



Quality at Entry Report for German and Australia Urban Water Supply and Sanitation Program

A: AidWorks details *completed by Activity Manager*

Initiative Name:	German and Australia Urban and Water Supply Program		
Initiative No:	INK158	Total Amount:	A\$22,5 million
Start Date:	May 2012	End Date:	December 2014

B: Appraisal Peer Review meeting details *completed by Activity Manager*

Initial ratings prepared by:	Ross Kearton, Piers Cross, Laila Smith, Fadzai Mukonoweshuro, Dagobert Mureriwa		
Meeting date:	04 April 2012		
Chair:	Lisa Rauter		
Peer reviewers providing formal comment & ratings:	Zabeta Moutafis		Zimbabwe Program Manager
	Daniel Kark		Quality and Performance officer
	Marcus Howard		Water Advisor
	Michael Hunt		First Secretary Harare
	Fadzai Mukonoweshuro		Senior Program Manager Harare
	Dagobert Mureriwa		Program Harare
	Laila Smith		Senior Program Manager Pretoria
	Ross Kearton		Consultant
	Piers Cross		Consultant
	Anne Rigby		Assistant Director Disability Policy
	Rosemary Cassidy		Assistant Director Gender Equality Policy
	Pip Kelly		Program Officer
Independent Appraiser:	– Consolidated		
Other peer review participants:	–		

D: Initiative/Activity description *completed by Activity Manager (no more than 300 words per cell)*

1. Description of the Initiative/ Activity	<p>What is it?</p> <p>The Zimbabwean water and sanitation sector that had become a model of African sector development for its coverage and programmatic achievements in the two decades past its independence in 1980 saw a sharp decline in services during the decade of economic recession and hyperinflation between 1999 and 2008. The political, social and economic turmoil of this period saw the deterioration of physical infrastructure as well as the institutional capacity to manage them. Since the mid to late 1990s Government did not provide adequate funding for capital expenditure and operation and maintenance for water and sanitation facilities through the Public Sector Investment Program (PSIP). The negligible investment resulted in no or low maintenance of infrastructure which, over time, led to a near collapse of services. This culminated in a nationwide cholera epidemic in 2008-2009. Although the cholera epidemic was contained, water and sanitation specialists currently estimate that water coverage in Zimbabwe in urban areas is at 51-74 per cent and 63 - 77 per cent in rural areas, while sanitation coverage it at 23 – 63 per cent in urban areas and 34-58 per cent in rural areas. (Zim Vac 2010)</p> <p>Improving water and sanitation services lies at the heart of Zimbabwe's economic recovery and Australia has been prominent in responding to this crisis through supporting international organizations and NGOs to prevent further loss of life and spread of disease. The cholera epidemic served as a catalyst for AusAID's engagement in the country and initial support was largely of an emergency nature - supplying chemicals and providing emergency rehabilitation works to secure a safe water supply and ensure raw sewage is not discharging in the residential areas thereby reducing the risk of further cholera outbreaks. In the past two years, the country program is transitioning from a highly effective emergency WASH intervention to a recovery program that began in 2009. Four years since the cholera outbreak, the country program has flourished in developing solid partners with a variety of players to keep clean water flowing and preventing raw sewerage from overflowing in the streets.</p> <p>The proposed project, a partnership between GIZ and AusAID, seeks to improve water supply, sanitation and solid waste management services for 1, 65 million people in at least 6 selected towns of Gweru, Kadoma, Kariba, Norton, Chinhoyi and Bulawayo. In order to achieve this, the project will focus on the technical areas of rehabilitation of critical infrastructure and institutional support to local councils to improve billing and revenue collection, operations and maintenance. The six local authorities will be supported to develop, implement and monitor strategic plans for the recovery of their water, sanitation and hygiene services. The project aims for a theory of change –that we support emergency rehabilitation work for critical infrastructure, improve water and sanitation and hygiene services, and improve customer care and trust, thereby increasing willingness of residents to pay for services; generating higher revenue for reinvestment in operations and maintenance. Improved customer awareness programs will increase demand; while improved customer voice will build on systems of good governance and demand for reliable services.</p>
	<p>What are we doing?</p> <p>The project goal is that water supply and sanitation services as well as solid waste management in the six municipalities/cities of Gweru, Kadoma, Kariba, Norton, Chinhoyi and Bulawayo has improved and is stabilized for a combined population of 1, 650.000 people.</p> <p>The project aims at four strategic areas that define the project's objectives:</p> <ol style="list-style-type: none">1. The reliability of the provision of basic water supply and sanitation services and solid waste management, as well as the technical operation, maintenance and hygiene behavior in the 5 municipalities/cities and Bulawayo has improved.2. Financial management, accounting, billing and collection in the 5 municipalities/cities and the city of Bulawayo have improved.3. The capacities of the 6 administrations in the area of strategic planning of water supply and sanitation systems are improved.4. Demand oriented support and advisory services to the two most relevant ministries for the urban water sector (MLGURD und MWRDM) is provided – BMZ has not given clearance for this objective as yet.
2. Objectives Summary	

