

Interim evaluation 2008

Water Sector Reform Program, Kenya

Brief Report

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Tabular overview

The evaluation mission

Evaluation period	October – December 2008
Evaluating institute / consulting firm	Center for Evaluation
Evaluation team	Nicolà Reade & Nancy Ndirangu Peter Maats & Godfrey Ndeng`e (Survey Implementation)

The development measure

Title according to the offer	Water Sector Reform Programme
Number	2001.2539.3; 2004.2027.3; 2007.2039.1
Overall term broken down by phases	10 years, 3 months (10/03 - 12/13) Phase 1: 10/03 to 12/04 (1 year, 3 months) Phase 2: 01/05 to 10/07 (2 years, 10 months) Phase 3: 11/07 to 12/10 (3 years, 2 months) Phase 4: 01/11 to 12/13 (3 years)
Total costs	Total costs:17,500,000 € Partner contribution approx.1,500,000 EUR
Overall objective as per the offer, for ongoing development measures also the objective for the current phase	Overall objective: Sustainable access of the urban poor to safe drinking water and basic sanitation is increased and the water resources management improved. (2007.2039.1) Component objectives: (1) The efficiency of the Ministry of Water and Irrigation (MWI) in managing and coordinating the water sector is improved. (2) Regulation and financing of water supply and sanitation services are improved. (3) In selected commercialized urban service-providers the water supply and sanitation services are improved. (4) The performance of the Water Resources Authority (WRMA) is improved. (5) Strategies and suitable solutions for ECOSAN are successfully introduced.

Lead executing agency	Ministry of Water and Irrigation, MWI
Implementing organizations (in the partner country)	Ministry of Water and Irrigation (MWI) Water Sector Regulatory Board (WSRB) Water Services Trust Fund (WSTF) Water Resources Management Authority (WRMA) Water Services Boards (WSB) Water Services Providers (WSP) Water Resources User Associations (WRUA) Catchment Area Advisory Committees (CAACs)
Other participating development organizations	Cooperation programme with DED and KfW and coordination with InWEnt. Close cooperation with SIDA/DANIDA, co-financing from EU and SIDA, agreements with World Bank and AFD.
Target groups as per the offer	Raw water users and the consumers of water and sanitation services (especially women and children) in the settlements of the urban poor in entire Kenya. For component 3 the regional focus is on the area of responsibility of the WSB Central, Lake Victoria North (LVN) and Lake Victoria South (LVS). For component 4 the focus is on the catchment areas Tana River and LVN, especially water users and small farmers.

The rating

Overall rating <i>On a scale of 1 (very good, significantly better than expected) to 6 (the project/program is useless, or the situation has deteriorated on balance)</i>	2 "good rating, fully in line with expectations, no significant defects"
Individual rating	Relevance: 2; Effectiveness: 2; Impact: 2; Efficiency: 2; Sustainability: 3

* see attachment

Object of the evaluation is the ongoing development measure "Water Sector Reform Program, Kenya" (WSRP). It is implemented in four phases with an overall duration of ten years and three months, running from 10/03 till 12/13 and is currently in its third phase. The program is designed as a cooperation measure between technical (TC) and financial cooperation (FC). Technical cooperation is provided by GTZ and financial cooperation by the German Development Bank (KfW). Additional cooperative measures are implemented with

the German Development Service (DED) and International Capacity Development Germany (InWEnt). Further cooperation exists with the Kenya Water Support Program (KWSP) on water resource management (WRM) supported by SIDA/DANIDA, as well as with World Bank and AFD. Co-financing for sanitation comes from EU and SIDA.

Lead executing agency is the Ministry of Water and Irrigation (MWI). Implementing organizations at the national level are the Ministry of Water and Irrigation (MWI), Water Sector Regulatory Board (WSRB), Water Services Trust Fund (WSTF) and Water Resources Management Authority (WRMA). On the regional level the regional WRMA, Water Services Boards (WSB) and commercialized Water Services Providers (WSP) are implementing partners. Important duplicators at the local level are members of the Water Resources User Association (WRUA) and the Catchment Area Advisory Committee (CAACs).

