

Water Utility Partnership's Project for Water Utility Management and Unaccounted for Water, Phase 1

Olle Colling

**Department for Infrastructure
and Economic Cooperation**

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Sida Evaluation 02/22

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and Economic Cooperation**

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Author: Olle Colling
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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Address: S-105 25 Stockholm, Sweden. Office: Sveavägen 20, Stockholm
Telephone: +46 (0)8-698 50 00. Telefax: +46 (0)8-20 88 64
Telegram: sida stockholm. Postgiro: 1 56 34-9
E-mail: info@sida.se. Homepage: <http://www.sida.se>

Interim Evaluation Report

**Support to the Water Utility Partnership's Project for Water
Utility Management and Unaccounted-for Water, Phase 1**

**The report is divided in two parts:
*Interim Evaluation Report and Supplementary Evaluation Report (p. 33)***

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Abbreviations and Acronyms

CREPA	Regional Centre for Low Cost Water and Sanitation
EIB	European Investment Bank
LFA	Logical Framework Approach
NWSC	National Water and Sewerage Corporation, Uganda
ONEP	Office National de l'Eau Potable, Morocco
O&M	Operation and maintenance
PIP	Performance Improvement Plan
SBEE	Societe Beninoise D'Electricite et d'Eau, Benin
SEK	Swedish Krona
Sida	Swedish International Development Cooperation Agency
SWD	Swedish Water Development
ToR	Terms of Reference
TREND	Training, Research and Networking for Development
UAWS	Union of African Water Suppliers
UWSA	Urban Water and Sewerage Authority, Mwanza
WASA	Water and Sewerage Authority, Lesotho
WHO	World Health Organisation
WSS CC	Water Supply and Sanitation Collaborative Council
WUP	Water Utility Partnership (for capacity building in Africa)

1 Introduction, Background and Objective

This report is an evaluation of the support to Water Utility Partnership's (WUP) project for Water *Utility Management and Unaccounted-for water*, Phase 1. Sida supports the project aiming at improved water utility management within five African water utilities, in the first phase of a project to be executed in two stages. Sida decided in November 1999 to support the first phase, *Performance Audits*, with a budget of 3 million SEK.

The support is provided through the Water Utility Partnership (WUP), a programme unit under the Union of African Water Suppliers (UAWS). WUP is responsible for project management, procurement of consultants and reporting to Sida.

Swedish Water Development (SWD) has been assigned by WUP for the implementation of the first phase, together with project management and sub-consultancy procured separately by WUP.

The overall objectives of the project are to enhance African utility management expertise and to improve performance at five selected utilities as model examples. The main tasks within the first phase, *Performance Audits*, included selection of countries and water utilities; development of the audit methodology; training of audit teams; implementation of the audits, and evaluation and presentation of results.

The second phase of the project concerns the development of performance improvement plans, including action plans to control and reduce unaccounted-for water.

The project originates out of a project portfolio developed within the framework of an action programme by WUP in the beginning of its operation in 1996, encompassing six projects (out of which two later have been combined). In 1998, Sida met with representatives of the World Bank and WUP. The meeting resulted in a request for financing by WUP for Project 3: Water Utility Management and Unaccounted-for water.

The assessment for support by Sida highlights the situation in which the water and sanitation sector, although a priority area for foreign financing, have had most of its resources allocated to infrastructure, with very little support to institutional development, skills enhancement, operation and maintenance. The consequence has been defective water works and distribution networks, with major health hazards and losses of water in the system. Together with low tariffs, the financial situation for the water utilities have deteriorated to a level often below direct operational costs, with no income available for maintenance, let alone for investment.

Although the requirement for investment in the water and sanitation sector is considerable, the private sector is only expected to be attracted if and when the water utilities have improved their performance. The objective of the project is to enhance the performance in utility management.

The objective of the evaluation is to provide Sida with information on the effectiveness and sustainability of the project and form a basis for decisions regarding the continuation of the project.

2 Methodology and Documentation

2.1 Purpose of Evaluation and Scope of Work

The evaluation report is required to deliver an analysis of to what degree project objectives, according to the project document and the Terms of Reference of the contract for SWD has been achieved; provide an evaluation of the relevance, effectiveness and sustainability of the project in relation to Sida policy; and provide recommendations whether a second phase should be supported – and if so, suggest improvements that can be made to the plans for the second phase.

The Terms of Reference for the evaluation is enclosed as *Appendix 1*.

The main issues to be studied in relation to phase 1:

- Achievements and impacts in relation to the project objectives;
- Achievements made and shortcomings in relation to the LFA (Logical Framework Approach) and the SWD terms of reference;
- Project organisation and management, WUP and ONEP (Office National de l'Eau Potable, Morocco). Role of the World Bank and WHO;
- The project implementation methodology, teamwork and communication;
- Success factors for achievements and factors causing potential failure;
- Cost effectiveness of activities carried out;
- How results from other WUP projects have been utilised;
- Consequences of the training project carried out on a regional basis and in two working languages;
- Contacts with other regional water projects.

The main issues in relation to phase 2:

- Relevance of planned activities in relation to problems encountered;
- Commitment from participants and utility management to continue the project into phase 2; and
- Available policies, legal framework and financing in support of commitment for participation in phase 2.

2.2 Approach and Methodology

The evaluation report has been formulated after study of documentation provided by Sida, WUP, SWD and some of the utilities; participation in a project seminar in Kampala, as well as interviews and discussions with members of the project team, project management and representatives of four of the participating utility organisations together with written comments by two utilities.

Appendix 2 contains a list of documents used for the evaluation.

Appendix 3 contains a list of persons interviewed.

The evaluating consultant participated in the third project seminar held in Kampala March 2 and 3, 2001. In-between and after sessions, individual meetings were held with project team members, ONEP, WUP and utility representatives.

On March 5, meetings were held with representatives of Uganda National Water and Sewerage Corporation (NWSC).

On a second trip, the consultant visited Maseru and held meetings with representatives of Lesotho Water and Sewerage Authority April 18–20, followed by a visit to Mwanza in Tanzania during April 23–26, for meetings with representatives of Mwanza Urban Water and Sewerage Authority (UWSA).

Cotonou and Brazzaville were not visited during the evaluation. Through Sida, letters with questionnaires were sent with responses received from both utility organisations.

Olle Colling of Colling Water Management AB has been engaged by Sida to carry out the evaluation.

The evaluation was originally intended to be reported in two steps;

- An brief report on main issues, covering initial findings. This report was submitted on March 18, 2001.
- The evaluation report, to be submitted as a draft to Sida latest by April 20, 2001. This was later extended to May 11, in order to suit the travelling to Maseru and Mwanza, and to allow for the Phase 1 Final Report to be completed by SWD and made available for the purpose of the evaluation.

Due to further delays in the Phase 1 final reporting by SWD, a split in the evaluation reporting has been agreed upon:

- An Interim Evaluation Report according to the Terms of Reference, without an evaluation of the Final Report; and
- A separate evaluation of the Final Report, once received.

The draft Interim Evaluation Report was submitted in June 2001. This document is the final version of the Interim Evaluation Report submitted in October 2001.

The Supplementary Evaluation Report of the Final Report of Phase 1 was submitted in a draft version in September and the final version in October, 2001.

3 The Water Utility Partnership for Capacity Building (WUP)

The Water Utility Partnership for Capacity Building (WUP) was established in 1995 and launched in 1996 as a joint programme of the Union of African Water Suppliers (UAWS), the Regional Centre for Low Cost Water and Sanitation (CREPA), and the Training, Research and Networking for Development (TREND). WUP is based in Abidjan, Cote d'Ivoire, with its area of interest covering the whole of the African continent. Initially, the World Bank provided seed funding through a grant facility.

The overall goal of the WUP programme is to increase the coverage of water supply and sanitation services and to improve the quality of this service through increased investments and reform of utilities. For this purpose, WUP aims to bring together all utilities, other service providers and support agencies in the water supply and sanitation sector in Africa. A database of best practices is to be developed to provide all partners with methodological, technical and information tools on a number of issues relating to utilities.

The objectives of WUP are:

- Improving the performance of water supply and sanitation utilities in Africa in terms of service delivery, cost recovery, operation and maintenance, with special emphasis on service delivery improvements in peri-urban areas and the participation of the private sector;
- Fostering collaboration between water supply and sanitation utilities, community based as well as non-governmental organisations and strengthen their capability to improve service to the urban poor;
- Create adequate mechanisms and a coherent framework for the collaboration of water supply and sanitation utilities, international training network centres, and the UAWS, and other training, information and research organisations; and
- Build capacity of institutions and professionals by making full use of the experience of successful African water and sanitation utilities for the benefit of the service providers in Africa, and if requested, assist utilities in other regions to initiate similar programmes.

The Action Programme developed by WUP at the beginning of its operation in order to achieve the objectives involved six projects, of which two later have been combined:

Project 1: Reform of the water sector in Africa; institutional options, control and regulatory systems, institutional observatory.

Project 2: Performance indicators and benchmarking.

Project 3: Water utility management and unaccounted-for water.

Project 4 and 5: Strengthening the capacity of water utilities to deliver water supply and sanitation services, environmental health and hygiene education to low income urban communities.

Project 6: Dissemination of WUP products.

Further data about the projects, financing and current status are provided in *Appendix 4*.

The projects have been developed as individual projects, although closely linked, with the WUP Secretariat ensuring that the projects together reach the objectives of WUP.