Criteria	Assessment	Rating (1-6) *	Required Action (if needed) ‡
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<p>1. Relevance</p>	<p>Why are we doing this?</p> <p>Water infrastructure, sewer systems and solid waste management services have faced years of neglect and inadequate maintenance in association with the country's general economic decline over the past decade. This situation is significantly limiting the provision of safe drinking water and the management of wastewater. Problems of inadequate or no water supply and sanitation services affect the vulnerable population who include mostly women as well as HIV affected households in particular (who accounted for 15.6 % of 15 - 49 year-olds in 2008 in Zimbabwe). Waste water treatment plants are almost completely dysfunctional and require a complete overhaul. The continued deterioration in the provision of water supply and sanitation services has therefore reduced people's willingness to pay municipal charges.</p> <p>The proposed project focuses on small and medium sized towns with the exception of Bulawayo. Data shows that poverty levels in urban areas in Zimbabwe are quite high, and predisposes the majority of the population to vulnerability and shocks. Rapid urbanization has led to the increase in populations resulting in the urban localities being the epicentres of cholera and other water borne diseases. Loss of life from the cholera outbreak was highest in these localities as compared to the rural areas and this was made worse by rapid movements between the towns.</p> <p>Infrastructure in towns and cities has deteriorated significantly and most of it has since exceeded its economic life, the need for rehabilitation and replacement is paramount. In addition capacity development for local authorities in the areas of finance, accounting, revenue collection, human resources, procurement and inventory management is low or no existent. UNICEF rapid assessments and GIZ/AusAID technical analyses conducted between 2009 to date have made recommendations to address these challenges by working in three strategic areas of (i) improving operations and asset condition to maintain access to water supply and sanitation and solid waste management (ii) increasing revenue by improving billing and collection at participating towns, and (iii) developing recovery plans for the improvement of water supply and sanitation. These recommendations build on the work that has been done to respond to the national emergency of 2008- 2009 and are planned for implementation in the recently developed Bulawayo City Council Master plan which identifies short, medium and long term plans in the water and sanitation sector.</p> <p>The selection of the six project towns was done in consultation with donors and the Ministry of Water (MWRDM) is based on various criteria including the impact of cholera during the 2008-09 outbreaks as well as its likelihood of re-surfacing. While the six towns are of different sizes, their situation is largely characterized by similar problems of lack of access to safe and reliable water and improved sanitation. While the target group of the project is entire populations of the selected towns, it has a particular focus on the needs of the population living in predominantly poor areas. The project is highly relevant as it addresses strategic gender outcomes for women by increasing access and reliability to water supply and services and thereby having more time for other productive work.</p> <p>This project follows a strategic cooperation agreement between Germany's Chancellor Dr Angela Merkel and Australia's then Prime Minister, the Hon Kevin Rudd MP to work closely together on African development issues, with a particular focus on water and sanitation. The project goal and objectives are closely aligned to the new framework for Australia's aid program by directly contributing to helping people overcome poverty through the strategic goals of 1) Saving Lives; 2) Sustainable Economic Development; 3) Effective Governance. The project contributes to GIZ and BMZ strategic objectives, priorities and plans in the water sector of supporting efforts by Zimbabwe's Government and other donors to avert future waves of cholera infections.</p> <p>The project has strong convergence with the overarching goal of the Sustainable Water and Sanitation Services for Africa strategy (SWaSSA) which is to 'Support the Southern Africa Development Community in meeting MDG7 for its people by 2015 in a manner that is equitable, sustainable and secures water'. This project is also closely aligned to the AusAID delivery strategy for Zimbabwe. The inclusive government sees the restoration of water and sanitation provision as a key political priority.</p>	<p>6</p>	
