

**Program Concept Design
(FINAL)**

East Timor Rural Water Supply and Sanitation Program (RWSSP)

November 2006

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ACRONYMS, ABBREVIATIONS, AND INITIALISMS

AusAID	Australian Agency for International Development
CAP	Community Action Planning
CBF	Capacity Building Facility
CDCU	Capacity Development Coordination Unit
CDP	Public Sector Capacity Development Program
CFET	Consolidated Fund for East Timor
CWSD	Community Water and Sanitation Division
CWSSP	Community Water Supply & Sanitation Program
DNAS	Directorate Nationale Agua e Saneamento – Department for Water and Sanitation
DASD	Departmento Agua e Saneamento Distrito - District Water and Sanitation Department –(previously the Community Water and Sanitation Division)
FD	Fasilitador Distrito, (previously Community Water and Sanitation District Officer, CWSDO)
GMF	Grupo Manejia Facilidade Be Mos Saneamento – Water Management Group
GoA	Government of Australia
GoET	Government of East Timor
HSP	Hygiene and Sanitation Promotion
INGO	International Non-Government Organisation
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MoH	Ministry of Health
MoNRMEP	Ministry of Natural Resources, Minerals and Energy Policy
NDP	National Development Plan
NGO	Non-Government Organisation
PMG	Program Management Group
PSF	Program Strategic Framework
PSRG	Policy Steering and Reference Group
RWSS	Rural Water Supply and Sanitation
RWSSP	Rural Water and Sanitation Program
SIP	Sector Investment Program
SP	Service Provider
SWAp	Sector Wide Approach
TA	Technical Assistance
ToR	Terms of Reference
WSS	Water supply and sanitation
WSP	Water and Sanitation Program
WASPOLA	Water Supply and Sanitation Policy Formulation and Action Planning Project
WSSLIC	Water and Sanitation for Low Income Communities

This document outlines the overall approach of the Australian Agency for International Development's (AusAID) support to Rural Water Supply and Sanitation (RWSS) in East Timor agreed by the Government of East Timor (GoET) and the Government of Australia (GoA) for the next 10 years, including governance and management arrangements for the first five years of the Program.

The Feasibility Report (July 2005) on East Timor's Rural Water Supply and Sanitation Program provides a useful background and should be read in conjunction with this Program Concept Design.

1 EXECUTIVE SUMMARY

Less than a quarter of the rural East Timorese population has access to clean water and even less adequate sanitation facilities. The Government, Non-Government Organisations and the Private sector in East Timor currently have limited capacity to plan, manage, and deliver water supply and sanitation services.

AusAID has been involved in supporting the provision of rural water and sanitation facilities since prior to independence. Most recently the Community Water Supply and Sanitation Program (CWSSP) made significant gains in delivering facilities to the three districts of Bobonaro, Viqueque, and Cova Lima. The effective elements and lessons learned from CWSSP have been incorporated into the Program Concept Design for the RWSSP.

The Government of East Timor and AusAID now intend on implementing a new ten year RWSS Program¹ with a goal:

To improve the health and living standards of women, men, girls and boys in East Timor's rural communities.

And a purpose:

To increase rural community (including women, men, girls and boys) access to sustainable clean water supplies and adequate sanitation and to improve people's hygiene and sanitation practices.

The Program will operate on a rolling design process utilising a variety of modes of assistance within four Phases:

Phase 1: Australian funded RWSS/ Hygiene and Sanitation Promotion (HSP) activities are planned, contracted and managed by a Service Provider following GoET priorities² (as reflected in the District Plans).

¹ Initially AusAID will contract a Service Provider for three years with a possibility of an extension for a further two years.

² Capacity may exist in parts of the RWSS sector, including from work done in CWSSP. Current capacity across the sector will be assessed as part of the Program Strategic Framework development in the first six months following mobilisation. Where capacity exists this should be utilised, so as not to undermine it.

Phase 2: Australian funded RWSS/HSP activities are planned by the Department for Water and Sanitation (DNAS)/Ministry of Health (MoH) but contracted and managed by a Service Provider following GoET priorities.

Phase 3: Australian funded RWSS/HSP activities are planned by DNAS/MoH, contracted by a Service Provider, and managed by DNAS/MoH, following GoET priorities.

Phase 4: Australian funded RWSS/HSP activities are planned and managed by DNAS/MoH using GoET financial systems and following GoET priorities.

These Phases are designed to develop the capacity in the RWSS to plan, manage, and deliver water supply and sanitation services to rural areas across East Timor.

2 BACKGROUND

It is widely accepted that a lack of access to clean water and sanitation contributes to poor health outcomes; and that good health is a key element of labour productivity and can directly contribute to poverty reduction. In East Timor, it is estimated that less than a quarter of rural households have access to safe water, while an even lower proportion (13%) have access to adequate or effective sanitation facilities. The situation in urban areas is not much better.³ There is also a widespread lack of awareness of health and sanitation issues among the population. The most common diseases among children are acute respiratory infections and diarrheal diseases - diseases which are also common among adults. It is estimated that large numbers of rural children under the age of five die because of the lack of potable water, poor sanitary environment and sanitation practices.⁴ Women are generally the primary collectors, transporters, and end users of water, the Program will be unlikely to be sustainable without ensuring that the needs, interests and perspectives of women are addressed throughout the Program. Gender considerations will be one of the primary foci of the Program.

Currently, there is limited Government capacity to plan, manage, and deliver water supply and sanitation services in East Timor. Mountainous geography, poor road infrastructure and annual cycles of drought further compound problems of access, particularly in rural areas. Decades of conflict and recent unrest have further constrained development and underscore the need for sustained long-term assistance from the donor community to help build the Government's service delivery capacity. Improved service delivery should, in turn, have the added benefits of helping to build community confidence in the new Government and supporting wider peace and reconciliation efforts.

The Australian Government has supported water supply and sanitation activities as one of its key country priorities in East Timor through the East Timor Community Water Supply and Sanitation Program (CWSSP) since January 2002. The CWSSP was completed in April 2006. Two advisers have continued to provide support to DNAS in the interim

³ Timor-Leste: Water Supply and Sanitation Sector Investment Program, April 2006.

⁴ Under 5 mortality rate for Timor Leste is 124 per 1,000. In the neighbouring Indonesian province of NTT the rate is 73 per 1,000.

between CWSSP and RWSSP through AusAID's Public Sector Capacity Development Program (CDP).

Support for rural water and sanitation remains a key priority under the draft East Timor Country Strategy currently being developed by the Government of Australia in consultation with the GoET. Through the Public Sector Capacity Development Program (CDP) AusAID is providing high level policy and strategic planning support to the Minister of Natural Resources, Minerals and Energy Policy. This support commenced in August 2006 and will conclude in May 2007.

The Feasibility Report (July 2005) on East Timor's Rural Water Supply and Sanitation Program and the GoET Water Supply and Sanitation Sector Investment Program (April 2006) provide further background and analysis of the Program and the sector context in East Timor.

2.1 Sector Analysis

East Timor Governance Environment

As a newly independent country the GoET has an ongoing program to continuously improve national governance arrangements. As such, changes in bureaucratic structures at all levels, laws and regulations, institutional responsibilities etc. are continuing to occur. Increasing oil revenues allow for planned increases in budgetary allocations to key priorities. However, the Government is cautious about the policy environment, absorptive capacity and implementation capability of the various Ministries. It applies a case by case approach to devolving responsibility and additional resources to different Ministries based on evidence of previous year results in budget execution and effective service delivery. Overall, budget execution remains a significant challenge across all Ministries.