In Project 3, comparisons with indicators based on the results of work carried out in Project 2 should be done. In a first phase of Project 2, twenty utilities in 13 countries participated in the development and collection of performance indicators. The work was carried out during 1996–98. Within the project, a Performance Indicators Questionnaire was developed and used in the inventory of indicators. The project report contains a summary of indicators from 14 utilities in Africa.

During 2000, a second phase of Project 2 was commenced with an expansion and development of indicators, increasing the scope to include social, economic and environmental issues and sanitation services; as well as a consolidation of the indicators in the first phase. The second phase also increases the number of utilities involved. Eight regional workshops have been held with a total of over 100 utilities being represented. The project is currently in a consultation phase where a questionnaire is used to collect performance information. This first questionnaire is concentrated on water supply only. It is envisaged that a future questionnaire is expanded into issues of sanitation, the environment and other sectors.

WUP is a small organisational entity, consisting of one Director, one Deputy Director and one secretary, in office facilities made available by UAWS in Abidjan. The organisation has a number of international partnerships, including:

- The Water Supply and Sanitation Collaboration Council (WSSCC). The organisation promotes the water supply and sanitation sector with one main focus being the unserved population. Cooperation includes a workshop in relation to project 5, where WSSCC will coordinate an e-conference on provision of services to the urban poor.
- UNCHS Habitat – African Cities Project. The organisations share information and experiences between the two projects.
- World Bank Institute. Coordination related to policy reform in the sector.
- International Water Association (IWA). The Director of WUP participates in a committee of IWA and a representative of IWA participates in the WUP Quality Assurance Committee.
- Global Water Partnership (GWP). WUP is considered as an associated programme of GWP.

4 Project 3: Water Utility Management and Unaccounted-for water

4.1 The Project

In the background to the project presentation, WUP emphasises that a minimum level of performance by water utilities is depending on good management, application of commercial rules and the use of operational audits as some important factors together with financial autonomy of the utilities. WUP's overall plans are to concentrate on efforts to improve the operational performance of water and sanitation utilities by evaluating and recommending appropriate institutional options, including private sector participation and to improve their performance.

Strengthening the management capability of the utilities is a prerequisite for their performance improvement. Enhanced management together with the issue of unaccounted-for water is the main focus of Project 3. Control and reduction of unaccounted-for water is closely linked to an overall strengthening of the management capability of water utilities.

The reduction of water losses enables a postponement of expansions of water supply facilities, reduces the risk of contamination of water supplied and facilitates the extension of distribution networks.

The objectives of Project 3 are stated in the project document as follows:

The objectives of the project are to improve the performance of water and sanitation utilities through improved management and to allow the expansion of services towards peri-urban areas.

Efficiency gains will result in cost saving that can generate investment funds, whereas improved management may insure easier access to capital resources.

Improvement of water supply and sanitation utility management will help set a better integrated water resources management and have a positive impact on the environment.

The specific objectives that contribute to achieve this overall objective are:

- To select determining factors for efficient utility management;
- To assess the performance of five African water utilities, their strengths and weaknesses and the opportunities and threats they are facing;
- To enhance African utility management expertise;
- To prepare Performance Improvement Plans (PIP) for the utilities;
- To create awareness among utility managers on the importance of improving the efficiency of distribution systems and provide them with required knowledge and tools to control and reduce unaccounted-for water;
- To communicate and disseminate the results of the project to other African water utilities;
- To promote partnerships between African water utilities and utilities from other continents to implement the PIPs.

The approach is based on the exchange of experience and dissemination of good practices between African water utilities in different stages of development and Swedish water utilities. For this purpose five African water utilities are to be selected to participate intensively in the project. The utilities are to be selected on basis of representing the diversity of the whole of Africa.

For the implementation, a project team is to be set up consisting of ONEP as coordinator, representatives of the five water utilities, Swedish and African experts. The World Bank and the O&M Working Group of the Water Supply and Sanitation Collaborative Council (WSS CC) coordinated by WHO will act as a resource team for the project.

The project team was to be assisted by the World Bank for data collection on the state of the art of water utility management. The team was to develop a performance audit methodology and jointly assess the management and operational performance of the five selected water utilities. Subsequently the first stage of the PIP will be prepared for the utilities and an unaccounted-for water reduction approach to be developed. The auditing team should consist of one representative of each utility assisted by one African expert and one professional of the Swedish water sector.

The activities required to achieve the project purpose has been divided into two phases, with both phases needed to complete the project.

The first phase was planned to concentrate on selecting utilities, development of audit methodology, auditing and evaluation. The second phase to provide training, prepare a PIP and an action plan to reduce unaccounted-for water in each utility.

In order to secure optimal efficiency of the work carried out to enhance the performance, WUP prefers to cooperate with genuine utility people, operators or professionals. This was the basis for the contact taken with SWD and Stockholm Water Co.

4.2 Phase 1: Performance Audits

Sida supports Project 3, Water Utility Management and Unaccounted-for water, Phase 1, Performance Audits. The overall objectives of the project are to enhance African utility management expertise and to improve performance at five utilities as model examples, also expressed as “to improve the performance of water and sanitation utilities through improved management and to allow the expansion of services towards peri-urban areas”. The specific objectives are:

- To select determining factors for efficient utility management;
- To assess the performance of five African water utilities, their strengths and weaknesses and the opportunities and threats they are facing;
- To enhance African utility management expertise.

The main components are:

- Selection of countries and water utilities; Selection of three utilities from Eastern and Southern Africa and two utilities from Western Africa. The main selection criteria being the commitment of the utilities to improve efficiency.
- Development of audit methodology; Preparation of a performance audit manual, containing a questionnaire, a list of selected indicators and the technique for conducting the audit. Indicators and comparisons to be related to and based on the work undertaken in Project 2.
- Training of audit teams;
- Implementation of the audits; and
- Evaluation and presentation of results from the audits. The evaluation is to focus on the methodology, instruments, results and planning of subsequent steps. The participants are to be the members of the project team, the resource group and ten other African water utilities, as well as external support agencies.

The outputs in terms of reports and other documents:

- The audit manual in draft and final form;
- Audit methodology report after acquaintance visits.
- Audit results reports, one for each utility; reports shall be used as a basis for the improvement planning in phase 2.
- Final Report on results in draft and final form.

For the implementation, a project team was set up comprising a project manager from Office National de l'Eau Potable (ONEP) of Morocco, five experts provided by SWD, and four regional experts. (In addition, one focal person from each utility was nominated by the respective utility in the selection process).

WUP recruited SWD and the regional experts. The project was carried out in a contractual arrangement where WUP had separate agreements with the project manager from ONEP, SWD and each of the four experts.

The Contract between WUP and SWD was signed 2000-08-16. The time and activity schedule called for the assignment to be completed in early February 2001. Clause 1 of the Contract specifies the services to be completed not later than March 31, 2001.

The budget for Phase 1 was US\$ 339 835. Within this sum, the SWD Contract has a ceiling of US\$ 164 140 (US\$ 94 240 for fees and US\$ 69 900 for reimbursable costs).

The Director of WUP in collaboration with the project manager made the initial selection of the water utilities. Based on the response received from about 20 utilities, five utilities were selected on the criteria of being in a stage of reformation, representatives of African public companies, and reflecting both the Anglophone and Franco-phone regions of Africa. The selected utilities are:

- Brazzaville, Congo
- Cotonou, Benin
- Entebbe, Uganda
- Maseru, Lesotho
- Mwanza, Tanzania.

Outline audit manual documentation was developed by the SWD team, presented and discussed in an introduction seminar in Abidjan. All members of the team, including the focal persons of the five utilities, attended the seminar. After the seminar, team members made two acquaintance visits, to Cotonou and Entebbe respectively, from SWD and regional experts.

A first draft version of the audit manual was developed by the SWD group. The manual was distributed to the audit team for comments and contributions.

A second seminar was held in Rabat, at which time final touches were agreed upon in the manual. During the seminar, training in the actual audit process, interview situations and other components was carried out, partly by means of role-plays.

The manual was then distributed to the utilities with instructions for preparation for the audits to take place later on. Attached to the audit manuals were data sheets for numerical values to be filled in in advance, providing data for performance indicators.

Team members from SWD and the regional experts carried out the actual audits during three to five days at each utility. With the audit manuals very voluminous relative to the time for auditing, it was understood from the offset that the audit interviews would not treat all the issues thoroughly.

The respective regional experts responsible for the team effort compiled the results of the audits of the particular utility.

A third seminar was held in Kampala, March 2–3, 2001. During the seminar, the evaluation and results of the audits was presented and discussed. Prior to the seminar, draft versions of a Final Report prepared by SWD was distributed.

4.3 Phase 2: Performance Improvement Plans

The Project 3, Phase 2 Scope of Work covers:

- Inventory of the state of the Art tools of water utility management. To include techniques for water utility management, case studies resulting from audits conducted in African countries and audits conducted in other continents including solutions adopted by utilities for improvement of efficiency.
- Drafting of a source document on the State of the Art in terms of utility management. To be based on inventory and data bank available with WHO. The objective is to prepare a manual for African utilities in modern management practices.
- Utility management training course. Training tailored to suit three managers from each utility (administrative, financial and technical) for two weeks. To be developed by the project team and to take place in Africa. Planned to incorporate principles of operation of modern water utilities, presentation of the state of the art in utility management and source document, as well as the provision of inputs for the preparation of the PIPs.
- Drafting a Performance Improvement Plan (PIP). Each participating utility to prepare its own PIP based on the results of the performance audits and the management training course, assisted by the project team with short term inputs of Swedish professionals.
- Preparation of an action plans to control and reduce unaccounted-for water. It is expected that a major outcome of the PIPs will be the reduction of unaccounted-for water. This subject is planned to be dealt with in a separate activity, resulting in a water leakage reduction plan for each utility. In addition to preparation of a practical guide, a one-week workshop for two technical staff members of each utility is planned focusing on leakage control and reduction.
- Dissemination of the results of the PIPs and unaccounted-for water plans. A workshop that is envisaged to be attended by other African water utilities as well as all project stakeholders.

