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Water Sector Development Programme 2007-2014 Evaluation of Phase I

Final Report

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Oxford Policy Management

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Executive summary

The Water Sector Development Programme (WSDP), operating since 2007, is probably the largest national water programme operating in Africa today with confirmed funding in the order of 1.3 billion USD for Phase I. It has a twenty year vision and encompasses not only rural and urban water supply and sanitation but also water resources management and measures to develop sector capacity. WSDP is founded on a sector-wide approach to planning (SWAp) which incorporates structures for joint government-development partner dialogue and financing mechanisms include budget support administered via a basket fund, plus additional 'earmarked' funding allocated by a number of development partners (DPs) outside of the basket to support special projects in selected locations.

While the programme design did not envisage much physical output construction in the first two years, in practice it took much longer for works to begin on the ground - particularly for rural water supply - beyond a large number of relatively small 'quick win' projects at programme inception. Many of these delays have been attributed to problems with procurement processes and financial administration. By the time of the Mid-Term Review in 2010, progress was substantially behind schedule, prompting a re-structuring in 2011 which involved the revision and streamlining of Phase I targets. Subsequently the time period for completion of Phase I was also extended to June 2014.

The evaluation assessed progress against the logframe as revised in the 2011 re-structuring. It comprised a desk review of available documentation; meetings and interviews with key stakeholders at national, regional, district and community level; field visits to assess ground realities at regional, town, Local Government Authority (LGA) and community level in three regions; and analysis of available monitoring and financial data.

Progress since the Mid-Term Review (MTR)

It is difficult to discern programme strategy or priorities from the revised logframe and results framework, and not all target figures are presented consistently. Interviews with programme stakeholders revealed that neither the logframe nor the results framework are routinely used in programme monitoring and it is not clear what is, in fact, the main point of reference.

It is clear that many of the Phase I targets will not be met and in some cases the output will fall short by a considerable margin. These findings reflect the challenges which have dogged WSDP in its first few years and the limited progress made in developing human capacity to complement the provision of physical and financial resources. WSDP's objectives represent a major long term challenge predicated on improvements in institutional effectiveness, not simply capital expenditure. It is encouraging to note, therefore, that the worst of the administrative problems have been resolved (though the recent technical audit confirms that there remain some challenges). The picture emerging from recent reports and interviews with programme stakeholders is of a positive underlying trend, developing momentum and increasing confidence among development partners.

Programme design

The evaluation found two key concerns with the current programme design. Firstly, the strategy and operational priorities for achieving component objectives are not clearly expressed in programme documents. Consequently it is not clear on what basis some hardware investments have been prioritised. Secondly, while programme documents envisage a balance between physical investments and capacity development, in practice physical investments dominate.

It is also evident that while some stakeholders see WSDP as the framework for all activity in the sector, others - particularly in MOW - seem to regard it as simply a very large programme within which a defined group of organisations operate. More needs to be done to foster a common vision.

Programme management

Cross-linkages between components and their responsible institutions seem to be working reasonably well. However, overall responsibility for management of the programme is not clearly defined below Permanent Secretary level. A Programme Co-ordination Unit has been set up, but its role is purely administrative and the MTR recommendation to establish a dedicated Programme Management Unit (PM Unit) has not, so far at least, been implemented. GIZ are supporting an organisational review in April 2013 which will make specific recommendations in this area.

The evaluation recommends that MOW clearly assign lead responsibility for the programme and offers some 'in-principle' arguments for maintaining the status quo or establishing a Programme Management Unit as proposed by the Mid-Term Review.

The WSDP team recently established within PMO-RALG does not seem to concern itself with the technical content of Component 2. As a result, opportunities to add value to programme implementation are being lost. The team may need further guidance its role.

With the launch of the National Sanitation Campaign there is a strong case for establishing a dedicated Technical Working Group for sanitation and hygiene promotion, both urban and rural.

The amount of external technical assistance available within the programme is surprisingly light, particularly for Component 2. If the right balance is to be struck between investment and capacity development, then implementing agencies should have access not only to occasional training courses but also to ongoing technical support and guidance.

Programme implementation

Issues relating to procurement and financial management have dominated programme reports and government-DP dialogue during Phase I, including meetings of the Technical Working Groups, sometimes distracting attention from the technical content of the four components.

A recent study commissioned by JICA found that the Programme Implementation Manual (PIM) is not generally used. The manual and associated annexes are long and complicated and, as such, not easy to use. For the PIM to be useful it would need to be simplified and made more user-friendly, but direct communication between the tiers of management (through meetings and field visits) is also important, bearing in mind also that many LGAs have only occasional internet access.

Finance

WSDP has mobilised unprecedented levels of finance for the water sector. The introduction of a basket funding mechanism represents a marked departure from earlier project-based financing. The development of the MIS allows significantly more detailed financial analysis than has been possible previously. In terms of expenditure, rural water supply is the most behind-schedule.

Component 2 differs from the other components in that LGAs receive funds directly from MOFEA without passing through MOW. This aspect of decentralisation has been subject to considerable bottlenecks, and stakeholders expressed different perceptions of things are supposed to work.

The National Audit Office report on WSDP funding in 2012 was more positive than that of 2010, suggesting that most components use MIS effectively, and confirming the reliability of MIS Interim Financial Reports. Nevertheless, the MIS roadmap prepared by MOW cites limited funds for training as a constraint, as well as a lack of dedicated computers in implementing agencies.

Value for money analysis (VFM)

A detailed investigation into VFM was beyond the scope of the evaluation, mainly due to limitations on data availability. The report looks at the efficiency of component 2 as a case study for how VFM can be considered.

The draft Technical Audit for 2010/11 and 2011/12 undertook a project-level VFM analysis for a small sample, and found that only 18% of 97 investments attained 'expected' VFM, which is not an impressive result. These findings cannot, however, be extrapolated to the programme as a whole.

For Component 2, an average cost per water point beneficiary of roughly TSh 90,000 was determined, equivalent to 59 USD. This is substantially higher than the planned cost per beneficiary of 36 USD. It is also high when compared to, for example, to DFID's cost per capita for rural water programmes in the region, which are in the range of 22 to 36 USD.

Monitoring and evaluation

It is encouraging that programme monitoring data is used to inform planning and decision making in WSDP, at national level at least, via the established sector dialogue mechanism which includes annual Joint Sector Reviews and six-monthly Joint Supervision Missions. This said, some stakeholders have expressed concern that recommendations arising from supervision missions and annual reviews are not always followed up and implemented.

WSDP has altered its monitoring framework several times during Phase I, but the most recent logframe and results framework still suffer from deficiencies. There are, in addition, other monitoring tools used within WSDP. The Performance Assessment Framework (PAF), for example, established under MKUKUTA, is often referred to by the World Bank, while reports of the annual Joint Sector Reviews and Aide Memoires from Joint Supervision Missions are also seen as important. Taken together, these monitoring and reporting systems create a confusing patchwork, with no single common point of reference. The draft 'Integrated Water Sector Monitoring and Evaluation Framework' prepared by MOW in 2011 could potentially help to resolve this.

The current system for activity and output reporting is essentially paper-based, with implementing agencies writing quarterly reports. The system is fairly well defined in programme documents, but several respondents commented that it is not always followed in practice. For example, several MOW staff noted that it was hard to access the full quarterly reports submitted by LGAs, despite the fact that copies are supposed to be sent to them as well as PMO-RALG.

Component 1: Water resources management

The main aims of this component (including water resources monitoring and assessment, registration of abstractors and abstractions, user participation and public awareness, water source and resource protection, and pollution control) are sound.

There is some evidence that WSDP has led to the strengthening of the Basin Water Offices. Most have received funds for the renovation or construction of buildings and/or the provision of vehicles, and equipment needed for the restoration of water resource monitoring networks. This said, strategic priorities for this component are not well elaborated in programme documents and consequently the justification for some hardware investments is not immediately obvious.

In the re-structuring plan a target was set for four out of the nine basins to be raising 30% of their budgets by 2012, but this is unrealistic. There is a case for reducing or removing the revenue generation targets and increasing programme allocations to the BWOs accordingly.

All offices are in the process of preparing Integrated Water Resources Management Plans. It remains to be seen whether the IWRM plans currently under preparation by all Basin Water Offices will be well-matched to the technical competence of the BWO teams.

Component 2: Rural water supply and sanitation

Few of the schemes planned under basket funding have materialised so far and this component is unlikely to make a significant impact on national access figures by 2014. WSDP also includes a number of earmarked projects funded by a range of DPs including JICA, KfW and BADEA (amongst others). MOW has reported that, while only 3,019 additional water points were added over the period from mid-2010 to mid-2012, these mainly resulted from earmarked interventions.

The programme design envisaged that each LGA would formulate a district-wide water and sanitation plan that would provide the framework for investment and other activity during Phase I. In practice, this district-wide vision is missing. Instead, following the completion of earlier 'quick win' projects, activity under Component 2 has become narrowly focussed on the delivery of a small number of water supply schemes per LGA.

For reasons of efficiency the appointment of consultants was administered centrally by MOW, with each one given the task of designing an initial batch of ten village schemes per LGA. While this sounds reasonable, it appears that the consultants were not given clear guidance on the budget available for the schemes they were to design. MOW had anticipated that a substantial proportion of the designs would be for relatively low-cost schemes such as boreholes with handpumps. However, in the event most were for higher cost technologies, particularly gravity flow schemes and boreholes with motorised pumps and local distribution networks. The total cost of these schemes exceeded many times over the amount of money that MOW had budgeted and led the ministry to revise their plans, so that the initial number of schemes per LGA was reduced to an average of three, though some LGAs were allowed more. There then followed the widely-reported period of protracted delays in procurement and by the time of the evaluation, very few schemes had been completed.

The result has been a partial loss of LGA control over implementation, which may partly explain the marginalisation of district-wide planning and activity. Direct MOW control should not be maintained as a long term strategy. Instead, more emphasis should be placed on technical support to LGAs. The cost of hiring international consultants for technical and software ('facilitation') services mean that this is probably not a viable long term option; greater use of national consultants would be desirable as technical capacity in the local private sector grows.

LGA capacity

There needs to be a closer match between the expertise of LGA staff and the consultant, otherwise outcomes risk being dominated by the consultants' interests. Technical support was to be provided to LGAs by the Programme Management Consultant (PMC) team appointed by MOW in 2012, but this initiative failed due largely, it would appear, to the consulting firm deploying a lead consultant who lacked the necessary technical and managerial skills. The need for expert technical assistance nevertheless remains.

While there are many challenges, some of the key difficulties relating to procurement and financial administration have now been resolved and the 2012 PAF report ranked the performance of

Component 2 as 'Good'. It seems likely that the rate of progress with the first basket-funded schemes in will increase during the remainder of Phase I.

Sanitation and hygiene

It is encouraging that the National Sanitation Campaign has been launched in 42 districts, though it has very limited visibility so far, despite its national title and a 23 million USD funding allocation. For Phase II, the campaign warrants a programme document and results framework in its own right given that sanitation and hygiene promotion will be taken to scale and no longer be confined to villages receiving new or improved water supply schemes. Close co-operation between the Ministries of Water, Health and Education (for School WASH) will also be pivotal to success.

Component 3: Urban water supply and sanitation

The current policy environment is supportive of a shift towards a commercial orientation in service provision and regulation. This creates pressure on service providers to improve their operational performance while making capital investments with WSDP support.

Operational arrangements under this component are well-established and more comprehensive than those in place under Component 2, which is understandable given that WSDP absorbed a number of projects that were already underway. This said, urban on-site sanitation remains a challenge and it limited progress has been made so far in the area of faecal sludge management, a major challenge given that the most urban households will continue to use on-site services for the foreseeable future.

As for WSDP overall, it is a concern that programme documents do not clearly define the purpose and strategic priorities for this component. Programme reports include long lists of infrastructure investments but the criteria for prioritising investments within a utility catchment area are unclear. A streamlined strategy should set out clearly whether WSDP will make further investments in sewerage. The evaluation found that it would be difficult to justify the use of WSDP grant funds for this purpose given that sewerage generally benefits only better-off households and experience in many parts of Africa shows that the operation and maintenance of sewerage systems is problematic.

Component 4: Institutional strengthening and capacity development

Component reports suggest that there has been a heavy emphasis on hardware investments during Phase I including buildings, vehicles and equipment. There is a risk that these will not provide long term benefits unless matched with operational funding and development of the skills needed to use and maintain them effectively.

With support from DPs including GIZ and JICA, efforts were made to re-focus the component on the development of skills and human capacity. Central to this initiative was the requirement for implementing agencies to formulate their own capacity development plans. Implementation of these plans has not progressed very far, however, partly because component heads expected to receive a dedicated line of funding. As of now, there has been a substantial amount of capacity development within Component 3, a significant amount in aspects of Component 1 including the formulation of IWRM plans, but much less in Component 2 though JICA are about to scale up their programme of LGA training.

In the earlier stages of Phase I, human resource development was not approached on a systematic basis and subsequent concern that training had not led to improved programme performance led DPs to scale back their support to new training proposals. We encourage MOW

to release the 2011 training impact assessment report as it may provide useful lessons for the design of Phase II.

It is important for the remainder of Phase I and for Phase II that capacity building interventions are fully integrated into the workplans and budgets of the three 'technical' components. There are no short cuts for sector strengthening and capacity building.

Equity and sustainability

Equity

Some stakeholders have expressed concern at the low level of programme funding allocated to rural water supply and sanitation in comparison to urban given that the great majority of the population live in rural areas. This argument is not very compelling, however, partly because the unit costs of urban infrastructure tend to be higher than in rural areas, but also because Component 2 is struggling to spend the resources already allocated. Of greater concern is the question of who benefits within the urban and rural components and it is not clear at present whether the needs of the poor play a significant part in investment decisions, even where good baseline data exists.

In Component 3, efforts are made to accommodate the needs of the poor through the provision of kiosks which offer free water to designated households, though for those who must pay, the unit cost of water from kiosks is higher than that applied to house connections. It is also noted that some utilities are making (or at least planning) investments in sewerage, which tends to benefit only middle- to high-income residents.

In Component 2, one positive feature is the use of a transparent formula for the LGCDG water window, ensuring that every LGA receives some level of funding; without it, funds might be reserved for a few favoured locations. Set against this is the evident bias towards high cost schemes that has arisen in the 'ten village' initiative, which limits the number of people who can benefit from WSDP support. On the selection of villages, it appears that pragmatic judgments are made about demand, need and opportunity in the selection of WSDP schemes, but there is no rational basis for equity considerations.

Sustainability

Interviews with stakeholders at all levels suggest that the potential sustainability of new and rehabilitated infrastructure has not been a major consideration in the planning of projects in both urban and rural areas, and much remains to be done to establish viable operation and maintenance arrangements in the case of rural water supply.

Challenges in community management include the technical capacity and motivation of COWSO members and the willingness and ability of water users to pay their agreed water charges. Achieving sustainable services requires the design of smart service-related performance indicators (as are used for urban water supply), rather than indicators which simply reflect activities and physical outputs.

Recent water point mapping data shows that operation and maintenance outcomes with such schemes are not encouraging and unless radical steps are taken to reverse this trend, there is a high risk of some programme investments being wasted

Recommendations

Programme design

1. The Phase II programme document should define clearly the scope of WSDP, in particular whether it encompasses all activity in the water sector including investments beyond those funded via the basket fund and designated 'earmarked' projects. Reporting and monitoring systems should be revised accordingly.
2. The design of each component should be revised to ensure that the rationale, objectives, operational strategy and priorities are clearly expressed and logically linked to component targets and budgets. In each case the operational strategy should incorporate an appropriate mix of physical investments and rehabilitation (with prioritisation criteria clearly stated); capacity development; and measures to safeguard equity and promote sustainability.

Institutional arrangements

3. Lead responsibility for the management of WSDP, including the provision of strategic direction to component heads, should be more clearly defined below the level of Permanent Secretary and Deputy Permanent Secretary.
4. We also recommend that the organisational review should encompass:
 - a) The relative roles of PMO-RALG and the MOW Rural Water Supply Director in relation to Component 2, on the basis that PMO-RALG should be more accountable for the implementation of this component even if MOW retains an important technical advisory role
 - b) The merits of retaining a separate capacity building component or adopting an alternative arrangement linked to the establishment of a management support team.

Programme implementation

5. Following the streamlining of component strategies and related progress indicators, the Programme Implementation Manual should be replaced with more concise and user-friendly operational guidance for WSDP managers and implementing agencies. This should include re-orientation on programme strategy and operational approaches for implementing agencies bearing in mind the staff turnover that has occurred since programme inception.

Monitoring and evaluation

6. For Phase II, adopt a unified monitoring framework for WSDP based on a streamlined set of key indicators that distinguishes clearly between processes, outputs and outcomes. Indicators for equity, sustainability and capacity development should also be included. This framework should be the common point of reference for all programme stakeholders at national level, regional and local level.
7. Where narrative reports are required, provide guidance to implementing agencies so that these provide useful management information. Amongst other things, the format should show the contribution of physical investments towards component objectives and targets, so that reports are not simply lists of unexplained investments

C1: Water Resources Management

8. For Phase II, reduce the revenue generation target for Basin Water Offices to a realistic level (or remove it altogether), but retain other performance targets for execution of IWRM regulatory functions
9. Plan for further technical assistance to Basin Water Offices to support the implementation of IWRM Plans formulated under Phase I

C2: Rural water supply and sanitation

10. Phase II should see each LGA planning to meet the needs of the district as a whole through a combination of rehabilitation, new investments and the establishment of viable long term operation and

maintenance arrangements. The planning process should draw on data from the recently conducted water point mapping to identify wards and villages with the greatest need and opportunity

11. Financing mechanisms for this component should be revised to ensure that new schemes are designed with reference to the funds actually available, and that LGAs and their consultants have an incentive to select cost-effective options which enable WSDP funds to benefit the maximum number of unserved people

12. Make provision for ongoing technical assistance to support component 2 at national and regional level to replace the earlier Programme Management Consultant team. To avoid the pitfalls of the earlier appointment it is recommended that MOW and the Technical Working Group for Rural Water Supply work together to develop detailed Terms of Reference for this appointment and recruit a suitable team.

13. Expedite the adoption and implementation of a programme document and implementation strategy (including a results framework) for the National Sanitation Campaign, supplemented with clear operational guidance for local level actors. In support of the Campaign, establish a Technical Working Group for Sanitation and Hygiene Promotion.

14. In developing the strategy, MOH should adopt an inclusive, multi-stakeholder approach and draw on lessons from good practice developed by both government and external agencies working in the sanitation sub-sector in Tanzania and the region. In support of this initiative, establish a dedicated Technical Working Group for sanitation and hygiene (urban and rural) with multi-stakeholder representation.

C3: Urban water supply and sanitation

15. Review and streamline component strategy and priorities as per recommendation 2. In doing so, clarify how equity considerations and operation and maintenance prospects will affect the identification of new investments

16. No further grant-funded investments in sewerage should be made in Phase II.

17. Phase II should give greater attention to on-site sanitation including the development and testing of strategies to improve faecal sludge management. Such initiatives should encompass not only the provision of new equipment and facilities but also promotional and regulatory measures to encourage private sector participation and the regular use of safe pit emptying services by domestic and other consumers.

C4: Institutional strengthening and capacity development

18. Capacity building initiatives should be fully accommodated within revised operational strategies and budgets for components 1 to 3. The focus of these initiatives should be on developing the capacity for programme implementation and for the operation and maintenance of equipment, facilities and services provided via the programme.

19. See also recommendation 5b (institutional arrangements)

Equity and sustainability

20. The proposed streamlining of component strategies should ensure that in Phase II, investment activity is balanced with adequate measures to address equity, sustainability and capacity development (both for implementing agencies and, where appropriate, service users) in programme implementation.