Civil disturbances and a change in government have resulted in an increase in international military and policing support and a significant amount of uncertainty in the country regarding the security situation in the near future. It is unclear what, if any impact this will have on the water and sanitation sector as a whole.

Sector Investment Program (SIP)

Although historically high oil prices provided East Timor with enough resources to have funded their entire fiscal budget in 2006-07, the Government recognises that to achieve the goals of the National Development Plan (NDP) and the Millennium Development Goals (MDGs) East Timor requires additional contributions from development partners. To this end, the GoET created 17 distinct Sector Investment Programs (SIPs) which identify the priorities and investment needs of the country. Rural Water Supply and Sanitation (RWSS) falls under the Water Supply and Sanitation SIP which was last updated in April 2006 and clearly articulates the current situation in terms of water supply and sanitation, the key issues and the priorities for the sector.

In the Water Supply and Sanitation, Sector Investment Program, April 2006, the GoET defines adequate access for rural water as:

“Safe water readily available at all times for human consumption. Access to reliable and sufficient (20 litres per person per day) 24-hour supply of safe water from improved water sources available within one kilometre of individual households (or as subsequently detailed in the current revision of the DNAS CWSS Guidelines)”

And adequate sanitation for non-urban areas as:

“Safe collection and disposal of sewerage: to reduce human contact with sewage, polluted wastewater, and other harmful matter. Household or shared (but not public) access to a “leaching pit” (i.e. unlined septic tank) with on-site disposal of effluent.”

The specific targets set by the GoET for access to adequate water supply and sanitation are detailed in Table 1, below. These targets are based on the GoET’s desire to achieve the Millennium Development Goal (MDG) for provision of safe water and sanitation.

Table 1: GoET Targets for Rural Water Supply and Sanitation⁵

Indicator	2004 Target	2010 Target	2015 Target	2020 Target
Access to safe drinking water, Rural population (%)	30%	60%	80%	80%
Access to safe drinking water, Rural population (total)	215,528	506,362	759,293	850,867
Access to sanitation, Rural population (%)	19%	50%	80%	80%
Access to sanitation, Rural population (total)	136,501	421,968	759,293	850,867

2.2 Preparation Steps

AusAID’s most recent support to RWSS in East Timor was through the Community Water Supply and Sanitation Program (CWSSP) which commenced in January 2002, with the goal:

“to contribute to the improvement of health in target communities through increased access to clean water and sanitation services and increased environmental health awareness.”

The purpose of CWSSP was to deliver sustainable community-managed water and sanitation services to priority sub-district towns and rural villages in Bobonaro, Viqueque,

⁵ Water Supply and Sanitation, Sector Investment Program, April 2006.

and Cova Lima districts. CWSSP was designed initially for a period of three years however was extended in January 2005 to 12 April 2006.

Major achievements of this Program included the development of Community Water Supply and Sanitation Guidelines, the Community Action Planning (CAP) process, community level Water Management Groups (GMF) and the RWSS District Planning process. These initiatives have subsequently been adopted by the District Water and Sanitation Department (DASD)⁶ for use in all districts across East Timor. CWSSP provided access to clean water supplies⁷ to a total of 9,991 households (59,946 persons) and improved sanitation facilities⁸ to 1,994 households (11,946 persons). This contributed a 6.5% increase in access to water, and 1.3% increase in access to sanitation, to the national coverage. While clean water was being used by 80% of beneficiaries for cooking and drinking, sanitation facilities were being used by less than 50% of beneficiaries⁹. Lessons learned from CWSSP include the need to have a greater focus on: incorporating health goals and the Ministry of Health input into RWSS; comprehensive and sustained capacity development for the sector; formulation of policy and translation into operations; and GoET leadership^{10,11}.

In preparation for the development of a new program of support to the rural water and sanitation sector, AusAID funded a Pre-feasibility Study in March 2005 to outline options for continued support beyond April 2006. This study recommended that Australia support a long-term national RWSS Program, which actively supports and contributes to improved efficiency of government regarding RWSS and gives increased emphasis to enhancing health outcomes.

Subsequently, the GoET indicated that a number of institutional reforms were imminent, including a restructure where responsibility for water supply and sanitation shifted from the Ministry of Transport, Communication and Public Works (MoTCPW) to the Ministry of Natural Resources, Minerals and Energy Policy (MoNRMEP). A Peer Review of the Pre-feasibility Report concluded that before moving to activity design, the proposed national approach should be clarified, the level of GoET support for a national approach established, and the impact of the impending institutional changes on the Department for Water and Sanitation (DNAS) and the proposed RWSS Program assessed.

A Feasibility Study was conducted in May/June 2005 to evaluate the findings of the Pre-feasibility study in light of the changed environment and recommend options for the new program. This study endorsed the recommendations of the Pre-feasibility and provided greater detail to the proposed program. The Feasibility study was peer reviewed in July 2005. AusAID then commenced to prepare a Program Framework Document that was peer reviewed in March 2006.

⁶ Departamento Agua e Saneamento Distrito, previously known as CWSD

⁷ Water collection point within 100m of house.

⁸ Latrine for each household.

⁹ Activity Completion Report CWSSP, March 2006.

¹⁰ Activity Completion Report CWSSP, March 2006.

¹¹ Independent Completion Report CWSSP, May 2006.

There has been ongoing consultation with the GoET throughout the development the RWSSP, including a workshop in Dili in November 2005.

Following further discussions between the two Governments, this Program Concept Design was finalised with an intended implementation start date in the first quarter of 2007.

3 THE RURAL WATER SUPPLY AND SANITATION PROGRAM

3.1 Goal and Purpose

The goal for the new Program is:

To improve the health and living standards of women, men, girls and boys, in East Timor's rural communities.

It recognises the crucial contribution that access to clean water and enhanced sanitation related health behaviour can make to the improvement in health and livelihoods for rural people in East Timor.

The Program purpose is:

To increase rural community (including women, men, girls and boys) access to sustainable clean water supplies and adequate sanitation and to improve people's hygiene and sanitation practices.

To achieve this objective, strong emphasis needs to be placed on building the capacity of the sector (GoET, non Government organisations (NGOs), communities, and the private sector) to plan and manage the Rural Water Supply and Sanitation Sector in the future.

The GoET's targets for RWSS outlined in Table 1 and the Preliminary performance indicators at Annex 1 provide an indication of relevant Monitoring and Evaluation information for RWSSP.

3.2 Implementation Approach

The RWSS Program is intended to provide support to the GoET in RWSS services nation wide, over the long term –10 years. The central premise for the Program is that for the sustainable achievement of the Program's objectives, there is a clear need to develop the capacity of the RWSS sector to operate without external support. AusAID has received initial approval for funding of the first five years of the Program and if appropriate, and following the recommendations of a review at the end of year four, will seek further funding for the remaining five years.

The Program is designed to progressively move towards a pure Program Approach, as and when the GoET have the capacity for this to occur. It is envisaged that this will occur in 4 phases (this is further elaborated in the Feasibility Report section 5.7):

- Phase 1: Australian funded RWSS/HSP activities are planned, contracted and managed by a Service Provider following GoET priorities¹² (as reflected in the District Plans).
- Phase 2: Australian funded RWSS/HSP activities are planned by DNAS/MoH but contracted and managed by a Service Provider following GoET priorities.
- Phase 3: Australian funded RWSS/HSP activities are planned by DNAS/MoH, contracted by a Service Provider, and managed by DNAS/MoH, following GoET priorities.
- Phase 4: Australian funded RWSS/HSP activities are planned and managed by DNAS/MoH using GoET financial systems and following GoET priorities.