The budget for Phase 2 is US\$ 653 300.

5 Assessment of WUP

A review of the support to WUP focusing on the Phase 1 period of existence, 1996–1999, has been carried out by TRANOR Consulting Engineers and Planners of Norway and reported in a review document of September 2000. The purpose of the review was to provide information to the donors on the relevance and efficiency of the work carried out by WUP and provides a basis for decisions on continued support.

The review concluded that WUP spent much of Phase 1 in meetings, workshops and seminars, in preparing the projects and securing funds. Important progress in project 4/5 was recorded as well as initial activities in projects 2 and 3. By and large however, most of the energy during the initial period was spent on securing financing, as demonstrated by a rapid build-up of liquid reserves and modest disbursements in projects.

The organisational set-up and financial management was reported to work well and to be of high professional standard.

One important recommendation of the review is that WUP key management, including members of the WUP Steering Committee should not serve as project managers in the individual projects. The management should exclusively concentrate on managing WUP and the Steering Committee members should maintain an impartial position in the implementation of the projects.

The assessment of WUP in the review concludes: The management of WUP receives favourable recommendations from all informants and there is a positive and optimistic attitude from all parties involved. WUP did not quite live up to expectations during Phase 1, but seems now to be picking up speed. Agreements have been entered with funding agents and a professional project implementation is expected. The review has established that WUP may reach its goals and fulfil the partners expectations, provided the present institutional set-up and organisation is kept, but streamlined and made more efficient.

In relation to Project No 3, the observations reported in the review of WUP appear relevant. The small WUP secretariat appears to have been able to manage the project and the relation to the utilities involved in a direct and un-bureaucratic fashion.

The need for, and relevance of WUP has been confirmed by the participating utilities. However, the Project Manager of the Project No 3 has been a member of the WUP Steering Committee, an organisational set-up criticised in the review of WUP, as reported above. This dual role is not acceptable, as it in effect unables the Director of WUP to act as a Client towards the Project Manager of the services to be provided in the Project. This has unfortunately not only been a theoretical dilemma in the project. Together with the unclear division of responsibilities between the participants in the project, it has been a real issue during the execution. This conflicting role has been acknowledged and subsequently Mr A Jaoui of ONEP, being a member of the Steering Committee and the Project Manager, has declared that he is not in a position to continue working in the project during Phase 2.

WUP has engaged the following for the Project Number 3, Phase 1 services:

- ONEP, Mr Abdelhaq Jaoui as Project Manager;
- SWD for the services of the project; and
- Regional Experts on individual contracts with WUP:
 - Mr John Kandulu from Blantyre Water Board in Malawi;
 - Mr Oumar Diallo from SONES of Senegal;

- Mr Traore Zakari from RNET in Togo; and
- Mr Sam Kayaga from NWSC of Uganda.

According to the WUP – SWD Contract for Consulting Services, the project should be undertaken in the spirit of partnership rather than the business like Client – Consultant approach. In this respect it is stated that every effort should be made to ensure that the Client (WUP and ONEP) are fully involved in the project. Integration of services is stated to be assured because of the involvement of African experts who are appointed by WUP but work very closely with SWD.

Although the concept of *spirit of partnership rather than the business like Client – Consultant approach* is an amiable approach; the cost in terms of low efficiency is unacceptably high. As demonstrated in the following section, this approach to project management and contractual obligations is not a way forward for any project, let alone for projects aiming to enhance efficiency and cost-effective practices.

In relation to the tasks to be carried out in the current and planned projects, it is essential that WUP takes on the role of a professional and demanding Client, for which assignments consistent with the objectives and deliverables of each project are procured and executed in a business like Client – Consultant approach. Only one contractual entity should be assigned to the same terms of references, with a single point responsibility in order to enable a timely and efficient execution of the projects.

6 Findings in Respect of the Project 3, Phase 1

6.1 Assessment in Relation to Activities in ToR and LFA

The following is a review of the performance and results of the activities specified in the Terms of Reference.

Selection of Countries and Water Utilities

The ToR calls for a selection of three utilities from Eastern and Southern Africa and two utilities from Western Africa. The selection was to be made from utilities expressing interest in participating and making commitment to improve the efficiency and effectiveness of their performance and service coverage.

In April 2000, WUP wrote to 18 utilities inviting them to consider participation, and if interested, apply for participation. 12 utilities responded, (3 out of 6 in Southern Africa, 2 out of 3 in East Africa, 5 out of 6 in West Africa, 2 out of 3 in Central Africa, and 0 out of 1 in North Africa).

The Work Plan of the ToR called for at least 15 utilities across the continent to be contacted. The number of invitations and distribution accounted for above fulfilled the requirement.

The selection of one utility in Southern Africa, Maseru in Lesotho; two in East Africa, Entebbe in Uganda and Mwanza in Tanzania; two in West Africa, Cotonou in Benin and Brazzaville in Congo, fulfilled the geographical spread required in the ToR.

One specific criteria of the Work Plan called for the participating utilities to accept to participate financially. However, the invitation letter by WUP states that the Swedish Government through Sida provides the financial support for the first phase of the project and that the necessary financing arrangement are already in place. Although the budget agreed between WUP and Sida includes a budget contribution of US\$ 50 000 and the agreed work plan calls for the participating utilities to participate financially, this requirement was never brought to the attention of the utilities. WUP provided all necessary financial support to the utilities for international travel; per diem and accommodation from the budget of the project.

Development of Performance Audit Methodology

The ToR calls for the project team to prepare a performance audit manual, containing a questionnaire, a list of selected indicators and relevant techniques for conducting an audit. The project should also be linked to Project 2 (Performance Indicators and Benchmarking). To what extent the structure and data of Project 2 has been utilised is not quite clear and it is expected that the Final Report will clarify the link. It appears as if much of the data sheets used for data collection, as well as some indicators so far presented, have been developed in Project 3 without utilising the experience in Project 2. In this context it would also be interesting to consider an approach to data questionnaire and contents harmonised with the *Start-Up Kit for Benchmarking Water & Sanitation Utilities*, published by the Water & Sanitation Division of the World Bank.

As stated earlier in this evaluation, an outline audit manual documentation was developed by the SWD team, presented and discussed in an introduction seminar in Abidjan. All members of the team, including the focal persons of the five utilities, attended the seminar. After the seminar, team members of SWD and regional experts made two acquaintance visits, to Cotonou and Entebbe respectively.

A first draft version of the audit manual was developed by the SWD group. The manual was distributed to the audit team for comments and contributions.

The methodology in developing the audit manual in a participatory approach, involving the project team with the regional experts as well as the focal persons from each utility in the process has been highly praised by the participating members from the utilities. The interactive process has apparently had a very positive effect in developing the know-how and skill of the participants as well as contributing to the relevance and contents of the manual. This methodology, compared to a traditional consultancy approach with a manual prepared by overseas experts in advance, is by far superior and a lesson learned for a successful development.

Training of the Audit Team

The second seminar, held in Rabat, concerned training in the actual audit process, interview situations and other components, was carried out, partly by means of role-plays. Simultaneously, final touches were discussed and introduced to the manual. As indicated above, the training appears to have been successful, given the participatory approach applied during seminar sessions.

Implementation of the Audits in the Five Utilities

The manual was distributed to the utilities with instructions for preparation for the audits to take place later on. Attached to the audit manuals were data sheets for numerical values to be filled in in advance, providing data for performance indicators.

Team members from SWD and the regional experts carried out the actual audits. The audits were carried out during three to five days at each utility. With the audit manuals very voluminous relative to the time for auditing, it was understood from the offset that the audit interviews would not treat all the issues thoroughly.

As the focal person from each utility had participated in the development of the manual, an individual in the utility had a good knowledge and understanding of the document and was able to brief the utility staff well in advance of the visits by the audit team. The audit manuals with questionnaires had been distributed several weeks prior to the visits, enabling the focal persons to involve the colleagues in preparation of data and be acquainted with the type of questions to be addressed during the interviews.

Overall, a wide range of senior staff of the utilities had been engaged for the audits, they were well prepared and report in general that the interviews were conducted in a professional manner by the SWD/Regional expert teams and that they experienced that the questions were relevant to their situation. In particular, several representatives of the utilities rated highly the competence of the audit team members and their willingness to discuss and share know-how and experience during the meetings. In some instances, this led to concrete results in influencing the utilities to take action in matters leading to enhanced efficiency.

The respective regional experts responsible for the team effort compiled the results of the audits to the particular utility. According to the Work Plan, one report should be written for each utility covering presentation and evaluation of the audit results.

The audit in Cotonou, Benin, was carried out during November 7–10, 2000. A comprehensive Audit Report, dated December 2000, was produced by the local experts and submitted to the utility in the beginning of February 2001. The utility considers the report complete.

The audit in Brazzaville, Congo, carried out during November 13–17, 2000, resulted in a comprehensive Audit Report, dated November 2000. It was produced by the local experts and received

by the utility in the beginning of January 2001. The utility expressed that all matters were taken into account in the Report.

The audit in Entebbe, Uganda, was carried out during November 7–10, 2000. At the time of the evaluating consultants' interview with the Uganda National Water and Sewerage Corporation on March 5, 2001, they had not received the Audit Report. The reason for this has not been possible to establish. The consultant has only received a three pages summary and the existence of a full report is not known.