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Abbreviations

AfDB	African Development Bank
BWO	Basin Water Office
CAG	Controller and Auditor General
CLTS	Community-Led Total Sanitation
COWSO	Community Owned Water Supply Organisation
DAWASA	Dar es Salaam Water and Sewerage Authority
DAWASCO	Dar es Salaam Water and Sewerage Corporation
DHS	Demographic and Health Survey
DPs	Development Partners
DPP	Department of Policy and Planning
DWE	District Water Engineer
EPICOR	GOT Accounting Software
EWURA	Energy and Water Utilities Regulatory Authority
GOT	Government of Tanzania
IWRM	Integrated Water Resources Management
JMP	WHO/UNICEF Joint Monitoring Programme
LGA	Local Government Authority
LGCDG	Local Government Capital Development Grant
MIS	Management Information System
MKUKUTA	National Strategy for Growth and Reduction of Poverty
MoEVT	Ministry of Education and Vocational Training
MOFEA	Ministry of Finance and Economic Affairs
MoHSW	Ministry of Health and Social Welfare
MOW	Ministry of Water
MTR	Mid-term review
NBS	National Bureau of Statistics

NSC	National Sanitation Campaign
OPM	Oxford Policy Management
JICA	Japan International Cooperation Agency
JSM	Joint Supervision Mission
JWSR	Joint Water Sector Review
PCU	Programme Coordination Unit
PIM	Programme Implementation Manual
PMO-RALG	Prime Minister's Office for Regional Administration and Local Government
PMU	Procurement Management Unit
PS	Permanent Secretary
RF	Results Framework
RP	Restructuring Plan
RS	Regional Secretariat
RWS	Rural Water supply and Sanitation
SWAp	Sector Wide Approach to planning
TA	Technical Assistance
TSh / TZS	Tanzania Shillings
TWG	Technical Working Group
UWSA	Urban Water and Sanitation Authority
UWSS	Urban Water Supply and Sewerage
VFM	Value for Money
WASH	Water Supply, Sanitation and Hygiene
WB	World Bank
WPM	Water Point Mapping
WRM	Water Resources Management
WSDP	Water Sector Development Programme

1 Introduction

1.1 Background

The Water Sector Development Programme (WSDP), launched in 2006 and operating since 2007, is probably largest national water programme operating in Africa today with confirmed funding in the order of 1.3 billion USD for Phase 1. WSDP is a long term programme with a twenty year vision which encompasses not only rural and urban water supply and sanitation improvements but also water resources management and measures to develop sector capacity and strengthen institutional effectiveness. The programme is founded on a sector-wide approach to planning (SWAp) which incorporates structures for joint government-development partner dialogue on planning, financing, co-ordinating and monitoring. Financing mechanisms include budget support administered via a basket fund, plus additional 'earmarked' funding deployed by a number of development partners (DPs) outside of the basket to support special projects in selected locations.

At its inception WSDP absorbed a number of existing area-based urban and rural projects while offering, for the first time, investment funds and capacity building support to all public water and sanitation service providers in urban and rural areas and to Basin Water Offices responsible for water resources management. The fact that some implementing agencies already had projects in preparation or underway before WSDP began meant that they did not all begin with a 'blank sheet' in 2007. Many of the existing projects were urban (though the rural implementation model was also piloted in 14 districts with World Bank support) and this has been cited by some stakeholders as a partial explanation for the different rates of progress in the urban and rural components since inception.

The original programme design and implementation framework were set out in in two key documents: the 2006 Programme Document and an accompanying Programme Implementation Manual, both of which were long and somewhat complex. The Programme Document envisaged that there would not be a lot of construction in the first two years while new institutional arrangements were established, plans formulated and local capacity developed. In the event it took much longer for physical works to begin, particularly for rural water supply, beyond a large number of relatively small 'quick win' projects implemented at the start of the programme. Many of the delays have been attributed to problems with procurement processes and financial administration, though there were significant investments in buildings, vehicles and equipment during this period under the banner of capacity building support.

By the time of the Mid-Term Review in 2010, progress was substantially behind schedule. This prompted a re-structuring in 2011 which involved the revision and streamlining of Phase I targets, which now looked over-ambitious. Subsequently the time period for completion of Phase I was also extended to June 2014. The current evaluation has assessed progress against the logframe as revised at the time of re-structuring.

A further, more recent development was the launch of a National Sanitation Campaign in 2012. This signalled a scaling up of sector ambitions in relation to sanitation and hygiene promotion; previously the programme document envisaged that sanitation would be promoted only in locations where new and improved water supply schemes were being developed. Now sanitation is a component in its own right, with some 23 million USD of dedicated funding and leadership assigned to the Ministry of Health, which works in partnership with the Ministries of Water and Education. While programme activities are just beginning in 42 pilot districts (roughly one third of the country), WSDP now has the potential to make a significant impact on household and school sanitation and associated hygienic behaviour.

1.2 Methodology

Terms of Reference for the assignment required the consultants to review the programme in terms of its relevance, effectiveness, efficiency and impact. Since the evaluation concerned the effectiveness of an ongoing programme, there was a heavy emphasis on qualitative issues relating to programme structure and processes, but some quantitative analysis was also envisaged, including, so far as available data allowed, assessments of value for money.

The overall approach to the evaluation was first to develop an understanding of national programme structure, strategy, financing and operational processes and then to assess how, within this framework, each of the four Sub-Components (1: Water Resources Management; 2: Rural Water Supply and Sanitation; 3: Urban Water Supply and Sewerage; and 4: Institutional Strengthening and Capacity Development) had performed with reference to their particular outputs and targets.

In practice, the evaluation comprised a desk review of available documentation; meetings and interviews with key stakeholders at national, regional, district and community level; field visits to assess ground realities at regional, town, Local Government Authority (LGA) and Basin Water Office level in three regions; and analysis of available monitoring and financial data.

The team developed an evaluation matrix for the assignment based on the questions set out in the Terms of Reference; see Annex B. The questions are grouped into relevance, efficiency, effectiveness, impact and sustainability and also identify the sources of evidence and some external factors and assumptions. This matrix served as a point of reference throughout the assignment and formed the basis for the analytical work of the evaluation team, though the report uses different thematic headings which relate more directly to programme components and functions. The authors acknowledge that more has been written about Component 2 (Rural Water supply and Sanitation) than about the other three components, but this reflects the widely expressed view among programme stakeholders that Component 2 presents the greatest challenges at present.

A desk review of relevant documents was undertaken prior to the country visit though additional documents were also identified and reviewed in the course of meetings and interviews in-country. A schedule of meetings and interviews held, and field visits undertaken, during the country visit is provided in Annex C. Field visits included visits to three regions: Mbeya, Dodoma and Tabora, where in each case the team attempted to meet the Regional Secretariat, Regional Water Engineer, Urban Water and Sanitation Authority, Basin Water Office plus one or more LGAs. LGA visits focused on the District Water Engineer and their team, plus visits to accessible sites where WSDP-funded work on new water supply schemes was underway or completed. In the event, none of the LGAs visited had completed schemes and several of the projects in preparation or underway were at locations that could not be reached by the team in the limited time available.

1.3 Constraints

The in-country work was conducted by a small team (three people except for week two, when a fourth member joined to focus on water resources management) and was subject to a very tight timeframe, bearing in mind that WSDP is a huge programme with four distinct components. In the event, a number of logistical constraints affected the scope of the review:

1. A detailed programme of meetings and interviews in Dar es Salaam was included in the inception report and agreed with MOW representatives prior to the country visit. Central to the first week's activities was to be a series of briefing presentations led by MOW on the programme

overall and each of the four components. The intention was that each session would be attended by Ministry of Water (MOW) staff and members of the relevant Technical Working Group including DP representatives, and would provide an overview of progress with both basket-funded activities and earmarked projects plus related issues, challenges and lessons arising from the work to date. Given the size and scope of WSDP, such briefings were considered important as they would bring the team up to speed quickly and provide a framework for subsequent, more detailed investigations in the limited time available.

In the event, only one of these briefing presentations took place (for Component 3) and without the presence of related stakeholders from the Technical Working Group. Several other interviews requested were also not confirmed and in short the team were unable to meet the Directors of Components 1 or 4, though in the latter case technical experts deployed by GIZ were available for discussions on capacity development; neither was there an opportunity to meet with representatives of the Ministry of Finance, the regulator EWURA or DAWASA and DAWASCO.

2. Several of the key respondents whom the team needed to meet at regional and local level also proved unavailable, including a number of Regional and District Water Engineers; the leader of the water and sanitation team at PMO-RALG; and key staff at both of the Basin Water Offices visited.

3. MOW did not send a representative to accompany the team on field visits. Had they done so it would have enriched the review through the opportunity for ongoing dialogue and the ability of the representative to put local findings in the context of national programme arrangements. Moreover, the presence of a MOW official would have made it easier to secure appointments with key stakeholders at regional and local level, something which proved difficult in Dodoma.

4. The team was able to access only limited information on the National Sanitation Campaign launched in 2012, much of it gained from a single short discussion with two mid-ranking officials from the Ministries of Health and Education. (Subsequent to the country visit, DPG-Water supplied some additional documents shortly before the final report was completed.)

5. The programme allowed no time for meetings and field visits concerning Dar itself, hence the team cannot comment on WSDP support to service provision in Tanzania's principal city.

2 Progress since the Mid-Term Review (MTR)

2.1 Progress against logframe

Annex A contains a summary of progress against the revised logframe and results framework introduced by the 2011 re-structuring plan. We note here that, while the changes were labelled as 're-structuring' the revisions made related mostly to programme targets as defined in the logframe and results framework, not the institutional arrangements for programme implementation - these have not changed significantly since the programme began.

The revised targets were a response to the Mid-Term Review (MTR) and an effort to make the ambitions for Phase I more realistic and focussed in the light of a slow start to programme implementation. A number of observations can be made here.

1. Some of the changes to indicators were quite significant and in the case of Component 2 (rural) the access targets are now very modest: an increase of less than 2% in rural water supply access from 2010 to 2012. This may reflect the reality of the delays already incurred and the distance still to go to complete the implementation of approved schemes. It could also be seen as a reflection of the capacity gaps that still remain at LGA level and that the programme needs to do much more in this area (see section 10.4).

2. It appears that MTR recommendations to delete targets for sewerage and school WASH were rejected as these are still included in the logframe and results framework. Whether the sewerage access target has been retained simply to accommodate projects already approved or underway is not clear. In the case of School WASH, this is a component of the recently launched National Sanitation Campaign and will presumably be monitored within that framework from now on.

3. A general concern with the revised logframe and results framework is that it is difficult to discern programme strategy or priorities from the various targets listed, on top of which not all target figures are presented consistently throughout the documents while some are expressed as percentages in some places, numbers in others, which creates confusion. Moreover, where numbers are used it is not always clear what the baselines were and whether the indicator is an absolute number or an incremental gain for the project period. Meanwhile some parameters are presented in vague terms without defining measurable indicators, for example 'MOW assumes co-ordination role' or 'number of strengthened organisations participating.' The monitoring framework is discussed further in Section 8.

4. Interviews with programme stakeholders at various levels revealed that neither the logframe nor the results framework are not routinely used as a management tool by programme staff, and it is not clear what is, in fact, the main point of reference for programme monitoring.

All of the above suggests that the logframe and results framework need to be revised in preparation for Phase II so that they become useful management tools. The indicators used should reflect strategic priorities and be relevant, realistic and measurable. There should also be a common point of reference among WSDP stakeholders for programme monitoring.

Whatever the limitations of the monitoring framework, it is clear that many of the Phase I targets will not be met and in some cases the output will fall short by a considerable margin. In the case of Component 2, access to an improved water source in rural areas actually fell during the last few years according to MOW data. These findings reflect the challenges which have dogged WSDP in its first few years (see Section 10), not least the protracted delays with procurement and financial administration, and the limited progress made in developing human capacity to complement the

provision of physical and financial resources. WSDP is attempting to deliver improvements in water supply and sanitation services across the entire country and this is a major long term challenge predicated on improvements in institutional effectiveness, not simply capital expenditure. It is encouraging to note, therefore, that the worst of the administrative problems seem to have been resolved (though the recent technical audit confirms that there remain some challenges). The picture emerging from recent reports and interviews with programme stakeholders is of a positive underlying trend, developing momentum and increasing confidence among development partners.

Regarding programme impact, the late start and long lead-in time to physical works mean that it is too early to expect WSDP to have had a nationwide impact on indicators such as diarrhoeal morbidity or water collection time. Similarly, an impact on other sectors should not be expected though it is noteworthy that lead responsibility for the National Sanitation Campaign has been assigned to the Ministry of Health. Implementing the campaign will be challenging but should also serve to develop the capacity and expertise of the ministry in this area.

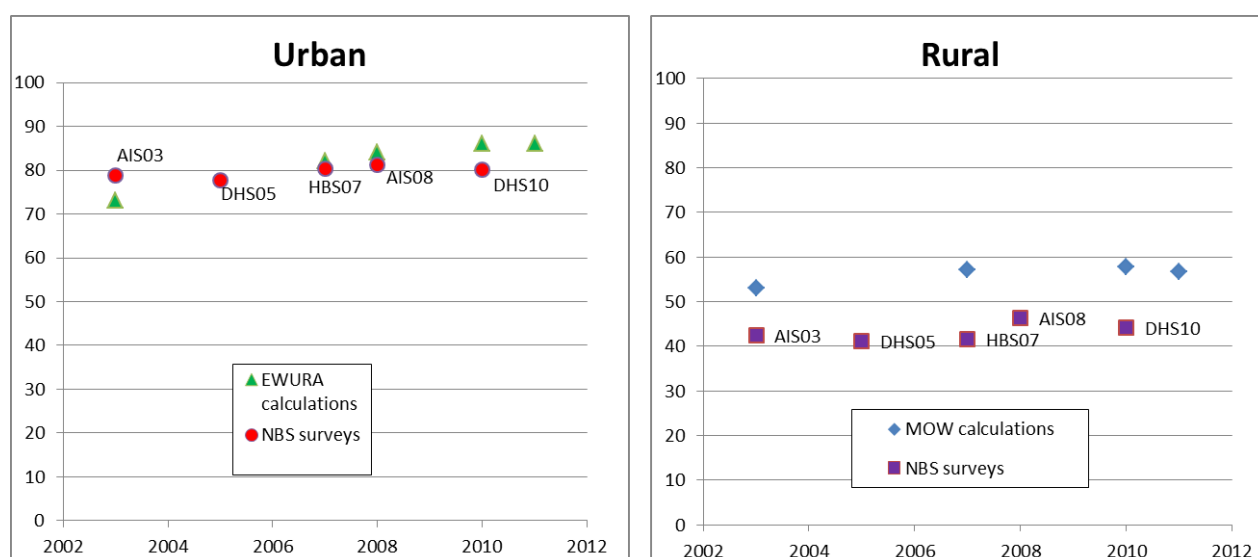
2.2 Quantitative analysis of programme data

While Annex A provides mostly qualitative analysis of progress against the revised logframe, we offer here some quantitative analysis of the available data.

2.2.1 Water Supply

Regarding the second Immediate Objective of 'Improved access to clean and safe water', the graphs below shows that progress has been muted, and that different data sources show different absolute levels and trends.¹ Data is shown separately for urban and rural water.

Graphs 1a-1b: Improved water supply since 2003² - comparison of survey and routine data



¹ Usage of different data sources has been a challenge in Tanzania for a long time. Calculating outcomes such as coverage percentages using assumptions about outputs (e.g. water points) is problematic – this is discussed in section 8. Acronyms in the chart are for different surveys, e.g. AIS03 = AIDS Indicator Survey 2003 – see NBS website.

² MOW and EWURA data were sourced from various WSDP reports, and arise from calculations based on assumptions of numbers of people per water point. The NBS survey data is taken from a collated summary by the WHO/UNICEF Joint Monitoring Programme (JMP) country file for Tanzania, available at the link below:

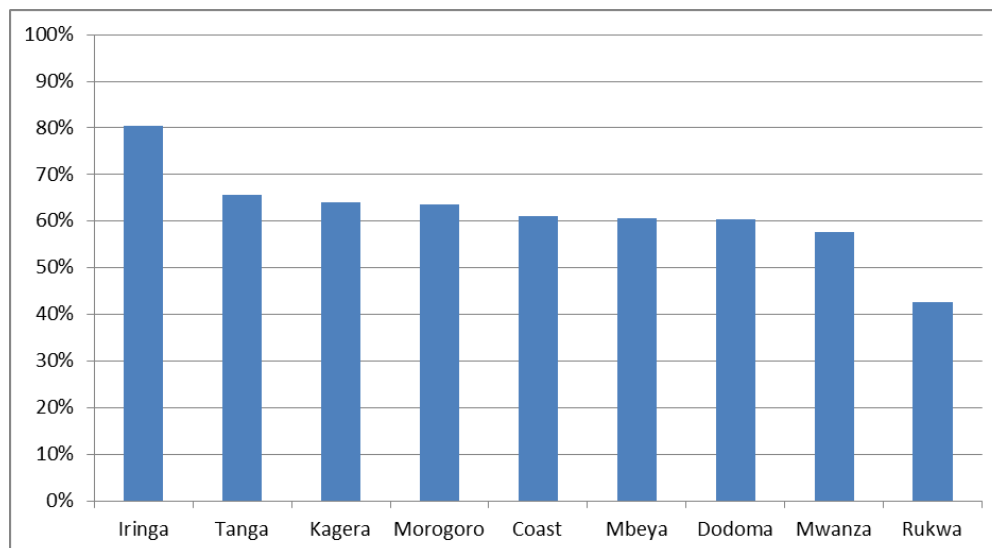
http://www.wssinfo.org/fileadmin/user_upload/resources/TZA_wat.pdf

Taking urban first, it can be seen that the National Bureau of Statistics (NBS) survey data shows fairly consistent access around 80% with no upward or downward trend, indicating that service extension during WSDP Phase I has only managed to keep up with population growth. The EWURA data shows an increase over the period but uses unreliable assumptions on user numbers to convert output data into outcomes. It is also possible that EWURA and NBS have used different definitions of 'urban'³. Nevertheless the two data sets show broadly similar status. This picture is consistent with that painted by qualitative analysis of the logframe and discussions with stakeholders. While there have been significant new investments under WSDP in a number of towns, rapid urbanisation is keeping step with the numbers of people gaining access.

Turning to rural water, while the gap between the NBS data and MOW calculations is wider, the trend is similar. Here too, service extension is only just keeping up with population growth and there was in fact a short term drop between 2010-12. This is consistent with the widely-reported slow start in Component 2 and relatively low rural population growth - half of that in urban areas.