The development approach proposed by the feasibility study does not sufficiently reflect the need to develop, manage and phase the Program in line with capacity constraints of the GoET. Infrastructure and related activities that the GoET agrees should be undertaken outside the GoET systems during the early phase of the Program, should initially use parallel systems and be used to provide lessons and build capacity of government. There may also be a need to provide in-line advisors in the early stages of implementation, with progressive transfer of responsibility as GoET capacity is increased.

As such it is not possible, nor appropriate, to provide a detailed outline of work to be undertaken over the life of the Program, instead a rolling design process will be utilised. The Service Provider will be required to develop an indicative Whole of Program life work-plan at the end of the first seven (7) months to cover the period up to the end of the third year of the Program. A revised indicative Whole of Program life work-plan is to be produced for the following two year period based on the recommendations of a formal review at the end of year two. These work-plans will form the basis for any contract amendments/extension. Further work-plans will be developed as required in line with the Program requirements and identified by a formal review at the end of year four.

3.3 Program Strategic Framework

The first 6 months of the Program will see on the ground RWSS activities occurring (see section 3.7) concurrently with the development of the **Program Strategic Framework** (PSF). The PSF will be developed in a participatory manner, taking into consideration the Scope of Services, the Program Concept Design, the Feasibility Report and AusAID's Capacity Building Framework¹³, as well as the GoET's Capacity Development

¹² Capacity may exist in parts of the RWSS sector, including from work done in CWSSP. Current capacity across the sector will be assessed as part of the PSF development in the first six months following mobilisation. Where capacity exists this should be utilised, so as not to undermine it.

¹³ AusAID will provide the Capacity Building Framework, which is considered a useful basis for preliminary capacity building analysis. This document is based on lessons learned across the agency in good capacity building approaches.

Coordination Unit (CDCU) Medium Term Capacity Building Development Strategy Part II (2005-06 to 2007-08), and will include (but not be limited to):

- An analysis of the capacity and systems of the RWSS sector (DASD/DNAS, MoH, NGOs, GMF's etc) to provide a basis for capacity building plan and activities;
- Ensuring that existing and expected improvements in capacity of individuals and institutions are built realistically into the Program Strategic Framework. AusAID's Capacity Building Framework is considered a useful tool for preliminary analysis to ensure the identification of realistic and achievable expectations. Continuous underachievement of targets will reflect poorly on the Service Provider in this regard;
- An analysis of relevant lessons and experience of other donor and government funded activities (locally and regionally), for example: CWSSP, Capacity Building Facility (now replaced by the Capacity Development Program), Water and Sanitation Program (WSP)¹⁴ activities such as WSSLIC¹⁵ and WASPOLA¹⁶ and other relevant WSS activities in the region and elsewhere¹⁷;
- A social, poverty and gender analysis to identify gender inequalities and constraints and development of a gender strategy to address these¹⁸.
- Agreed strategies for the development of the sector that reflect the above analysis and the stated priorities of GoET;
- A policy action matrix that identifies policy work to be undertaken in accordance with stated priorities. It will also identify actions over a planned period to implement policy together with indicators which can be utilised to ascertain when policy has been implemented. This is a tool that can be used to support Program objectives and identify actions and responsibilities. It will assist GoET to ensure that the RWSS Program supports its policy development thrust;
- The overall implementation approach and methodology to be used on the RWSS Program, including the mechanisms for the rolling design process, and the approach for achieving the objective of a full handover of responsibility to the GoET inside the life of the Program (10 years);
- The process for developing the indicative Whole of Program life work-plan(s) (see section 3.2), including the format of the document and confirming the approval processes and timings for preparation;
- An agreed risk management framework for the RWSS Program, including appropriate monitoring arrangements;
- An agreed definition of trigger performance indicators that can be utilised in decision making on proceeding to new Program phases (see section 5.7 of the Feasibility Report) and identifying and agreeing realistic performance measures for the Program that will be fair and reasonable to set, and will be owned by Partners and stakeholders;

¹⁴ <http://www.wsp.org/>

¹⁵ WSSLIC: Water and Sanitation for Low Income Communities, www.indo.ausaid.gov.au/projects/wslic.html

¹⁶ WASPOLA: Water Supply and Sanitation Policy Formation and Action Planning Project, www.waspola.org

¹⁷ such as sanitation work in South Asia and Water in Mekong countries

¹⁸ In accordance with AusAID's Gender Policy.

- An agreed M&E framework for the RWSS Program that takes into account M&E capacities and needs of partners and stakeholders and maximizes their involvement in M&E and learning from implementation. Gender equality indicators and sex-disaggregated data are to be included in the M&E framework. The M&E framework may have links to other research related to rural water supply and sanitation supported/planned by AusAID^{19,20};
- An agreed governance and management framework for the Program that meets partner requirements for the management of the Program. This will include the definition of governance and management structures for the RWSS Program; and
- Agreed mechanisms for contracting and disbursement of Program funds, including moneys allocated to the imprest account.²¹

3.4 Guiding Principles for Implementation

A number of key principles will guide the implementation of the RWSS Program:

- Promoting full ownership of Program activities by rural communities by ensuring that they are designed to reflect cultural and local realities, including gender divisions of labour, access to land and use of resources. Processes used for the development of the PSF need to include women and men from rural communities (beneficiaries) and introduce mechanisms for on-going M&E at the community level;
- Maximising the leadership of GoET in the management and implementation of the design process and ensuing implementation;
- Maximising the opportunities for donor harmonisation and GoET's leadership of the Program including the use of Consolidated Fund for East Timor (CFET) mechanisms through which consolidated funding from a range of donors is used by GoET to meet RWSS needs;
- Maximising the utilisation of existing GoET systems and mechanisms with a view to improving their performance in meeting planned RWSS needs;
- Ensuring that Partners and stakeholders are fully involved in dialogue on performance assessment and on iterative developments through the rolling planning process;
- Ensuring indicators are included which measure public health awareness raising and behaviour; and

¹⁹ AusAID plans to conduct a separate evaluation of RWSSP for poverty impact using a randomised methodology. The detail of this will be developed by AusAID during the same time as the development of the PSF, but will be long term in nature, and will not be used to assess the performance of the Service Provider. All work completed by the poverty impact evaluation team will be made available to the Service Provider, and data collected may be used to inform the RWSSP. Baseline data may be developed collaboratively if deemed appropriate by both parties.

²⁰ The AusAID funded Australian Water Research Facility, also has a component of research on catchment management issues in East Timor. The Service Provider may be called upon from time to time to support Australian and Timorese researchers. All requests for assistance will be directed through AusAID.

²¹ For the first seven months, all funding will be channelled through the Service Provider.