The audit in Mwanza, Tanzania, was carried out during November 1–17, 2000. The audit team had not communicated with the Mwanza Urban Water and Sewerage Authority any information since the audit in relation to the auditing (as of the visit by the evaluating consultant late April 2001). The consultant had earlier received a short four pages summary from the audit and handed over a copy during the visit. Also in this case it is not known if a full audit report exists or not.

The audit in Maseru, Lesotho, was carried out during December 6–12, 2000. The consultant has received an electronic version of a filled in version of the Maseru Audit Manual. As this had not been conveyed to Lesotho Water and Sewerage Authority, at least not at the time of the visit by the consultant during the second half of April, a copy was handed over at that time.

The reason for the apparent lack of distribution of the Audit Reports to Entebbe, Mwanza and Maseru, and the uncertainty of the availability of full audit reports for Entebbe and Mwanza, has not been possible to establish, despite enquires.

Evaluation of the Results of the Performance Audits

A two day meeting evaluating the results of the audits, focusing on the methodology, the instruments, the results and the planning of the following steps was included as the final activity of phase 1 in the ToR. The Work Plan calls for the SWD group to submit a draft final report in due time before the seminar. After the seminar, final corrections to the draft were to be given from SWD to the printing unit in order to complete the final report.

The meeting was held in Kampala, March 2–3, 2001. During the seminar, the evaluation and results of the audits were presented and discussed. Prior to the seminar, a draft version of the Final Report prepared by SWD was distributed.

The meeting was attended by the Director of WUP, the Project Manager from ONEP, the Team Leader and assistant from SWD, the regional experts, the focal persons from the Entebbe, Mwanza and Brazzaville utilities (no representatives of Cotonou or Maseru participated). The Work Plan included for ten other African utilities to participate. Although a number of utilities had been invited only representatives of utilities in Zambia and Malawi attended the meeting. Also external support agencies were to be invited to the meeting, out of which representatives of Sida participated together with the evaluating consultant. The Chairman of UAWS participated during parts of the meeting.

No agenda had been distributed prior to the meeting. The unclear distribution of responsibilities between the Project Manager and the Team Leader was clearly demonstrated as an agenda was drawn up as late as at the time of commencing the meeting.

The Draft Final Report was after a lengthy discussion not considered fulfilling the requirements. The document was rather a working paper for the purpose of discussion during the meeting. Although not evident in the report/working paper, the presentations and discussions, including group work provided support to the impression that the actual auditing and issues in relation thereof were highly relevant to the participating utilities.

The effect from the unbalance of one participating utility only from the French language area in Western Africa and two from English speaking countries as well as the seminar held in an English speaking country was counteracted by an efficient interpretation service. Although it is a complication to carry out a project in two languages, it also generates some benefits to the exchange of ideas and experience from different parts of the continent. Several participants expressed their satisfaction with the dual language and geographical distribution in the project.

It was understood that a Final Report was to be developed shortly after the meeting by SWD, assisted by the regional experts. However, the report has been delayed to the extent that this evaluation, although postponed to await the report, finally is made as an interim evaluation without access to the report.

Assessment in relation to LFA (Logical Framework Approach)

The Contract between WUP and SWD does not include an LFA schedule, merely a section headed “Logical framework” without the systematic contents or structure of an LFA. The proposal for funding submitted by WUP to Sida contains a short and incomplete LFA without any differentiation between Phase 1 and 2 of the project. It would be appropriate to expand and refine the LFA for Phase 2 in order to improve the planning of the project and enable an evaluation after completion.

Evaluation of the cost efficiency of the activities carried out

The terms of reference of the evaluating consultant calls for an evaluation of the cost efficiency of the activities carried out in the project. This question can relate to an overall efficiency in relation to the achievements or in relation to actual expenditure for travel, conference facilities and other cost items related to the execution of the services. The evaluating consultant has not performed a budget follow-up. In general terms, the resource allocation in terms of consultancy man-days as well as for the travelling and meeting arrangements appears to be reasonable. The activities have called for extensive travel by the Swedish team, the African experts and the focal persons from the utilities. It is difficult to measure the cost efficiency of this in relation to the activities, although given the objectives, activities and methodology with bi-lingual requirements and geographical distribution of the participants; the cost efficiency is probably acceptable.

6.2 Assessment in Relation to Objectives in ToR

The overall objectives of the project are to improve the performance of water and sanitation utilities through improved management and to allow the expansion of services towards peri-urban areas. The project should enhance utility management expertise and improve performance at five utilities as model examples.

In order to improve the performance in the five model examples it is necessary to carry out both phases of the project. Phase 1 is in this respect primarily providing a platform for the performance improvement plans to be developed in the second phase.

Expansion of services to peri-urban areas is not addressed in the scope of work. To reach the urban poor and improve the conditions in semi-urban areas is of high priority in the policy of Sida. However, in order to enable the utilities to expand their services, it is necessary to improve the efficiency in the existing service coverage, whereby “good house-keeping” should result in a level of performance that allows for the capacity and economy to expand the services to new areas. If this step-wise approach is accepted, the scope of work of the project is justified and enables a future integration of services in the areas of the societies in most need.

In relation to the specific objectives:

To select determining factors for efficiency utility management

The assessment in this respect requires the Final Report, not available at the time of preparation of this interim report. A separate evaluation is included in the Supplementary Evaluation Report of the Final Report.

To assess the performance of five African water utilities, their strengths and weaknesses and the opportunities and threats they are facing

The audit manuals developed in the project are comprehensive and cover all aspects that can reasonably be expected in relation to the utilities in terms of utility management and water supply, while sanitation is included to a lesser extent. The manuals and the actual audit provides a solid platform for the assessment of the performance and therefore have the potential to provide the necessary data for a relevant approach to the performance improvement planning in Phase 2.

Unfortunately, as the full reports for Mwanza and Entebbe as well as the Final Report of Phase 1 have not been available during the review, the assessment also in this respect will have to be postponed until the Final Report is made available.

To enhance African utility management expertise

The methodology used in the project, involving Swedish as well as African experts, together with a focal person from each utility involved and participating in three seminars as well as the involvement of most senior personnel in each utility during preparation for the audits, filling in of data and during the audit sessions; all appears to have enhanced local know-how and motivation.

To the extent possible in a first phase focusing on audit methodology and performance audits, the objective in respect of enhancement is fulfilled. However, the first phase is in respect of this objective for all practical purposes a preparatory phase for the training and improvement planning in Phase 2. It is only after the implementation of the second phase that any significant impact of the project is expected.

6.3 Assessment in Relation to Outputs in ToR

The assessment is based on the major outputs called for in the ToR.

Five water utility staff trained in performance auditing

Each utility nominated a focal person participating in the project of behalf of the utility. As the persons took part in and contributed to the seminars and auditing process, the output in terms of training is fulfilled.

Twelve managers trained in water utility management

Although this output is included in the ToR of Phase 1, the training in utility management of 15 (3 from each utility) managers is a part of Phase 2 and appears to have been erroneously included as an output in Phase 1.

Two workshops on water utility management improvement (performance audits)

The workshops have been carried out in accordance with the ToR. The workshops have had a focus on the contents of the audit manual and the methodology of the audit process.

A framework for a partnership among African water utilities and Swedish professionals in the water sector

The interpretation of this output is not quite clear. A partnership between the utilities and SWD or the Swedish individuals has, as far as known, not been established in any formal sense. The Swedish

professionals perform services based on a normal consultancy contract with WUP, without any twinning or other type of long-term relation with the utilities. However, on an informal level, partnership in terms of networking between individuals in the utilities and the Swedish professionals might have been established.

6.4 Assessment in Relation to Organisation and Management Requirements in ToR

The ToR requires WUP to supervise project execution, with day-to-day management by a Project Manager designated by ONEP. The project is stated to be supported by a resource team composed of WHO and the World Bank. Swedish professionals should work in close cooperation with African experts recruited by WUP.

The project was carried out in a contractual arrangement whereby WUP had separate agreements with the project manager from ONEP, SWD and each of the four experts.

In practice, the *spirit of partnership* called for in the contract has come at a price: unclear responsibilities and weak overall project management. The project organisation with ONEP providing a Project Manager on contract with WUP, the four African experts on individual contracts with WUP, as well as SWD on yet another contract with WUP for the same project resulted in an inefficient project organisation. Unclear division of responsibilities as well as delayed distribution of documentation in the project organisation appears to have been the order of the day. Given the geographical and linguistic circumstances, a professional single point responsibility in project management for the complete services in the project would have enhanced the performance of the project considerably.

From a professional point of view, the team members, in the Swedish team as well as the African team, most of the persons interviewed have considered the experts appropriate and professional. In particular, the SWD Team Leader has been highly appreciated for his skills.

However, from a project management point of view, it is apparent that in addition to the unfortunate concept of *spirit of partnership*, also the fact that both the Project Manager and the Team Leader, having leading positions in their respective home organisations, have had a conflict in giving priority to the project compared with their full time normal duties. Both these key persons in the project have declared their intention not to participate in Phase 2.

The project was intended to be supported by a resource team composed of WHO and the World Bank. However, the organisations were never involved in the project.

6.5 Assessment in Relation to Reporting Requirements in ToR

The ToR calls for:

- Audit Manual in draft and final versions;
- Audit Methodology Report; and
- Report of the audit report as Final Report based on the results of the audits.

In addition, the Work Plan states that one report shall be written for each utility.