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<p>2. Effectiveness</p>	<p>The Program has a well-conceived and realistic approach with clear objectives and detailed and measurable indicators. The objectives of the fourth key result area that provides assistance to national government agencies has been deliberately kept broad given the highly politically sensitive nature of working directly with the national government ministries at central level. Activities under this component need to be approved by BMZ on a case by case basis. Remaining flexible in this fourth category is politically astute but risks not being able to demonstrate achieved results unless clear indicators for this area of technical support are developed also on a case by case basis.</p> <p>The indicators set out at the impact level demonstrate results:</p> <ul style="list-style-type: none"> • The combined production of drinking water (water leaving water treatment plants) in the towns of Gweru, Kadoma and Kariba has increased by 35% • Behaviour change as a result of health and hygiene strategies and citizens responsive use and accountability mechanisms of water and sanitation services • Increased revenue demonstrated by the ability of the municipalities to pay for other services such as electricity and required chemicals. • Safe water provided- Tap water in all five municipalities and in Bulawayo does not contain any Escherichia coli and no fecal coli form bacteria per 100 ml <p>Lack of access to water and improved sanitation has resulted in affected populations resorting water collection from unsafe sources including shallow wells. A knock-on effect is that sewage disposal no longer works properly in the areas worst affected by the collapsed water supply. The program proposes a sound approach for sewage rehabilitation using low cost technologies in smaller towns. There are however challenges in Bulawayo, where investment in current high technology and expensive to maintain waste water treatment plants will not be possible.</p> <p>The theory change is straightforward, credible and builds on successes in turning around WATSAN management in the selected towns. Through the provision of improved infrastructure, coupled with more effective customer care and billing and collection processes, revenue from the water and sanitation systems will be increased thereby allowing local governments to provide the necessary operations and maintenance system expansion. This will result in improved and reliable access to water and sanitation services. This theory of change will however be dependent on the willingness and capacity of local governments to apply some ring fencing of income from WATSAN for operation and maintenance of services. There are risks inherent in this strategy and these, together with mitigating strategies, have been outlined in the design.</p> <p>The program will work through a number of partnerships with the six local authorities, including ongoing programs implemented by UNICEF and World Vision. GIZ will do a tender to select NGOs to work with to deliver social components of the programme. Trilateral cooperation between BCC and South Africa through Durban City Council, South African Engineering firms and the Development Bank of South Africa is envisaged to continue. The trilateral arrangements are premised around "happy customers" healthy revenue flow, asset management as well as strategic planning. This will be supported through customer care training that will facilitate citizen's voice.</p> <p>Establishment and effective operation of Steering Committees in each of the towns will be essential to ensure these partnerships are coordinated such that they contribute to the overall objective of improving WATSAN services in the towns.