The gap between reported and survey data may reflect constraints on water point functionality and sustainability. The chart below shows data from the Water Point Mapping (WPM) exercise currently being finalised by GeoData, and was taken from the MOW website. Based on preliminary data for 37,000 water points, functionality is shown disaggregated by region. Quite a wide range is shown across regions, but the average functionality rate for the country is 61%. This is not surprising in the light of similar, earlier assessments in Tanzania, for example those undertaken by WaterAid.⁴ It is also consistent with broader estimates for rural Sub-Saharan Africa, though these have generally considered handpumps only.⁵

Chart 2 – Water point functionality by region (source: data on MOW website)



³ This is documented in the report of the 2012 Tanzania data reconciliation meeting which brought together stakeholders from across the sector, NBS and JMP

⁴ WaterAid (2009) *Management for Sustainability: Practical lessons from three studies on the management of rural water supply schemes*

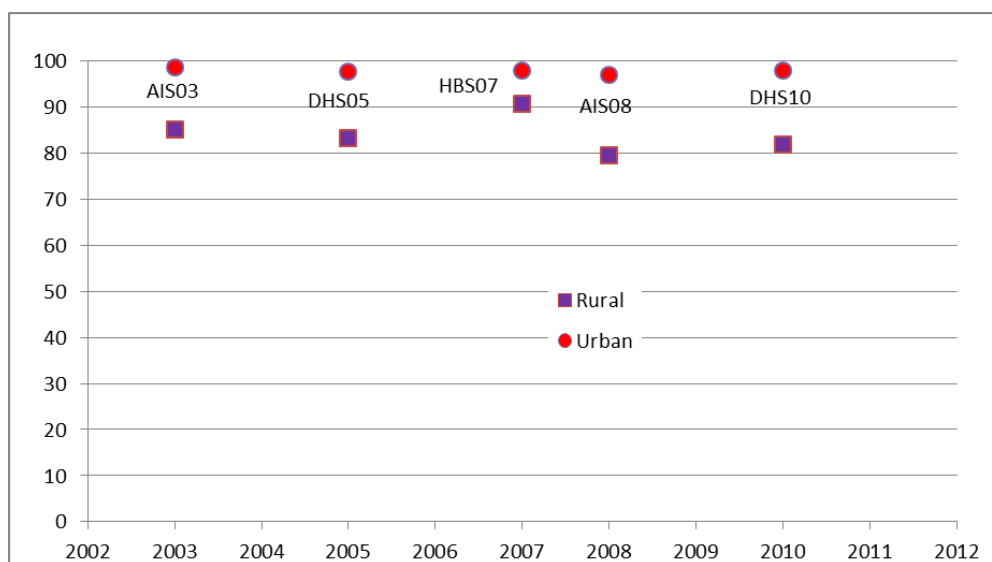
⁵ Reed B & Harvey P. (2004). *Rural water supply in Africa: Building blocks for handpump sustainability*, and Rural Water Supply Network (2010) *Hand pump data*

2.2.2 Sanitation and Hygiene

Turning to sanitation, data analysis is more difficult due to the range of definitions and infrastructure categories used in different surveys. Considering this and the policy focus of the recently launched National Sanitation Campaign on Community-led Total Sanitation (CLTS), it would be advisable in future to include village-wide open defecation free status as an indicator but also to adopt standard definitions for basic/unimproved and improved latrines (JMP definitions being the obvious point of reference) and report household data accordingly. This is important since the use of basic toilets is already well established in most locations and the campaign should include initiatives to promote and enable households to ‘climb the sanitation ladder,’ that is, upgrade to more durable and hygienic facilities.

The graph below shows the data currently available. This adds together all categories of latrines counted by available surveys, in other words all forms of fixed point defecation.⁶

Chart 3 – Use of any latrine, urban and rural, since 2003 (source: NBS surveys)



Use of latrines has historically been high in Tanzania due to President Nyerere’s policies soon after independence, but there are widespread anecdotal reports (backed up by data from DHS 2010, see footnote below) that the majority of these are basic facilities that might not safely separate excreta from human contact, exclude flies or be durable and hygienic. As can be seen from the data above, use has remained high but WSDP has yet to make an impact in urban or rural areas. The data suggests that open defecation stands at around 20% in rural areas and the overall picture emerging is of a twofold challenge: to end open defecation completely, and to promote and enable the use of hygienic latrines.

⁶ Lumping all latrines together in this way is not ideal, because it allows no distinction between well-constructed, clean pit latrines and overflowing or uncovered pits. The 2010 DHS was the first survey to allow distinction between improved and unimproved latrines using the JMP definition. While the vast majority of Tanzanians use a pit latrine, DHS 2010 found that most pit latrines are unimproved and therefore do not count towards the sanitation MDG.

3 Programme design

The limitations of the indicators used in the programme logframe and results framework were discussed in section 2 and will not be repeated here. Possibly the most significant shortcoming of the original design was, however, that it under-estimated the time it would take to secure the buy-in to a SWAp of all stakeholders, begin large-scale implementation of physical works and develop effective capacity in urban and rural implementing agencies and Basin Water Offices. Experience from other countries in the region that have launched similar national programmes (Uganda, for example) shows that it can take as much as two decades for new institutional, financial and operational arrangements to ‘bed down’ and become fully effective nationwide. Given the long term vision of WSDP and the considerable time and effort spent on establishing administrative processes for implementation, reporting and monitoring during Phase I, there is a strong argument that the design of Phase II should focus on improving the existing structure and content of the programme rather than adopting a radically new design; a case of evolution rather than revolution.

In terms of the intervention logic, the revised programme document, log frame and results framework define activities and outputs that will contribute to the achievement of programme objectives via complementary efforts in physical investment and capacity development. To this extent the programme logic is sound. However, we see two key constraints.

Firstly, the rationale for each component, and the strategy and operational priorities for achieving component objectives, are not clearly set out in programme documents and progress reports. As a result it is not clear on what basis some hardware investments have been prioritised. In Component 3, for example, is the intention simply to expand infrastructure networks and maximise revenue, or to improve service provision for all, including the poor? Unless this is made clear, how does government decide which investments are justified and which are not? For the programme as a whole, progress reports tend to read as long lists of physical investments without an explanation of why these investments were needed and what other initiatives are being undertaken (for example in terms of capacity building, quality assurance, operation and maintenance arrangements, etc.) to ensure that they lead to improved service provision. The need for more coherent and focussed strategies for each component are discussed further in sections 9-12 below.

Secondly, while programme documents describe a balanced approach incorporating both physical investments and sector strengthening, in practice physical investments dominate and this is particularly evident in Component 2 where efforts to introduce a Programme Management Consultant team to provide technical assistance to LGAs have failed.

Whatever the intention of the programme designers, it is evident from interviews with stakeholders at all levels that there is not, so far, a common understanding of the remit of WSDP. While some see it as establishing the framework for all activity in the sector (whether by government, development partners, NGOs/CSOs or the private sector), others - especially in MOW - seem to regard it as a very large programme within which a defined group of organisations operate; other players have their own programmes. This complicates programme monitoring as LGAs tend to report all new investments in their districts, irrespective of source, while WSDP financial reports tend to exclude funding sources which are not in the basket or explicitly labelled as ‘earmarked.’ We understand that the intention is to establish a truly sector-wide approach whereby WSDP does indeed set the framework for all sector activity. This being the case, more needs to be done to foster a common understanding of the fact and to adopt a sector-wide approach to financial and activity reporting.

An additional priority for the design of Phase II will be to properly accommodate the National Sanitation Campaign which was launched after the 2011 re-structuring. The case for continuing with a stand-alone capacity building component also needs careful consideration; this is discussed further in section 12.

Recommendations

- 1. The Phase II programme document should define clearly the scope of WSDP, in particular whether it encompasses all activity in the water sector including investments beyond those funded via the basket fund and designated 'earmarked' projects. Reporting and monitoring systems should be revised accordingly*
- 2. The design of each component should be revised to ensure that the rationale, objectives, operational strategy and priorities are clearly expressed and logically linked to component targets and budgets. In each case the operational strategy should incorporate an appropriate mix of physical investments and rehabilitation (with prioritisation criteria clearly stated); capacity development; and measures to safeguard equity and promote sustainability.*

4 Institutional arrangements

4.1 Policy context

Design of the programme was preceded by a substantial review of sector policy, strategy and law. The National Water Policy (NAWAPO) dates from 2002 and the National Water Sector Development Strategy (NWSDS) was largely complete by 2004 (though it was not formally approved by cabinet until 2008.) The Water Resource Management Act and the Water Supply and Sanitation Act were drafted alongside the NWSDS and passed by parliament in 2009. As such, the programme design does not diverge substantially from the policy, legal and institutional framework as described in these documents.

Similarly, the programme was designed with the wider national development policy and strategy in mind, most particularly the local government reforms. Component 2, in particular, was designed to be in line with the decentralisation of responsibility for key public services (including rural water supply) to Local Government Authorities and associated changes to the role of the Ministry. The formula for rural water supply development funding was built into the programme, for example. Water resource management and urban water supply services were not covered by the local government reforms.

In urban water supply, the programme has dovetailed well with the establishment and growing strength of EWURA as an independent utility regulator. EWURA has played a valuable role in utility monitoring in particular. There is some tension on pricing, with staff of the Ministry and utilities unhappy with EWURA's refusal to approve tariff increases, but as this only serves to demonstrate the value of having a strong, independent regulator, forcing utilities to strengthen their case for price increases and putting upward pressure on performance.

4.2 Programme management

In general, the cross-linkages between components and their responsible institutions seem to be working reasonably well. Having said this, overall responsibility for day-to-day management and co-ordination of the programme, and ensuring that it is on track to deliver the programme objective, is not clearly defined below Permanent Secretary (PS) level. A Programme Co-ordination Unit has been set up, but its role is administrative and it has no management authority over the component heads, and the MTR recommendation to establish a dedicated Programme Management Unit (PM Unit) has not, so far at least, been implemented. Meanwhile the Department of Policy and Planning (DPP) evidently has a key role within MOW, particularly in planning, budgeting and monitoring, but the extent of its role in programme leadership is not clear. GIZ are supporting a review of programme management arrangements in April which will make specific recommendations in this area.

The evaluation team were able to gain only limited insights into current programme management arrangements at component director level and above, and how effectively they function on a day-to-day basis. We have not, therefore, made specific recommendations on how the existing arrangements should change (if at all) beyond saying that MOW should clearly assign lead responsibility for the programme. We can, nevertheless, offer some 'in-principle' arguments for maintaining the status quo or establishing a Programme Management Unit as proposed by the Mid-Term Review. These are outlined in Table 1 below. It is assumed here that the Steering Committee and structures for Government-DP dialogue, including the Technical Working Groups, would continue as at present, whichever option is selected.

Table 1: Merits of alternative programme management options

Management Option	Arguments for	Arguments against
1. Maintain current arrangements (programme management shared between DPP, PCU and component heads).	Potentially strengthens the effectiveness of key government structures and processes.	No single postholder accountable for, and dedicated full-time to, the delivery of programme objectives. Dispersed management responsibility complicates decision making and communication including the provision of clear and consistent guidance to programme participants.
2. Appoint WSDP Director above component heads, without accompanying Programme Management Unit.	As above, potentially strengthens the effectiveness of permanent structures within the ministry. Clarifies programme ownership and accountability for delivery of objectives. Full-time manager provides strategic direction to ensure programme is on track.	In the absence of a management support team, some key functions would (as now) need to be provided by other departments, hence problems of dispersed management might continue.
3. Establish Programme Management Unit (PM Unit) headed by designated WSDP programme manager/director.	Benefits as for option 2. In addition, PM Unit strengthens programme administration and facilitates comprehensive technical support and guidance to programme components at all levels - in effect taking on some functions currently administered via Component 4.	Risk of creating a temporary parallel structure which fast tracks the delivery of investment projects but does not improve the effectiveness of sector institutions and processes for the long term.

In weighing up these options, it is important to keep in mind two key points. Firstly, WSDP is a sector-wide programme with a twenty year vision. As such, the focus should be on creating effective sector institutions for the long term, not on devising short cuts to speed up programme expenditure. Secondly, the evaluation found that at present the programme lacks a clear sense of direction - something that can easily be lost when implementing agencies are immersed in the challenges of individual sub-projects. The question here is whether the component heads alone can keep the programme on track or if an overall Programme Director and, potentially, a supporting team, are needed to provide leadership and direction.

During the evaluation a number of MOW officials voiced a degree of frustration that the ministry no longer has direct control of rural water supply and hence of Component 2. The transfer of responsibility to PMO-RALG is, however, a natural consequence of decentralisation and one that is not likely to be reversed. The challenge for the programme, therefore, is to make this arrangement work effectively.

There are repeated references in programme reports to the importance of PMO-RALG given that LGAs fall under their jurisdiction and a dedicated WSDP team has been established within PMO-RALG Directorate of Sector Co-ordination both to improve co-ordination between MOW and PMO-RALG and to monitor and strengthen the implementation of Component 2. The evaluation team visited PMO-RALG and note that staffing has recently been increased, with both financial and technical personnel deployed from MOW.

It is also evident, however, that this team plays a purely administrative role, its main activity being to ensure compliance with various operational and financial procedures including the production of quarterly LGA and regional reports. These are important, but it is noticeable that the team does not concern itself with the technical content of Component 2. Opportunities to add value to programme implementation - for example by helping LGAs to make best use of the funds available - are

therefore being lost. In part this situation may simply reflect the fact that the expanded team was only established in January 2013 following recommendations made in October 2012. Nevertheless it seems that the team may need further guidance on the purpose and scope of its role.

The evaluation also investigated the role of the Regional Water Engineer (RWE) and associated team though in the three regions visited only one RWE (in Mbeya) was present and available for interview. The team found that the RWE serves as an important communication link between national level institutions and the LGAs bearing in mind that many LGAs have only occasional internet access and the Programme Implementation Manual is not generally used at any level as a source of operational guidance. A system of quarterly meetings between the Regional Water Engineer and LGAs is established (though some respondents indicated that these do not always take place as regularly as planned) and comments on the information and direction provided by the RWE were generally positive.

4.3 Government – Development Partner dialogue

Structures for government-DP dialogue are well-established via a system of Joint Sector Reviews, six-monthly Joint Supervision Missions and meetings of the various Technical Working Groups. Reports emanating from these collaborative activities - notably the annual Water Sector Status Reports and Aide Memoires - are useful documents that provide important points of reference in programme planning and monitoring. Some DPs commented, however, that recommendations arising from joint supervision missions and annual reviews are not always followed up by MOW and implemented. A complicating factor here may be the disconnect between recommendations arising from supervision missions and the undertakings made at annual reviews, so that at any one time there are multiple lists of action points to follow up. Bringing all agreed recommendations and commitments under one umbrella and addressing them comprehensively, with roles and responsibilities clearly defined, would therefore be beneficial. We understand that a follow-up mechanism (operated via the Technical Working Groups) was set up some time back but has fallen into disuse in recent times.

With the launch of the National Sanitation Campaign, a challenging multi-stakeholder programme in its own right, there is a strong case for establishing a dedicated Technical Working Group for sanitation and hygiene promotion (urban and rural) as a mechanism for sharing experiences, identifying and promoting good practices and informing planning and decision making at national level.

4.4 Technical assistance

A related issue is the availability and adequacy of expert technical assistance at all levels. WSDP is a huge and challenging programme, both for MOW and PMO-RALG at national level and for many implementation agencies - particularly LGAs - which are managing substantial infrastructure investments for the first time. Against this backdrop, the amount of full-time technical assistance available is surprisingly light, particularly for Component 2. If an appropriate balance is to be achieved between investment and institutional strengthening, then it is vital to ensure that implementing agencies not only receive training in key areas, but have access to ongoing mentoring support and receive relevant, sound operational and technical guidance. Up to now, there has been a heavy emphasis in components 2 and 3 on outsourcing expertise via design and supervision consultants, some of them international and expensive. It is doubtful that this arrangement is sustainable in the long term and much more needs to be done to develop the capacity of implementing agency staff who have overall responsibility for the delivery of programme outputs and whose role it is to supervise and monitor the consultants. This point is considered further in section 10.

Recommendations

3. *Lead responsibility for the management of WSDP, including the provision of strategic direction to component heads, should be more clearly defined below the level of Permanent Secretary and Deputy Permanent Secretary.*
4. *We also recommend that the organisational review should encompass:*
 - a) *The relative roles of PMO-RALG and the MOW Rural Water Supply Director in relation to Component 2, on the basis that PMO-RALG should be more accountable for the implementation of this component even if MOW retains an important technical advisory role*
 - b) *The merits of retaining a separate capacity building component or adopting an alternative arrangement linked to the establishment of a management support team.*

5 Programme implementation

Specific comments on implementation within the four programme Components are provided in sections 9-12 below. Here we offer some brief comments on WSDP implementation overall.

Issues relating to procurement and financial management have dominated programme reports and government-DP dialogue during Phase I, including meetings of the Technical Working Groups. While there have been some major obstacles to overcome in these areas, it appears that these challenges have distracted attention from the technical content of the four components. Put simply, it appears that a great deal of time and effort has been devoted to compliance with procurement and reporting requirements related to new investments, while the justification for making those investments in the first place (taking into account factors such as value for money and the prospects for sustainability, for example) has received much less attention. This imbalance needs to be redressed in Phase II and comments from DPG-Water indicate that in recent months efforts have begun to re-focus programme dialogue on technical matters.

A recent study commissioned by JICA found that the Programme Implementation Manual (PIM) is not generally used. Limited field visits to date tend to confirm this, and the evaluation team found the manual and associated annexes to be long and rather complicated and, as such, not easy to use. Nevertheless, staff met at regional and LGA/utility level were reasonably well-informed of programme rules and funding opportunities, and communication between the tiers was reasonably good, in Mbeya at least. Here LGA staff commented that for operational guidance they relied not on the PIM but on direct communication with the regional engineer, with whom quarterly meetings were scheduled (though some stakeholders commented that these meetings do not always take place). The implication for Phase II is that for a PIM to be useful it will need to be simplified and made more user-friendly; also that direct communication between the tiers of management (though meetings and field visits) should be enhanced. Limited internet connectivity further justifies a greater emphasis on direct interpersonal communication between implementing agencies and programme managers.

Recommendations

5. Following the streamlining of component strategies and related progress indicators, the Programme Implementation Manual should be replaced with more concise and user-friendly operational guidance for WSDP managers and implementing agencies. This should include re-orientation on programme strategy and operational approaches for implementing agencies bearing in mind the staff turnover that has occurred since programme inception.

6 Finance

WSDP has mobilised unprecedented levels of finance for the water sector. Much of it is being disbursed through a basket-fund mechanism, representing a significant change from the area and project-based financing arrangements taking place relatively recently. More than half the funds disbursed during the first 5 years of the programme were from the basket (see graph below).

6.1 Overview of WSDP expenditure in financial years 2007-2012

The development of the MIS allows significantly more detailed financial analysis than has been possible previously. The chart below shows expenditures by component and disbursements by funding source between financial years 2007/8 and 2011/12. As can be seen from the component expenditures, RWS is the most behind-schedule, followed by WRM. In terms of disbursement, the basket (including the AfDB basket) has disbursed a higher proportion of funds than other streams.