- Maximising the involvement of partner organisations and stakeholders in the monitoring and evaluation process.
- Given the ongoing unrest/conflict situation of East Timor, ensure that “do no harm” approaches are incorporated into the Program design, implementation and evaluation of activities²².
- Ensuring that environmental risks are adequately covered in the risk management strategy for the Program through, as a minimum, the development of environmental guidelines. Environmental issues will need to be included as part of the M&E system, and will also need to be reflected in all necessary documents including the Policy Action Matrix;
- Ensuring that HIV awareness is mainstreamed throughout the Program to: increase the positive impact of AusAID’s overall work on efforts to fight HIV; mitigate the harmful effects of the epidemic on the work of the Program; and minimize any impact the Program work may have on HIV in East Timor; and ensure consistency with the MoH National HIV/AIDS/STI Strategic Plan (2006-2010); and
- Ensuring gender considerations are integrated into all aspects of the Program²³. This will take a dual approach, comprising both initiatives specifically targeting women’s empowerment and ensuring that the Program takes into account the needs and perspectives and interests of both women and men. Gender equality objectives, activities, and indicators will be used to ensure that gender considerations are incorporated into the Program, including monitoring and evaluation;
- The Program will consider the training needs within the WSS sector and propose strategies to develop a skilled workforce for the sector;
- The Program will ensure that social accountability mechanisms are incorporated into the Program, including for fair and transparent disbursement of funds.

3.5 Key Elements to be Considered in the Approach

Although it is recognised that the PSF will articulate the specific approach and methodology to be adopted by the Program, the following key elements should be considered.

- *Continued use and further refinement of the Community Action Plan (CAP) process to increase the effectiveness and efficiency of RWSS Programs.*

The CAP process, as developed and utilised in CWSSP, has broad-based support from the community, project partners, DASD, GoET/Minister NRMEP and others. The CAP ‘model’ represents a facilitated series of practical steps that work towards generating an agreed plan and implementation strategy for discrete community managed water supply and sanitation schemes. The CAP incorporates principles of informed choice and demand

²² This could include through piloting of the Health and Peace-building Filter – see 3.5. For information on the ‘Do no harm’ approach see: <http://www.cdainc.com/dnh/>.

²³ In accordance with AusAID’s Gender Policy, and Gender Guidelines: Water Supply and Sanitation.

driven approaches, proportional community funding, and participatory strategies to promote gender and social equality and engaging government through collaborative involvement of Fasilitador Distrito (FD)²⁴ in service provision. For further information on the CAP process see Feasibility Report.

Given this broad-based support, it is recommended that RWSSP also utilise the CAP methodology as it has been developed under CWSSP by continuing the current process of trial, joint review, and progressive revision. This includes further development of mechanisms and roles for delivery – including more direct involvement by DASD staff. Sustained attention should be given to ensure the equitable engagement of women and men in the CAP process.

The possibility of developing and evaluating the CAP process as a mechanism for social accountability should also be considered.

- *Increased emphasis on hygiene and sanitation promotion to improve health outcomes by mainstreaming hygiene and sanitation promotion within the CAP process and integrating it into national public health programs.*

Hygiene and sanitation promotion are closely linked with positive health outcomes, and need to be a specific focus of the proposed RWSS Program. Health and sanitation promotion needs to be more effectively integrated within the CAP process, and included in other public health programs²⁵ to improve hygiene and sanitation knowledge, attitudes and practices in rural communities. Promotional activities should be appropriately targeted to women, men and children.

- *Trialing of the Health and Peace-building Filter*

AusAID recently funded the development of a new tool – the Health and Peace-building Filter (HPBF)²⁶ –that provides a rapid assessment of peace-building and conflict prevention components of health initiatives in conflict-affected societies. AusAID now wishes to independently trial the tool for applicability, utility and risk assessment before distributing more broadly.

In light of recent events in East Timor, the hygiene and sanitation promotion component and CAP process of the RWSS Program are considered relevant to piloting the HPBF. It is anticipated that application of the HPBF would assist the Service Provider to consider the social impacts of RWSS activities – in particular, by facilitating a “do-no-harm” approach but also by exploiting opportunities to strengthen social capital. The Filter would be incorporated into the design and ongoing monitoring and evaluation phases of

²⁴ Previously known as Community Water and Sanitation District Officers (CSWDO)

²⁵ For example, the MoH's Family Health Promoters Program

²⁶ The Health and Peace-building filter was an outcome of a research program to explore the scope for health projects including environmental health interventions) to act as “entry points” or catalysts for broader social reconciliation and peace-building support. The research program was led by the University of New South Wales (UNSW) School of Public Health and Community Medicine (SPHCM) with funding from AusAID as part of the Australia – Canada Consortium on Health and Conflict. East Timor was a case study during the development of this tool.

the relevant aspects of the Program. Guidance in the application of the Filter would be provided to the Service Provider by AusAID and the Service Provider would be required to report to AusAID on the HPBF's effectiveness, applicability and value in facilitating identification of peace- and conflict-sensitive approaches to programming.

- *Continued use and further refinement of the District Plans for Water and Sanitation to ensure that activities are carried out consistent with the priorities established by each district*

The district planning process is now well established and increasingly being used by CFET as well as donors to determine priorities for the location of facilities at the suco and aldeai levels.

- *Substantial capacity building for Government, other service providers (NGOs and contractors) and communities to increase delivery capacity and improve the sustainability of RWSS facilities.*

A long term and gender sensitive approach to capacity building is required to improve service delivery and increase the sustainability of Program benefits.

- *Increased capacity of the GoET to work independently of the Service Provider to provide RWSS and hygiene/sanitation promotion programs as government capacity is increased and government systems and processes prove to be effective and transparent.*

Given the Government's key role in the provision of RWSS facilities, and in hygiene and sanitation promotion, the Program will work within GoET systems wherever possible, to strengthen GoET systems and capacities. As systems and capacities improve, DNAS and MoH will increasingly assume responsibility for Program delivery, including in the longer term the planning and management of Australian funds.

3.6 Modes of assistance

With a heavy emphasis in this Program on capacity building for the RWSS sector, and with a major shift in delivery of Australian aid, a broad range of possible modes of assistance should be considered by the Service Provider. This reflects recent lessons learned from capacity building programs in general and brings maximum flexibility to attainment of outcomes in this traditionally difficult area. Capacity building 'facilities' have traditionally been seen as a mechanism for mobilising advisers to work in key positions in partner government agencies, either to support counterpart staff to undertake their functions through training, mentoring and technical advice, or to undertake specific technical tasks on behalf of a counterpart agency in the absence of existing capacity. This Program should embrace a deliberately broader range of modes of assistance in order to address individual, institutional and systematic capacity building approaches. Modes can include but are not limited to:

- provision of individual advisers deployed into counterpart agencies in line and non-line management functions (including coaching, advising, supporting, training and mentoring);

- provision of technical assistance to undertake specific tasks (e.g. policy studies, policy advice, research) with and on behalf of counterpart agencies, through subcontracts to local or international organisations or individual advisers;
- provision of tailored training programs across the sector through local or international sub-contracts;
- encouragement of strategic engagement with other appropriate sector programs in the region (either within East Timor or elsewhere such as WSP and WASPOLA);
- direct financial support to implement priority counterpart activities which would otherwise not be delivered (for instance through CFET);
- design and delivery of projects (including physical implementation) delivered jointly by counterparts and sub-contractors and/or advisers;
- support to counterpart ministries to access the Australian Development Scholarship (ADS) and Australian Leadership Awards schemes;
- utilisation of opportunities as appropriate for volunteers through schemes such as Australian Youth Ambassadors for Development, Australian Business Volunteers; Australian Volunteers International; and
- coordination with and support to other Australian government agencies with experience and skills relevant to the development of the RWSS sector in East Timor.