</p> <p>GIZ is addressing some of the emerging challenges that come with increased urbanization through technologies such as water kiosks, protected solid waste management for previously unserved populations. Water kiosks will enhance water coverage; however the technology will need to be endorsed by government. Further analytical work will also be required on other options that can be used to increase coverage).</p> <p>Zimbabwe is still a fragile and risky socio-political environment, which may affect project progress and the time-frame for project delivery in unpredictable ways. Associated risks have been identified and the program is providing practical and sustained assistance in an area of critical need.</p>	<p>5</p>	<p>Policy advocacy for low cost technology at national level is required for policy change.</p>
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3. Efficiency	<p>How will we do it?</p> <p>Total funding of A\$25 million is proposed to be extended from AusAID over 3.5 years to complement the Euro 9 million already committed to the project by GIZ which will increase the total allocation for the Project to about Euro 27 million. Through this co-financing with the BMZ, the project will be able to significantly increase the number of beneficiaries and towns and cities receiving support.</p> <p>In accordance with GIZ practice, the design identifies outcomes and the indicators required to measure these outcomes. Inputs and resources will be determined during project implementation as necessary to achieve the outcomes.</p> <p>The proposed technical solutions are being implemented in the towns of Gweru, Kadoma, Kariba, Norton, Chegutu and Bulawayo. These technical solutions will provide a focus on restoring services to provide sufficient water and preventing sewage from flowing in the streets, using sustainable and affordable technologies that can be operated and maintained within the resources available to the local governments.</p> <p>The project will be implemented by GIZ's highly skilled and effective technical and management unit. Roles are clearly defined and the Program uses GIZ's robust value for money procurement processes. The project will bridge bottlenecks in capacities and know-how at the municipal level by sourcing and competently monitoring diverse inputs from private engineering firms and contractors in the areas of planning, installing and repairing plants. GIZ will sign MOU with all local authorities with agreed benchmarks for performance. This is in line with the local government Result Based Management System (RBM).</p> <p>This project will generate major synergies with other key donors in the sector in Zimbabwe that include the African Development Bank (AfDB), World Bank, UNICEF, DFID and World Vision. The AfDB is focusing on urban centres and does not overlap with the six urban centres targeted by this program. UNICEF has provided emergency support to urban centres and the basis for this program, and is now starting to address the rural watsan sector. The program is closely coordinating with World Vision in Bulawayo to provide complementary outcomes.</p>	5	
4. Monitoring & Evaluation	<p>How will we know?</p> <p>Monitoring will be on the basis of the indicators developed primarily to measure results. The monitoring indicators are well thought through and are directly aligned to the key objectives and key result areas. The indicators are specific, measurable, and realistic and are time- bound and will be able to provide indication of project success. Baseline data (technical and social) exists and participating municipalities will draw from this data for monitoring purposes.</p> <p>There is only one indicator for measuring gender and this is vaguely articulated in relation to a study that has been undertaken. The same must be said for indicators that can track progress pertaining to people with disabilities. The program places major monitoring responsibilities on the participating municipalities. Memorandum of agreements is signed between GIZ and local councils for tracking progress.</p>	5	<p>AusAID will ask GIZ to include some gender, disability and HIV outcome indicators that can be measured over time in the M and E framework.</p>