Chart 4 – WSDP expenditure against revised Phase I budget, totalled for FY 2007-2012 (source: JSM 2012 aide memoire annex 1)

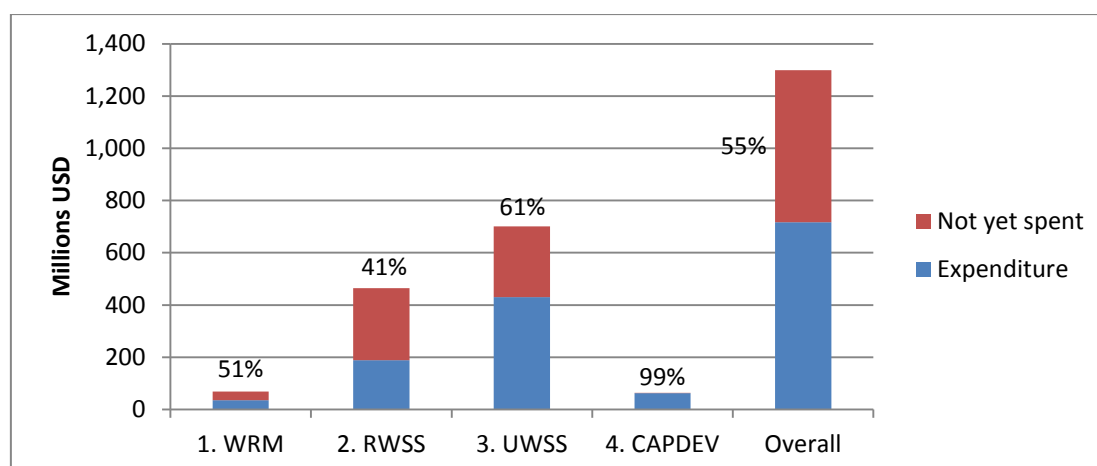
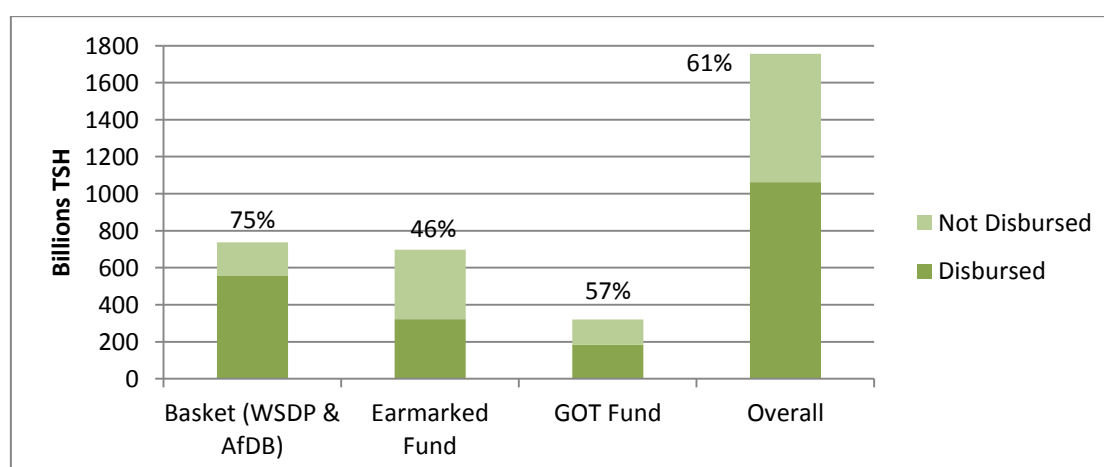


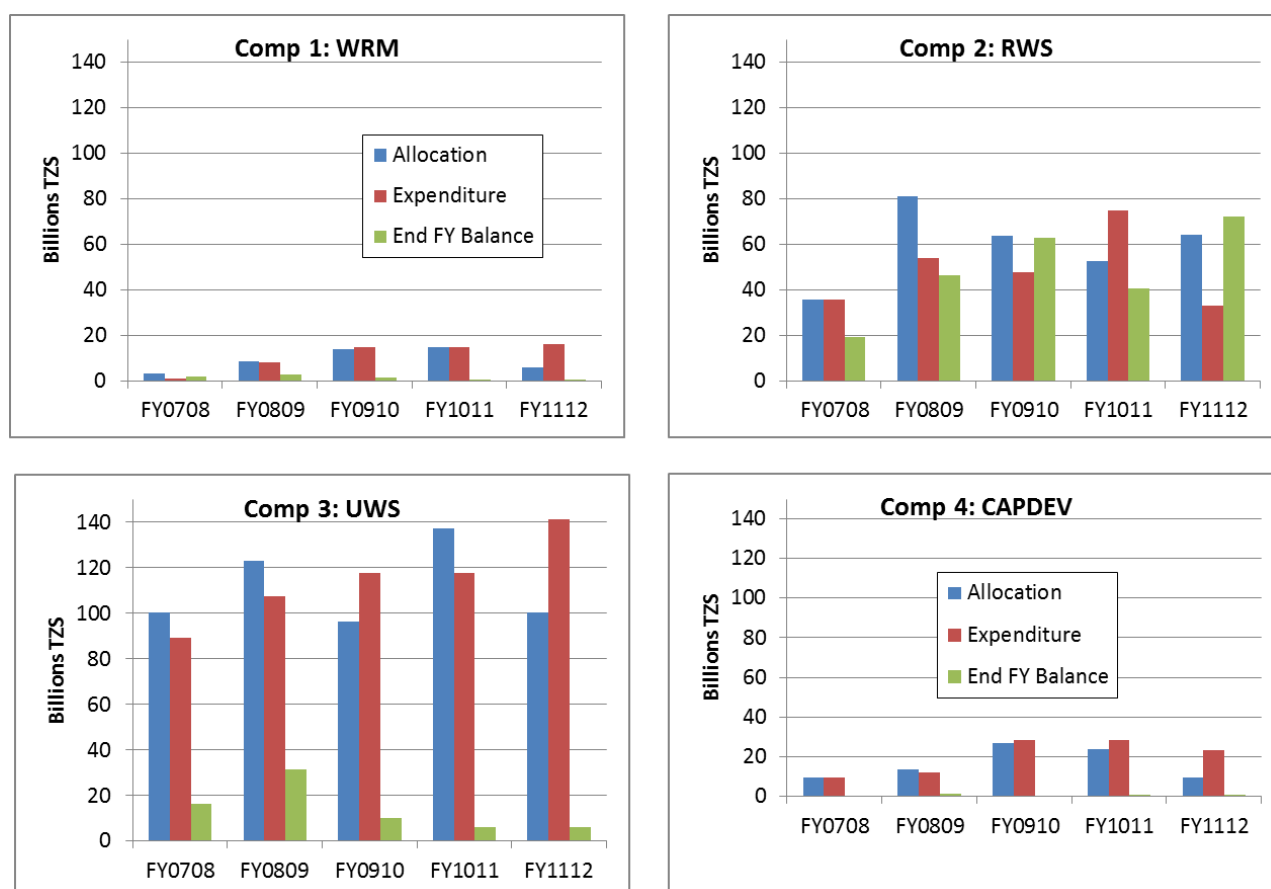
Chart 5 – Disbursement of WSDP commitments by source, totalled for FY 2007-2012 (source: mowimis.go.tz)



The picture painted by the data above is brought into sharper focus by the charts below, which show allocation, utilisation and balances by component in each financial year. Component 2 has struggled to clear its balances every year, as shown by the green bars, which reflects the problems with procurement and financial management discussed previously. This is partially due to the fact that, since 2010/11, LGAs are no longer required to return unspent development funds to central government – instead they can be carried forward and included in the next budget. Nevertheless, the funds are not being spent.

Charts 6a-6d – Allocation, utilisation and balances by component in each financial year

(source: mowimis.go.tz)



6.2 The funding mechanism for rural water supply

Financial transfers for components 1, 3 and 4 are via MOW to Urban Water Supply and Sewerage Authorities⁷, Basin Water Offices etc. Component 2 is unique in that the implementing agencies, in this case LGAs, receive their financial flows directly from MOFEA without passing through MOW. Despite being a positive step in our view, this aspect of decentralisation seems to have caused considerable bottlenecks, as well as confusion at several levels. In particular, the stakeholders met expressed different understanding of how the system is supposed to work.

⁷ We understand that a process is underway to replace 'Sewerage' with 'Sanitation' in the urban utility title. For now it appears that both the old and new titles are in common use.

The 2011/12 Annual Report on the Local Government Development Grant (LGDG) system, produced by PMO-RALG, suggests that funds for the Rural Water Supply and Sanitation Programme (i.e. component 2 of WSDP) are separate from the core performance-based LGDG. One source of confusion is the inconsistent references, with some documents (including the logframe) referring to LGCDG, commonly understood as Local Government *Capital* Development Grant. This is further complicated by references in the PMO-RALG to the *Council* Development Grant (CDG). Most stakeholders indicate that they are the same thing, but others have more recently suggested that LGCDG no longer exists, which emphasises the need for clarification.

The targets in the WSDP Restructuring Plan suggest that in June 2010, 60% of rural water supply and sanitation financing was being transferred through the LGCDG system. However, this is not described in detail in other WSDP documents (e.g. Main Document, Mid-Term Review) or even within the Restructuring Plan. Almost all engineers and accountants interviewed in LGAs reported that funding for rural water supply via the LGCDG was miniscule in comparison to the funds 'from WSDP,' with various interpretations of what this meant. Their account is supported by the PMO-RALG report, which shows that only 3% of CDG funding was for water in 2011/12, with the actual figures an average of TSh 10 million per LGA, barely enough for one borehole and handpump. There is clearly confusion over how the WSDP funds arrive at LGAs. The PMO-RALG report above states on p.5 that RWSSP funds (the precursor to component 2 of WSDP) arrive via the LGDG system.

The change from a system of separate sectoral accounts in LGAs to only six accounts seems to have further muddled the waters, with some District Water Engineers suggesting that they can no longer easily get a clear picture of what funds are available to them. This may improve, however, as people become familiar with the system. Clearly there is confusion over the financing mechanism for Component 2, which needs to be clarified so that LGAs can plan, budget and implement more effectively.

It is hard to disentangle the extent to which delays were caused by (a) the problems with obtaining 'no objection' certificates from the World Bank at the beginning of Phase 1, (b) the restricted disbursement regime implemented by DPs from 2010-2012, and (c) general capacity gaps at the LGA level itself. This is important because confusion leads to inefficiencies in planning and implementation. Several District Water Engineers cited 'lack of funds' as a key challenge, despite the significant balances in component 2, as shown in the chart above.

Turning to the formula for rural water supply funding, allocations to LGAs are based on existing coverage, unserved population, and the prevailing technology mix.⁸ There is widespread support for use of the formula among programme stakeholders as it ensures that all districts receive some level of funding, which had not been the case before. Most respondents believed that the formula was being used, though there was some confusion over how it worked. For example, many thought that it took account of LGA plans for ten village schemes, while few correctly thought that it was based on the existing technology mix in the district (taking technology as an indicator of hydrology).

A related issue is the difficulty of accommodating multi-year rural water projects within the LGCDG funding mechanism, which is designed for all sectors, including health and education which are heavily dominated by annual recurrent expenditure. This difficulty has arguably been eased to some extent since 2010-11 when the requirement to return unspent funds at the year-end was waived. This means that LGAs (and, by extension, communities) are not penalised for delays which are partly beyond their control. This arrangement should not be continued indefinitely, however, as it could distort planning and budgeting incentives within LGAs. In addition, some

⁸ The formula is presented in Annex 4 of the Programme Implementation Manual (PIM), but much of the description is unclear.

LGAs reported that they sometimes received only a fraction of the funding they had expected, which is corroborated by other sources.⁹ This demonstrates a need in Phase II for a document clarifying the funding mechanism for component 2.

6.3 Financial management systems

Several related, but not inter-operable, systems are used for planning, accounting and financial management in the WSDP, namely MIS, EPICOR and Plan-Rep. Generally, effective utilisation of these systems seems to be increasing, which is certainly a positive step. In particular, there is consensus across stakeholders that the MIS has improved financial management, with the result that DPs have restarted six-month disbursements based on cashflow predictions.

The National Audit Office CAG's report on WSDP funding in 2012 was far more positive than that of 2010. It suggested that most components are using MIS effectively, and confirmed the reliability of Interim Financial Reports generated by the MIS. However, there are still some issues at the LGA level for rural water supply. The PMO-RALG report mentioned above notes that the MIS is 'not well understood by most of the staff in the LGAs, or trained staff are no longer [employed]', and MOW's MIS roadmap notes limited funds for training as a key constraint, as well as a lack of dedicated computers in implementing agencies. Nevertheless, most LGAs visited gave a positive view of MIS. This might reflect the fact that the team visited relatively high-capacity LGAs or that additional MIS training has been provided in the nine months following that report. The main problem that LGAs did note with regard to MIS was that they rarely had access to the internet, resulting in delays of several months in updating information. Improving connectivity across the country is an ongoing challenge.

There is the unfortunate perception in some circles that the MIS is only there to 'keep the DPs happy'. Some stakeholders reported that people only update it when pushed to do so, rather than systematically. Hopefully further development of the MIS to include monitoring and evaluation functions will allow its full usefulness to be realised. Nevertheless, it is worth noting that the MIS produces information that is not immediately useful for decision-making. Its outputs are detailed tables of numbers which need some manipulation in Excel to understand what is really going on. Further development of the MIS should include modules for automatic displaying of key data in graphical form, for ease of interpretation by WSDP staff at all levels.

Some kind of dashboard for each component could significantly increase its perceived usefulness, and therefore likely use, by some staff who may not be accustomed to interacting with complex databases. On the contract management side, there is an ongoing issue with addenda and variations which needs to be resolved in further development of the MIS.

Turning to EPICOR, several LGAs were struggling with the upgrade from version 7 to 9.05, which sometimes resulted in data scrambling or loss. The associated change to using just six bank accounts for each LGA has confused matters and, as discussed above, some DWEs report that their funds are harder to trace. Recent increases in staffing at PMO-RALG should help to iron out these issues. Full integration of MIS and EPICOR is being discussed, but this is likely to be complex and expensive, and may confuse matters further. In our view, time would be better spent first realising the full potential of MIS, especially the inclusion of process and output monitoring (discussed in section 8 below). Few LGAs raised issues with Plan-Rep, hence the team focussed on challenges with the other two systems.

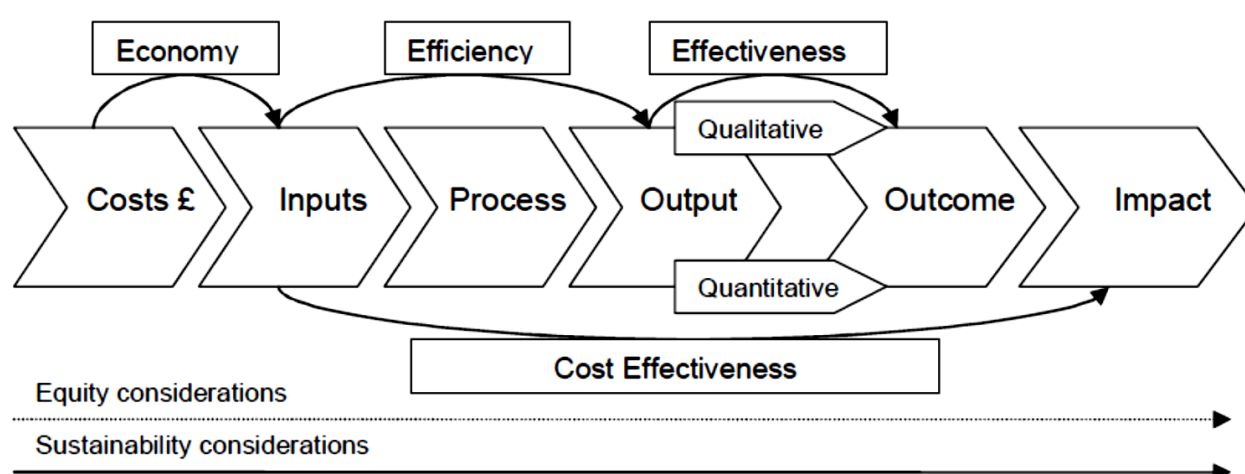
⁹ See for example the World Bank's 2009 'Public Expenditure Review of the Water Sector', which notes that "Districts have a planning process in place which is based on initial data from the central government that tend to vary significantly from the final data approved by Parliament. This disconnect makes the budget a rather inefficient tool for the districts as the budget availability on which they had made their plans can vary drastically with what is actually provided"

7 Value for Money Analysis (VFM)

7.1 Scope of the VFM assessment

This section provides a preliminary look at the VFM of WSDP investments, to the extent that this is possible. Annex D provides some background on the conceptual framework used to assess VFM, which builds on previous OPM assessments in this area.¹⁰ VFM is understood as comprising three concepts: economy, efficiency and effectiveness (sometimes referred to as ‘the 3 E’s’) as shown in the diagram below. VFM assessments should be undertaken with reference to a counterfactual, attribution and benchmarking.

Figure 1: The WASH results chain



Source: DFID WASH Portfolio review 2012

Given that WSDP Phase I is still ongoing, a qualitative analysis of programme performance the main priority for this review. We nevertheless gave detailed consideration to the potential for making a VFM assessment based on the 3 E’s across all four components. Unfortunately only vague and incomplete information on outputs and outcomes was available from paper reports for most components, and only input data was readily available. This should improve when monitoring and evaluation functions are integrated into the MIS.

In the light of poor data availability, this section instead takes the efficiency of component 2 as a case study, as better data and more tractable data was available than for other components. VFM aspects of other components are discussed in Annex D. It would in any case be premature to give a verdict on whether WSDP has provided good value for money. The programme arguably requires more time for the inputs to translate through outputs into outcomes and measurable impacts. Were it to be done now, such analysis would inevitably conclude that WSDP has had little impact.

¹⁰ Hoole, D. (2012) *Better Results? Value for money assessments of aid*, and Arora, S. et al. (2012) *Assessing Value for Money: the case of donor support to FSD Kenya*

7.2 VFM in the draft WSDP Technical Audit

The draft Technical Audit for 2010/11 and 2011/12 contains some aspects of VFM analysis. This is useful, but the approach taken is sampling a small proportion of investments at the project level. The authors visited 97 sites and analysed budgeting economy, procurement and implementation efficiency, as well as effectiveness in terms of infrastructure quality and use. While this is a useful way of looking at a sample, a broader approach is necessary when considering the WSDP as a whole.

The verdict of the technical audit on VFM was mixed, with about half of the sample receiving a verdict of 'best' or 'good', and the other half assessed to be 'fair' or 'poor'. This sounds reasonable, however the report interprets 'best' as 'expected VFM', while 'good' means 'reasonable'. The actual ratings are therefore less positive than first appears. Only 18% of sampled investments attained 'expected' VFM, which is not an impressive result.

It should also be noted here that the Technical Audit only looked at the project level and its analyses of economy and efficiency only considered costs and inputs for individual projects and did not take account of the significant programmatic costs and overheads associated with WSDP as a whole.

7.3 Efficiency and effectiveness of Component 2 investments

Analysis of efficiency considers how inputs (i.e. costs of staff time, capital investment etc.) are converted into outputs such as boreholes and service coverage. Component 2 is the only component where there is a primary output (water points) which lends itself to analysis of efficiency at this stage of WSDP. Other components have multiple outputs but financial reporting is not disaggregated, making it impossible to isolate funding by output. Even in Component 2 it is very difficult to find comprehensive and consistently-reported data on outputs and outcomes. The table below summarises the best available data:¹¹

Table 2: analysis of component 2 investments (source: *mowimis.go.tz* and WSSR 2011)

	RWS expenditure (TSh billions)	WPs constructed	Calculated beneficiaries	Cost per WP (TSh)	Cost per beneficiary (TSh)
FY0708	35.6	2,603	650,750	13,683,841	54,735
FY0809	54.0	3,618	904,500	14,913,920	59,656
FY0910	47.7	2,056	514,000	23,191,573	92,766
FY1011	74.9	1,269	317,250	59,002,439	236,010
Overall	212.1	9,546	2,386,500	22,222,247	88,889

"Costs" here should be interpreted as overall programme unit costs rather than project-level unit costs as used in the Technical Audit. This necessarily represents quite a broad analysis, because (i) Component 2 funds are not used only for direct implementation, (ii) LGAs report all outputs in the district, whatever the funder, but not all inputs are captured by MIS¹².

¹¹ The table comprises WP data from p.48-49 of the Water Sector Status Report 2011, which summarises outputs every FY from 2007/8 to 2010/11. Expenditure data comes from MIS.

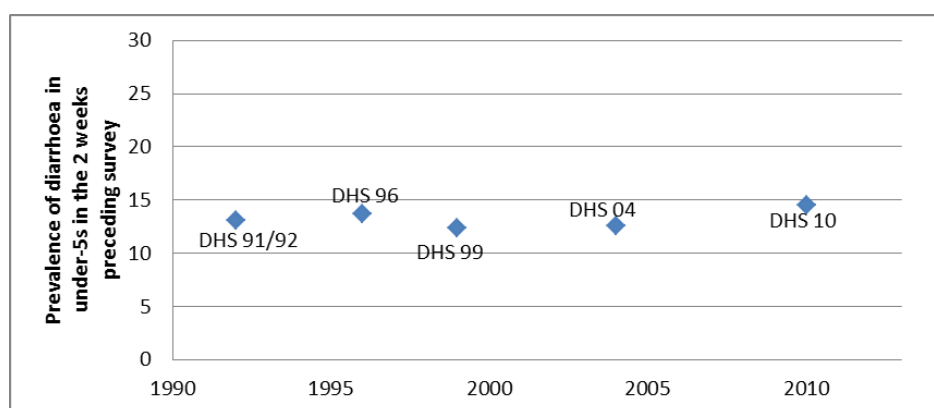
¹² These concerns are discussed further in Annex D

It is difficult to identify a regional benchmark for cost per output, as a wide range of technologies have been used in Phase I and in other countries in the region, and reporting does not disaggregate by output type. Future VFM analyses with access to more data may find it useful to compare the actual costs incurred to the planned unit costs in the original WSDP programme document (page B-11), which are given per system not per water point.

