

Report on Quality at Entry and Next Steps to Complete Design for Supporting Malawi's National Water Development Program

A: AidWorks details <i>completed by Activity Manager</i>			
Initiative Name:	Malawi National Water Development Program		
AidWorks ID:	INJ200	Total Amount:	\$17 million
Start Date:	June 2010	End Date:	30 June 2012

B: Appraisal Peer Review meeting details <i>completed by Activity Manager</i>	
Initial ratings prepared by:	Martin O'Dell, Marcus Edwardes & Laury McCulloch
Meeting date:	17 March 2010
Chair:	Jamie Isbister, ADG, Africa and Humanitarian Branch
Peer reviewers providing formal comment & ratings:	<ul style="list-style-type: none"> – Martin O'Dell, Water Sector Manager, GHD – Marcus Edwardes, Program Manager, East Timor Section – Laury McCulloch, Program Manager, Working in Partner Systems
Independent Appraiser:	<ul style="list-style-type: none"> – Martin O'Dell, Water Sector Manager, GHD
Other peer review participants:	<ul style="list-style-type: none"> – Marcus Howard – Matt Kellam – Percy Stanley – Jason Court – Peter Duncan-Jones – Gillian Brown – Rachel Kelleher – Jane Bean (Oxfam WASH Adviser) – Elena Down (Apology, but provided written comments) – Alan Coulthart (Apology, but provided written comments)

C: Quality Rating Assessment against indicators*completed by Activity Manager / Peer Reviewers / Independent Appraiser*

Quality	Rating (1-6) *	Comments to support rating	Required Action (if needed)
1. Clear objectives	5	<p>The DSID clearly presents the case that the objectives of the additional financing will support AusAID and Government priorities and policies. The AusAID program will enhance and scale up an existing donor program that supports a Government of Malawi driven sector strategy, the National Water Development Plan (NWDP). Support is aimed at assisting GoM achieve MDG targets and sector institutional and decentralisation reforms. The financing plan for NWDP presented in the AfDB Appraisal is evidence of donor support and GoM commitment.</p> <p>The inclusion of the poor, disabled and vulnerable in program objectives is an important addition to the AfDB program. Enhancing the AfDB program through concentrating on market centres is a sound approach and one that is being adopted in many other developing countries. It is essential that the additional financing supports the same districts as the AfDB program.</p> <p>The objectives are generally outcome focused (although not in all cases) and generally link sufficiently to outputs – outputs are measurable. However:</p> <ul style="list-style-type: none"> - Some program objectives are inconsistent between the DSID and Appendices 1 & 2. - more detail is needed in respect of the Catchment Protection and Capacity Building components (Indicators for the capacity building component are largely output focused. Inputs for, and scope of this component is lacking) - There was a view that in some cases, it was difficult to coherently link the various goals/objectives together and determine what the end-of-program outcomes will be. <p>It is difficult to determine what the targets are in terms of numbers of beneficiaries for the program period attributable to WSI funding in the DSID.</p> <p>The program is ambitious when viewed against the WSI timeframe. Extending implementation to 2012 will help, although timeframes will still be tight.</p>	<ul style="list-style-type: none"> - Revise objectives in the DSID so they are clear and consistent with Appendices. - Clarify objectives of catchment protection component. - Highlight in the DSID that AusAID funding is "scaling up" existing AfDB activities. - Clarify the inputs/outputs and objectives of the capacity building component. - Outline the number of people who will benefit from each component of the project
2. Monitoring and Evaluation	5	<p>Generally, the proposed M&E framework is considered appropriate with measurable indicators, recorded through baseline surveys and monitoring reports - completion surveys should also be mentioned. The M&E framework focuses on primary information needs and aligns with the immediate objectives. The proposal to jointly fund, with DFID, a WASH Sector specialist based in Malawi to support the monitoring of the program is a sound approach and would promote AusAID's position in the sector.</p> <p>However, some program objectives in the M&E Framework are different to the DSID project development objective. Some outputs may also be unrealistic – e.g. component 1.1 and 1.3 will aim to</p>	<ul style="list-style-type: none"> - As far as practicable, need to clearly link all elements such as inputs, outputs, outcomes, target indicators, quality, timeframes etc (accepting this is difficult in the required format) - Review appropriateness of Catchment Protection indicators once further detail of the activities under this component are provided - Revise indicators for the