5. Sustainability	<p><i>Will benefits last?</i></p> <p>Issues to sustainable water, sanitation and hygiene service provision are central to the design of this project. Sustainability is premised on the intervention logic of rehabilitation and cost recovery mechanisms leading to greater reliability of services and increased revenue to sustain water and sanitation operations within the six selected towns. In the short term sustainability will be measured by the capacity of the towns to still provide reliable and safe water supply and sanitation services two years after the end of the project.</p> <p>This project is expected to strengthen the capacities of the local councils, enabling them to once again provide adequate water supply, sanitation and waste disposal services. It is anticipated that advisory services and training measures provided by the project will enable the municipal professional staff to once again deliver and maintain these basic services.</p> <p>For sustainability, the project will promote a customer care component in order to build trust and citizen's participation. This is an area still under development and will be piloted in the city of Bulawayo. A risk to the project is the assumption that people, businesses and government departments will pay for the services received. The proposal predominantly addresses this risk in relation to domestic consumers but does not differentiate the proportion of revenue that comes from domestic, industrial and government users. Councils will need to pay greater attention in reigning in defaulting businesses and government departments. Strategic plans will assist local authorities to have bankable project through proper defining of short term, medium term and long term investment plans to attract other investors. The programme will work with councils to have audited statements thus improving their credit worthiness.</p> <p>The Program is well-connected to the national dialogue on tariff reform, updating urban WSW policy and efforts to improve the enabling environment within which local authorities can operate without undue hindrance. But the risk of political interference remains significant. Customer Care management training will assist enhance Citizen's voice and responsive citizens to dialogue with local authorities for support to repair leaks and other support services. This will not only enhance citizen's participation but ownership.</p> <p>Another identified risk is that of environmental pollution resulting from inoperable wastewater treatment plants may not be addressed in full by the program due to the technical issues and capital intensive nature of wastewater treatment. Replacement and rehabilitation of waste water treatment plants is beyond the scope of this program. AusAID will rely on GIZ environmental and social safeguards during program implementation. An environmental impact assessment will be undertaken as part of the baseline survey and pre-registration procedures will enable that contractors put in place adequate safeguard procedures. The M&E framework includes indicators on water quality and discharge of sewage that will provide an indication of the environmental sustainability of the program.</p>	5	
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6. Gender Equality	<p><i>How will we achieve gender equality?</i></p> <p>Women will particularly benefit from the project interventions, as they have previously been negatively impacted by the deteriorating water and sanitation services. The program has so far undertaken social baseline surveys in Gweru, Kadoma and Norton on the specific requirements for women and girls as the project recognises that different needs interests and priorities for women, men and children are central to water supply and sanitation interventions.</p> <p>A GIZ gender analysis drawn from the baselines carried out indicates that while men and women have the same perceptions regarding the water and sanitation situation in their respective suburbs, the impacts for the different gender groups are varied when adequate WSS is not provided.</p> <p>The program will work with local government and communities to improve awareness of the rights of communities, in particular for women, children and disabled peoples access to safe water and basic sanitation. There will be active promotion of gender equality/ equity to the extent possible by developing women's roles in managing and providing oversight of water, sewerage and ICT works.</p> <p>The role of women in hygiene component and the cascading potential could be improved. AusAID will need to continue to encourage GIZ to report high level gender outcomes</p>	5	<p>AusAID will ask GIZ to include some gender, disability and HIV outcome indicators that can be measured over time in the M and E framework.</p>
7. Analysis and Learning	<p><i>How well have we thought this through?</i></p> <p>The design of the Programme has been based on lessons learned from other GIZ and AusAID activities in Zimbabwe and the Southern Africa region as a whole. These include; (i) a recognition of the need to focus on local government for management of water and sanitation services; (ii) the need to provide reliable services and an equitable customer service regime to encourage consumers to pay thereby ensuring available funds for O&M and system expansion; (iii) the need to adopt appropriate technology if the systems are to be sustainable; (iv) the importance of incorporating hygiene and customer care activities as part of the WATSAN program; and (v) the optimum use of NGOs, consultants and municipality in-house skills in different activities of the program.</p> <p>The project will continuously learn from other national fora. GIZ is a member of the, Water Sector Working Group, WASH sector capacity building sub sector working group, Infrastructure Technical Working Group, the UNICEF led WASH cluster and other WASH coordination platforms. It is expected that other programs funded by AusAID will also learn from the GIZ model of the theory of change. GIZ will contribute to national analytical work planned around the establishment of a water regulator in Zimbabwe as well as on establishment of benchmarks for local authorities. GIZ will provide ongoing advisory services to the Ministry of Water once this objective is approved by BMZ. The GIZ programme will also facilitate cross learning among supported local authorities. GIZ will continue to support learning part forms for partners, exchange visits, training opportunities, and ongoing mentorship through placement of development workers in councils to support required capacity building and skills transfer.</p>	5	