Turning to cost per outcome, the average cost per beneficiary of about TSh 90,000 equates to 59 USD, though this relies on a blanket assumption of 250 people served per water point. This is substantially higher than the Tanzanian government's 'planned cost per beneficiary' of 36 USD articulated in the AMCOW / WSP Country Status Overviews (CSO2) synthesis report.¹³ It is also high when compared to, for example, to DFID's cost per capita for rural water programmes in the region, which are in the range of 22 to 36 USD for Zambia, Mozambique and Malawi.¹⁴ The high figure probably arises from problems with Component 2 discussed in section 10 below.

Preliminary analysis of health outcome data also suggests that it is too early to look for impacts. For example, the below graph shows that diarrhoea prevalence in Tanzania has hardly changed over the past 2 decades.¹⁵

Chart 7 – Diarrhoea prevalence across Tanzania 'Demographic and Health Surveys' (DHS)



In VFM analysis, it is also important to compare actual results to planned results. The results framework in the restructuring plan set a target to increase the number of rural water points from 68,225 in December 2006 to 83,212 by June 2012, an increase of about 15,000. The table above shows that less than 10,000 WPs were constructed by June 2011, and newer data from WSSR 2012 further backs up the fact that this target will not be met. Roughly half of Component 2 funds remain unspent and in addition, the cost per water point is increasing over time. This may be because 'the 'quick wins'' were relatively cheap and that many of the planned outputs from the main Phase I implementation have yet to be realised. Over time, the programmatic costs will be spread over a broader set of investments as implementation progresses, which should bring the unit costs down.

With regard to a counterfactual, it is hard to conceptualise a "business as usual" case to set against WSDP. A future option could be to extend pre-WSDP trajectories in access (e.g. the 1996-2006 trend), and see whether WSDP has caused a step-change in this trajectory. However, it is

¹³ AMCOW / WSP (2011) *Pathways to Progress: Status of Water and Sanitation in Africa*

¹⁴ DFID (2012) *WASH Portfolio Review*, p.57

¹⁵ Similar data at the local level, which is collected via the Health Information System, should however be used by District Water and Sanitation Teams to understand diarrhoeal disease profiles in their area and set priorities.

too early for this kind of analysis and there has so far been no noticeable change in access trends. In terms of attribution, on the basis that WSDP encompasses all activity in the WASH sector, it is safe to attribute any progress or lack thereof to the programme, though with the caveats on inputs not captured by MIS, as discussed below. In summary, it is very hard to establish whether Phase I of WSDP has delivered VFM, especially given that implementation is not yet completed.

8 Monitoring and evaluation

8.1 WSDP monitoring framework

It is encouraging to note that programme monitoring data is used to inform planning and decision making in WSDP, at national level at least, via the established sector dialogue mechanism which includes annual Joint Sector Reviews and six-monthly Joint Supervision Missions.

WSDP has altered its monitoring framework several times during Phase I. The logical frameworks (logframes) in annex A of the original programme document were quite unclear, containing only vague outcome targets and associated indicators. The revised logframe and associated results framework in Appendices 1-2 of the WSDP Restructuring Plan are a little better, with more clearly-defined indicators, but still have some deficiencies.

As noted in section 2, the usefulness of the logframe and results framework is compromised by a number of factors, for example that targets are expressed in percentage terms in some places, absolute numbers in others; some targets are not consistently stated (for example, the logframe quotes a target of 50% of households in program villages using improved sanitation facilities, whereas the Results framework sets it at 60%). In addition the logframe contains a mix of output and outcome indicators, which blurs monitoring - an issue mentioned in two recent reviews of WASH monitoring in Tanzania, including one commissioned by WSDP.¹⁶

Programme monitoring is further complicated by the fact that the logframe and results framework are not the only tools used by WSDP stakeholders to monitor progress. The Performance Assessment Framework (PAF), for example, established under the framework of MKUKUTA, is often referred to by the World Bank and African Development Bank, while reports of the annual Joint Sector Reviews and Aide Memoires resulting from six monthly Joint Supervision Missions are also seen as important. Taken together, these monitoring and reporting systems create a confusing patchwork, so that there seems to be no single document or tool to which all WSDP stakeholders feel accountable, and use for monitoring progress.

The draft 'Integrated Water Sector Monitoring and Evaluation Framework' prepared by MOW in 2011 could potentially go some way towards resolving this and it would be beneficial for MOW to finalise and adopt it as soon as possible, or introduce another unified monitoring framework for Phase II, preferably with fewer indicators and a focus on critical processes and results. In doing this, it will be important for programme stakeholders to reach consensus on the interpretation of indicators and on key definitions such as what constitutes 'adequate' water supply or sanitation.

An improved monitoring framework should also indicate separately how output and outcome indicators will be monitored for each component, and end the practice of reporting 'coverage' outcomes based on blanket assumptions about water point functionality and users (for example, 200 people served per kiosk). The two reviews of WSDP monitoring systems referenced above explain in detail why this should not be done.

However the monitoring framework for Phase II is defined, it is important that MOW takes leadership of the task, while communicating effectively with DPs and co-ordinating their support to the design process.

¹⁶ Taylor, B. (2009) *Comprehensive Review of Sector Performance Monitoring Systems and Framework*, commissioned by WSDP, and Harris, T. (2012) 'Review of Tanzania's Water Statistics' commissioned by DFID

However well-designed, a monitoring system is only as good as the information that goes in. The processes for collecting and managing data are therefore extremely important. The current system for activity and output reporting is essentially paper-based, with implementing agencies writing quarterly reports which are submitted up the administrative chain. The table below sets out our understanding of the data collection methods currently used for monitoring the different elements of the results chain from inputs to impacts, taking Component 2 as an example.

Table 3: Sources of data along the WASH results chain

	Inputs	Activities	Outputs	Outcomes	Impacts
	(e.g. finance, staff time)	(e.g. drilling, contracting consultants)	(e.g. boreholes and toilets)	(e.g. people using facilities)	(e.g. reduced diarrhoeal disease)
National	MIS / EPICOR	Summary of regional reports by PMO-RALG	Summary of regional reports by PMO-RALG	Household surveys (e.g. DHS, HBS)	Household surveys (e.g. DHS, HBS)
Regional	MIS / EPICOR	Compiling of LGA reports by RS	Compiling of LGA reports by RS	Some surveys with large sample sizes, e.g. Census	Some surveys with large sample sizes, e.g. Census
Local	MIS / EPICOR	LGA quarterly reports	LGA quarterly reports	none	Health Information System (MoHSW)

The system is reasonably well defined in programme documents, but several respondents commented that it is not always followed in practice. For example, several MOW staff noted that it was hard to access the full quarterly reports submitted by LGAs, despite the fact that copies are supposed to be sent to them as well as PMO-RALG. Others expressed doubts about data reliability. Manual reports are open to typographical errors and manipulation, and seeking clarifications can be time-consuming.

Some of these issues may be resolved when the MIS is upgraded to include the monitoring and evaluation component set out in the 2012 'Roadmap for strengthening the WSDP Monitoring and Management Information System' drafted by MOW. This would automate the data collection process, enabling stakeholders at any level to analyse information in an appropriate amount of detail. It would also make the data aggregation process more transparent and less open to manipulation. However, concerns around internet connectivity and use of the MIS would also need to be addressed.

It will be important to involve implementing agencies across the four components in the design of this upgrade, to ensure that operator concerns are taken into consideration. In order to ensure that information is useful for decision-making, it should be clearly and simply presented.

Recommendations

6. *For Phase II, adopt a unified monitoring framework for WSDP based on a streamlined set of key indicators that distinguishes clearly between processes, outputs and outcomes. Indicators for equity, sustainability and capacity development should also be included. This framework should be the common point of reference for all programme stakeholders at national, regional and local level.*

7. *Where narrative reports are required, provide guidance to implementing agencies so that these provide useful management information. Amongst other things, the format should show the contribution of physical investments towards component objectives and targets, so that reports are not simply lists of unexplained investments.*

9 Component 1: Water resources management

The main aims of the component (including water resources monitoring and assessment, registration of abstractors and abstractions, user participation and public awareness, water source and resource protection, and pollution control) are sound. Without accurate and detailed knowledge of the water resource and man's impact on it, there can be no effective and sustainable development and management of water. Equally, without a responsibility for water resource protection which is shared by all water users, public authorities can do little.

There is some evidence that WSDP has led to the strengthening of Basin Water Offices (which were all formed prior to the start of the Programme). Several have received funds for the renovation or construction of buildings, provision of vehicles, and equipment needed for the restoration of water resource monitoring networks. It is difficult to comment on the extent to which new vehicles and equipment are being used due to the limited opportunity the team had to interact with BWO staff. It is notable, however, that strategic priorities for this component are not well elaborated in programme documents and as a result the justification for some hardware investments listed in programme reports is not immediately obvious.

Not all Basin Water Offices are equally strong, and it is likely that those which received more attention from DPs and a longer period of Technical Assistance prior to WSDP are in a better position now than those which started from a lower base at the commencement of WSDP. For now, the extent to which the offices can provide useful information to support activities under Component 2 varies and not all can provide reliable hydrogeological data.

It is always a moot point as to whether water should be managed within hydrological units (such as river basins, the only option for hydrologists) or within administrative boundaries (arguably more pragmatic in terms of action). In Tanzania the decision was taken three decades ago to organise water resources management at the river basin level, and that will not change. However, the consequence is that the Basin Water Offices and Basin Water Boards need to be pro-active in connecting to the concerns of the LGAs which provide water to urban and rural populations, as well as to the Regional Secretariats which form a key component of support to local Government.

The WSDP Main Document envisaged Basin Water Offices receiving 38% of their budgets from water resources revenues levied on the holders of abstraction permits, and a further 41% from 'NGOs, donors etc.' In the re-structuring plan a target was set for four out of the nine basins to be raising 30% of their budgets by 2012, but even this is unrealistic. Among the offices visited in this evaluation, the Lake Rukwa office raised TSh 50m out of an annual budget of TSh 1.6Bn in Financial Year 2012-13, equivalent to just 3% (source: interview with Basin Water Office team). Water resources management should be seen as a public good, and notwithstanding the value of Basin Water Offices raising some of their own funding, they should be seen as no less worthy of public funding than the LGAs which provide water to rural and urban consumers. There are limits as to how far water abstraction charges can realistically be increased, especially as far as rural and urban domestic consumers and small farmers are concerned. There is, therefore, a case for reducing or removing the revenue generation targets and increasing programme allocations to the BWOs accordingly.

Consultants appointed by MOW or donors are assisting all the offices in the preparation of Integrated Water Resources Management Plans. During this evaluation the team had sight of the Inception Report for the Lake Rukwa Basin IWRM Plan and the draft Wami-Ruvu IWRM Plan, prepared by consultants appointed by JICA. Some stakeholders have expressed concern that the participation of BWO staff in the preparation of IWRM plans has been limited. It remains to be seen whether the plans will be well-matched to the technical competence of the BWO team, and

whether there is sufficient consensus on their content to enable their successful implementation. IWRM has a well-deserved reputation for being strong on principles but weaker in implementation, and if the plans are too much driven by top-down technical considerations, they may founder (as did many of the Master Plans drawn up under previous aid programmes).

BWOs need to be mindful of the possible impacts of climate change but any proposed interventions in this area should be based on sound information. Integrated water resources management is predicated on the establishment and maintenance of an effective monitoring regime and monitoring data (not only local but national and regional) should inform decision making in this area.

Recommendation

8. For Phase II, reduce the revenue generation target for Basin Water Offices to a realistic level (or remove it altogether), but retain other performance targets for execution of IWRM regulatory functions

9. Plan for further technical assistance to Basin Water Offices to support the implementation of IWRM Plans formulated under Phase I.

10 Component 2: Rural water supply and sanitation

10.1 Summary of progress

Component 2 is implemented by the LGAs through funding allocations received directly from MoFEA. MoW influence over the quality and amount of implementation is tempered by the fact that District Councils fall under the authority of PMO-RALG. Nevertheless implementation is expected to be carried out according to the National Water Policy, the Water and Sanitation Act 2009, and the associated Regulations and Guidelines.

Due to the large rural population (33 million out of 45 million total) and low access to improved water supplies (44% in 2010 according to the 2012 JMP report), this is arguably the programme component with the greatest potential impact. In the event, relatively few of the rural water schemes planned under basket funding have materialised so far and this component is unlikely to make a significant impact on national access figures by 2014. According to the MOW Water Sector Status Report (which use the government's own data and definitions) access to clean water in rural areas actually fell by 2.1% from December 2009 to December 2012. The slow rate of progress presumably explains why coverage targets were reduced to a very modest level in the 2011 re-structuring, the new objective being to increase access to clean water to 60.5% by the end of Phase I (now set at June 2014), an increase of just 1.8% on the 2009 figure. During field visits the team did not have an opportunity to view any new schemes completed under Phase I and cannot, therefore, comment on the quality of technical work undertaken based on first-hand experience. It is noted, however, that independent technical audits have raised some concerns in this area.

While activity under basket funding has progressed very slowly, it is important to acknowledge that WSDP also includes a number of earmarked projects funded by a range of DPs including JICA, KfW and BADEA (amongst others). These have fared much better in terms of delivery on the ground. As evidence of this, the same 2012 report notes that while only 3,019 additional water points were added over the two year period from mid-2010 to mid-2012, these resulted from earmarked interventions. The programme documentation seen by the evaluation team offers only limited information on the content and results of earmarked projects, however, and the field visit schedule did not include any LGAs where earmarked projects were taking place. This being so, our comments relate mostly to basket-funded activity.

The reasons for the disappointing output appear to be a combination of (a) delays in procurement, (b) irregular and somewhat unpredictable fund releases from the centre (c) limited absorptive capacity at LGA level and (d) the time taken to establish an effective role for PMO-RALG and achieve good MOW / PMO-RALG co-ordination. Expenditure in this component has fallen further behind scheduled allocations to a greater extent than the other programme components.

10.2 Operational strategy

The programme design envisaged that, at the outset, each LGA would formulate a district-wide water and sanitation plan as was earlier done in 14 pilot districts supported by World Bank. This plan would then provide the framework for investment and other activity during Phase I. Under the umbrella of the plan, communities would be invited to submit applications for new or improved water supply schemes and LGAs would prioritise those with the greatest need, subject to each collecting a minimum community contribution that was to be used as an operation and maintenance fund. A Community-Owned Water Supply and Sanitation Organisation (COWSO) would be formed to own, operate and maintain each scheme. Funds provided by WSDP would

thereby enable LGAs to progressively implement their own plans, new investments being a contribution towards a district-wide vision that encompassed not only coverage but measures to foster community management and sustainability.

The evaluation found that in practice, this district-wide vision is missing and there is consensus that few (if any) LGAs have developed district-wide water and sanitation plans during Phase I. Instead, following the completion of numerous 'quick win' projects (many of which were scheme rehabilitations) activity under Component 2 has become narrowly focussed on the delivery of a small number of water supply schemes per LGA. Regarding the selection of villages for programme support, all LGA respondents indicated that decisions were based on need and requests from villages, though MOW also directed that LGAs prioritise village with a relatively high population density. Some stakeholders have also suggested, however, that lobbying by ward councillors was a decisive factor.

Each new scheme is designed by a specialist consultant and constructed by a private contractor working under the consultant's supervision. In addition some LGAs are engaged in COWSO formation and registration, including a number where JICA has provided training and guidance in this area, though it is not clear what this activity entails beyond the formal registration process, which on its own cannot establish viable operations and maintenance arrangements.

The current focus on just a handful of villages presents a stark contrast to Component 3, where utilities are under pressure not only to make investments but to meet performance criteria for service provision across their entire catchment area. Our understanding of how the current state of affairs arose is as follows. For reasons of efficiency the appointment of consultants was administered centrally by MOW, with each consultant given the task of designing an initial batch of ten village schemes per LGA. This does not seem unreasonable, but it seems that the consultants were not given clear guidance on the budget available for the schemes they were to design. At the time there was a drive to meet MKUKUTA targets and a widely held belief among implementing agencies that WSDP, widely dubbed as 'the World Bank Billion Dollar Programme' had considerable sums to spend. MOW had anticipated that a substantial proportion of the designs would be for relatively low-cost schemes such as boreholes with handpumps, but in the event most were for higher cost technologies, particularly gravity flow schemes and boreholes with motorised pumps and local distribution networks. The total cost of these schemes exceeded many times over the amount of money that MOW had budgeted and led the ministry to revise their plans, so that the initial number of schemes per LGA was reduced to an average of three, though some LGAs were allowed more.

There then followed the widely-reported period of protracted delays in procurement, related to a combination of irregular and sometimes inadequate fund releases from the centre; the time taken to obtain World Bank 'no objection' certificates; and shortcomings in financial administration which led donors to temporarily stop releasing funds in advance and instead pay only against receipts for completed work. By the time of the evaluation, very few schemes had been completed.

An inevitable consequence of MOW controlling the appointment of contractors and directing that each LGA should initially develop ten (later reduced to three) village schemes, with designs subject to MOW approval, has been a partial loss of LGA control over implementation, which may partly explain the marginalisation of district-wide planning and activity. While the ministry's approach could be viewed as pragmatic, given the scale of programme ambitions and limited LGA capacity, it has undermined the LGAs' decentralised role in planning and decision making, and the constant need to refer to the centre for approvals can only have added to the many delays. This being so, MOW control of programme implementation should not be maintained as a long term strategy. Instead, more emphasis should be placed on technical support to LGAs to help them carry out their devolved responsibilities.

10.3 Component 2 finance

Given the limited output to date this component cannot be considered cost-effective, and the disconnect between the cost of the schemes designed and the funds actually available has compounded the problem, resulting in time and resources being wasted on the planning of new schemes which cannot be funded, are funded for only partial implementation, or will be implemented much later when original designs and costing need major revision. On top of this is the disappointment and frustration caused to communities which were earlier promised support.

MIS data on contract lists for 2007-13 shows that a significant number of the consultants hired for technical and software ('facilitation') services under Component 2 were international companies, often working in association with a local subsidiary or partner. Our concern here is that hiring international companies may not be affordable in the long term, apart from which most new schemes are based on relatively simple technology for which specialist international expertise may not be necessary. We acknowledge that consultants were appointed on the basis of competitive tenders, not direct hire, nevertheless greater use of national consultants would, in principle, be desirable as technical capacity in the local private sector grows.

10.4 LGA capacity

There is a general perception that LGA capacity in relation to water supply is low and that this has also been a factor in the slow rate of progress. Our visits suggest that the picture is mixed, at least in terms of staff numbers. While it has been reported that some Districts have no Water Engineer, others have as many as three engineers, as well as technicians, and consequently there is a greater capacity for implementation. In terms of expertise, however, it is probable that many if not most districts would benefit from ongoing access to expert technical assistance and mentoring support. Amongst other things there needs to be a closer match between the expertise of the client (in this case the District Water Engineer) and the consultant, otherwise outcomes risk being dominated by the consultants' interests. Some concern has been expressed by CSOs that, instead of blaming LGAs for the lack of capacity, government and DPs should be doing more to resolve the capacity gaps so that the scaling up of programme activities becomes possible.