The reporting made available to the evaluating consultant is as follows:

- Audit Manual (understood to contain a combination of the Audit Manual and Audit Methodology);
- Audit Reports for the utilities in Cotonou, Brazzaville and Maseru;

- Summary Audit Reports for Entebbe and Mwanza;
- (Draft Final Report) – Working Paper for the Seminar in Kampala.

The existence of the full Audit Reports for Entebbe and Mwanza has not been verified.

Only the individual audit reports of Cotonou and Brazzaville have been distributed to the respective utilities.

The Draft Final Report has not been distributed and is understood to be under preparation.

6.6 Assessment in Relation to the Time Schedule in ToR

The Contract between WUP and SWD was signed August 16, 2000. The time schedule in the Work Plan in the ToR indicate the Audit Result Seminar to take place January 17–19, 2001 with the final input to the Audit Report on February 2, 2001.

The Contract calls for the services to be completed not later than March 31, 2001.

The Contract specifies that the Consultant shall not later than three weeks after the completion of the assignment submit a Draft Final Report. A Final Report is to be submitted within 21 days after receiving comments on the draft.

The Audit Result Seminar was carried out March 2–3, 2001. This delay was justified as it enabled a back-to-back organisation and travel with the Regional Conference on the Reform of the Water and Sanitation Sector in Africa, also organised by WUP in Kampala during February 26 – March 1, 2001.

According to the Work Plan, the Final Report should have been made available by SWD two weeks after the seminar, on or around March 19, 2001.

The timing requirement of the Contract indicate that the Draft Final Report should be submitted after completion of the assignment latest three weeks thereafter. Calculated from March 31, the Draft should be submitted latest by April 20, 2001.

At the time of preparing this Evaluation Report, June 20, the Final Report is still missing. Regardless of the contradicting requirements regarding the submission (March 19 or April 20), the delay is significant.

The Final Report was submitted on August 16, 2001.

7 Assessment of Phase 2 Proposal

The Proposal for Funding submitted to Sida by WUP covers both phase 1 and 2 of the project, while the agreed financing was limited at that time to phase 1. The overall objectives of the project will only be possible to reach if both phases are implemented.

The Scope of Work of Phase 2 covers the services listed in Section 4.3 of this report in accordance with the Proposal for Funding.

The ToR of Phase 1 calls for the Report of Audit Results to provide recommendations as to whether the original scope of Phase 2 should be maintained or not. It is expected that the forthcoming Final Report will contain proposals in this respect, based on the experiences gained during Phase 1. Unfortunately, very little time was spent on this issue during the evaluation seminar in Kampala.

The evaluating consultant discussed the interest of a continued participation, contents and approach, as well as the issue of cost sharing during the meetings with the utilities in Entebbe (NWSC), Maseru and Mwanza. In the following, a brief orientation in respect of the current development and plans for the future is included in order to provide an orientation and a background to the views on the next phase.

Entebbe: Uganda National Water and Sewerage Corporation (NWSC)

Entebbe is one of 12 towns operated by the NWSC in Uganda. A first Corporate Plan was implemented 1997–2000 after a period of emergency rehabilitations. A new management was appointed during the period, with focus on commercial principles with the objectives of improved services to the consumers and efficient cost recovery. Considerable achievements were made, increasing service coverage, reduction of unaccounted-for water and major increase in revenue.

A second Corporate Plan, 2000–2003, is a platform for further development of the organisation. A Performance Contract has been signed between the NWSC and the Ugandan Government. In turn, the Headquarters has entered into performance contracts with each area of operation, Entebbe being one such area. The contracts contain increased autonomy of the areas, enhanced commercial orientation, creation of result orientated management, as well as increased accountability and line of responsibility between areas and the Headquarter.

The Area Performance Contracts recently introduced include the achievement of outputs related to improved billing, reduction of unaccounted-for water, improvement of collections, reduction of arrears and improved technical operations. An evaluation of the very first quarter of the Contracts being in operation (October–December 2000) provides clear indications of a positive initial development of the scheme. At the same time, it is acknowledged that much work remain in such areas as response to customer complaints, improved billing, reduction of unaccounted-for water, accounts receivables and generally improvement of operations.

Within the NWSC, Entebbe is to be operated as an autonomous commercial entity with the main aims of improving service delivery, sustainability of operations and achieving financial viability.

The NWSC proposed Entebbe as the utility for participation in the WUP Project 3: Water Utility Management and Unaccounted-for water as a pilot entity. If successful, the experience from the project could be applied also elsewhere in the organisation.

It is evident that a further pursuit of development in a second Phase in Project 3 should be made in the context of the existing development plans within NWSC in general and within the application on

Entebbe in particular. The “point of departure” in a second Phase should therefore be tailored to suit the requirements on the ground and the need of the Entebbe utility, not necessarily as a general development of the Phase 1.

The management of the NWSC is very clear and precise on their expectations on a second Phase. Many of the management tools in a Performance Improvement Plan are already on hand and indeed in the process of implementation. A major constraint, and as a matter of frustration, the problems related to unaccounted-for water are of considerable concern. The total issue, with physical losses in various parts of the technical production and distribution system, together with the metering process, appropriate, or rather the lack of appropriate, connections as well as the administrative routines in meter reading, consumer records, billing and collections; all relate to the overall unaccounted-for water. Reduction in unaccounted-for water will result in real efficiency gains and enhance the performance of the utility in a very concrete fashion.

The NWSC proposes that a Phase 2 of the project assist in developing a representative pilot area within Entebbe to be studied in detail as regards all aspects of unaccounted-for water. Only then, the real and total perspective of the reasons, and subsequent remedies of the problems can be identified and resolved.

As an outline line of action the following was brought forward as of particular interest:

- A study tour, including seminars on location at a water utility within Africa having encountered similar problems and carried out actions to resolve or at least improved the situation. This “example of best practice” needs to be identified. To be explored could be Abidjan (although the operation is private and therefore not a good public example), or Gaborone in Botswana.
- Followed by an in-depth combined field and seminar exercise in Entebbe, focusing on a selected pilot area, where all aspects of unaccounted-for water are covered. This approach would combine lectures with hands-on field work in relation to technical losses as well as, and in particular, other influencing factors including consumer connections and relations.
- Development of a Performance Improvement Plan by the Entebbe/NWSC management based on the experience and know-how gained from the “best practice” example, seminars and pilot area exercise. The Plan would then serve as an example for other utilities within NWSC.
- The NWSC is willing to participate in a Phase 2, including provision of funding for international travel as outlined in the Project budget plan. The NWSC is further able and willing to provide local facilities during field and seminar exercise in Entebbe.

Maseru: Lesotho Water and Sewerage Authority (WASA)

WASA is the main urban service provider of water and sewerage services in Lesotho. The organisation has currently about 28 700 water connections in 15 towns, including Maseru. The World Bank is developing a Lesotho Water Reform Project formulating specific components for possible funding. The overall objective of the project would be to improve access to and reliability of water and sanitation services in rural, peri-urban and urban areas through a coordinated donor approach. One of the most immediate needs is to secure additional supply of water in Maseru as well as strengthening of a new integrated policy, planning and strategy implementation for water and sanitation.

According to reporting by the World Bank WASA performance compares favourable with many water utilities in the region with relatively good performance from management and financial management with all IT systems fully functional. Also the technical performance is reported adequate with 28 % unaccounted-for water (within acceptable levels). All operations and maintenance costs are covered from revenues including a significant portion of depreciation. The customer and billing databases are working satisfactory.

However, there are several constraints to be addressed. The tariff has not been adjusted since 1996, representing a real decrease of 25 percent in the price of water. The charges have to be adjusted and increased in order to cover the costs for proposed augmentation works. WASA has difficulties in attracting and retaining senior staff, with several positions vacant, due to unfavourable salary levels in the organisation. The jurisdiction of the Maseru township and other urban communities do not allow for services to be expanded into peri-urban areas outside the urban gazetted areas.

The growth in population, increased standard of living and expansion of industry has created a serious situation in Maseru as regards supply of water and development of the sewerage system. In addition to the World Bank, EIB has expressed interest in financing of necessary improvements.

In terms of institutional development, the World Bank considers a performance agreement between WASA and the Government as the most appropriate solution in a short- and medium term perspective. A performance agreement would set specific operational and performance targets to be achieved over a three or four year period, as used in Uganda.

WASA has initiated small-scale private sector participation, by outsourcing of some non-core activities. Workshop and septic tank emptying has been outsourced, while other areas planned include direct labour unit, meter reading, billing and collection, small engineering works and the central laboratory.

During the later part of the WUP Project, WASA changed the focal person to become the Chief Executive himself. This was reported to WUP although the project management apparently did not receive this information. This resulted in no information regarding the audit result seminar in Kampala reached the Chief Executive and subsequently Maseru/WASA was not represented at the seminar. In addition to several positions in the organisation being vacant, there is considerable tension and conflicts between some senior staff and the management.

The overall planning and contents of a Phase 2 of WUP Project 3 as envisaged in the original plan is acceptable and appropriate to the needs of WASA. The Chief Executive emphasises that the planned management training and development of a performance improvement plan is consistent with the commercial approach by WASA, their commitment to a Performance Agreement with the Government as well as to the conditions for financing by the World Bank.

In principle, financial participation in Phase 2 is acceptable by WASA. However, within the current financial year (ending March 2002), financing is not available within the budget. The budget for the next financial year is established in December and the Chief Executive is prepared to propose an allocation in the budget for costs in relation to the project.

