dhaka Nationality: Bangladeshi by Birth	Member	Social Worker
11	Mrs. Parvin Mahmud, Deputy Managing Director, PKSF Representative from Private Banks / Micro-Credit Organizations Address: PKSF Bhaban, Agargaon, Dhaka Nationality: Bangladeshi by Birth	Member	Chartered Accountant

FINANCIAL MANAGEMENT AND PROCUREMENT

The HYSAWA financial and procurement management follows a well-defined and transparent set-up. Financial and Procurement Manuals to specify financial and procurement management at different levels have been prepared during the reporting period and been approved by the Governing Board and, until it was approved, the HYSAWA FMO followed the Embassy of Denmark (EoD) manual for the same.

Under the supervision of HYSAWA Governing Board and within the management framework of HYSAWA, the Managing Director of the HYSASA FMO being its Chief Executive Officer has been responsible for the operation and accounts of the Fund.

The Danida contribution for the HYSAWA Fund has been channeled from the EoD, Dhaka to the NPD Office (together with other project funds) who had subsequently transferred the funds to the HYSAWA Fund. Before each financial year, FMO prepared an estimated yearly budget to cover the financial requirements for (i) UP managed schemes, (ii) payments for different contracts that are managed by the FMO e.g. audits and (iii) its own management costs. It submitted the yearly budget to the Governing Board for review and approval. Once the budget is approved, FMO submitted a request for transfer of funds from NPD Office to the HYSAWA account.

Fund Management at UP level

The UPs will be responsible for fund management at the field level. The detailed procedures for planning, budgeting and implementation at the field level by UPs have been outlined in the UP manuals prepared by HYSAWA.

The UPs are operating a separate bank account (HYSAWA Account) for the Project. They received funds directly from FMO after the schemes have been approved and validated by the UDCC. Funds have been released in installments – the first installment has been released as soon as the UP schemes are approved by the FMO and the subsequent installments upon reaching some predetermined milestones. The Secretary of UP has been responsible for fund management and keeps record of expenditure, prepare financial reports and send these to the FMO. He/she also receives on-the-job training from the SO.

Community Fund Management

The matching contribution for water supply and sanitation facilities will be deposited to the separate accounts maintained by UP. In the case of self-help items like household sanitation, the villagers will directly and fully contribute cash and labour.

The following is summary expenses/ committed against approved budget:

Committed and Disbursed/Expenses and Committed till December 2008

Amount in Million Taka

Head of Expenses	No. of UPs	Budget		Fund Committed	Disbursed/ Expenses	Balance to be disbursed
Hardware NW	62 UP's	Water Point	84.70	57.59	27.61	29.98
		Sanitation	10.00			

Hardware Coastal		Water Point	5.00			-
		Sanitation	1.00			
Hardware NGOF	33 Ups	Water Point	77.30	84.82	47.52	37.3
PNGO Cost	107 UPs		67.50	49.15	27.44	21.71
Training	10 courses (1500 partn.)		9.80	12.71	12.71	-
R & D Test wells, studies and others			2.00	2.00	-	2.00
FMO Cost			18.00	18.00	16.59	1.41
Sub-Total			275.30	224.27	131.87	92.40
Add: Contingency			15.10	15.10	6.92	8.18
Total			290.40	239.37	138.79	100.58

Table Showing Key Achievements in 2008

Sl.	Outputs	Indicators	Total Targets 2008- 10	Achievements			
				NW	CB	NGOF	Total
1	Improved and Sustainable Hygiene	Nos. of Ups enlisted and MOU Signed with HYSAWA Fund	150	205	127	58	390

	<i>behaviour/ practice achieved in the participating communities in the NW and Coastal Belt</i>	<i>Nos. of Unions where FNGOs engaged in community mobilization (Non financial MOU)</i>	N/A	68	0	0	68
		<i>Nos. of Com. Dev. Forum(CDF) formed</i>	N/A	507	0	368	875
2.	<i>Improved access to sanitation facilities and its proper use achieved</i>	<i>Nos. of sanitation schemes approved by HYSAWA Fund</i>	50	64	0	0	64
		<i>Nos. of Population targeted through planned sanitation projects under HYSAWA</i>	10000	32319			32,319
		<i>Nos. of Hardcore poor targeted through planned sanitation projects under HYSAWA</i>	2000	10251			10,251
3.	<i>Access to safe water source and safe water use increased</i>	<i>Nos. of water supply schemes approved by HYSAWA Fund</i>	1910	1610		2489	4,099
		<i>Nos. of water supply schemes implemented/ completed</i>	N/A	0		850	850
		<i>Nos. of Population targeted through planned/ approved WS schemes under HYSAWA</i>	100,000	99551		342806	442,357
		<i>Nos. of Hardcore poor targeted through planned WS schemes projects under HYSAWA</i>	30,000	47005		133672	180,677
Sl.	Outputs	Indicators	Total Targets 2008-10	Achievements			
				NW	NW	NW	NW
4.	<i>Technical and Management capacities of LGIs increased</i>	<i>Nos. of training courses supported by HYSAWA Fund</i>	10				79

		<i>Nos. of participants trained with support from HYSAWAFMO</i>	1500	2715		76	2,791
5.	<i>Ups Capacities Developed to Support communities to formulate schemes, appraise them and manage their implementation</i>	<i>Nos. of NGOs contracted/ by UPs</i>	100	110	0	0	110
		<i>Nos. of Pvt. Contractors contracted for hardware activities</i>	N/A			53	53
6.	<i>Technical Management and facilitating capacities of DPHE and private sector developed</i>	<i>Nos. of Project Implementation manual finalized</i>	N/A				02
		<i>Nos. of training Modules developed</i>	N/A				10
		<i>Nos. of experience sharing events</i>	N/A	03	03		06



Celebration of first anniversary of HYSAWA Fund at AGM 2008
 (in the 2nd page of Cover)