Technical support was to be provided by the Programme Management Consultant (PMC) team appointed by MOW in 2012, but this initiative failed due largely, it would appear, to the consulting firm deploying a lead consultant who lacked the necessary technical and managerial skills. There nevertheless remains a strong case for providing expert technical assistance (TA) to supplement the focussed training already provided by JICA in selected LGAs and about to be scaled up nationwide. The purpose would be to provide ongoing technical assistance at operational guidance at national, regional and LGA level. There are several ways in which such TA could be deployed at sub-national level, the most obvious being (a) through the Regional Secretariat Water Teams, (b) through the zonal offices which MOW proposes to establish or (c) through teams sitting alongside the BWOs. Of these, the first appears to be the best option as the regional teams already exist and have an established role in supporting LGAs; the other options would require significant changes to current institutional arrangements.

Having highlighted a range of challenges, we note that some of the key difficulties relating to procurement and financial administration have now been resolved (though the latest Technical Audit shows that there are still some administrative failings to address) and it is encouraging that the 2012 PAF report ranked the performance of Component 2 as 'Good'. This is encouraging and it seems likely that the rate of progress with the first basket-funded schemes will increase during the remainder of Phase I.

A priority from now onwards should be to bring to an end the current piecemeal approach to rural water supply and make a strategic shift towards district-wide planning and action that considers how best the funds available can be used to benefit the district as a whole, considering the need not only for new investments but also for rehabilitation and for viable operation and maintenance arrangements. Data from the water point mapping initiative offers a valuable point of reference for the planning process. Multi-year, transparent planning of new investments and services would establish a rational framework for the work of the LGAs, their consultants and external support agencies operating within the district.

10.5 Sanitation and hygiene

As explained in the introduction, the evaluation team had no opportunity to meet senior Ministry of Health officials responsible for the National Sanitation Campaign (NSC) and were unable to access related documentation during the mission, though some was later provided via DPG-Water. Our ability to comment on the campaign is therefore limited.

We note that the framework for the NSC has progressively been established over the last few years via a series of documents and agreements including (amongst other things) a Draft Sanitation and Hygiene Policy (2011), a concept note (undated) for a 'Rural Sanitation and Hygiene Program' under WSDP and a Participation Agreement (2012) plus Memorandum of Understanding (undated) between PMO-RALG and the Ministries of Health, Water and Education dealing with programme financing and implementation. Recognising that the majority of households already have a basic latrine of some kind, the NSC will seek to stimulate demand for improved latrines, that is, ones which are more durable and hygienic, and improve the supply of related hardware and skilled labour. The promotional strategy will be based on a combination of CLTS (use of basic latrines being treated as a form of fixed point open defecation) and sanitation marketing. LGAs will receive WSDP funds to facilitate promotional activity, with the Ministry of Health playing the lead role overall. The various NSC documents include provision for a National Steering Committee, a Technical Committee and two Technical Working Groups (one for household sanitation and hygiene, the other for School WASH) but whether these have been established is not clear.

It is encouraging that the NSC has now been launched in 42 districts and the team visited one, Kongwa, where the District Health Officer described the pilot CLTS activities underway. It is also evident, however, that implementation mechanisms are still being finalised and that NSC so far has very limited visibility, despite its national title and a 23 million USD funding allocation.

With a nationwide, funded sanitation programme now added to WSDP this needs substantial attention in the design of Phase II and warrants a programme document and results framework in its own right given that sanitation and hygiene promotion will be taken to scale and no longer be confined to villages receiving new or improved water supply schemes. Close co-operation between the Ministries of Water, Health and Education (for School WASH) will be pivotal to success.

Recommendations

10. Phase II should see each LGA planning to meet the needs of the district as a whole through a combination of rehabilitation, new investments and the establishment of viable long term operation and maintenance arrangements. The planning process should draw on data from the recently conducted water point mapping to identify wards and villages with the greatest need and opportunity

11. *Financing mechanisms for this component should be revised to ensure that new schemes are designed with reference to the funds actually available, and that LGAs and their consultants have an incentive to select cost-effective options which enable WSDP funds to benefit the maximum number of unserved people*

12. *Make provision for ongoing technical assistance to support component 2 at national and regional level to replace the earlier Programme Management Consultant team. To avoid the pitfalls of the earlier appointment it is recommended that MOW and the Technical Working Group for Rural Water Supply work together to develop detailed Terms of Reference for this appointment and recruit a suitable team.*

13. *Expedite the adoption and implementation of a programme document and implementation strategy (including a results framework) for the National Sanitation Campaign, supplemented with clear operational guidance for local level actors. In support of the Campaign, establish a Technical Working Group for Sanitation and Hygiene Promotion.*

14. *In developing the strategy, MOH should adopt an inclusive, multi-stakeholder approach and draw on lessons from good practice developed by both government and external agencies working in the sanitation sub-sector in Tanzania and the region. In support of this initiative, establish a dedicated Technical Working Group for sanitation and hygiene (urban and rural) with multi-stakeholder representations.*

11 Component 3: Urban water supply and sanitation

This component is underpinned by a regulatory framework whereby utilities are required to formulate Business Plans which set out not only proposed capital investments but also strategies for meeting performance indicators set by the regulator, EWURA. These indicators cover a range of parameters - not only service coverage but also unaccounted for water, cost recovery and number of staff per connection, amongst other things. The current policy environment is evidently supportive of a shift towards a commercial orientation in service provision (though tariff setting remains politically sensitive), while regulation creates pressure on service providers to improve their operational performance while making capital investments with WSDP support. Many of the larger urban investments have been earmarked projects which included the provision of expert technical assistance, while training and other technical support to planning and service provision is provided for both large and small operators via GIZ support.

Operational arrangements under this component are well established and more comprehensive than those in place under Component 2, which is understandable given that a) WSDP absorbed a number of projects that were already planned or underway before the programme began and b) the focus and boundaries of service provision are more clearly defined for urban piped water supply networks than for rural services based on numerous small independent schemes. This said, urban on-site sanitation remains a challenge and it appears that limited progress has been made so far in the area of faecal sludge management, a major challenge given that the vast majority of urban households do not have access to sewerage and will not get it in the foreseeable future. Interviews with utility managers revealed that programme efforts so far have been focussed on the provision of vehicles and treatment facilities, with much less done to generate demand for, or regulate, the safe disposal of septage or establish financially sustainable removal and treatment services.

One very positive feature observed in field visits was the mentoring support that some large utilities provide to small and community-based service providers operators, for example in growing townships. In Dodoma, for example, DUWASA acts as client in dealings with the consultant appointed for improvements to the bulk supply and distribution network for the community-owned Kibaigwa scheme. GIZ have been instrumental in facilitating this 'peer-to-peer' mentoring arrangement.

While this situation is encouraging, it also is a concern, as for WSDP overall, that programme documents do not clearly define the purpose and strategic priorities for this component or define criteria for the prioritisation of investments within utility catchment areas. Programme reports include long lists of infrastructure investments but the criteria for identifying and prioritising them are not explained - for example, how these investments will result in large numbers of people gaining access to the water supply network for the first time, or receiving a higher level of service. Interviews with utility managers revealed that, as in Component 2, consultants appointed for the design and costing of new investments were not given a clear steer on the level of funding available or investment priorities, with the result that some schemes were designed for which funding was unavailable (in the short term at least), or which needed substantial revision to be viable. This reinforces the argument for clarifying strategic priorities and ensuring a rational connection between component objectives, the investments selected and the funding available.

The streamlined strategy should state clearly whether or not WSDP will make further investments in sewerage. We consider that it would be very difficult to justify the use of WSDP grant funds for this purpose given a) sewerage generally benefits only better-off households since sewer connections are predicated on the user having a private water connection and b) experience in many parts of Africa shows that the operation and maintenance of sewerage systems is highly

problematic, due not least to the need for adequate wastewater flows (and sometimes power for pumping) to make the system viable, and because sewerage investments are capital-intensive but generate little or no revenue to cover maintenance costs. Some programme documentation suggests that a decision has already been made to exclude new sewerage investments from Phase II, but the impression gained from interviews at national and local level during the evaluation was that some further works are proposed.

Recommendations

15. Review and streamline component strategy and priorities as per recommendation 2. In doing so, clarify how equity considerations and operation and maintenance prospects will affect the identification of new investments

16. No further grant-funded investments in sewerage should be made in Phase II.

17. Phase II should give greater attention to on-site sanitation including the development and testing of strategies to improve faecal sludge management. Such initiatives should encompass not only the provision of new equipment and facilities but also promotional and regulatory measures to encourage private sector participation and the regular use of safe pit emptying services by domestic and other consumers.

12 Component 4: Institutional strengthening and capacity development

The general comment that the rationale, strategy and priorities for each component need sharpening certainly applies to this component. Apart from technical assistance and training, a number of management functions such as monitoring and evaluation have been bundled into Component 4, possibly because they do not fit neatly within other components. The component is managed by the Department of Administration and Human Resources though some aspects such as programme monitoring fall under the Department of Policy and Planning (DPP).

Programme reports for this component suggest that there has been a heavy emphasis on hardware investments including buildings, vehicles and equipment. While much of the hardware purchased may have been needed, there is a risk that some of these investments will not provide long term benefits if they are not matched with operational funding and development of the skills needed to use and maintain them effectively.

In the earlier stages of Phase I, human resource development was not approached on a systematic basis though we understand that a number of staff were sponsored to undertake international full-time courses. By 2010, DPs had become concerned that this training had not led to improved programme performance in key areas such as monitoring, procurement and general management, and as a result became reluctant to support further training proposals presented by the ministry, on the grounds that they were not relevant, were too expensive or were unaffordable. In response to these concerns, in 2011 MOW commissioned an independent assessment of the impact of WSDP training activities. The evaluation team have not seen the report of this assessment and as a result cannot comment on any benefits that the training may have delivered to the programme. We note, however, that there is a longstanding request from DPs to make the report available. We support this request as the report could potentially provide useful lessons to inform and guide capacity building plans for Phase II.

With support from DPs including GIZ and JICA, efforts were made to re-focus the component on the development of skills and human capacity for programme implementation. Central to this initiative was the requirement for Implementing Agencies under each of the three technical components to formulate their own capacity development plans. Implementation of these plans has not progressed very far, however, partly because component heads expected to receive a dedicated line of funding for capacity development rather than accommodating it within existing component budgets. As of now, there has been a substantial amount of capacity development within Component 3 (including some provided via WDMI), a significant amount in aspects of Component 1 including the formulation of IWRM plans, but much less in Component 2, due partly to problems with the appointment of the Programme Management Consultant, though JICA are have been providing training for LGAs in a number of key areas in pilot district and are about to scale this up nationwide.

The intention in establishing a stand-alone component for capacity development may have been to ensure that the subject is not neglected by WSDP, but in practice the implementation of capacity development plans has been marginalised. Whether it is better in Phase II to continue co-ordinating capacity building via a stand-alone fourth component or to adopt a new arrangement linked to the proposed new management team is a question that could usefully be explored by the forthcoming review of programme management arrangements supported by GIZ.

It is important for the remainder of Phase I and for Phase II that capacity building interventions are fully integrated into the workplans and budgets of the three 'technical' components even if a fourth

component is retained with lead responsibility and expert human resources for capacity development within the programme overall. These interventions should focus on human resource development to enhance programme implementation and the capacity to operate and maintain improved facilities and services developed under the programme. Here it is again important to keep in mind the 20-year vision of WSDP, as there are no short cuts for sector strengthening and capacity building.

One aspect of capacity building that has been largely neglected to date in WSDP is the documentation and dissemination of lessons learned from programme experience. For example, where successful (or even unsuccessful) initiatives have emerged in particular locations or thematic areas it is important to share these with other programme stakeholders so that lessons learned can be applied widely, to improve programme effectiveness.

Recommendations

18. Capacity building initiatives should be fully accommodated within revised operational strategies and budgets for components 1 to 3. The focus of these initiatives should be on developing the capacity for programme implementation and for the operation and maintenance of equipment, facilities and services provided via the programme.

19. See also recommendation 5b (institutional arrangements)

13 Equity and sustainability

13.1 Equity

Some programme stakeholders have expressed concern at the low level of programme funding allocated to rural water supply and sanitation in comparison to urban, bearing in mind that nearly 80% of the population live in rural areas. They point out that nearly 80% of the population live in rural areas and that a higher level of access is targeted in urban areas: 90%, compared to 65% in rural areas. This argument is not very compelling, however, partly because the unit costs of urban water supply and sanitation infrastructure tend to be much higher than in rural areas, but also for the practical reason that Component 2 is struggling to spend the resources already allocated; see charts in section 6. Based on current performance, it seems doubtful that LGAs would have the capacity to spend additional resources in an effective and timely manner (reinforcing the case for a renewed focus on capacity strengthening for LGAs – see section 10.4). In addition, there are perverse incentives at play in the rural component which favour high-cost schemes (see section 10), thereby limiting the number of people benefitting from programme investments.

Of greater concern is the question of who benefits within the urban and rural components and it is not clear whether considerations of equity and the needs of the poor play a significant part in investments decisions. The Water Point Mapping initiative and GIZ Baseline Study of low income urban areas provide a useful basis for giving more attention to equity in future plans for rural and urban water supply respectively.

In Component 3, efforts are made to accommodate the water supply needs of the poor through the provision of kiosks which offer free water to designated ultra-poor households, though for those who must pay, the unit cost of water from kiosks is higher than that applied to house connections. The typical price per cubic metre for a kiosk user is about TSH 1,000, while the tariff for a resident with a house connection is less than half this. It is common for the poor and relatively ill-served to pay more per cubic metre than those who enjoy household connections. In this regard, Tanzania is no exception. It will only be possible to increase tariffs generally if a greater differentiation is made between different service levels, with higher service levels paying more per cubic metre.

It is also noted that some utilities are making (or at least planning) investments in sewerage. As explained section 12, sewerage will only benefit those with a household water connection and as such is hard to justify as a priority for grant-funded investment. Public funding for sludge management and storm drainage would be easier to justify.

Turning to Component 2, there are conflicting arguments as to the equity implications of current resource allocation arrangements. The PIM provides guidance to LGAs to consider equity in planning, but it is not clear to what extent the selection of communities for water provision in practice reflects priority needs. It appears that pragmatic judgments are made about demand, need and opportunity in the selection of WSDP schemes, but there is no rational basis for equity considerations.

A positive feature of Component 2 is the use of a transparent formula for the LGCDG water window (discussed in section 6.2 above), which ensures that every LGA receives some level of funding; without it the bulk of programme funds might be allocated to a small number of favoured locations. Set against this is the evident bias towards high cost schemes that has arisen in the ‘ten village’ initiative, something which could result in funds being exhausted on a small number of high cost schemes when the same funding could, arguably, be used to provide a modest level of service to a larger proportion of the district population.

On Component 1, the incorporation of Water User Associations in the institutional arrangements is designed to ensure that equity considerations are reflected in water use decisions. However, these arrangements are still nascent, and WUAs will need support in fulfilling this role. Furthermore, given the scale of power imbalances between different water users, there is a need for clear processes and transparency in water resource management decisions to ensure the needs of the poor and of domestic water users are given due priority.

13.2 Sustainability

Interviews with stakeholders at all levels suggest that the potential sustainability of new and rehabilitated infrastructure has not been a major consideration in the planning of projects in both urban and rural areas. Much remains to be done to establish viable operation and maintenance arrangements in rural areas, both for new, WSDP-financed schemes and pre-existing schemes. To some extent, sustainability has attracted more attention in recent dialogue and COWSO formation is prioritised in the re-structuring plan but this is in its early stages and, in any case, COWSO registration is simply an administrative process that cannot on its own deliver effective community management.

Challenges in community management include the technical capacity and motivation of COWSO members and the willingness and ability of water users to pay their agreed water charges. This is especially the case with diesel-pumped schemes as fuel costs inevitably rise. However it is also a challenge for gravity piped schemes (especially as intakes, reservoirs and pipelines age) and hand pumped schemes (in the light of limited technical support and weak spare parts supply chains). In many cases, as the global WASHCost research programme has found¹⁷, it is unlikely that user charges will be adequate to cover, operation, routine maintenance, minor repairs and capital maintenance. It is also unlikely, unless specific attention is paid to this matter, that LGAs will be able to support COWSOs adequately. There is a danger that delegating responsibility for operations and maintenance is used to absolve LGAs of all responsibility for sustainability. Achieving sustainable services requires the design of smart service-related performance indicators (such as those used in urban water supply), rather than indicators which simply reflect activities and physical outputs.

Recent water point mapping data (see graph in section 2.2.1) shows that operation and maintenance outcomes with such schemes are not encouraging and unless radical steps are taken to reverse this trend, there is a high risk of some programme investments being wasted.

Apart the development of new water supply and sanitation facilities, Phase I has seen significant sums of money invested in buildings, vehicles, staff and equipment, all of which are necessary to increase the effectiveness of institutions. However, the question as to whether there will be assured funding to maintain these assets is an important one, especially in those institutions which have limited real prospect of raising revenues or attracting regular donor, NGO or private sector funding. There is a need for a change of mind-set, so that for every capital investment made there is clarity about (a) the recurrent financial flows which will be needed for operation, maintenance and capital maintenance, and (b) the source of those recurrent expenditures.

¹⁷ WASHCost (2012) Infosheet 3: Funding recurrent costs for improved rural water services

Recommendations

20. The proposed streamlining of component strategies should ensure that in Phase II, investment activity is balanced with adequate measures to address equity, sustainability and capacity development (both for implementing agencies and, where appropriate, service users) in programme implementation.

14 Summary of recommendations

Recommendations made in the report are summarised below with suggested institutional responsibilities and broad timeframes. Please note that where Technical Working Groups are mentioned, we assume that these include representation from DPs supporting the component concerned.

We recognise that addressing some of these recommendations will involve a considerable amount of work that cannot simply be allocated to a few individuals. We would urge MOW to take up the recommendations as part of a comprehensive, government-led effort to develop the design of Phase II, in close collaboration with Development Partners. As a first step, we encourage MOW and DPs to consider the evaluation report and recommendations in the course of the forthcoming Joint Supervision Mission and Joint Annual Review.