Although the overall content of Phase 2 is accepted, the Chief Executive does not agree to the approach to the management training course. This calls for three managers from each utility to attend a training course during two weeks somewhere in Africa. The Chief Executive favours an approach to the training that “best practice experts” provide training in Maseru with participation of all or most of the senior staff of WASA. This would in his opinion have a greater impact on the organisation as more staff receives training by the experts. There is a fear that if only three managers are sent for training, they would not in their turn provide training in the organisation, rather that they would have an interest in keeping the know-how to themselves. (This view could be interpreted to reflect the internal conflicts and distrust between leading staff in the organisation.)

Mwanza Urban Water and Sewerage Authority (UWSA)

The Authority is a public water utility under the Ministry of Water Affairs, although with considerable autonomy under an independent Board of Directors. The board has power to determine and approve annual budget, set tariffs and recruit all staff other than the Managing Director. However, the Ministry

manages capital investment programmes with minimum input by the Authority. A major water expansion project to be financed by EU is at the planning stage.

The old water network is subject to frequent bursts and leaks. The level of unaccounted-for water is estimated to be around 50 %, including technical and non-technical losses. Only 26 % of the customer connections are metered.

Mwanza is going through a period of considerable development and subsequent rapid urbanisation triggered by the growth in the export oriented fishing industry, gold mining in the region and the tourism in nearby game reserves. UWSA is expected to improve and expand its service, water quality and supply area. The effects on the environment is rather severe, with heavy storm water runoff from the city to water catchments areas, fishing industrial pollution and the effects of several unplanned low income peri-urban settlements.

The management and senior staff appear dedicated and highly motivated to enhance the development of UWSA. The audit process has been highly appreciated by the UWSA management and their focal person in the project. Given the autonomous setting, the major challenges ahead in technical, operational, administrative and economical development and the favourable response by the UWSA staff and their expressed demand for a continuation of the project into Phase 2; provides an ideal setting for training and performance improvement planning in Project No 3.

Mwanza is also participating in the WUP Project No 2: Performance Indicators and Benchmarking.

The management is committed to continue with Project No 3 and are prepared to contribute to the cost sharing approach in the second phase. The overall concept of the original plan for Phase 2 is still considered valid. In particular it is stressed that the training should use African experience as much as possible. The training should combine lectures, workshops and site visits in “best practice” situations. The training should preferably take place in a situation relevant to the problems facing Mwanza and others in a location where the local utility is prepared to participate and show in practice how they face and tackle problems. The training should cover both performance improvement issues and unaccounted for water. After this training each participating utility decide on a pilot area for unaccounted for water and apply what they have learned, being backstopped by the foreign experts and at the same time developing their performance improvement planning. The results should be presented and discussed in a workshop and then the utility should be in a position to finalise the plan.

Cotonou, Benin: Societe Beninoise DElectricité et dEau (SBEE)

And

Brazzaville, Congo: Societe Nationale de Distribution dEau du Congo

The two participating utilities from West Africa, Cotonou and Brazzaville, were not visited during the evaluation. Questionnaires were sent to each and replies received and translated through Sida.

Institutionally, both utilities belong to national organisations. Institutional reform and a process towards private sector participation (most likely in the form of concessions involving major international players) is in progress. Even so, the process is likely to take time and during the procurement and mobilisation period, the utilities have to be able to perform and develop. The management staff is in any event taken over by the private operator and would be better prepared with training and performance improvement planning.

Both organisations stress their satisfaction with the activities and results of Phase 1 and interest in participation in Phase 2. Both also indicate their willingness to contribute to some of the costs in connection with the next step.

Phase 2 Assessment and Proposal

The objectives of the project can only be achieved through implementation of both phases. Phase 1 provides a good base for the next step. All five participating utilities express their satisfaction with the first phase, the relevance of the exercise and a demand for the training and assistance envisaged to be included in the second phase.

The genuine demand is evident, given the demonstration of willingness to contribute to some of the costs in Phase 2.

The contents and methodology of Phase 2 should be reviewed after having studied the recommendations expected to be included in the Final Report. It is not possible to fully satisfy the proposals of the participating utilities. The only major difference in approach is in the proposal by Maseru, whom are in favour of having training experts to provide training directly with the Authority staff, as compared to the original approach recommended by others, to send selected staff to the training elsewhere.

As a result of the interviews and discussions and an overall assessment of a possible approach to the Phase 2, the following main components and activity plan is envisaged:

- a) Preparation of training course, including development of a comprehensive curriculum and in this respect making an inventory of the state of the art tools and drafting of a source document to be used in the training. This phase should also include search for and establishment of a relation to a “state of the art” utility in Africa to participate in the training and where the course should take place. The training should integrate the two separate elements of management training and training to control and reduce unaccounted-for water. Given the wide scope of unaccounted-for water and its application in a pilot area in the utility, many aspects in the training relate to these issues. The training should be tailored to suit the “point of departur” applicable for the participating utilities and relate to the situation and development plans already drawn up in some of the utility organisations.
- b) The training developed as above is to be carried out with three participants from each utility, including lectures, workshops and site visits. Teachers are expected to be drawn from Swedish resources, the regional experts engaged in Phase 1 and preferably from the utility in the town where the training takes place. The training should also provide a structure for initiating the utilities task of preparation of the PIP and pilot area for unaccounted for water. Duration: 2 weeks.
- c) The utility working group develop the PIP and unaccounted- for water pilot area action plan within their utility. Backstopping provided through the project support group when necessary through e-mail. During this period one or more members of the support group visit the utilities for guidance and support. Draft PIP and Unaccounted-for water Action Plan is drafted by each utility. Duration: 3–5 months.
- d) Dissemination of drafts in a one-week seminar.
- e) Finalisation of the PIP and Unaccounted-for water Action Plan by each utility. E-mail support by the support group.
- f) Approval by utilities Boards of Directors with an action plant for implementation.
- g) Follow-up of results by an independent consultant 2–3 years later.

Lessons learned from Phase 1 should be considered in the development of Phase 2. In particular the following is stressed:

- The Phase 2 services should be organised and managed with a single point approach with one firm being responsible for all activities and outputs.

- In addition to the obligatory water and sanitation management expertise in the training and support team provided by or through the firm, professional project management capability and capacity is essential.
- Scope of Work, Terms of Reference and Contract documentation should be consistent and developed to suit the procurement and implementation of the services. Reporting should include regular progress reporting. A quality control system should be included with clear demands in terms of distribution of information, documentation and reporting.
- A professional project management resource person (having sufficient background in relation to the services to be performed) should manage the services.
- The services in Phase 2 should if possible be procured on a competitive basis whereby the professional capacity of management experts, water utility expertise and the regional expertise should be integrated into one professional unit.

WUP has indicated a desire to include more than the five original utilities in Phase 2. However, to take on board new utilities would require a phase 1 training and audit exercise before the new utilities stand on an equal basis to proceed like the original five utilities. Furthermore, it would be an advantage to carry out the complete project with the five model utilities in order to learn from the implementation before a new batch of utilities is introduced. It is therefore suggested that Phase 2 is implemented with the original five utilities only.

8 Conclusions and Recommendations

Main conclusions and recommendations:

- This interim-report has been prepared without access to a Final Report of the Project 3, Phase 1. Thus there are some gaps in relation to the terms of reference of the evaluating consultant. A separate evaluation will be based on the Final Report.
- The selection of five model utilities has been in agreement with the terms of reference of the project. However, participation in terms of financial contribution was never asked for by WUP and subsequently Sida financed all Phase 1 costs. (Save some minor local expenditure such as local transport during audits).
- The methodology in developing the audit manual in a participatory approach, involving the project team with the regional experts, as well as the focal persons from each utility in an interactive process has had a very positive effect in developing the know-how and skill of the participants as well as contributing to the relevance and contents of the manual.
- The development of the audit manual, training and auditing has fulfilled the requirements of the terms of reference.
- Audit reports have been prepared and duly distributed to the utilities in Cotonou and Brazzaville. The audit in Maseru has been recorded in a filled-in version of the manual, although apparently not sent back to Maseru. The audit results from Mwanza and Entebbe has only been made available to the evaluating consultant as summaries. The existence of full reports is not known. The audit reports have not been distributed to the utilities or national organisations in Lesotho and Uganda.
- The activities in the project were timely and according to the Contract up to including the audit process. Thereafter the reporting, evaluating seminar and finalisation of the Phase 1 has not been to an acceptable standard or timing.
- The project organisation with ONEP providing a Project Manager on contract with WUP, the four African experts on individual contracts with WUP, as well as SWD on yet another contract with WUP for the same project resulted in an inefficient project organisation. Given the geographical and linguistic circumstances, a professional single point responsibility in project management for the complete services in the project would have enhanced the performance of the project considerably.
- The objectives of the project can only be achieved through implementation of both phases. Phase 1 provides a good base for the next step. All five participating utilities express their satisfaction with the first phase, the relevance of the scope and a demand for the training and assistance envisaged to be included in the second phase.
- The genuine demand is evident, given the demonstration of willingness by all five utilities to contribute to some of the costs in Phase 2.
- The contents and methodology of Phase 2 should be reviewed after having received the recommendations expected to be included in the Final Report. A possible approach to Phase 2 is however outlined in Section 7 of this evaluation report.

The lessons learned from Phase 1 should be considered in the development of Phase 2, and in particular the following:

- The Phase 2 services should be organised and managed with a single point approach with one firm being responsible for all activities and outputs.

- In addition to the obligatory water and sanitation management expertise in the training and support team provided by or through the firm, professional project management capability and capacity is essential.
- Scope of Work, Terms of Reference and Contract documentation should be consistent and developed to suit the procurement and implementation of the services. Reporting should include periodic progress reporting. A quality control system should be included with clear demand in terms of distribution of information, documentation and reporting.
- A professional project management resource person (having sufficient background in relation to the services to be performed) should manage the services.
- The services in Phase 2 should if possible be procured on a competitive basis whereby the professional capacity of management experts, water utility expertise and the regional expertise should be integrated into one professional unit.