3.7 Initial District Based Activities

In order to balance the strong focus on long term capacity building and initial focus of the Service Provider on developing the PSF and Work-plans with the delivery of services to the rural population, implementation of some RWSS infrastructure and hygiene and sanitation promotion needs to occur in the first six months of the Program. The GoET and GoA have agreed that the RWSS Program should work concurrently with DNAS/DASD and MoH to design and implement RWSS and hygiene and sanitation promotion activities according to District Plans funded by the Consolidated Fund for East Timor (CFET) in the initial six months. This will require the RWSS Program to provide a small team (two advisers, local support staff and resources – see 3.11 below) to advise and assist DNAS/DASD and MoH with the implementation of CFET funded RWSS activities. Local contractors, sub-contractors and NGOs would be contracted to actually implement the activities under the supervision of DNAS/DASD and MoH staff with support from the advisers and local staff. The Community Action Planning (CAP) process introduced by the CWSSP would be used in the preparation of activities at the aldeia level²⁷. Health and environmental health and hygiene behaviour promotion would be included in the CAP process for RWSSP, with the assistance of MoH.

²⁷ In East Timor a suco is a village and aldeia a sub-village. Across East Timor there are 442 sucos and 2,228 aldeias.

Provision should be made for ongoing implementation of RWSS and hygiene and sanitation activities beyond this initial stage, such as the first 12 months and beyond as determined by RWSSP work-plan.

3.8 Location

The RWSS Program will be headquartered in Dili, where the Service Provider will be expected to establish office facilities that enable its staff and advisers to work with DNAS, the Ministry of Health and if required other agencies. Whenever and wherever possible, advisers should be co-located with their counterparts in relevant GoET ministries.

The RWSS Program will be a national program with the specific districts and village locations identified in the initial Program Strategic Framework (see section 3.3), and refined as part of the rolling design process.

3.9 Duration and timing

The RWSS Program will commence in the first quarter of 2007 and will run for a ten (10) year period. The contract for the Service Provider will be let for an initial 3 years, with an option of extending the contract for a further two years based on the recommendations of a review scheduled to occur at the end of year two. AusAID's financial commitment and contracting strategy for the remaining five years will be determined based on the recommendations of a second review scheduled to occur at the end of year four. The specific Scope of Services for the contract extension will be developed as part of the rolling design process in line with the objective of progressively transferring responsibility to the GoET.

3.10 Component Structure

Initially the RWSS Program is presented as having a four component operational structure. The first three components (relating to the technical aspects of the Program) recognise that hygiene and sanitation promotion and rural water supply and sanitation infrastructure are to be implemented through different departments of the GoET, and require different types of activity and approaches. Furthermore the indicative structure recognises that institutional strengthening and capacity building are crucial to the promotion of sustainable capacity in East Timor to manage and develop rural water supply and sanitation systems, and to progressively tackle the challenges in promoting better hygiene and sanitation practices in rural communities. The fourth component is included to ensure efficient and effective management of the Program. These four components will be reviewed and modified through the rolling design process, to meet the different requirements of the GoET as the Program proceeds through the four phases.

Component 1: Capacity Building of the Sector: To improve systems and capacities within DNAS, DASD, MoH (Environmental Health/Health Promotion), Grupo Maneija

Facilidade Be Mos no Saneamento (GMFs or Water Management Groups), NGOs and the private sector to plan, design, implement, operate and evaluate sustainable RWSS programs and activities.

Component 2: Hygiene and Sanitation Promotion: To plan, implement and evaluate a hygiene and sanitation program that achieves behaviour changes and creates the demand for RWSS infrastructure.

Component 3: RWSS Delivery: To design, implement, operate and manage technically appropriate sustainable rural water supplies and sanitation facilities.

Component 4: Program Management: To establish the organisational and management framework, systems and plans for the efficient and effective management and implementation of RWSSP, including the development of the PSF, Work-plans and capacity building strategies.

3.11 Resources

Specific human and other resources for the RWSS Program are not defined in the Program Concept Design. However, it is envisaged that the Service Provider will field a team (consisting of locals and internationals) for the development of the PSF and Whole of life Work-plan (first seven (7) month period), and for the remainder of the Program (in line with the agreed work-plans) that can collectively and comprehensively cover the skills requirements outlined in Table 2 below.:

Table 2: Knowledge, skills and competence required for RWSSP

Knowledge/Skill/Competence	Inception Stage (7 months)	Ongoing Implementation*
Program Design	X	X
Program Management	X	X
Monitoring and Evaluation	X#	X
Gender and Development	X	X
Rural Water Supply	X	X
Rural Sanitation	X	X
Community Development	X	X
Health Promotion	X	X
Financial Management	X	X
NGO Operations	X	X
Private Sector Contracting	X	X
Organisational Development	X	X

Knowledge/Skill/Competence	Inception Stage (7 months)	Ongoing Implementation*
Water Policy Development		X
Health Policy Development		X
Capacity Building	X	X
Institutional Analysis	X	X
Change Management		X
Public Sector Management	X	X
Human Resource Management	X	X

* This is indicative only, specific resource requirements are to be detailed in the indicative Whole of Program life work-plan to be produced at the end of the 7 month inception stage and again at the end of the third year (see section 3.2).

envisaged to commence at month 3

A minimum expectation is that upon mobilisation the Service Provider will field a full time Team Leader and Capacity Building Adviser to facilitate the preparation of the PSF and the indicative Whole of Program life work-plan (see section 3.2). This work will be done with partners and stakeholders as well as other resources as determined by the tenderers.

To implement the RWSS activities for the initial 6 months outlined in section 3.7 above, the Service Provider will be required to recruit:

- A rural water supply specialist; and
- A community development/environmental health specialist.

Additionally the Service Provider will be required to fund, on a reimbursable basis up to USD90,000 worth of expenditure to cover the cost of:

- Four local staff, including two Community Development officers, one Field Technical Assistant and one Environmental Health Promotion officer.
- Operating costs of two 4WD vehicles with drivers (assets from CWSSP should be available for handover);
- Support equipment to be identified, e.g. surveying, computers, communications;
- Administration and CAP promotion support costs;
- Operational support budget for DASD (travel allowances, communication, stationary etc).

It is expected that CFET budget will be utilised to fund actual RWSS activities, however if this funding is insufficient or access to funds is restricted due to organisational constraints, AusAID will supplement the CFET budget by up to AUD250,000²⁸.

²⁸ As part of the total funding available for RWSSP

4 MONITORING AND EVALUATION

The SP must recruit as part of their team, an appropriately qualified M&E specialist, with the nomination approved by AusAID. Before commencing their inputs, the M&E specialist is to attend a workshop with AusAID Canberra to ensure that they fully understand AusAID requirements. During this workshop AusAID will brief the M&E specialist on how they will maintain involvement in the development and endorsement of the M&E framework. It is expected at a minimum that the M&E specialist will regularly liaise with AusAID Canberra to explain and seek endorsement of the concepts and structure of the framework being developed. The M&E specialist must work with the rest of the team and key stakeholders, to develop the Monitoring and Evaluation (M&E) framework. It is expected that the input will occur between months three and six. The M&E Framework will adopt methods and tools to address the three key elements of M&E:

- **Effectiveness:** Testing of the capacity of the Program to achieve the desired result as described in the Program Concept Design. This requires information gathering about process, strategy, outcomes and impact.
- **Learning:** Promoting continuous learning (through reflection, internal self-assessment and feedback loops). This requires participants collecting and using performance information in decision making throughout the Program. Formative evaluation and periodic reflection on appropriateness of objectives, design etc to feed into policy and strategy.
- **Efficiency:** satisfy needs for accountability and reporting (addressing external and local/downwards accountability requirements). External accountability requires collection of basic data on financial management and quality assurance of deliverables and evidence supporting priorities, and local accountability requires feedback of data on outcomes and impact.