The program's target groups are the raw water users and the consumers of water and sanitation services (especially women) in the settlements of the urban poor in entire Kenya. The support has focused on the areas of jurisdiction of the WSBs Central, Lake Victoria North (LVN) and Lake Victoria South (LVS) for WSP assistance, on the catchment areas Tana River (TR) and LVN for WRM and the whole country for sanitation (GTZ 2007).

The overall objective is: "Sustainable access of the urban poor to safe drinking water and basic sanitation is increased and the water resources management improved". To achieve this objective, the program uses a multi-level approach which is highlighted in the five program components¹: (1) Assisting the MWI to improve the management and coordination in the water sector. (2) Advising WSRB on improving regulation and financing of water supply and sanitation services. (3) Assisting selected WSPs to improve the water supply and sanitation services. (4) Assisting WRMA in improving their performance. (5) Introducing strategies and suitable solutions for ECOSAN.

Based on the objective and component outline, the program's results chain is phrased as follows: Promotion components comprise of technical, organizational and in-process advice by international, regional, local experts and inputs of material and equipment summing up to a total of 16.000.000 €. Further local subsidies/financial contributions add up to the amount of 1.500.000 € provided for pilot WSS and IWRM projects. Advice is given to MWI (component 1), WSRB and WSTF (component 2), WSBs and WSPs (component 3), WRMA and WRUAs (component 4) and MWI (component 5).

Through the advice, the following outputs are supposed to materialize: (1) instruments for sector coordination and harmonization such as annual conferences, annual investment plans, SWAP and Joint Assistance Strategy (JAS), pro-poor and human rights oriented water policies and concepts as well as implementation plans and SIS for monitoring of sector institutions and sector performance reporting; (2) Systems and guidelines on pro-poor and

¹ Please refer to the Indicator Performance Assessment in the Annex for detailed phrasing of components and indicators.

human rights oriented water and sanitation provision as well as information systems to regulate WSB and WSP (WARIS); (3) Concepts for establishing associations, commercialization of WSB and improved technical performance and maintenance of WSS infrastructure; (4) Catchment management strategies and sub-catchment management plans for the development and implementation of WRM, collection procedure for water usage and sewage fees and participative conflict solving procedures with WRUAs; (5) Identified institution responsible for the development and implementation of ECOSAN-Systems and developed concepts.

These outputs are intended to be used by the various stakeholders to create intermediate outcomes as follows: (1) MWI is coordinating and managing the sector activities through annual conferences, SWAP and JAS and emphasizing harmonization, implementing pro-poor and human rights oriented water activities and monitoring sector institutions, drafting sector performance reports. (2) WSTF and WSRB use systems and guidelines on pro-poor and human rights oriented water and sanitation provision to develop and implement investment measures (e.g. water kiosk, HIV/Aids prevention measures) and information systems to collect data on key WSPs and WSBs performance indicators and regulate WSBs and WSPs if performance is not improving (evaluation and sanctioning). (3) WSB and WSP improve their technical performance and maintenance of WSS infrastructure, their collection efficiency and reduce their costs, cluster companies and establish associations. (4) WRMA and regional structures implement WRM strategies and plans: WRMA, CAAC and WRUA collect fees for water usage and sewage and solve conflicts, uncover and sanction cases of water pollution or excessive extraction with the support of established WRUAs. (5) ECOSAN-Systems are planned and constructed considering especially females for operation and maintenance.

These intermediate outcomes are supposed to directly result in improved sustainable access of the urban poor to safe drinking water and basic sanitation and improved WRM in Kenya. In the long run the impact is intended to sum up to: (1) The populations improved hygienic and health situation. (2) The improved access (especially for women and children) to safe water which results in improved living conditions and living standards. (3) The sustainable use of water resources, minimized occurrences of water pollution and equitable water allocation. On the aggregated impact level (MDG) WSRP is supposed to contribute to MDG 7C (improved access to safe water and sanitation), MDG 7A (environmental sustainability), MDG 7D (living conditions), MDG 4A (child mortality), MDG 5A (maternal mortality), MDG 1A and 1C (poverty reduction) MDG 3A (girl school attendance) and MDG 2A (education) (the contribution of the program to MDGs is not listed in numerical order but sorted according to the program's possible strength of influence..

