

FINAL EVALUATION

CVE/082

Water and Sanitation sector support
programme (PASEA)

PROJECT SUMMARY DATA

Country	Cabo Verde
Long project title	Water and Sanitation Sector Support Programme
Short project title	PASEA
LuxDev Code	CVE/082
Version of the Report	June 2022

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	3 On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance)
Rating using other evaluation criteria	Relevance: 4 Efficiency: 3 Sustainability: 3 Coherence: 2

EXECUTIVE SUMMARY

Introduction and objectives

The purpose of the report is to present the main findings, conclusions and corresponding recommendations that emerged from the final evaluation of **Water and Sanitation sector support programme (PASEA) - CVE/082**, on behalf of the Luxembourg Cooperation, as well as their counterparts. In this context, the report:

- analyses the results and the specific objectives reached at the time of the evaluation;
- analyses the results achieved in terms of capacity building;
- analyses the programme's management and monitoring;
- analyses the programme using the Development Aid Committee evaluation criteria, taking into account cross-cutting aspects;
- analyses the evaluation questions described in the terms of reference;
- establishes the lessons learned and provide recommendations for the continuation of the programme.

The evaluation team identified significant differences between the programme's log frame matrix included in formulation documents (particularly at the level of objectives, results and indicators), the monitoring matrix used from 2018 onwards and in the draft final report. This evidence constitutes a significant constraint to the evaluation of the performance of PASEA. Therefore, if assessing the project indicators as defined in the Monitoring / Reporting system (and not the LogFrame in the Technical and Financial Documents), one has to conclude that the effectiveness of the project is very limited. However, if an assessment is made based on the qualitative information of each objective and result, a different conclusion can be drawn.

Specific objectives and results

The programme **overall objective** was to improved access to water and sanitation for the Cabo Verdeans, by achieving three specific objectives served by the corresponding results:

- **SO1**: improving the sector's financial sustainability and the availability of data (**R1.1** - strengthen the sector's capacities to mobilise external resources, **R1.2** - strengthen the sector's capacities to mobilise internal resources, **R1.3** - strengthen the capacities to collect, process, analyse and make use of sector data);
- **SO2**: improving the performance of the water and sanitation services providers (**R2.1** - the energy consumption of water supply systems is improved; **R2.2** - the commercial performance of the water services providers is improved; **R2.3** - the water quality is improved; **R2.4** - the legal, regulatory and the contractual framework is implemented);
- **SO3**: improving the quality and quantity of sanitation services (**R3.1** – Water and Sanitation National Agency advice, planning and monitoring capacities on the sanitation sector are strengthened; **R3.2** - the capacities of municipalities and inter-municipal (on-site and off-site) sanitation services providers are improved; **R3.3** - the PromoSan component of the *Escolas promotoras de saúde* programme achieves a significant level of implementation).

PASEA's objectives were only partially achieved - there was a very limited improvement of the sector's financial performance, but a relevant improvement of the availability of data fostering the recognition by the sector institutions of the importance of collecting and analysing quality data. However, the lack of an official *Relatório Anual dos Serviços de Água e Saneamento* 2019 and the fact that the 2020 is not available, undermines such achievements (S.O1.). This is further highlighted by institutional and operational constraints that the National Agency for Water and Sanitation and most prominently the Agency for Economic Regulation seem to have to ensure the continuity of the production of *Relatório Anual dos Serviços de Água e Saneamento*. PASEA set a basis for both water and sanitation operators and regulators to improve their intervention, although actual advances were not consistent across institutions nor in all domains – i.e., significant improvement in energy consumption, modest achievements in the commercial performance and limited progress in water quality (S.O2.). The most significant contribution of PASEA to the sanitation sector was PromoSan, which considerably improved the access in 100 schools across the country. The programme also strengthened the capacity of the regulator (National Agency for Water and Sanitation) and some Water and Sanitation Service Providers, but it lacked intensity and depth to ensure an effective and sustained improvement of the quality and quantity of the sanitation services provided.

At the level of the **results**, the evaluation concluded that:

Results not achieved: there was no mobilisation of external resources by sector organizations (R.1.1).

Results that were not achieved although some progress was made : there was some improvement of the capacity of National Agency for Water and Sanitation, Agency for Economic Regulation and *Águas de Santiago* to mobilise internal resources (R.1.2), but this had a very limited impact in the actual mobilization of financial resources, although information suggest that National Agency for Water and Sanitation has increased the level of operational costs covered by the resources it generates. Despite a contribution made by PASEA to set up the conditions for an adequate monitoring of the water quality, there was no evidence of improvement of the water quality in *Águas de Santiago*, *Água e Energia do Maio* and *Águas da Brava* (R.2.3). Although PASEA contributed to strengthening the capacities of municipalities and inter-municipal sanitation service providers of on-site and off-site sanitation services (R.3.2), the interventions were mostly focused on capacity building and technical studies and very few works and limited substantial changes to the actual operation.