Preliminary guidelines for the M&E Framework are provided at Annex 2.

The initial M&E Framework (including operating guidelines) is to be presented as part of the PSF, and is to be designed with the intention of the GoET progressively taking over the responsibility for the gathering, analysing and dissemination of the data and lessons, as they take over the management of the Program (see section 3.3). An assessment of and plans to increase the GoET's capacity regarding Monitoring and Evaluation will form part of the Program Strategic Framework (see section 3.3).

Early work was undertaken on the development of an M&E Framework and Log frame in early 2006. This document will be provided to the Service Provider and M&E specialist to act as a starting point in the development of the final M&E Framework. The Preliminary Performance Indicators at Annex 1 provide an indication of this work. The Monitoring and Review Group will provide quality assurance for all levels of M&E.

5 PERFORMANCE MANAGEMENT

5.1 Monitoring and Review Group

AusAID, the GoET and the Service Provider will jointly appoint a **Monitoring and Review Group** (MRG) for RWSSP. The MRG will be responsible for monitoring and reviewing the performance of the Program as a whole as well as the performance of GoET, AusAID and the Service Provider. The intent of the MRG is not to act as a 'policeman' but rather identify key constraints (and suggest appropriate solutions) to the Program and in particular the ability of the Program to move through the four phases. A key characteristic of the MRG will be a stable and committed membership to ensure that there is a genuine interest in the Program achieving its objectives as well as an accumulation of knowledge of the Program. All members will be required to provide an individual commitment of at least two years (preferably the full five years) to the MRG.

The MRG will report directly to the GoET Minister for Natural Resources, Minerals and Energy Policy, and it is envisaged that the MRG will meet between one and four times per year, at the discretion of the PSRG (see section 6.1). The MRG will consist of:

- A senior GoET appointee;
- An AusAID representative;
- A Corporate representative of the Service Provider; and
- An independent specialist, appointed by consensus of the other three members.

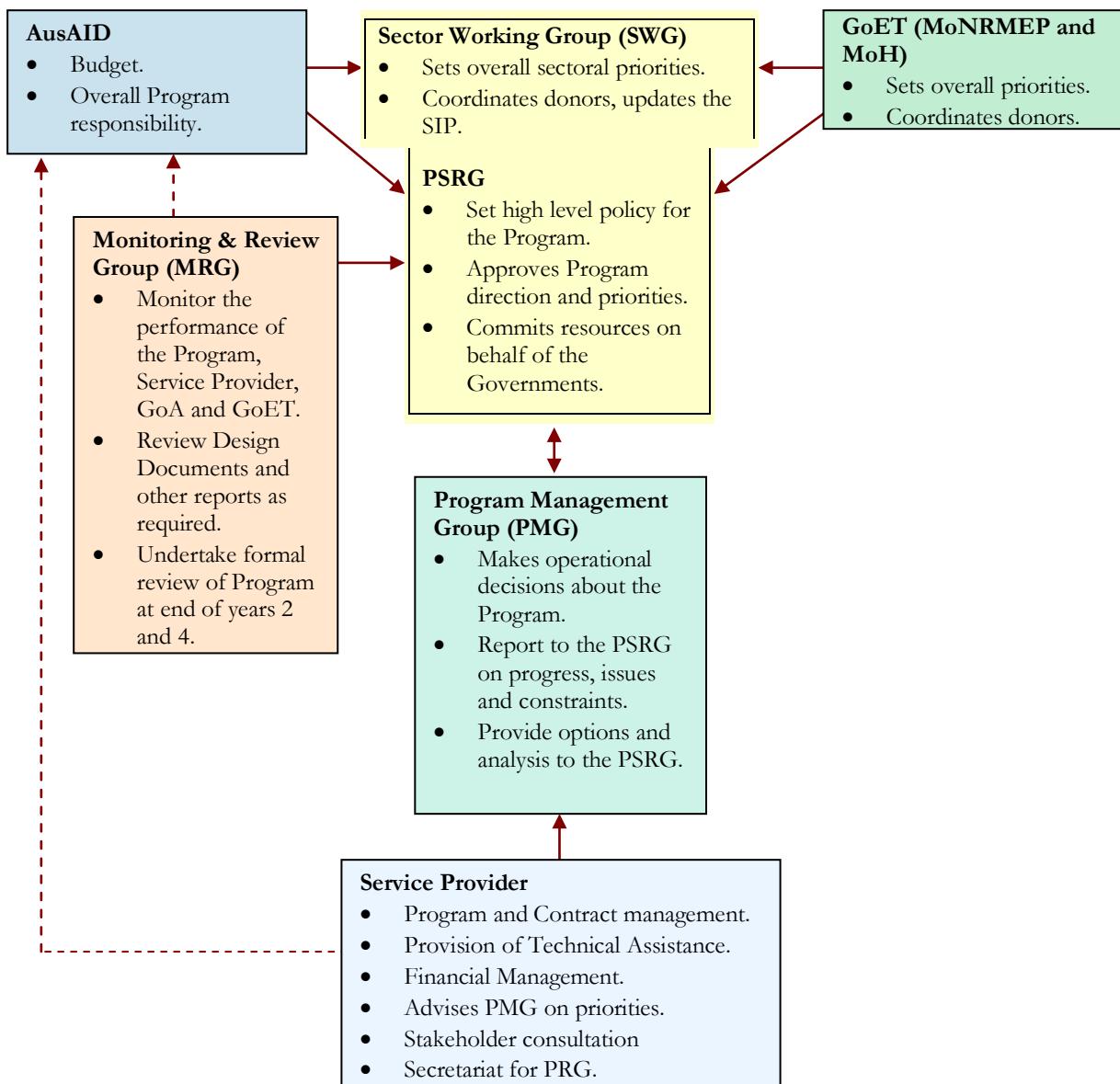
The MRG will also have the opportunity to appoint other technical specialists to support their role, particularly in regard to reviewing or appraising technical reports, however these additional technical specialists will not be able to participate in any assessments on the performance of any stakeholders.

For each contract period (3 plus 2 years), the Service Provider and AusAID will jointly establish key performance indicators that cover outputs, process and outcome achievement. The Service Provider will be required to collect data and evidence of their achievement of these indicators and evidence of continuous improvements and provide this to AusAID annually. The achievement of these indicators will directly link to the payment of Milestones to the Service Provider.

5.2 Program Review

Formal reviews of the RWSS Program will be undertaken by the Monitoring and Review Group at the end of years 2 and 4 of the program. These reviews would assess issues such as the relevance of objectives and design; evidence of progress towards objectives; efficiency of implementation and management; and likely sustainability of benefits and results.