Recommendation	Timeframe		Lead Responsibility
	Phase I	Phase II	
Programme design			
1. The Phase II programme document should define clearly the scope of WSDP, in particular whether it encompasses all activity in the water sector including investments beyond those funded via the basket fund and designated 'earmarked' projects. Reporting and monitoring systems should be revised accordingly		✓	WSDP Steering Committee in consultation with DPG-Water
2. The design of each component should be revised to ensure that the rationale, objectives, operational strategy and priorities are clearly expressed and logically linked to component targets and budgets. In each case the operational strategy should incorporate an appropriate mix of physical investments and rehabilitation (with prioritisation criteria clearly stated); capacity development; and measures to safeguard equity and promote sustainability.		✓	Component Directors, supported by TWGs
Institutional arrangements			
3. Lead responsibility for the management of WSDP, including the provision of strategic direction to component heads, should be more clearly defined below the level of Permanent Secretary and Deputy Permanent Secretary.	✓		Permanent Secretary in consultation with Steering Committee and DPG-Water
4. We also recommend that the [GIZ-supported] organisational review should encompass a) The relative roles of PMO-RALG and the MOW Rural Water Supply Director in relation to Component 2, on the basis that PMO-RALG should be more accountable for the implementation of this component even if MOW retains an important technical advisory role b) The merits of retaining a separate capacity building component or adopting an alternative arrangement linked to the proposed establishment of a management support team.	✓ ✓		GIZ in partnership with Directors of Components 2 and 4 and Director of Sector Co-ordination, PMO-RALG

Programme implementation			
5. Following the streamlining of component strategies and related progress indicators, the Programme Implementation Manual should be replaced with more concise and user-friendly operational guidance for WSDP managers and implementing agencies. This should include re-orientation on programme strategy and operational approaches for implementing agencies bearing in mind the staff turnover that has occurred since programme inception.		✓	DPP in collaboration with Component Directors and Technical Working Groups
Monitoring and evaluation			
6. For Phase II, adopt a unified monitoring framework for WSDP based on a streamlined set of key indicators that distinguishes clearly between processes, outputs and outcomes. Indicators for equity, sustainability and capacity development should also be included. This framework should be the common point of reference for all programme stakeholders at national level, regional and local level.		✓	DPP in consultation with Component Directors and Technical Working Groups
7. Where narrative reports are required, provide guidance to implementing agencies so that these provide useful management information. Amongst other things, the format should show the contribution of physical investments towards component objectives and targets, so that reports are not simply lists of unexplained investments.	✓		DPP in consultation with Component Directors
C1: Water Resources Management			
8. For Phase II, reduce the revenue generation target for Basin Water Offices to a realistic level (or remove it altogether), but retain other performance targets for execution of IWRM regulatory functions		✓	Component 1 Director in consultation with Technical Working Group
9. Plan for further technical assistance to Basin Water Offices to support the implementation of IWRM Plans formulated under Phase I		✓	Component 1 Director and DPG-Water
C2: Rural water supply and sanitation			
10. Phase II should see each LGA planning to meet the needs of the district as a whole through a combination of rehabilitation, new investments and the establishment of viable long term operation and maintenance arrangements. The planning process should draw on data from the recently conducted water point mapping to identify wards and villages with the greatest need and opportunity		✓	Component 2 Director in collaboration with PMO-RALG WSS team and Technical Working Group
11. Financing mechanisms for this component should be revised to ensure that new schemes are designed with reference to the funds actually available, and that LGAs and their consultants have an incentive to select cost-effective options which enable WSDP funds to benefit the maximum number of unserved people		✓	Component 2 Director in consultation with DPP, MoFEA, PMO-RALG
12. Make provision for ongoing technical assistance to support component 2 at national and regional level to replace the earlier Programme Management Consultant team. To avoid the pitfalls of the earlier appointment it is recommended that		✓	Component 2 Director and DPG-Water in collaboration with

MOW and the Technical Working Group for Rural Water Supply work together to develop detailed Terms of Reference for this appointment and recruit a suitable team.			Technical Working Group
13. Expedite the adoption and implementation of a programme document and implementation strategy (including a results framework) for the National Sanitation Campaign, supplemented with clear operational guidance for local level actors. In support of the Campaign, establish a Technical Working Group for Sanitation and Hygiene Promotion.	✓		Ministry of Health in consultation with MOW, MOE and RWSS Technical Working Group
14. In developing the strategy, MOH should adopt an inclusive, multi-stakeholder approach and draw on lessons from good practice developed by both government and external agencies working in the sanitation sub-sector in Tanzania and the region. In support of this initiative, establish a dedicated Technical Working Group for sanitation and hygiene (urban and rural) with multi-stakeholder representation.	✓		MOH and WSDP Steering Committee
C3: Urban water supply and sanitation			
15. Review and streamline component strategy and priorities as per recommendation 2. In doing so, clarify how equity considerations and operation and maintenance prospects will affect the identification of new investments		✓	Component 3 Director in collaboration with Technical Working Group
16. No further grant-funded investments in sewerage should be made in Phase II.		✓	Component 3 Director in collaboration with Technical Working Group
17. Phase II should give greater attention to on-site sanitation including the development and testing of strategies to improve faecal sludge management. Such initiatives should encompass not only the provision of new equipment and facilities but also promotional and regulatory measures to encourage private sector participation and the regular use of safe pit emptying services by domestic and other consumers.		✓	Component 3 Director in collaboration with Technical Working Group
C4: Institutional strengthening and capacity development			
18. Capacity building initiatives should be fully accommodated within revised operational strategies and budgets for components 1 to 3. The focus of these initiatives should be on developing the capacity for programme implementation and for the operation and maintenance of equipment, facilities and services provided via the programme.		✓	All Component Directors in collaboration with Technical Working Groups
19. See also recommendation 5b (institutional arrangements)		✓	
20. The proposed streamlining of component strategies should ensure that in Phase II, investment activity is balanced with adequate measures to address equity, sustainability and capacity development (both for implementing agencies and, where appropriate, service users) in programme implementation.		✓	All Component Directors in collaboration with Technical Working Groups

Annex A Progress against logframe

A.1 Progress on Program Development and Immediate Objectives

Original logframe objectives and indicators		OPM analysis and comments	
Hierarchy of Objectives	Indicators <i>[assumed to be 'by end of Phase I in June 2014' unless otherwise indicated]</i>	Progress at 31 st March 2013	Comments
Overall Development Objective			
Improved access to water supply and sanitation services and strengthened sector institutions for integrated water resources management			
WSDP Immediate Objectives			
1. Improved institutional capacity to develop and coordinate IWRM	Three (3) Basin Water Offices fully operational and implementing an approved plan for integrated basin water management	Partially complete	The criteria for 'fully operational' are listed in the MTR p.4. Given the second criterion (self-funding 30% of operational costs), no BWOs are fully operational. Many have draft IWRM plans prepared (or under preparation) by consultants, but none are yet implementing them.
2.Improved access to clean and safe water	21,031,510 of rural population have access to potable water supply services	Unlikely to be completed	The latest credible source for rural access to water is DHS 2010 (published in 2011). It estimates the rural population at 35.9m, and access to an improved water source at 46%. Multiplying these together, we find that 16.5m rural people had access to improved water in 2010. Given the WSSR 2012 p.45 estimate than c.750,000 people have gained access since July 2010, it is very unlikely that this target has been reached, and it will not be by the end of Phase I unless progress accelerates substantially. More detail is provided in the component 2 table below.
	UWSAs expand coverage and serve 1,358,875 additional people in their service area with potable reliable water for the period 2007 to 2010	Unclear	With the exception of the target for small town WSAs, these targets are not consistent with the targets under component 3 in the table below, nor are they reported on by the programme.

	<p>Small towns WSAs expand coverage and serve 198,790 additional people of the service area with potable reliable water for the period 2010 to 2012.</p> <p>DAWASA expand coverage and serve 581,140 people of service area with potable reliable water for the period 2007 to 2010</p>		
3. Improved access to sanitation facilities	<p>50% of households in the project villages have access to improved sanitation facilities</p> <p>Utilities expand coverage to 20% of service area with sanitation / sewerage services</p>	<p>Target abandoned</p> <p>Not complete</p>	<p>The recently-launched National Sanitation Campaign has superseded this target. In any case, this indicator was not reported on in WSSRs.</p> <p>This target is inconsistent with the target of 18% quoted in Table 2.1 of the Re-structuring plan. WSSRs report on numbers of connections rather than a percentage target, but with c.40,000 connections reported in 2011/12, it is clear that the target will not be met. The MTR in any case recommended that sewerage targets be deleted.</p>
4. Financially autonomous & commercially viable urban water and sanitation authorities	Financially autonomous & commercially viable urban water and sanitation authorities	Partially complete	This indicator is ambiguous, as it does not refer to categories A to D used to benchmark utilities.

A.2 Progress on Component 1: Water Resources Management

Results	Indicators	Progress at 31 st March 2013	Comments
1. Strong and effective legal and regulatory framework for the sustainable management of water resources	<p>1.1 WRM Regulations gazetted</p> <p>1.2 Trans-boundary water management treaties and agreements ratified by 2012</p>	<p>Partially complete</p> <p>Probably complete (treaties not specified)</p>	<p>14 out of 41 regulations drafted of which 3 have been gazetted (abstraction, discharge, NWB members), according to WSSR 2012 (p.23)</p> <p>WSSR 2012 p.30ff refers to a number of trans-boundary treaties and agreements, but it is not clear which have been ratified. According to RP (p.13), Tanzania had ratified 2 treaties by June 2010 (Tanzania-Mozambique Joint Water Commission and Zambezi River Basin Commission).</p>

Results	Indicators	Progress at 31 st March 2013	Comments
2. Establishment and strengthening of WRM Institutions at National and Basin Level	2.1 National Water Board operational by July 2012 as per the WRM Act 11 (2009)	Complete	The National Water Board was inaugurated in July 2012 (WSSR 2012, p.23).
	2.2 Establishment/strengthening of 9 Basin Boards as per WRM Act 11 (2009) by 2012	Partially complete	All 9 BWBs are operational, but it is not easy to establish which have been 'strengthened', as defined in the performance assessment framework developed by the DWR to measure this (see RP p.4). The criteria are listed in the MTR p.4. WSSR 2012 p.39 states that the 'Lake Tanganyika BWB ... tenure expired in May 2012', and it is unclear whether this has been renewed.
	2.3 Establishment of 13 sub-catchment committees by 2012	Partially complete	WSSR 2012 (p.24) states 8 catchment water committees formed, with no reference to sub-catchment committees. While the focus has been on WUAs, it also notes that 'WUAs are basic inputs in forming catchment committees'. The RP (Table 2-2 p.12) suggests that this target should be 33 not 13.
	2.4 52 WUAs established and operational in all basins by 2012	Probably complete (depends on 'operational')	WSSR 2012 (p.24) suggests '53 WUAs have been formed' by June 2012, but unclear extent to which they are 'operational'. This indicator is not very specific about how many WUAs and in which basins, so it is hard to measure.
3. Sustainable Financing for WRM	Four (4) basins (Rufiji, Pangani, Wami/Ruvu and Lake Victoria) out of nine (9) meet not less than 30% of total basin operational cost by 2012.	Unlikely to be met	No reports are specific on the current status of revenue generation but anecdotal evidence suggests it is far from being met.

A.3 Progress on Component 2: Rural Water Supply and Sanitation

Results	Indicators	Progress at 31 st March 2013	Comments
1. Improved infrastructure for drinking water and sanitation services for rural areas	1.1 404 water supply schemes constructed in program villages 1.2 5990 water points constructed in WSDP areas and 1,497,653 people served with clean and safe water 1.3 808 village water committees, 808 artisans and 404 facilitators trained in the program areas 3.2 50% households in program village are using improved sanitation facilities	Very partially complete, (targets also seem to have changed)	<p>WSSR 2012 p.45 refers to just 'trivial improvement in sector targets' due to 'infant stage of implementation'. Most LGAs have not finished any WSDP-financed schemes beyond 'quick wins' many of which were scheme rehabilitation. It is therefore likely that the majority of '3,019 additional water points serving 754,750 people ... added since July 2010' were implemented via earmarked DP projects and other projects not captured in WSDP financial reports</p> <p>The deadline is assumed to be the end of Phase I, that is, June 2014. WSSR 2012 p.43 suggests the target for water points has been increased to 14,790 but this is not certain and there is an overall lack of clarity on baselines, indicators and targets including whether targets expressed as numbers refer to cumulative totals or additional new provision. Other targets for this component are now less relevant because (i) there has been a move away from village water committees towards COWSOs and (ii) the National Sanitation Campaign has superseded WSDP efforts on sanitation in 'programme villages'</p>
2 WATSAN committee registered as legal entities	100% program village water committees fully functional/registered as legal entities	Partially complete	Many LGAs are registering COWSOs, but the numbers per LGA appear to be quite small in most cases suggesting the total is far short of 100%. The extent to which those registered are 'fully functional' is also unclear.
3 Improved LGA level capacity	3.1 100% LGAs with fully-functional DWSTs implementing a participatory sector plan	Partially complete	<p>Many DWSTs exist and are meeting, but the definition of 'fully-functional' will influence whether this indicator is met. Beyond DWSTs, the WSSR 2012 (p.47) notes that 'understaffing ... remains a challenge. Staffing at RS and LGA levels is at 34.9% and 22.4% of the full establishment requirements.'</p> <p>Importantly, few LGAs seem to have a sector / district-wide water supply and sanitation plan though some made them under earlier initiatives, for example with WaterAid support. For now, LGAs have been directed to focus on the 3-5 village schemes under the WSDP ten villages initiative. As a result a district-wide vision is missing.</p>

A.4 Progress on Component 3: Urban Water Supply and Sewerage

Results	Indicators	Progress at 31 st March 2013	Comments
3.1 Improved water and sanitation/sewerage to meet 2012 targets in urban centers	<p>Improved water and sanitation/sewerage to contribute to meet 2012 targets in urban centres</p> <p>34,743 New piped connections constructed and 103 operational Water Kiosks constructed for Utilities in Urban Regional Centre (Urban Authorities) resulting to 547,155 people who will be served with clean and safe water.</p> <p>4,333 New piped connections constructed and 272 operational water kiosks constructed for Small towns and National Projects resulting to 198,790 people who will be served with clean and safe water.</p> <p>9,421 New Piped Connections constructed and 30 Operational Water Kiosks Constructed in DAWASA served area resulting to 148,815 people who will be served with clean and safe water.</p> <p>6,354 New sewerage connection constructed in 11 UWSAs and 6,620 New sewerage connection in DAWASA resulting to 194,610 people who will be served.</p>	Partially complete	<p>The WSSR 2012 (p.60) only reports on changes from the previous year, so it is necessary to look back to earlier reports. The WSSR 2006/7 (p.39) records 196,697 connections, whereas the 2012 report records 289,058. This is an overall increase of c.92,000 connections. However, the 2006/7 report does not disaggregate between types of utility as the logframe does. Furthermore, the 2012 report accounts for DAWASCO separately.</p> <p>Overall, the differences in categories of data across all the reports make it extremely difficult to determine whether these targets have been met, though some progress has clearly been made. This is symptomatic of the inconsistent approach to monitoring across WSDP, and the fact that this logframe is not routinely used as a monitoring tool. EWURA's monitoring through MajiS is high-quality, but in the WSSRs (which should be a key point of reference for such information) the data is not translated into a narrative or disaggregated analysis.</p> <p>Since sewerage targets still appear in the logframe and RF, it appears that the MTR recommendation to delete sewerage targets was rejected. It is not clear whether the targets were retained simply to accommodate projects already underway or if further investments in sewerage are proposed.</p> <p>According to the WSSR 2006/7 (p.38) some 11 UWSSAs were already category A at the start of WSDP. (Arusha, Dodoma, Iringa, Mbeya, Morogoro, Moshi, Mtwara, Mwanza, Shinyanga, Tabora and Tanga). This indicator is unclear, and should presumably be interpreted as 4 <i>additional</i> utilities gaining category A status. It is unclear from WSSRs or other sources whether this is the case.</p>
3.2 Financially autonomous and commercially viable UWSAs	4 water utilities registered as category A and 40 DUWSAs/Small Towns/National Projects registered as category B	Partially completed	

A.5 Progress on Component 4: Institutional Strengthening and Capacity Building

Hierarchy of Objectives	Indicators	Progress at 31 st March 2013	Comments
1. Improved capacity of MOW to regulate, coordinate and administer policy and act as facilitator of sector development/investment	1.1 WSDP and WSDS harmonized with all relevant national policies	Complete	Many sector stakeholders believe this to have been achieved
	1.2 Number of strengthened private sector companies, NGOs, CBOs and training institutions contributing to WSS sector	Unclear	This indicator is unclear. NGOs do not have a role in programme implementation beyond national level advocacy and for other categories of organisation listed it is not clear what WSDP intends to do to strengthen them beyond offering implementation contracts.
	1.3 MOW assumes coordination role	Unclear	This indicator too vague to be measurable, and what was the baseline situation?
	1.4 MOW develops/implements sector MIS	Partially complete	MIS is established and operational, but as yet includes only financial management components, with plans to integrate M&E functionality this year.
	1.5 100% RWSS financing transferred through LGCDG system	Partially complete	This is currently very hard to establish due to confusion over RWS funding channels. The RP sets the 2010 figure at 60%.
	1.6 Number annual technical audits	N/A	No target is set but at least two technical audits have been undertaken,
	1.7 Number professional staff recruited and deployed in Basins, Districts and Regions	N/A	This indicator is not helpful – no baseline or target specified.
	1.8 Number staff trained under WSDP	N/A	Again the indicator is too vague to be useful or measurable.
2 Strengthened participation of service providers in water and sanitation services	Number of strengthened private sector companies, NGOs, CBOs, and training institutions contributing to WSS sector	n/a	Again the indicator is too vague to be useful or measurable.

Annex B Evaluation matrix

Main evaluation question	Detailed questions	Sources of information and analytical approach	External factors / Assumptions
Overall questions			
A. Has the Programme been in line with the upper policies?	A1. Is the Programme design including the rationale for Programme components, outputs, indicators and priorities relevant to the development objective and the revised targets?	Desk review of national development policy, NAWAPO, WSDP Programme Document and Re-structuring Plan	All relevant documentation will be shared with us, or is otherwise accessible.
B. How effective is the Programme to achieve its intended goal, objectives, outcomes and impact?	See G below		
C. How efficient is the Programme?	C1. Is it on track to achieve its intended outcomes? C2. Are the costs of the various activities comparable to similar activities in other countries?	Desk review of relevant documentation and information from MOW and others Briefings from , and in-depth interviews discussions with, key actors and stakeholders Review of available data from MIS, EPICOR and other reporting systems Field visits to confirm real situation on the ground Comparison with relevant programmes in the region	All relevant documentation will be shared with us, or is otherwise accessible. Component managers and/or TWG members make detailed briefing presentations to the team Key stakeholders are willing to be open, realistic and transparent. Field visits provide a fair representation of progress across different components and regions Sufficient relevant and reliable financial data is available for assessing and comparing costs
D. To what extent has the Programme addressed equity and sustainability in service delivery?	<i>On sustainability – see K below</i>		
E. What impact have capacity building initiatives had at various levels?	E1. To what extent do capacity building efforts contribute to Programme efficiency and effectiveness in delivery of results?	Desk review of capacity building component strategy and activity reports, any independent reviews and other related documentation Review of data and other information from MIS, EPICOR and other programme monitoring systems In-depth interviews and discussions with key actors and stakeholders at national,	All relevant documentation will be shared with us, or is otherwise accessible. Component managers and/or TWG members make detailed briefing presentations to the team Key stakeholders are willing to be open, realistic and transparent.

		regional and local levels	Field visits provide a fair representation of progress across different components and regions
F. From the experience of Phase I of the WSDP implementation, what worked well and what did not work?	F1. What are the key lessons learnt and what should change or be done differently going forward?	Findings of evaluation and of Joint Annual reviews	
Effectiveness			
G. To what extent have programme objectives been achieved by the outputs, in both qualitative and quantitative terms?	<p>G1. Is there a causal relationship between the output of implemented activities and the achievement of programme objectives?</p> <p>G2. How effective are current institutional arrangements for Programme management?</p> <p>G3. How effective are programme funding mechanisms and fund utilisation?</p> <p>G4. To what extent do programme systems including the MIS, accounting system (EPICOR) and LGA Planning / Reporting System (Plan-rep) support implementation, and how could they be used more effectively?</p> <p>G5. How effective are monitoring, reporting and feedback mechanisms across sector levels including the client service charters?</p> <p>G6. How effective are technical and administrative monitoring and audits (internal and external) in improving the quality of water services, internal controls, public expenditure, vfm and accountability to beneficiaries?</p> <p>G7. To what extent have participatory monitoring instruments including scorecards been used to measure beneficiary satisfaction, enhance social accountability and include users in decision-making and sustaining services?</p> <p>G8. How effective are institutional arrangements at regional level for technical support and backstopping to LGAs, BWOs, Small Towns and UWSSAs. (To include a specific review of institutional arrangements for rural water supply)</p> <p>G9. Considering what worked/did not work, and why,</p>	<p>Analysis of underlying logic of programme</p> <p>Institutional analysis based on organograms, desk review of relevant documentation, stakeholder interviews</p> <p>Stakeholder interviews, budgets, financial and other Programme reports</p> <p>Stakeholder interviews, relevant documentation.</p> <p>Review of data and other information from MIS, EPICOR and other programme monitoring systems</p> <p>M&E reports, stakeholder interviews, field visits to confirm real situation on the ground</p> <p>Desk review of relevant documentation and information from MOW and others, including audit reports. Stakeholder interviews, field visits</p> <p>Desk reviews of relevant documentation, Briefings from, and in-depth interviews and discussions with, key actors and stakeholders. Field visits to confirm real situation on the ground.</p> <p>Institutional analysis, desk reviews of relevant documentation, field visits to confirm real situation on the ground</p> <p>Based on previous analysis</p>	<p>All relevant documentation will be shared with us, or is otherwise accessible.</p> <p>M&E systems in place and operating</p> <p>Component managers and/or TWG members make detailed briefing presentations to the team</p> <p>Key stakeholders are willing to be open, realistic and transparent.</p> <p>Field visits provide a fair representation of progress across different components and regions</p>