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		<p>reach "the entire population of 7 market centres in 4 districts." This may need revising. "Visible health impact" is claimed as a benefit but there is no indicator for this.</p> <p>The timeframe and quality of outputs are not indicated in the matrix and whilst the document is inline with AusAID requirements, other formats (such as AfDB or other banks) can often better reflect the design and linkages between all elements.</p> <p>The lack of detail on and rationale for Component 2 (Catchment Protection) means it is difficult to judge whether the indicators for this component are appropriate. Monitoring and evaluation of capacity building component is also unclear – proposed indicators measure outputs not outcomes.</p> <p>Appendix 2 indicated that district assembly capacity for M&E will be strengthened but unclear how this will happen. There appears to be a heavy reliance on monitoring/reporting by district assemblies.</p> <p>The hygiene/sanitation component will be implemented via NGOs, however it is not clear whether NGOs will also undertake monitoring.</p>	<p>capacity building component to measure outcomes rather than outputs</p> <ul style="list-style-type: none"> - Ensure indicators are realistic and add an indicator for "visible health benefits" - Need to ensure gender data is incorporated into M&E.
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3. Sustainability	4	<p>GoM has demonstrated commitment to and ownership of its sector program through issuance of separate National Water and Sanitation Policies, and has implemented key elements for sustainability, including appropriate design criteria, cost recovery mechanisms, requirements for skilled O&M and hygiene and sanitation plans.</p> <p>However, water and sanitation services in Malawi in market centres are of "questionable sustainability" and the DSID needs to more clearly outline the specific project steps to enhance sustainability given the risks, lessons learned and challenges.</p> <ul style="list-style-type: none"> - Significant capacity building is needed to manage the new/improved systems, however there is not much detail provided on this component. - Sustainability might be difficult given Catchment Management Authorities may not be established until the end of the project (Appendix 2, 5.5) <p>With respect to sustainability, human resources information and analysis appears to be lacking. There is minimal discussion on the capacity of local administrations and agencies.</p> <p>Most of the beneficiaries live in traditional areas 60-80% of the market centre population yet they can not afford to pay for individual piped water. The consultant will need to assist in developing appropriate cost recovery mechanisms and to ensure sufficient funds for sustainable management, operations and management.</p> <p>Extending the program to 2012 will assist in sustainability.</p>	<ul style="list-style-type: none"> - Revise DSID to clearly outline what steps have been taken to ensure sustainability, including capacity building.
4. Implementation & Risk Management	4	<p>Implementation arrangements appear sound and follow those established for the overall NWDP. The fact that the NWDP has been operating successfully for the past 18 months suggests that the arrangements and roles are broadly effective.</p> <p>However, greater understanding of implementation arrangements in practice for this project is needed. The roles and responsibilities of the various parties are detailed in the project documents but a summary has not been brought forward to the DSID. A simple summary paragraph or chart would help the reader to understand the implementation arrangements. Responsibilities the AfDB will assume in respect of implementation/management and oversight (and associated risk) are not entirely clear. Related, need to clarify use of Government systems and utilisation of AfDB procedures under their existing NWDP project with the Government.</p> <p>A design framework as such, combining outcomes, with quantified specific outputs/targets and timeframe, indicators, and assumptions and risks is not provided – (the design framework in the AfDB document is referred to). A simplified monitoring matrix is provided with separate risk management plan.</p>	<ul style="list-style-type: none"> - Clarify the responsibilities of the AfDB and GoM in implementation, oversight and risk management, reflecting these in the formal agreements - Provide a summary paragraph or matrix of implementation arrangements, including role of consultants, in the DSID - Provide further detail on Component 2 and incorporate associated risks into the risk matrix - Ensure names used for groups/agencies are consistent between the DSID and other project documents - update and expand the risk