The evaluation was conducted between October – December 2008 by an international team consisting of: Nicolà Reade (international consultant on behalf of the Center for Evaluation CEval); Nancy Ndirangu (national consultant); Survey team (Peter Maats - international consultant CEval, Godfrey Ndeng`e - national consultant, 10 enumerators). Furthermore, the evaluation mission was organized as a joint evaluation together with a SIDA/Danida appointed evaluation team focusing on the cooperating KWSP program. The aim was to minimize the problem of duplication of efforts, subjectivity of assessments and recommendations.

The evaluation methodology included: (a) a hypothesis based cause-effect analysis, (b) a quasi-experimental research design, (c) a multi-method approach and (d) quantitative as well as qualitative data analysis methods. The evaluation objective was to assess the development progress of the program according to the five OECD-DAC (Development Assistance Committee of the Organization for Economic Cooperation and Development) criteria relevance, effectiveness, impact, efficiency and sustainability. While sustainability is rated on a 4-point-scale (from 1 = very good sustainability to 4 = inadequate sustainability) the other criteria are rated on a six-point scale (from 1 = very good rating, significantly better than expect to 6 = the program is useless, or the situation has deteriorated). Furthermore, the program is assessed according to its contribution to capacity development, poverty reduction and the MDG, promotion of gender equality, sustainable development and water sector related questions.

WSRP's overall success is assessed by the evaluators **as good (rate 2)**. The ratings of the single criteria relevance, effectiveness, impact, efficiency and sustainability are as follows:

Relevance examines the extent to which the aims of the program correspond with the needs of the target groups, the policies of the partner country and of the partner institutions, global development goals, and to the fundamental development policy orientation of the German government. The evaluators find that WSRP's concept is adequate to solve key Kenyan development issues and needs of the target group, focusing on improving access to safe water and sanitation, IWRM and in the long run improved living conditions and poverty reduction. Furthermore, it is in line with major national and international sector policies and strategies as well as international themes and standards (Vision 2030, NWSS, NWMS, CSP, SSP, MDGs, Action Plan 2015 and Agenda 21). Cross cutting issues like gender equality, good governance and environmental protection are considered. Overall WSRP thus complies with GTZ's basic development-policy orientation. Finally, high priority is assigned for WSRP by responsible institutions and the target group, demonstrated by government budget increase in the water sector and the targets groups' increased demand for improved access to save water and sanitation. WSRP's relevance is therefore rated as **good (rate 2)**, being fully in line with expectations and having no significant defects.

Effectiveness refers to the extent to which the direct results (program objectives) of the program are achieved (target-performance comparison). The so far reached direct results based on the component objectives can be summarized as follows: (1) MWIs' efficiency in managing and coordinating the water sector is improving. (2) The regulation and financing of water supply and sanitation services is improving. (3) Water supply and sanitation services are improving. (4) The performance of WRMA is improving. (5) ECOSAN as sanitation concept is being introduced in the Kenyan water sector. Through these component achievements, the access of the peri-urban population to safe drinking water at socially acceptable rates, emphasized in the overall objective of WSRP, is slowly but steadily increasing. Access to sanitary facilities will also improve from 2009 onwards as sanitation projects will be launched which will ensure the access of approx. 500.000 people till 2013. Furthermore, the compliance of water extraction and wastewater discharge with issued permits is slowly improving. Finally, the quality of life of men and women is slowly improving. Based on these findings, the evaluators conclude that by end of phase 3 the achievement of the component objectives is quite likely. Furthermore, by program end in 2013 the achievement of the overall objective is likely. Considering the program component achievements, the evaluators rate effectiveness as **good (rate 2)**.