6 MANAGEMENT ARRANGEMENTS



6.1 The Program Governing Body

It is proposed that the GoET establish a Water Supply and Sanitation Working Group (WSS-WG), to replace the existing Infrastructure Working Group. The WSS-WG would be responsible for sector policy directions and reviewing and updating the SIP and would meet at least twice a year and more frequently if required. The composition of the WSS-WG would include:

- Chair - Minister for Natural Resources, Minerals and Energy Policy;
- Other relevant GoET institutions including the Ministry of Health, the Ministry of Education, the Ministry of State Administration, the Ministry of Planning and Finance, and
- Development partners active in the sector

It is also proposed that a **Policy Steering and Reference Group** (PSRG) be established to provide overall guidance for the RWSS Program. It is envisaged that the PSRG will meet every quarter and report to the SWG. The composition of the PSRG will be:

- Chair - Minister for Natural Resources, Minerals and Energy Policy;
- Alternate Chair – A-Based AusAID Post officer; and
- Other relevant GoET institutions including, the Ministry of Health, Capacity Development Coordination Unit, Office for Promotion of Equality. Other Ministries may attend as observers where appropriate.
- The Service Provider is expected to provide secretarial services for the PSRG, to facilitate its activities and to provide advice to the Group as requested by the Minister.

It is expected that the PSRG will play a major role in the development of the PSF and in the determination of more specific governance structures and procedures for the Program. It is also expected that other donors will be included as dialogue partners in the PSRG.

The role of the PSRG is to:

- guide the process for the Program Strategy Framework preparation and ensure that the needs of the GoET and GoA are met throughout this process;
- set high level policy for the Program ensuring that GoET national policy for the sector (as reflecting national MDG goals) is clearly represented in the PSF;
- determine the format and required content of the PSF in conjunction with the Service Provider and to work with the Service Provider in the preparation of the Framework;
- monitor the performance of the Program through oversight of implementation of the M&E framework, and suggest solutions for implementation constraints to PMG;

- examine risks associated with implementation and to determine an appropriate strategy to manage risks with appropriate nomination of responsibility against identified risks;
- determine the most appropriate structure and modus operandi for the ensuing governing body for the implementation stage of the Program;
- agree on and make formal requests to the Service Provider for the provision of technical assistance;
- assist in ensuring that all GoET personnel from involved Ministries are able to participate appropriately and fully in the PSF preparation process;
- consider the rolling plans, proposed activities, cost structure and expected achievements for the implementation of the Program as they relate to GoET policy and budget allocations;
- provide guidance on, and oversee, the implementation of gender inclusive participation processes; and
- provide approval as appropriate and to carry forward the PSF and the Work-plans for final endorsement at the political level.

6.2 Program Management Group

The GoET, through the PSRG, and Service Provider will together form a **Program Management Group** (PMG) for RWSSP, which will provide operational direction for the Program. Primarily the composition of the PMG will be the day to day operational counterparts for the Program and the Service Provider. It is envisaged that the PMG should meet regularly (every two to three weeks) with a different chairperson elected for each meeting. The PMG will be drawn from all relevant GoET institutions and may also include members from non-government²⁹, community and private sector stakeholder organisations as appropriate. The PMG members will be accountable to the PSRG to ensure that the Program directions are implemented. Reporting arrangements for the PMG will be determined during its establishment, but it is suggested that it will need to report to the PSRG regularly (possibly on a three monthly basis) on progress, issues and constraints. It should offer analysis and options for the PSRG to consider.

A major lesson that has emerged from CWSSP is that management groups of this nature need to be encouraged to be actively involved in, and take ultimate responsibility for, Program activities. Subsequently the PMG has been conceived to also be a mechanism for ongoing support and capacity building to the GoET, in which advisers can provide support to their counterparts. It is anticipated that through the PMG as a working mechanism, advisers can facilitate the provision of evidence, as it emerges, to the PSRG and through it to high level policy makers to make necessary changes to planning and implementation procedures for the Program.

²⁹ such as UNICEF

6.3 Role of the Service Provider

Throughout the Program the Service Provider will be required to delivery a high standard of support to the GoET as monitored by the MRG. It is recognised that the physical elements that make up the support will need to change as the Program moves through the four phases (as defined in section 3.2). As such a key characteristic of the Service Provider will be its flexibility to modify its role and the services it provides, in line with the GoET requirements.

For the initial three years of the Program the Service Provider will be specifically responsible for:

- Recruiting and mobilising the team (as outlined in section 3.11 Resources), including the Team Leader and other advisers as required;
- Managing the performance of the Team;
- Working with the GoET to develop the Program Strategic Framework and Work-plans;
- Executing a program of initial 6 month (refer to section 3.7) support to the GoET to implement RWSS activities using the CFET budget;
- Execution of all activities as defined in the work-plans, including subcontracting;
- Financial management of all funds provided by AusAID to the Program;
- Coordinating the management of risks to the Program; and
- Supporting the development and implementation of an M&E Framework.

7 RISKS

A Preliminary Risk Matrix is attached at Annex 3. Given the size and ambitious nature of the Program it is important that a comprehensive Risk Management Strategy is developed and utilised. This strategy should cover the Program as a whole, and must include considerations of the environment, HIV, Gender 'Do no harm' and the assumptions that underpin the Program Concept Design. At a minimum the Risk Matrix should be updated every six months.

8 ANNEX 1: PRELIMINARY PERFORMANCE INDICATORS

Key Result Area	Key Performance Indicators/Information	Indicator For Whom	Means of Verification/Method	Available Baseline Information	Preliminary Target Outcomes
Goal	Reduced mortality and morbidity from water-related diseases and poor hygiene		<ul style="list-style-type: none"> -Survey (that would identify the contribution made by the Program to improved living standards) -Secondary health sector data sources^(a) 		
Purpose	<ul style="list-style-type: none"> -Percentage rural women, men, boys and girls with access to clean water and adequate sanitation -Percentage rural women, men boys and girls with improved hygiene practices 		<ul style="list-style-type: none"> -Analysis of DNAS M&E system database -Survey (pre and post) 	<p>In 2003, 24% rural households had access to safe water, and 13% had access to adequate sanitation facilities^(b)</p>	<p>NDP targets are 60% of rural population with access to safe drinking water and 50% of rural population with access to sanitation by 2010^(b)</p> <p>(Actual target to be determined as part of PSF)</p>
Component 1: Capacity Building of the Sector	Level of contribution to the functioning of the PMG by GoET counterparts, such as setting reasonable agendas, clear control of meeting, keeping minutes etc.	GoET and Service Provider	<ul style="list-style-type: none"> -PMG minutes -Post comments on PMG meetings 		
	Number, proportion and quality	GoET and	-Analysis of DNAS		

	of Water Supply and Sanitation facilities designed, implemented, operated and managed using GoET systems.	Service Provider	reports -Survey		
	Lessons learned out of GoET implemented RWSS activities being fed back into the improvement of processes and systems.	GoET and Service Provider	-Six monthly Progress reports -Work-plans		
	Quality of the policy and guidance provided for the RWSS sector from the SWG and as documented in the SIP, and evidence of policy and guidance being applied in RWSS sector.	GoET and Service Provider	-SWG records -SIP reports -Feedback from GoET on policy advice		
	The requirement by the GoET to be supported by donor organisations as evidenced in the SIP, eg Proportion of total RWSS budget funded by GoET and donors	GoET and Service Provider	SIP reports		
Component 2: Hygiene and Sanitation Promotion	Hygiene and sanitation promotional plan developed, implemented and evaluated by year 3.	GoET and Service Provider	-Six-monthly progress reports -Review of program at end of years 2 and 4		
	Knowledge, attitudes and behaviour regarding hygiene and sanitation, including handwashing, for women, men, boys and girls	GoET and Service Provider	Surveys/ case studies of rural communities (in preparation for Program reviews at end of years 2 and 4, and Activity Completion Report)		