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		<p>The engagement of consultants, likely inputs and their scope of work is also not clear in the DSID. Detail on Component 2 (catchment protection) needs to be clarified.</p> <p>A number of the major development and fiduciary risks and appropriate mitigation measure have been identified with the possible exception of sustainability and achievement of objectives within the timeframe. Further:</p> <ul style="list-style-type: none"> - The risk matrix could also include potential for corrupt practices, cost increases, potential for minimal proper O&M and limited human resources and institutional capacity at the local level to achieve successful decentralisation (ie district assemblies and Water User Associations). - The extent to which risks will need further consideration will depend on the responsibilities (and risks) that each party (AusAID, GOM and AfDB) are prepared to assume in the formal agreements. - One of the key risks is the need to disburse funding quickly so good there is a back up plan i.e. extending program schedule to 2011-12. <p>It is expected that quality control mechanisms would be provided through the consultancy packages and AusAID monitoring although this is not specifically stated.</p>	<p>matrix in the DSID</p> <ul style="list-style-type: none"> - Audit arrangements under the project should be clarified in the DSID, including the risk of setting up parallel systems.
5. Analysis and lessons	5	<p>Lessons learned from other water and sanitation activities, both "globally", in Africa and specifically for previous Malawi projects appear to have been incorporated into the design.</p> <p>The engineering analysis for water supply development is well documented in the Annexes. It considers appropriate options and presents least cost solutions that also appear to be technically appropriate.</p> <p>Social, gender and other cross-cutting issues are covered extensively and well documented. Further work to "operationalise" gender and disability issues during implementation will be needed. It could be worth summarising the key findings of the Social and Gender Report in the DSID.</p> <p>If there was a gap in analysis it could be having a better understanding of the capacity requirements of key partner local governments i.e. District Assembly and Water Resources Department. What are their strengths/weaknesses?</p> <p>There was a view that some of the information/key findings in the detailed reports could be brought forward and summarised into the DSID:</p> <ul style="list-style-type: none"> - Reasonable if not lengthy reports on sanitation and hygiene and water supply systems (including demand analysis) are provided. However, it is not entirely clear how many connections by type will be provided in each town or how many school 	<ul style="list-style-type: none"> - Include a concise table/outline of the scope of water supply and sanitation works (and better draw out key findings into the DSID as far as possible) - Ensure we have an understanding of the capacity of the local government to implement the program - Highlight the problem of O&M and the need to incorporate easy O&M features (cost recovery also important factor here) - Develop gender & disability action plans from the over-arching analysis to ensure issues are addressed during implementation.

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	<p>facilities will be improved.</p> <p>There was a view that the water demand analysis was too detailed and measures quite complex.</p> <p>For water and sanitation facilities to operate on a sustainable basis, costs must be fully recovered and expended for proper management and maintenance. The use of the private sector is supported. Are there private sector companies in the centres that would be interested in undertaking this work? This is not stated.</p> <p>The Annexes report the problem of lack of care and maintenance however this problem hasn't been adequately addressed in the design. Some key lessons from previous AfDB and WB projects have been taken into account in the design, however key lessons in the area of O&M have not been mentioned and followed through into the design. Part of the problem is likely to be poor facility location / design and part will be management, budget and maintenance.</p> <p>Procurement is mentioned briefly suggesting grouping of certain civil works but no procurement plan is provided.</p>	
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*** Definitions of the Rating Scale:**

Satisfactory (4, 5 and 6)		Less than satisfactory (1, 2 and 3)	
6	Very high quality; needs ongoing management & monitoring only	3	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	2	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	1	Very poor quality; needs major overhaul

D: Next Steps *completed by Activity Manager after agreement at the Appraisal Peer Review meeting*

Provide information on all steps required to finalise the design based on <i>Required Actions</i> in "C" above, and additional actions identified in the peer review meeting	Who is responsible	Date to be done
1. Revise the DSID to take into consideration the comments above	Marcus Howard / Matt Kellam	As soon as possible
2. Ensure that formal agreements clearly outline the responsibilities of all parties	Marcus Howard/Tim Church (AusAID legal)/Matt Kellam/AfDB/GoM	As soon as possible
3. Provide further information on the design of the Catchment Protection component before this is implemented. We are negotiating for the agreements to reflect that funding for the activities will not flow until a suitable design has been undertaken. The GoM (the MIWD) has been tasked by Marcus Howard to complete a study and design, including outcomes and outputs.	Marcus Howard	May 2010

D: Next Steps <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>		
4. During the appraisal, much comment was made regarding monitoring and evaluation, the linking of elements such as inputs, objectives, timeframes, quality etc, and the need to better illustrate in the DSID indicators/targets/beneficiaries etc. The DSID has been amended to include a preliminary objectives and indicators & targets table. M&E for the project will be based on the broader framework for the NWDP. A detailed performance framework for the entire Africa water & sanitation program needs to be completed, included appropriate detail for Malawi. The difference in objectives between the DSID and attachments reflects the need for project monitoring to be based on the broader NWDP, yet to reflect the internal AusAID WASH objectives and constraints of the Water and Sanitation Initiative budget measure funding. Target indicators can be further refined through the detailed design process. The detailed framework can look at better incorporating cross-cutting issues such as gender, disability, as well as increasing the quality of reporting for capacity building to better reflect outcomes, as opposed to outputs.	Matt Kellam/Clare Hanley	December 2010
5. There are a number of elements that will be improved upon during the more detailed design phase, including: <ul style="list-style-type: none"> - Further attention to sustainability, dealing in particular with operations and maintenance, cost recovery mechanisms, capacity building and project monitoring. - Appropriate and effective cost recovery mechanisms to enhance project sustainability. - Updating the risk matrix. - Better understanding the capacities of local government and below, ie, district assemblies, Water User Associations. - Development of a gender and disability "action plan" to ensure issues identified in the analysis are carried through into implementation. - Procurement plan. - Details of the sanitation & hygiene component, including implementation arrangements. 		