	<p>what key changes/improvements are required (policy incentives, institutional and operational arrangements, funding mechanism, other incentives for those involved in running or executing Programme interventions etc.)</p> <p>a) to increase potential for achieving the Programme development objective in the next 5 years?</p> <p>b) to improve implementation processes in Phase II?</p>		
G. To what extent have programme objectives been achieved by the outputs, in both qualitative and quantitative terms?	<p>G1. Is there a causal relationship between the output of implemented activities and the achievement of programme objectives?</p> <p>G2. How effective are current institutional arrangements for Programme management?</p> <p>G3. How effective are programme funding mechanisms and fund utilisation?</p> <p>G4. To what extent do programme systems including the MIS, accounting system (EPICOR) and LGA Planning / Reporting System (Plan-rep) support implementation, and how could they be used more effectively?</p> <p>G5. How effective are monitoring, reporting and feedback mechanisms across sector levels including the client service charters?</p> <p>G6. How effective are technical and administrative monitoring and audits (internal and external) in improving the quality of water services, internal controls, public expenditure, vfm and accountability to beneficiaries?</p> <p>G7. To what extent have participatory monitoring instruments including scorecards been used to measure beneficiary satisfaction, enhance social accountability and include users in decision-making and sustaining services?</p> <p>G8. How effective are institutional arrangements at regional level for technical support and backstopping to LGAs, BWOs, Small Towns and UWSSAs. (To include a specific review of institutional arrangements for rural water supply)</p> <p>G9. Considering what worked/did not work, and why, what key changes/improvements are required (policy incentives, institutional and operational arrangements,</p>	<p>Analysis of underlying logic of programme</p> <p>Institutional analysis based on organograms, desk review of relevant documentation, stakeholder interviews</p> <p>Stakeholder interviews, budgets</p> <p>Stakeholder interviews, relevant documentation. Review of data and other information from MIS, EPICOR and other programme monitoring systems</p> <p>M&E reports, stakeholder interviews, field visits to confirm real situation on the ground</p> <p>Desk review of relevant documentation and information from MOW and others, including audit reports. Stakeholder interviews, field visits</p> <p>Desk reviews of relevant documentation, Briefings from , and in-depth interviews discussions with, key actors and stakeholders. Field visits to confirm real situation on the ground. Institutional analysis, desk reviews of relevant documentation, field visits to confirm real situation on the ground</p> <p>Based on previous analysis</p>	<p>All relevant documentation will be shared with us, or is otherwise accessible.</p> <p>M&E systems in place and operating</p> <p>Component managers and/or TWG members make detailed briefing presentations to the team</p> <p>Key stakeholders are willing to be open, realistic and transparent.</p> <p>Field visits provide a fair representation of progress across different components and regions</p>

	<p>funding mechanism, other incentives for those involved in running or executing Programme interventions etc.)</p> <p>a) to increase potential for achieving the Programme development objective in the next 5 years?</p> <p>b) to improve implementation processes in Phase II?</p>		
Efficiency			
H. How productive has the implementation process been in converting Programme inputs into outputs?	<p>H1. What is the cost of the Programme per achieved change in output across the various components?</p> <p>H2. a) How effective has the capacity building component been in supporting achievement of the intended outcome? b) Should an alternative arrangement be considered on the basis of good value for money?</p>	<p>MIS data, sector reports, budget data, financial reports for Programme components and individual projects</p> <p>Interviews with providers and recipients of capacity building support</p> <p>Annual sector reports and MIS data</p> <p>Review of Capacity Building Strategy and Action Plan, and other related documents</p> <p>Field visits to confirm real situation on the ground</p>	<p>Appropriate output data and sufficiently detailed budget data are available</p> <p>Vfm analysis can be carried out</p> <p>Key stakeholders are willing to be open, realistic and transparent.</p> <p>Field visits provide a fair representation of progress across different components and regions</p>
Relevance			
I. Are Programme objectives consistent with overall Programme goals? (Considering policy direction / stability, stakeholder demand and resources, economic context, etc.)	<p>I1. How relevant is Programme design in terms of the rationale for each component, development objective, outputs, outcomes, targets, indicators and priorities and how could it be optimised?</p> <p>I2. How relevant are the structural and technical arrangements for Programme implementation and what opportunities are there for further improvement?</p> <p>I3. a) To what extent has formula-based allocation for RWS been applied, particularly as the basis for fund transfers to LGAs? If it was not used, what was the barrier? b) Should it be considered for Phase II, and what could be the associated policy incentives?</p> <p>I4. What key internal and external factors have facilitated or impeded progress, including policy and institutional aspects, and how have they influenced implementation?</p>	<p>Desk review of relevant documentation and information from MOW and others</p> <p>Analysis of underlying logic of programme</p> <p>Desk review of documentation</p> <p>Briefings from , and in-depth interviews discussions with, key actors and stakeholders</p> <p>Stakeholder interviews. Review of data and other information from MIS, EPICOR and other programme monitoring systems. Interviews in the field with LGAs</p> <p>Desk review of documentation, stakeholder interviews</p>	<p>All relevant documentation will be shared with us, or is otherwise accessible.</p> <p>Component managers and/or TWG members make detailed briefing presentations to the team</p> <p>Key stakeholders are willing to be open, realistic and transparent.</p> <p>Field visits provide a fair representation of progress across different components and regions</p>
Impacts			
J. What have been the impacts of the Programme (positive and negative, direct and indirect) and what unforeseen influences and effects have there been?	J1 a) What clues on Programme impact on morbidity and water collection time can be found in national data sources including the Household Budget Survey 2007; DHS 2010, National Panel Surveys 2009 and 2011; Census of 2012?	<p>Desk review of relevant documentation and information from MOW and others. Quantitative analysis where possible</p> <p>Briefings from , and in-depth interviews</p>	<p>All relevant documentation will be shared with us, or is otherwise accessible.</p> <p>Disaggregated data exist in appropriate format.</p>

	<p>J1 b) What has been the impact on the health, education and environment sectors?</p> <p>J2. What has been the impact of routine monitoring (water quality, financial management) and service delivery/client satisfaction surveys in improving delivery of WSS services, vfm and service provider accountability to customers?</p>	<p>discussions with, key actors and stakeholders</p> <p>Review of data and other information from MIS, EPICOR and other programme monitoring systems.</p> <p>Analysis of M&E systems as indicated above. Field visits to confirm real situation on the ground</p>	<p>Sufficient time has passed since activities for impact to show</p> <p>Key stakeholders are willing to be open, realistic and transparent.</p> <p>Field visits provide a fair representation of progress across different components and regions</p>
Sustainability			
<p>K. What are the prospects for the sustainability of Programme benefits in the widest sense, taking into account policy, institutional, economic, financial, social and environmental impacts, etc. ?</p>	<p>K1. To what extent was sustainability taken into account in the design and implementation of all Programme components, and how could this aspect be improved in future?</p> <p>K2. What risks are there to the sustainability of Phase 1 achievements and what mitigation measures are recommended? (including behaviour change amongst target groups)</p> <p>K3. To what extent are advocacy (software) processes helping to ensure the sustainability of benefits, and how could they be improved?</p> <p>K4. What lessons can be learned from Programme design and implementation, and from other similar programmes in developing countries, to enhance sustainability in WSDP?</p>	<p>Desk review of relevant documentation and information from MOW and others. Stakeholder interviews</p> <p>Briefings from, and in-depth interviews discussions with, key actors and stakeholders</p> <p>Stakeholder interviews. Field visits to confirm real situation on the ground.</p> <p>Based on previous analysis</p>	<p>All relevant documentation will be shared with us, or is otherwise accessible.</p> <p>Component managers and/or TWG members make detailed briefing presentations to the team</p> <p>Key stakeholders are willing to be open, realistic and transparent.</p> <p>Field visits provide a fair representation of progress across different components and regions</p>

Annex C Schedule and list of interviewees

C.1 Schedule and map of fieldwork locations

The evaluation team had just under 3 weeks in Tanzania in which to conduct key informant interviews and collect data. The map below the table shows the locations visited, The table below it summarises how these days were spent conducting different activities. A list of key informant interviews is on the following page.



Key

Green	=	LGA
Orange	=	Urban utility
Blue	=	BWO

Table C1 – Schedule of work

Sun	10	March	arrival of evaluation team
Mon	11	March	interviews in Dar es Salaam
Tue	12	March	interviews in Dar es Salaam
Wed	13	March	interviews in Dar es Salaam
Thur	14	March	interviews in Dar es Salaam
Fri	15	March	interviews in Dar es Salaam
Sat	16	March	preparation of interim report
Sun	17	March	preparation of interim report
Mon	18	March	interviews in Dar es Salaam
Tue	19	March	interviews in Mbeya
Wed	20	March	interviews in Mbeya
Thur	21	March	interviews in Mbeya
Fri	22	March	interviews in Dodoma
Sat	23	March	interviews in Dodoma
Sun	24	March	finalisation of interim report
Mon	25	March	interviews in Tabora
Tue	26	March	interviews in Tabora
Wed	27	March	interviews in Tabora
Thur	28	March	write-up and presentation in Dar es Salaam
Fri	29	March	write-up and presentation in Dar es Salaam
Sat	30	March	departure of evaluation team

C.2 List of people interviewed

Name	Institution	Position and Address
Christopher N Sayi (Mr.)	Ministry of Water	Permanent Secretary, P O Box 9153, Dar es Salaam
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Emma Chonza (Mr.)	Ministry of Water	M&E Coordinator
Gabriel Kinyahiya (Mr.)	Ministry of Water	Programme Coordinator
Eng Gibson Kisaka (Mr.)	Ministry of Water	Director, Rural Water Supply
Fred Kaisha (Mr.)	Ministry of Water	Ag Director, PMU
Eng. Lawrence Nkya (Mr.)	Ministry of Water	PMU
Sospeter Muhizi (Mr.)	Ministry of Water	PMU
Eng Maria Kalavia (Ms.)	Ministry of Water	PMU
Lameck Mbeya (Mr.)	Ministry of Water	PMU
Magreth Milembe (Ms.)	Ministry of Water	PMU
Paschal Karomba (Mr.)	Ministry of Water	Programme Accountant
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Chacha Chandi (Mr.)	Ministry of Water	WRM
Renatus Machumi (Mr.)	Ministry of Water	WRM
Neema Hamisi (Ms.)	Ministry of Water	WRM
Eng. Monjessa (Mr.)	Ministry of Water	Director, Urban Water Supply

Eng Bwire (Mr.)	Ministry of Water	Urban WS
Eng Joseph (Mr.)	Ministry of Water	Urban WS
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Eng Hebert Kashilila (Mr.)	WaterAid Tanzania Country Program	Deputy Country Representative
Abel Dugange (Mr.)	WaterAid Tanzania Country Program	Strategic Support
Ferdinandes Axueso (Mr.)	WaterAid Tanzania Country Program	Policy on Sanitation and Hygiene
Marco Msambazi (Mr.)	WaterAid Tanzania Country Program	Sanitation and Hygiene Approaches
Eng Godfrey (Mr.)	WaterAid Tanzania Country Program	Water Supply
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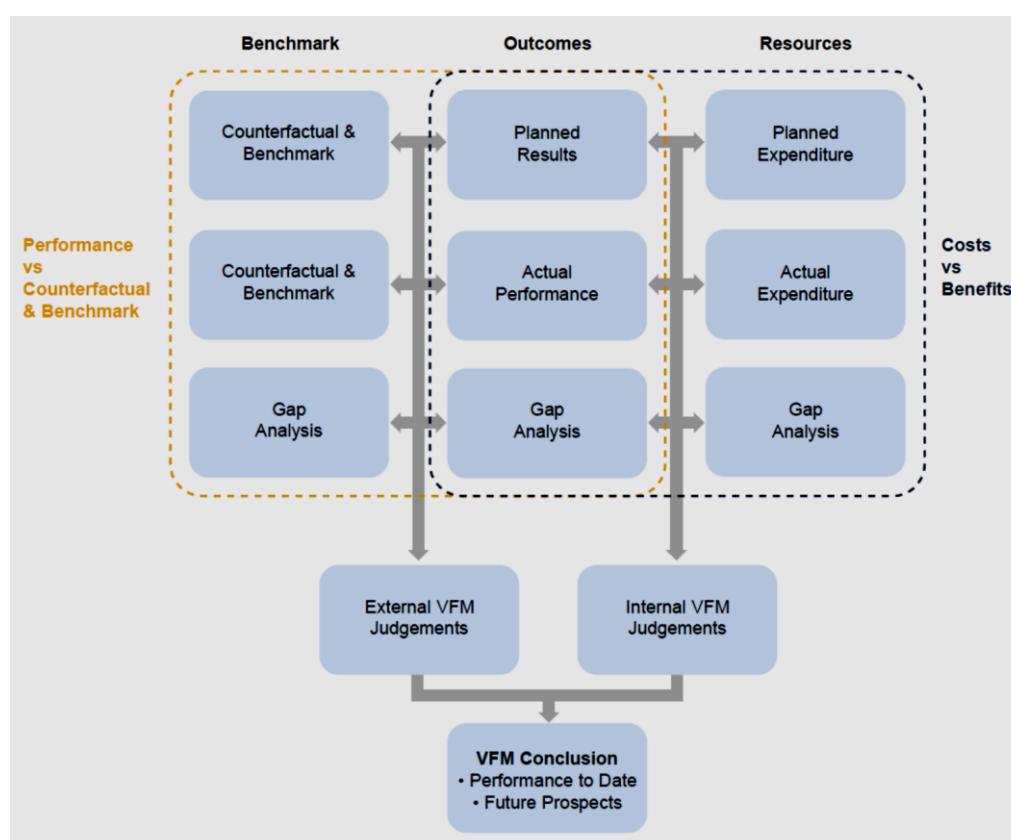
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Annex D Further notes on Value for Money (VFM)

D.1 Analytical framework for assessing VFM

This annex provides some additional material to support section xx above, while also discussing VFM in other components beyond component 2. The goal of VFM is not choosing goods and services based on the lowest cost but, for a given set of objectives, the achievement of maximum benefits over time from the resources available. A VFM assessment should involve not only a comparison of expenditures and results but also consideration of a counterfactual, attribution, and benchmarking. This is demonstrated in the below diagram, and described in an OPM briefing paper.¹⁸

Figure D1 – Analytical Framework for assessing VFM



In large and complex programmes, VFM can be difficult to demonstrate, as OPM recently explored in a working paper.¹⁹ We should not ignore things that are harder to measure because, as the UK's Independent Commission on Aid Effectiveness (ICAI) notes, these can be 'the most transformational, achieving a long-term, sustainable difference'.

However, with the time and data available, this evaluation could only scratch the surface and look at the efficiency and effectiveness Component 2. For components 1 and 4, the nature of the outputs and data regarding them is such that it is difficult to carry out simple basic quantitative

¹⁸ Hoole, D. (2012) *Better Results? Value for money assessments of aid*

¹⁹ OPM (2012) *Valuing the unquantifiable? How VFM can be applied to complex projects*

analysis. Given more time, a VFM analysis of these components could incorporate cost benefit analysis (CBA), similar to the approach taken in the working paper mentioned above.

D.2 Caveats on analysis of component 2 VFM

The VFM analysis of component 2 in section 7 requires from caveats, which were only briefly mentioned within that section, and are discussed here. Firstly, component 2 funds were spent on activities beyond direct implementation, for example capacity development, office rehabilitation, sanitation and other areas. Sanitation received a negligible proportion of component 2 finance, so can be set aside. Taking a whole-of-programme approach, the other activities can still be assumed to be targeting the overall component 2 objective which is 'improved infrastructure for drinking water and sanitation services for rural areas'. The costs 'per water point' and 'per beneficiary' can therefore be interpreted as overall programme unit costs rather than project-level unit costs.

Secondly, LGAs are encouraged to report all outputs achieved in their district, whatever the funder, meaning that the number of WPs for each year includes those under earmarked donor projects and NGOs. This is desirable as WSDP is a sector-wide approach (though some level of disaggregation would be helpful). However, it impedes detailed analysis as the MIS data on inputs does not capture all of these implementers. For example, the data on releases to component 2 for FY 2010/11 only includes government/basket funding and earmarked funding from EU, KfW and JICA. Therefore, while outputs from projects implemented by other donors and NGOs like WaterAid would be counted by LGAs, their inputs costs are not captured by MIS. Without more detailed information, we might assume that this figure of \$65 per beneficiary is a significant underestimate.

Thirdly, the data on costs per beneficiary relies on a blanket assumption of 250 people served per water point, and it is unclear whether this is a valid assumption. Fourthly, while it would be useful to compare the actual costs incurred to the planned unit costs in the original WSDP programme document page B-11, these are given per system not per water point.

D.3 VFM of Component 3

Arguably the approach taken for component 2 could be adopted for component 3, because the outputs (e.g. mainly household water connections) are similar. However, when the data are examined in more detail, it became clear that large unacceptable assumptions would be required. Firstly, component 3 encompasses a far broader range of activities, with a larger proportion of budgets spent on operation and maintenance of existing schemes and other activities beyond new household connections.

For example, consider a crude approach to the efficiency of component 3. The best available data is from WSSR 2011 p.67. However, it is less tractable than for component 2; for example, a significant drop in DAWASCO connections was noted in 2009/10, apparently due to 'removal of abandoned connections'. If we consider the expenditure of component 3 over FY 2007-2011 (TZS 433 billion according to MIS) and the net increase in connections from UWSAs not including DAWASCO over 2007-2011 (about 60,000 according to WSSR 2010 p.68) this would give an average cost of about \$5000 per connection.

This figure is not very credible because, unlike in rural water, new household connections are the output of only a small part of expenditure under component 3. Not only does it exclude DAWASCO (due to uncertainty in the data) it also does not take into account sewer connections (about 4000 in UWSAs over the period) or kiosks. The latter would be hard to account for in any case, since many

UWSAs are aiming to actually *reduce* the number of kiosks as they increase the number of domestic connections.

All in all, a quantitative assessment of the efficiency of component 3 is impossible with the data currently available, and the lack of disaggregation in the financial reporting. This prohibits benchmarking against data in a resource like IB-NET, for example.²⁰ The WSSR 2011 makes no attempt to quantify beneficiaries, so no analysis of this is possible either.

D.4 VFM of Components 1 and 4

While the draft Technical Audit was able to look at individual investments under components 1 and 4, it is hard to do this at the programme level because of the lack of 'hard' outputs that are the main focus of activity. For example, indicators in the logframe and results framework for Component 1 are numbers of functional BWOs and fully functional WUAs. While measurable, these do not easily lend themselves to simple efficiency analysis using MIS data on inputs. The same is true for outputs under Component 4, which are around strengthened institutions and numbers of employees.

These kind of outputs would lend themselves to the type of cost benefit analysis (CBA) carried out by OPM to evaluate the VFM of the Financial Sector Deepening Trust of Kenya.²¹ It is still too early to do this kind of analysis for WSDP as many of the benefits have yet to be realised. Such an analysis is better suited to an end-of-programme evaluation rather than a formative one.

²⁰ IB-NET is the International Benchmarking Network for Water and Sanitation Utilities, a database for performance data to compare across utilities and countries

²¹ Arora, S. et al. (2012) *Assessing Value for Money: the case of donor support to FSD Kenya*