The project is highly relevant in relation to the Sida policy documents: *Draft Strategy for Water and Sanitation and Management and Use of Water Resources*. Capacity building and promotion of efficient management are among the guiding principles and the project enables a development in line with the priority areas for urban water and sanitation.

Sida is recommended to support the second phase of the project.

Appendix 1

Evaluation of support to Water Utility Partnership's (WUP) project for water utility management phase 1.

TERMS OF REFERENCE

A. Background

Sida decided in November 1999 on support to a project for improved water utility management within five African water utilities. The project is divided into two phases of which this evaluation concerns the first called "Performance Audits". Sida's support for the first phase amounts to 3 MSEK.

The support is given through the Water Utility Partnership (WUP), a program under the Union of the African Water Suppliers. WUP is responsible for project management, procurement of sub-consultants and reporting to Sida. Swedish Water Development has been contracted for implementation of the first phase.

The WUP secretariat receives core support from the World Bank. The World Bank has recently carried out an evaluation of the work of WUP so far (started in 1996).

A final seminar for conclusion and evaluation is planned to take place in Kampala on 2–3 March 2001.

B. Objective

The evaluation shall provide Sida with information on the effectiveness and sustainability of the project and form a basis for decisions regarding the continuation of the project.

C. Study results

The evaluation report shall deliver the following;

- an analysis of to what degree project objectives, according to what is stated in the project document (dated August 1999) and the ToR for the contract for Swedish Water Development, has been achieved,
- an evaluation of the relevance, effectiveness and sustainability of the project e g according to Sida's policy for "Management and use of water resources" and the draft Sida water and sanitation strategy,
- recommendations whether a second phase should be supported and if so suggestions to improvements that can be made to the plans for a second phase (e g need to include development of source document according to plans for phase 2 in project document).

D. Issues to be studied

Related to phase 1;

1. Assessment of achievements made and valuation of impacts in relation to project objectives set out i e;
 - to select determining factors for efficient utility management
 - to assess the performance of five African water utilities, their strengths and weaknesses and the opportunities and threats they are facing
 - to enhance African utility management expertise

2. Assessment of achievements made and shortcomings according to activities specified in the LFA and terms of reference in SWD contract i e;
 - selection of countries and water utilities; relevance and acceptance of participants selected
 - development of audit methodology
 - assessment of manuals produced, training and audits performed,
 - evaluation seminar
3. Assessment of project organisation and management (WUP and ONEP). Role of the World Bank and WHO.
4. The project implementation methodology;
 - teamwork
 - communication
5. Assessment of success factors for achievements and “killing factors” for failure.
6. Cost efficiency of activities carried out.
7. How results from other WUP projects (especially project 2 “Benchmarking and performance indicators”) have been utilised in this project.
8. The advantages and disadvantages of arranging training projects on a regional basis and with participants using different working languages (French and English).
9. Contacts taken between the project and other regional water projects, e g the Water for African Cities project.

Related to phase 2;

1. Relevance of planned activities in relation to problems encountered.
2. Commitment from participants, utility management and city management to the project objectives and their commitment to continue the work on improvement of water and sanitation services in a second phase, e g to cost sharing in phase 2, or future plans of water utilities in general.
3. Available policies, legal framework and financing in support of commitment and budget for participation in phase 2.

E. Methodology and organisation of work

The consultant shall participate in the evaluation seminar in Kampala during 2–3 March 2001. In connection with the seminar the consultant will interview representatives from WUP and ONEP and carry out preparatory planning/interviews with the 5 city representatives.

The consultant shall visit 3 of the participating cities to conduct interviews with water utility staff and city managers. Which cities to visit will be decided, in concurrence with Sida, after completion of phase 1. Involved staff at Malmö Water Utility and SWD shall also be interviewed.

Documents to be studied include (not excluding others); project document, contract between SWD and WUP, Sida’s promemoria, manuals and training material developed during the project and the evaluation report of WUP.

F. Reporting

The work of the consultant shall be divided into two phases. Phase 2 has to be subordinated before start-up.

Phase 1 (12 days, including 2 travel days);

- a) Preparations, 3 days
- b) Evaluation seminar in Kampala, 2 days
- c) Planning sessions for phase 2 with representatives of the five participating cities and interviews with representatives of WUP and ONEP, 2 days
- d) Interviews with representatives from National Sewerage Corporation, Uganda, 1 day
- e) Brief report on main issues and briefing at Sida, 1 day
- f) Preparations for phase 2, 1 day

Phase 2 (11–16 days);

- a) Visiting 2–3 cities, 5–10 days
- b) Visiting Malmö, 1 day
- c) Writing of final report 5 days

A draft report shall be presented to Sida at the latest by 20 April 2001.

The final report will be presented in English, in three copies plus an electronic Word 6.0 version, at latest two weeks after receipt of Sida's comments.

Appendix 2

List of Documentation

1. Bedömnings-PM, Stöd till “Water Utility Management & Unaccounted for Water”, Fas 1 “Performance Audits”, Sida 1999-11-05
2. Contract for Consulting Services, WUP–SWD, signed 2000-08-16
3. WUP letter of Invitation to utilities to participate, April 2000
4. WUP Action Plan Phase II, 1999–2001
5. Review of the Support to the WUP Phase I 1996–1999, Final Report, Tranor Consulting Engineers and Planners, July–September 2000
6. WUP Annual Report 1999–2000
7. WUP Progress Report, April 2001
8. WUP Inception Report, Project No 2, Service Provider Performance Indicators and Benchmarking, December 2000
9. WUP Project No2, Benchmarking Questionnaire
10. SWD Project 3: Water Utility Management and Unaccounted-for-Water, Phase 1: Audits in five African Water Utilities, Final Report, Draft 2001-02-24
11. SWD Audit Manual 2000-10-21
12. SWD Audit Manual, filled in version for Maseru/Lesotho Water and Sewerage Authority
13. Summary Report of Utility Audit Mwanza Urban Water and Sewerage Authority
14. Audit Task Report, Summary of the Audit Report Entebbe/Kampala
15. Audit de Performance de la SNDE (Société Nationale de Distribution d’Eau du Congo), Rapport des Experts Régionaux, Novembre, 2000
16. Phase 1: Mission d’Audit de Performance a la Societe Beninoise d’Electricite et d’Eau (Cotonou-Benin). Rapport de l’Equipe, draft Décembre 2000.
17. Corporate Plan July 1, 2000–June 30, 2003; Uganda National Water and Sewerage Corporation. September 2000
18. Area Performance Contracts Evaluation Report, 1st Quarter (October–December, 2000). Uganda National Water and Sewerage Corporation, February 2001.
19. Lesotho Water and Sewerage Authority, Annual Report 1998
20. Proposed Lesotho Water Sector Reform Project; Identification Mission, Aide Memoire, World Bank, November 2000
21. Lesotho Water Reform Project, Tariff Study, Wessex Water International, January 2001
22. Management and Use of Water Resources, Sida Position Paper, May 1999
23. Förslag till “Strategy for Water and Sanitation”, Sida 2001-02-20.

Appendix 3

Persons Interviewed

Name	Position	Organisation
Dennis D. Mwanza	Managing Director	Water Utility Partnership
Jaoui Abdelhaq	Chef du Département/ Project Manager	Office National de L'Eau Potable, Rabat, Morocco
Sven Widing	Director, operations/ Project Team Leader	Malmö Va-Verk/ SWD
Autoine Olea	Directeur Regional	Societs Nationale De Distribution d'eau, Brazzaville
Silver Mugisha	Principal Engineer Maintenance	National Water and Sewerage Corporation, Uganda
Amayo Johnson	Chief Engineer Operations	National Water and Sewerage Corporation, Uganda
Odonga Charles	Director Technical Services	National Water and Sewerage Corporation, Uganda
Sechocha Makhoalibe	Chief Executive	Water and Sewerage Authority, Lesotho
Augustinus M. Thinyane	Corporate Planner	Water and Sewerage Authority, Lesotho
Mathealira Lerotholi	Director of Engineering	Water and Sewerage Authority, Lesotho
Mamosepe T. Pholo	Director of Corporate Services	Water and Sewerage Authority, Lesotho
Lerato Mokuane, M. Ratsiu and M. Mathaba	Financial Services	Water and Sewerage Atuthority, Lesotho
Zephania Mihayo	Managing Director	Mwanza Urban Water & Sewerage Authority
Ellon Abuok	Chief Engineer for O and M	Mwanza Urban Water & Sewerage Authority
Nyanjige Mbembela	Head of Business and Computer Section	Mwanza Urban Water & Sewerage Authority
Hilde Mboyerwa	Chief Accountant	Mwanza Urban Water & Sewerage Authority
Patrick Kittenche	Network Technician	Mwanza Urban Water & Sewerage Authority

Appendix 4

WUP Projects and Current Status

Project No	Project	Phase	Financing	Current Status
1	Reforming the Water and Sanitation Sector in Africa	a) Policy Reform	Regional conference financed by several governments, organisations and firms. Project financing under consideration by Dutch Government.	Regional conference on the reform of the water supply and sanitation sector in Africa. Held in Kampala February 2001. 317 participants from 38 African countries. A three year project is being developed for potential financing.
		b) Knowledge Management	French Ministry of Foreign Affairs	Documenting the reform process in South Africa, Mozambique, Tanzania, Cote D'Ivoire and Cameroon. Completion extended from February until December -01.
2	Performance Indicators and Benchmarking	Phase 2	UK Dept. For International Development (DfID)	A first phase of indicators was developed in 1998. Current phase intended to collect data from all utilities in Africa. Eight workshops held across Africa. Questionnaires under circulation (this first exercise covering water).
3	Utility Management and Reduction of Unaccounted for Water	a) Performance Audits	Sida	Concluding seminar held in Kampala March 2001. Final Reporting Remains.
		b) Performance Improvement Plans	Under consideration by Sida	
4/5	Provision of Water Supply and Sanitation Services to the Urban Poor		European Commission	Case studies in nine countries. Duration of project: March 1999 to March 2001 (extended to September 2001). Developing tool kits for utilities. A good practices report is under completion. Final workshop planned to be held in September 2001.
6	Dissemination of WUP Products		UAWWS	Reporting of activities and development of web site. Annual Report 1999/2000 completed. The web site is operational.