E: Other comments or issues <i>completed by Activity Manager after agreement at the APR meeting</i>
<p>Other comments/issues from peer reviewers providing formal ratings:</p> <ul style="list-style-type: none"> • It may be worth explaining how the market centres were chosen. Whilst there was a criteria developed for this which appears sound, it is not clear how various market centres "score" against this criteria. Only two of the market centres are mentioned in Annex 1. • Projected population figures and water supply demands and costs are far too exact. • Consider briefly describing the development problem in the DSID to help understand why we are investing in this project. This is outlined in Appendix 2 but not in the DSID. • Suggest including reference to paragraph/page number when referring to an Appendix – sometimes it is difficult to find the info in the Appendix. • The Design Criteria in tabular form could have been usefully documented in Appendix 2 rather than hidden in an Annex. The figure of 36 L/c.d is an odd number for design demand at a CWP – why not 40? The remaining demand criteria are appropriate and sensibly on the low side. • It is noted that consideration for the disabled is highlighted in the objectives of the program. (This highlight is not considered in the overall AfDB program to support the NWDP.) Martin O'Dell wondered whether it is really appropriate to consider providing disabled toilets at schools, for instance, unless the total school facility is disabled friendly. Elena Down provided some comments on this point in her email of 17 March 2010. • The 10% target support for household sanitation facilities to address the needs of disabled and elderly at home is a great idea and an appropriate target. Considering these as demonstration units is also a good idea. It is not at all clear how the subsidy system will work for provision of sanitation facilities to disadvantaged groups. • It is important to give consideration to the "proper" and appropriate design of toilet and hand-washing facilities for the vast majority of students. The maintenance of the toilet facilities is of utmost importance and this isn't highlighted sufficiently in the design. Teacher's toilet facilities including wash basins should be separate to students facilities.

E: Other comments or issues *completed by Activity Manager after agreement at the APR meeting*

- In Annex 3 it is noted that in fact the disabled toilets will not be included in the "standard" school packages but assistance provided through a separate approach and only to areas where disabled reside!? This separate approach is not clear.
- The need for independent annual audit of the funding mechanism and amounts is mentioned in Annex 5 but is not carried through to a statement in the DSID.
- Key lessons relating to O&M are missing: the absolute essential need for cost recovery, identification and training for local providers / area mechanics, the need for incentive structures for local water operators to operate efficiently and commercially etc.

Written comments were received from a number of other peer reviewers. These are summarised below:

- Disability is well incorporated into the design – if we can do a good job at this initiative, it will mark Australia out as a "best practice" donor in this area.
- Targets for disability component should be clarified – who are we aiming to reach and how do we ensure they are reached effectively.
- Need to work on language surrounding disability – see suggested changes made to the DSID (provided separately).
- Suggest capturing some real life stories of people with a disability whose lives have been changed as a result of this project – this would be great for communications purposes.
- The gender and social analysis looks reasonable. We may be missing some opportunities to empower women using creative income generating/employment projects etc – other programs in Malawi seem to be doing this. There appear to be some very good NGOs or organisations on the ground which we may be able to seek some advice from to ensure this project reflects best practice on integrating gender.
- Culturally constructed stereotypes regarding gender at district levels mean that concerted effort will be required at this level to ensure that gender related actions are implemented. A clear emphasis on this will need to be built into TORs and supervision missions will also need to pay particular attention to this.
- Instead of "visible health impact benefits" as a benefit, change this to "measurable health impacts", with the indicator of "measurable reduction in local frequency of diarrheal diseases in under fives". Could potentially also include an indicator regarding acute respiratory infections.
- HIV/AIDs could better to integrated into the program, particularly because prevalence is so high in Malawi and particularly in urban areas (including market centres).

F: Approval *completed by ADG or Minister-Counsellor who chaired the peer review meeting*

On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:

- ☒ **QAE REPORT IS APPROVED**, and authorization given to proceed to:
- ☒ **FINALISE** the design incorporating actions above, and proceed to implementation
- or: ☐ **REDESIGN** and resubmit for appraisal peer review.

- ☐ **NOT APPROVED** for the following reason(s):
- _____
- _____
- _____

Jamie Isbister
ADG/AHB

signed:



17/5/10
< date >

When complete:

- Copy and paste the approved ratings, explanation and actions (table C) into AidWorks
- The original signed report must be placed on a registered file