Impact refers to the extent to which the program contributes to the achievement of the targeted overarching impacts, and to the occurrence of other indirect effects. The impact of the program is summarized as follows: Health and hygiene conditions have improved as has the access to water and sanitation which has enhanced the poor population's living conditions. Furthermore contributions are made to sustainable use of water resources and improved environment through less water pollution. Reduced conflicts have been reported and slightly improved good governance. The contributions to the MDG are thus: MDG 7C (access to safe water and sanitation), MDG 7A (environmental sustainability), MDG 7D (living conditions), MDG 4A (child mortality), MDG 5A (maternal mortality), MDG 1A and 1C (poverty reduction) and MDG 3A (girl school attendance), MDG 2A (education). Benefiting most are the urban poor and among these especially women and children, as they are responsible for household matters and thus for fetching water. Based on this assessment, WSRP's impact is rated as **good (rate 2)**.

Efficiency is a measure of the suitability of the resources employed for a program relative to the direct and indirect results that it achieves. WSRP's efficiency in increasing the populations access to safe water supply is especially demonstrated when taking a look at the amount of money spent to improve the access to water supply in urban poor settlements: WSTF finances water kiosks which only need an investment of 8 - 15 € per Person. Furthermore, the program's structure and high level of cooperation (with the German and the

international donor community) is appropriate to achieve the outputs and results in a cost-effective manner. Efficiency is rated as **good (rate 2)**, showing no significant defects.

Sustainability is a measure of the probability that the positive results and impacts of the program remain beyond the end of the support period. The evaluators found that although WSRP tries to lay the foundation for maintaining the achieved direct and indirect results by reforming legal frameworks, settings and institutions, doubts remain if the results can actually be maintained. Positive predictions are made for the independent and competent functioning of WSRB and WRMA as regulators and the improved sector coordination. More concerning is the sustainability of results depending on continuous funding. This refers, for example, to WSBs and WSPs sustainability, if they are not clustered. They still need continuous support to assure their operations and are not yet reaching full cost coverage to maintain their own machinery or even build reserves for investments in infrastructure for poor urban settlements. Key external risks for sustainability are: (1) Serious capacity gaps both in terms of quantity and quality of personnel at district levels especially in the WSBs, WSPs, regional WRMA, CAACs and WRUAs; (2) Grossly inadequate preventative maintenance of WSS equipment and machinery; (3) Increasingly erratic power supply which negatively affects water production and water supply; (4) High urbanization combined with deficits in town planning constraining the extension of service lines; (5) Prevailing bad paying moral of WSS and WRM customers (private, commercial and government); (6) Persisting prevalent use of unsafe water sources. Positive impulses for sustainability are the improved sector government funding and planning. The evaluators therefore assess sustainability as being **satisfactory (rate 3)**, with the overall success of WSRP probably decreasing after program end but remaining positive with a high degree of probability.

The evaluation team finds that capacity development in all institutions supported by WSRP is taking place, although many interview partners emphasized a still remaining capacity deficit in the entire water sector, especially among the WSPs and WSBs as well as regional WRMA, CAAC and WRUA, which negatively influences water sector performance. Capacity development at MWI supports sector efficiency and impact by aligning activities to strategies and priorities. WSRB capacity development results in improved and assured steering and regulating of WSBs and WSPs. Capacities built at WSTF materialize in professional and transparent implementation of tendering processes as well as monitoring and evaluation of poverty-focused investment measures. Capacity improvements in the supported WSBs and WSPs led to improved managerial and technical performance and maintenance of WSS infrastructure, WSPs are clustered, performance of WSPs is improving. Through WRMA capacity development the uncovering and sanctioning of cases of water pollution or excessive extraction is being supported.

Considering gender equality the evaluators find that both men and women benefit from the improved water service delivery. As traditionally in Kenya fetching water for household use is the role of women, the burden on women to obtain safe water is reduced. Furthermore, the kiosk approach that will be further distributed by the program deliberately seeks to have more women involved in operating the water kiosks. Poverty orientation is given by the special focus of the program on the urban poor settlements and the improvement of their water and sanitation services. The MDGs contributing to are MDG 7A, 7C, 7D, MDG 4A, MDG 5A, MDG 1A, 1C, MDG 3A and MDG 2A. The emphasis on sustainable development is demonstrated by the holistic, process based and value based approach the program follows. The evaluation findings presented in the report lead to following conclusions and recommendations for future development:

- I. Although sector reform has largely taken place - visible in the set up of new institutions, transfer of MWI staff to institutions, the introduction of commercialization of water and sanitation supply and new structures and procedures for WRM – MWI and WSRP need to continue focusing the reform efforts on (a) supporting financial sustainability and autonomy of sector institutions, (b) minimizing the overlap among old and new structures/institutions and (c) improving coordination and alignment between sector ministries (e.g. Ministry of Health, Ministry of Agriculture) and developing partners (SWAP-approach)
- II. MWI and WSRP should emphasize the revision and implementation of the transfer plan, thereby addressing all outstanding and emerging issues such as transfer of staff and assets and restructuring of the ministry headquarters.
- III. MWI and WSRP should continue emphasizing and supporting sanitation measures as sanitation aspects are still lacking behind compared to water supply and WRM. For this the special focus of WSRP's component 5 on sanitation should be continued in the next program phase. Further cooperation and communication between MWI and MoPHS for collaboration on sanitation issues is required.
- IV. WSRB should more strongly be supported by MWI (staff-wise and communication-wise) in its efforts to apply regular tariff applications and adjustments to adopt an adequate tariff for projected expenditures and revenues of WSBs and WSPs.
- V. Furthermore, WSRB should be more strongly supported in its performance reporting (WARIS). MWI should clearly communicate to the commercial water

providers and WSBs that especially data collection is a must for all institutions, data timeliness required and quality and validity important.

- VI. To assure WARIS data quality, timeliness and validity, WSRB should re-educate WSB and WSPs staff on how to collect required data and how to use reported data for management purposes.
- VII. WRMA should be more strongly supported by MWI in its efforts to collect water user charges also from industrial farmers in order to improve its financial sustainability and sustain the water resources for future supply. An MOU with the Ministry of Agriculture on charges for industrial farmers should be negotiated.
- VIII. To improve its financial sustainability, WRMA should continue to enforce payment of water user and pollution charges by industries, such as in the case of KENGEN .
- IX. Good corporate governance is still a challenge in spite of the capacity development efforts made so far. The principles of good governance, transparency and accountability are still not being completely adhered to in all institutions. Further sensitization by MWI and WSRP is required.
- X. Further sensitization on importance of clean water and hygiene for health conditions and general livelihood as well as acceptance to pay for clean water and water abstraction is required. MWI, WSRP and responsible institutions should collaborate and think of a communication campaign addressing these topics.
- XI. As many small commercial companies exist, which are struggling for survival due to capacity and management gaps, poor infrastructure leading to weak company performances (especially concerning UFW, metering, WSS coverage, O+M coverage, preventative maintenance), the clustering concept should be further emphasized and introduced in the water sector by MWI with WSRP support.
- XII. Regional WRMA, WRUAs and CAAC need further support (financially and in terms of capacity development) for designing and implementing the sub-catchment management plans. Water users need to be empowered for being able to get involved in WRM activities. Awareness raising and communication, capacity in community based organizational skills as leadership, conflict resolution but also financial skills as procurement, accounting and auditing are required.

Annex: Indicator Performance Assessment

Overall objective: Sustainable access of the urban poor to safe drinking water and basic sanitation is increased and the water resources management improved.			
Overall Indicator 1: A minimum of additional 1,6 Mio. poor in the supported towns have access to safe and affordable drinking water. Status 2008: 19.200 households Survey results: water safe and affordable	Overall Indicator 2: A minimum of 500.000 underserved people in households and public institutions in selected settlement of the urban poor use recycling-oriented sanitation systems. Status 2008: 15.000 people, 50 farmers, 5 schools	Overall Indicator 3: 80% of water extraction and 50% of wastewater disposal in the four supported sub-catchment areas are in line with the permits issued by the Water Resources Management Authorities. Status 2008: No data available, Interview reports state improvements .	Overall Indicator 4: In the regions supported by the German Development Cooperation water supply and sanitation measures have improved the quality of life of men and women. Status 2008: Survey results indicate that quality of life is improving

Red: Not yet commenced Yellow: Work in progress Green: Completed tasks

