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**WORLD BANK TO HELP KERALA VILLAGE COMMUNITIES IMPROVE
WATER SUPPLY AND SANITATION SERVICES TO 1.84 MILLION PEOPLE**

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The World Bank Board of Executive Directors has approved a US\$155.3 million credit to the Southern State of Kerala to help village communities develop and run water supply and sanitation services that will improve the quality of life for some 1.84 million people.

The **Second Kerala Rural Water Supply and Sanitation Project (KRWSS) -- Jalanidhi II** - will assist the Government of Kerala (GOK) in setting-up and implementing a State wide sector development program that will bring better water supply and sanitation (RWSS) services to the people. The Project will help build the capacity of institutions at the State and village-level to implement this program. It will also provide financial and technical assistance for setting-up rural water supply schemes in about 200 Gram Panchayats (GPs) in eight selected districts of the state.

“The Government of Kerala has successfully improved rural water supply coverage from 58.6 percent in 2003 to a reported 67.7 percent by 2010. However, gaps still remain in terms of rural households without access to adequate water supply. In sanitation, Kerala has achieved impressive coverage with 95 percent of rural households having access to a toilet facility and 87 percent of GPs having achieved 100 percent ‘open defecation free’ status. However, there are emerging sanitation challenges in the state involving ‘second generation’ issues including a growing problem of solid and liquid waste management in urbanizing rural areas” said Venu Rajamony, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India. “The Government of India is happy to support GoK improve its institutional capacity to facilitate and scale-up community-driven, decentralized RWSS service delivery across the State”.

The Project will be implemented in about 200 Gram Panchayats in the districts of Kasargode, Kannur, Malappuram, Palakkad, Kozhikode, Wayanad, Idukki and Kottayam. Some 290,000 households are likely to directly benefit from the water supply investments and some 690,000 [from sanitation interventions under the Project. Women are expected to be the major overall beneficiaries in the project and will be a strong voice in the Beneficiary Committees (BCs), responsible for sub-project implementation. The Project will also provide targeted assistance to about 65,000 beneficiaries among the tribal population in 22 GPs.

The Second KRWSS Project follows the successful Bank financed First KRWSS Project -- Jalanidhi I -(2000-2008) – which transferred the

implementation and key decision-making responsibility of water supply and sanitation-related services from government institutions to the Gram Panchayats (GPs) – village-level local self-government institutions – and to the community, providing rural water services to 193,000 households across 112 GPs in the state. The Second KRWSS Project - Jalanidhi II - seeks to scale-up and institutionalize this bottom-up, demand-driven approach across the sector in the State.

“The Bank has provided support to the Government of India’s RWSS agenda, in partnership with a number of state governments, over the last two decades, and in Kerala since early 2000,” said Roberto Zagha, Country Director, World Bank. “We hope that the second Kerala RWSS project will help rural communities, especially the women living in villages, actively participate in the design and implementation of water supply services which greatly impact their day-to-day life.”

The Project has three main components (i) Institutional Building (II) Technical Assistance and (iii) infrastructure Development. The Project’s sector strengthening activities under the first component will be undertaken state-wide and include funding the preparation of a range of sector development programs and studies, conducting performance assessments of existing schemes, conducting independent M&E and consumer surveys, and integrating and optimizing the functions of the multiple sector institutions in the State.

The second component is aimed at providing technical support to the implementing agencies – the GPs, the beneficiary groups and the Kerala Water Authority -- to ensure that investments in infrastructure development – the third component of the Project -- are implemented and resultant services efficiently provided.

The third component will fund the infrastructure investments for the construction of new small/large schemes by GPs and beneficiary groups and the rehabilitation and modernization of multi-GP water supply schemes on a pilot basis, as well as addressing second generation sanitation issues facing rural areas, particularly those relating to solid and liquid waste management.

“The Project is designed to maximize the medium- to long-term sustainability of Kerala’s RWSS sector,” said Martin Gambrill, Task Team Leader for the Project. “It will provide technical support and finance the construction, rehabilitation and, where required, modernization of new small, large and multi-GP water supply schemes and will assist rural communities in better management of waste disposal. It will also assist the Government of Kerala in rationalizing the roles and responsibilities of the state’s RWSS sector entities and build capacity so they can more effectively deliver on their mandates”

The credit from the International Development Association (IDA), the World Bank’s concessionary lending arm, has a final maturity of 25 years, including a 5 year grace period.

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