Supplementary Evaluation Report of The Final Report of Phase 1: Audits in Five African Utilities

**Water Utility Partnership (WUP) Project 3:
Water Utility Management and Unaccounted-for Water**

1 Introduction, Background and Objective

This report is supplementary to a report prepared in June 2001; *Draft Interim Evaluation Report: Support to the Water Utility Partnerships Project for Water Utility Management and Unaccounted-for Water, Phase 1* and the final version of the Report of October 2001.

Due to the delay of the *Final Report* prepared by the Swedish Water Development (SWD) for the project, it was agreed that the evaluation should be reported in two steps; the first as stated above, and the second based on the Final Report, once received.

This report contains the findings from the evaluation of the Final Report dated 2001-08-12.

2 Issues

The evaluation of the support to WUP project for water utility management phase 1 covered most issues in relation to the project. However, as the Final Report was not available at the time of preparation, some issues remained to be evaluated.

Remaining issues addressed in this Supplementary Evaluation Report:

- Selection of determining factors for efficient utility management;
- Time of delivery of the Final Report;
- Recommendations for Phase 2; and
- Assessment of contents of the Final Report.

3 Selection of Determining Factors for Efficient Utility Management

One of the specific objectives of the project is to select determining factors for efficient utility management. The Audit Manual prepared in the project covers much of the areas determining water utility management, such as management issues, unaccounted-for water, production and distribution of water, financial issues and personnel management. The Final Report contains summarized information on a multitude of detailed questions as well as observations, comments and recommendations in relation to the findings. In addition, the performance indicators data collected has been presented and evaluated. Out of the multitude of data it is difficult to single out ‘determining factors’ of greater importance than others. The objective of selecting determining factors relate to both phases of the project and the services carried out in Phase 1 provides a good data base of information of efficiency factors in relation to utility management and water supply, albeit less so in sanitation.

4 Assessment in relation to Time of Delivery of the Final Report

The Final Report dated August 12, 2001 is presented as a final document, not a draft version.

A Draft Final Report was presented at the Kampala meeting March 2–3, 2001. The purpose of the meeting was to evaluate the results of performance audits carried out for the five participating utilities. However, the Draft was not considered fulfilling the requirements of a Final Report and was seen as a working paper for the purpose of discussion during the meeting.

With the draft version presented March 2–3 with comments received during the meeting, the final version should have been submitted either 2 weeks later (according to the time schedule) or 3 weeks later (according to Article III). Assuming that Article III is ruling, the final version should have been delivered March 24.

The Final Report was distributed by electronic mail on August 16, 2001. This constitutes a delay of almost 5 months.

According to the General Conditions of the Contract, the Client has a two-month period for review and comment on the Final Report. Comments, if any, should thus be conveyed to the Consultant latest October 15.

The Final Report has been delivered in both English and French as required.

5 Recommendations for Phase 2

The evaluation of the results presented during the dissemination of Phase 1 should include the planning of the following steps. Unfortunately, no comments or recommendations as regards to planning aspects of Phase 2 are included in the Final Report of Phase 1. However, a number of recommendations as regards the contents of the Performance Improvement Plans are provided based on the findings during the auditing process. This includes issues in relation to unaccounted-for water reductions as well as overall utility management.

6 Assessment of Contents of the Final Report

The Final Report is considerably improved compared with the draft version presented during the Kampala seminar. The current report provides information about the project, the project team, methodology and findings. In particular, the findings have been expanded with new sections and a very comprehensive Appendix 3: Audit Responses.

The report focuses on the findings from the audits of the five utilities. Undisputable, this is highly relevant. However, the report contains no assessment of the process, tools, team composition, validity of Audit Manual and other considerations for the purpose of evaluation of 'lessons learned'. There are no considerations or recommendations as to what extent the same methodology and the audit manual can be applied for future audits of other utilities.

The results from Phase 1 should be used in two directions. The audit results and findings reported provides a good platform for a continuation of the second phase; development of performance improvement plans including action planning to control and reduce unaccounted-for water in the five utilities. The other direction would be to gain experience from the process (methodology, competence and resources required, participation from the local utilities, time allocation, relevance of the manual) in order to learn for future audits of other utilities. This second dimension of the assignment has not been addressed in the report. An evaluation and recommendation in respect of lessons learned is necessary in order to make full use of the Phase 1.

The main objective of the project is to improve the performance of water and sanitation utilities through improved management. Out of the five utilities, three manage sewerage systems with sewage treatment plants. However, only some basic inventory is included in the audit manual in respect of sanitary services with no detailed audit sections comparable with the in-depth auditing of the water services. The technical, environmental and health aspects of the sewerage systems and other forms of sanitation are not audited and consequently these aspects are not analysed in the utilities. This limitation of the audit manual will considerably hamper the use of the audit manual for other utilities. A justification for the absence of auditing of the sanitary services is needed and should be included in the report.

Table 5.2 in Section 5.2 Evaluation of Performance Indicators provides key indicators of the five utilities compared with African national companies and Nordic cities. Given the extreme range in all data compared with, it is difficult to make any meaningful comparison of the status in the utilities. It would have been easier to compare, would *average* data from the African and Nordic utilities been shown. Alternatively, the extremes should have been omitted in order to gain an understanding of would could reasonably be expected under average conditions. In addition, some data should be checked, as they apparently cannot be correct. Is it really correct that of daily per capita water production in Maseru of 59 l/pd only 17 l/pd is used? If that would really be the case, the percentage of unaccounted-for water should be 71 %, not 30 % as shown.

In Section 5.2 it is further stated that the performance indicators are selected to suit the definitions presented in Appendix 6. However, this does not seem to be the case, as many indicators do not seem to correspond. If the purpose of Appendix 6 is to define the indicators used in Table 5.2, the specific indicators in the table should have been explained in the same order using the same headings.

The performance indicators are not harmonised with the benchmarking questionnaire used to collect data in Project No 2. However, the Project No 2 questionnaire was finalised after the completion of

Project No 3 Phase 1 services, consequently the indicators have not been coordinated. The lack of coordination is therefore understandable due to the timing problems.

Table 7.2 Weaknesses in and Threats to the five utilities. The same table was included in the draft version of the report. Although the table appears incomplete, no changes were introduced to the final version. The table contains no *Market issues* for Entebbe, Mwanza and Maseru and there are no issues for any of the utilities under the heading *General*. A further observation is the comment *Uneven standard in competence* as regards *Structural issues* for Mwanza. During the appraisal visit to Mwanza, the utility management wanted an explanation as regards this comment as their interpretation was that that the audit team had considered some staff not competent. As pointed out in Mwanza, if this is the case it has to be clarified on what basis this observation is made.

Models for modern Utility Management, Appendix 5, were a major section of the draft version of the report. The shift of the section to an enclosure to the report is appropriate. However, the figure on page 5 of the appendix is still impossible to comprehend due to the lack of a key to the symbols.

The quality in respect of the English language is not acceptable. Some sections and sentences are not possible to comprehend, with the result of the reader not being able to follow the reasoning or facts presented. If the language and presentation is not to a professional level, there is a risk of the report not being taken seriously, regardless of the relevance of the findings presented. The report requires editing. WUP should review the status in respect of the French version of the Report.

7 Summary and Recommendations

The Final Report was delivered almost 5 months behind schedule.

The Final Report is substantially improved compared with the draft version presented at the Kampala seminar in March. However, the report is considered to have the following shortcomings:

- While the findings from the audits are elaborated in the report, no corresponding effort has been made to evaluate lessons learned and recommendations for future audits of other utilities. As the project is the first of its kind and on a pilot scale, these aspects are necessary to be addressed in order to make full use of the Phase 1 Services.
- The auditing focuses almost entirely on water, with only collection of some general data as regards sanitation. A justification for the absence of auditing of the sanitary services is needed and should be included in the report.
- Table 5.2 should be reviewed for correctness of data, simplified comparisons and be harmonized with the definitions provided in Appendix 6.
- Table 7.2 should be reviewed and made complete. The observation as regards Mwanza should be clarified.
- The symbols shown in the table on page 5 in Appendix 5 should be clarified.
- The report requires editing including a considerable improvement of the English language. WUP should review the status in respect of the French version of the Report.

WUP is recommended to request revisions to the report according to this evaluation soonest possible and in any case not later than within the time stated in the Contract; latest October 15. The finalisation of the Phase 1 Final Report should be carried out in a shortest possible time, as the report is long overdue in respect of distribution to the participating utilities, other stakeholders and for the procurement and implementation of Phase 2.

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SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
S-105 25 Stockholm, Sweden
Tel: +46 (0)8-698 50 00. Fax: +46 (0)8-20 88 64
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