	GoET and NGO acceptance of the Hygiene and Sanitation promotion plan.	GoET and Service Provider	-Six-monthly progress reports -Changes to MoH policy and/or program		
	Number of NGOs, and communities participating in the promotional plan.	GoET and Service Provider	MoH/ Program records		
	Number of requests for sanitation and water supply infrastructure received from community groups and NGOs.	GoET and Service Provider	DNAS records		
Component 3: RWSS Delivery	Percent utilisation of the funds allocated through the CFET.	GoET and Service Provider			
	-Number of new and total aldeias/households/people with sustainable water supplies and sanitation facilities. -Percentage of WSS operational 5 years after installation	GoET and Service Provider	-DNAS and Program records -Six-monthly progress reports -Program reviews at end of years 2 and 4.	CWSSP provided access to clean water supplies to 9,991 rural households (59,946 people) and access to improved sanitation facilities to 1,994 rural households (11,946 people) between Jan 2002-and March 2006 ^(c)	NDP targets are 506, 362 of rural population with access to safe drinking water by 2010 and 421,968 rural population with access to sanitation by 2010 ^(b) At least 15,000 of rural population with access to clean water and 3,000 of rural population with access to sanitation per year

					(Actual target to be determined as part of PSF)
	Utilisation of water and sanitation infrastructure/facilities by women, men, boys and girls	GoET and Service Provider	Survey of rural communities	In 3 districts, CWSSP clean waster being used by 80% of beneficiaries for cooking and drinking, sanitation facilities used by 50% of beneficiaries ^(e)	
Component 4: Program Management	Quality and timeliness of reporting requirements.	Service Provider	-Six-monthly progress reports -Program reviews at end of years 2 and 4.		
	MRG satisfaction with the process undertaken to develop the PSF.	Service Provider	MRG meeting minutes/feedback		
	MRG satisfaction with the process undertaken to develop the Program Work-plans.	Service Provider	MRG meeting minutes/ feedback		
	MRG feedback on the draft PSF only identifying minor changes/errors/omissions.	Service Provider	MRG feedback on PSF		
	MRG feedback on the draft Work-plan(s) only identifying minor changes/errors/omissions.	Service Provider	MRG meeting minutes		
	Completion rates of activities identified in the Work-plans.	Service Provider	Six-monthly progress reports		
	Counterparts satisfied with the quality of advisers working on the Program.	Service Provider	Survey/ interviews		
	Acceptance of the PSF and Work-	GoET and	PSRG minutes		

	plan by PSRG/ AusAID and GoET.	Service Provider			
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- (a) Health Information System currently being developed by the MoH
- (b) Water Supply and Sanitation Sector Investment Program, April 2006
- (c) Activity Completion Report CWSSP, March 2006

ANNEX 2: PRELIMINARY GUIDELINES FOR REQUIREMENTS OF RWSSP M&E PLAN

The M&E Plan to be developed during the Program Strategic Framework should be guided by the following requirements:

- Be highly consultative and participatory to promote understanding and ownership;
- Assess the existing GoET M&E systems and capacity;
- Review evaluability of design (Log Frame);
- Development of M&E operations plans (what data, when, how, who etc), including for appropriate baseline data;
- Develop and integrate the schedule, content, frequency, purpose of all reports
- Review risk matrix;
- Develop an appropriate capacity building plan for GoET;
- Ensure good balance between meeting accountability and learning needs of all stakeholders;
- Assist/ be responsible for baseline data collection and presentation; and
- Review the M&E budget.

9 ANNEX 3: PRELIMINARY RISK MANAGEMENT MATRIX

Risk Event	Potential Impact	Current Risk Level ³⁰			Risk Treatment
		L	C	R	
Specific Program Risks					
Lack of engagement from GoET institutions in the development of the PSF and the design process	- Limited ownership and accountability in implementation and management	3	5	3	- Utilising the MRG after three months to review the processes used and levels of involvement and commitment; - Combination of a rolling design with implementation;
Lack of access for policy consideration through Policy Steering and Reference Group	- Poor strategic framework developed; - Weakened community engagement due to poor system and process structures within the Ministry; - Limited feedback received due to poor policy formulation and implementation	2	4	3	- Design and development of policy based upon current sectoral needs; - Recognition of previous work and application of lessons learned to design process.
Lack of engagement with stakeholders counterparts	- Limited ownership of project management and outcomes; - No ownership of community based resources and infrastructure	3	4	3	- Promotion of strategic framework and flexible design process; - Strong engagement with NGOs and Community organisations to assist in project implementation.
Achievement of outcomes linked to financial incentives could provide an overestimation of effectiveness	- Overstatement of achievements by Service Provider; - Poor guidelines and frameworks to actually define and measure performance; - Financial incentives not appropriately linked to outcome performance	4	4	3	- Utilisation of the joint stakeholder MRG - Strong contracts management system - Lengthened design process to design appropriate outcomes, outputs and performance indicators;

³⁰ L = likelihood; C = Consequence; R = Risk Level

Lack of engagement with other donors and activities within the Rural Water and Sanitation Sector	<ul style="list-style-type: none"> - Limited coordination between programs and limited synergies for sustainability; - Poor consistency in policy formulation, implementation and management 	3	4	2	<ul style="list-style-type: none"> - Reporting to the SWG on a regular basis - Regular reporting and feedback sessions between donors and government stakeholders
Civil servants supporting the activity within the government are transferred	<ul style="list-style-type: none"> - Project momentum may falter; - Reduced coordination between donors and government stakeholders 	4	4	4	<ul style="list-style-type: none"> - Discuss strategies with GoET to identify key staff to retain and appropriate incentives to maintain their involvement
Too many projects implemented through government structures	<ul style="list-style-type: none"> - Duplication of activities resulting from poor coordination; - Lack of strategic focus by government on key MDG goals and development outcomes 	4	4	3	<ul style="list-style-type: none"> - Using the SWG and the SIP to coordinate donors to set sector and Program priorities; - Clearly defined strategic framework that prioritises activities in the sector to avoid duplication and maximize impact.
Restructuring of government structure affects the Program implementation	<ul style="list-style-type: none"> - Key staff lost to other government departments; - Potential loss of ownership due to relationship changes between government and communities 	5	3	2	<ul style="list-style-type: none"> - Strengthened mechanisms to improve staff capacity; - Training of key Program staff.
Emphasis on capacity building affect the achievement of the MDG on water	<ul style="list-style-type: none"> - Too much focus of capacity building and strategic framework resulting in reduced output at the community level; - Program not assisting GoET achieving MDG 	3	4	5	<ul style="list-style-type: none"> - Promotion of strategic framework and M&E plan that emphasise linkages between capacity building and outputs at the community level; - Strengthened capacity of local NGOs and community groups.
Overestimation of the technical and community mobilizing ability of private contractors and NGO's	<ul style="list-style-type: none"> - Limited impact of community infrastructure; - Disillusionment by community trainers and community people on involvement of donors in development assistance 	3	4	5	<ul style="list-style-type: none"> - Recognise risk and engage directly with NGO's to provide appropriate capacity building training; - Identify key community needs regarding water supply and health issues.