Results of PASEA show some level of achievement: there was an improvement of capacity of National Agency for Water and Sanitation, Agency for Economic Regulation and Water and Sanitation Service Providers to collect, process, analyse sector's data (R.1.3), but the results don't seem to be consolidated as the intuitions seem to demonstrate some lack of motivation / autonomy to sustain the results achieved. There seems to have been an increase of the capacity, notably in *Águas de Santiago* and *Água e Energia do Maio*, to improve the commercial performance of the water services (R.2.2) due to a new process, tools, equipment and strengthening of competences. However, this did not yet reflect in the overall indicators of the Water and Sanitation Service Providers (as per *Relatório Anual dos Serviços de Água e Saneamento 2019*), mostly due to limited scale of intervention and the need for further consolidation of the achievements (and replication of good practices). PASEA made a relevant contribution to the institutional strengthening of National Agency for Water and Sanitation as the sanitation sector regulators, notably in its role as provider of advice and planning and monitoring of operators (R.3.1), although significant risks subsist regarding the institutions' capacity to sustain and consolidate the results achieved.

Results that were mostly achieved: there was a significant improvement of the performance of *Águas de Santiago*, *Água e Energia do Maio* and *Águas da Brava* concerning energy consumption of some equipment/ infrastructures of the water supply systems (R.2.1). This had a substantial impact in the overall water production costs of *Água e Energia do Maio*, some impact in *Águas da Brava*, but a limited impact in *Águas de Santiago*, mostly due to the large size of the systems, vis-a-vis the resources mobilised for these results. Also, the installation of a new solar powered desalination plant is still ongoing on Brava Island. There was a significant contribution to the improvement of the sector's legal and regulatory framework (R.2.4), through the production of documents and capacity building. Still, some risks persist regarding the sustainability that may limit the full extent of the gains achieved.

Result fully achieved: PromoSan has been successfully implemented in 100 schools (R.3.3), with a strong involvement and commitment by national counterparts. It is worth referring that the late conclusion of some infrastructures, may have limited the consolidation of some processes (notably regarding good use, maintenance, etc.).

Evaluation scores and comments

Score	Comments
Relevance: 3,90	One of the weakest points of the programme, reflecting poor design, weak monitoring and obvious difficulties to adjust the logic model to a changing context.
Coherence: 2,22	The programme totally aligned with National strategic plans reflecting a close dialogue with relevant stakeholders. Synergies can be further exploited in the future.
Effectiveness: 2,83	The programme had a mix set of achievements across results and objectives, with R.3.3. achieving the best results (score 1) followed by R.2.1 and R.2.4 and R.3.1 (score 2), while R.1.2, R.2.3, and R.3.2 underperformed (score 4) and R.1.1 scored the lowest (score 5).
Efficiency: 3,00	The fragmentation of the project limited the possibility to fully assess efficiency. Most changes to budget and project duration were justified and documented. The length of the project was affected by the Covid-19 pandemic which may have contribute to a few activities only being underway at the end of the project.
Sustainability: 2,92	Despite some very positive results in some domains, in particular R.2.1 (score 1) and R.2.4 as well as R.3.3 (with score 2), the dispersion of the intervention, limited the consolidation of some achievements. Some lack of commitment and resources of national counterparts/beneficiaries also constitute significant risks to sustainability.
Impact: 4,00.	While the overall objective of PASEA, of improving access to water and sanitation, was defined at the level of the “population of Cabo Verde”, the intervention did not have a scale that could in fact target this national scope.

Lessons learned from this programme

- flexibility is a positive feature of LuxDev intervention, notably regarding the definition of small projects with limited geographic scope, that the organisation (Water and Sanitation Service Providers) can adjust to its need and later scale up to other regions, based on the experience acquired;
- thematic and geographic dispersion, limits consistency and depth of the achievements, hence reducing impact and efficiency;
- the promotion of energy efficiency and renewable energies is a very relevant focus in terms of sustainable impact;
- achieving significant results in sanitation in Water and Sanitation Service Providers is very difficult with one-off initiatives, as the lagging behind of the sector requires in-depth interventions;
- studies, notably for installation of equipment, without subsequent follow-up, are not a good practice, as the baseline assumptions (such as prices) may change once the following phases are actually implemented, hence reducing impact and efficiency;
- the involvement of beneficiaries in all stages of the tender process, contributes to empowerment and ownership, as well as capacity building of staff of Water and Sanitation Service Providers;
- using the experience acquire by leading Water and Sanitation Service Providers to adapt tools, procedures, etc., to other Water and Sanitation Service Providers, and promote knowledge sharing created a spill over effect and fostered ownership;
- the investment in PromoSan allowed the definition of design standards that can be replicated;
- requiring Water and Sanitation Service Providers to hire key technical staff before benefiting from a specific support is a good practice, otherwise knowledge transfer and consolidation is impossible;
- poor formulation contaminates implementation in a dramatic way:
 - results are unclear about the goods and services to be delivered to the population,
 - indicators, in some cases are unavailable or unmeasurable, and baselines and targets are not defined, and
 - hypotheses are vague, not based on evidence collected during the analysis of the context;
- as a consequence, monitoring was substandard and reporting was uninformative. Accountability is affected as well as transparency;

- synergies between Luxembourg programmes and the programmes of the government and other development partners are not fully exploited both in the formulation and implementation.

Recommendations

- formulation teams should always include sound project management skills. Technical content is critical for the success of the programmes but without a well-designed management framework it will not meet its potential;
- formulation studies should consider specific budgets for monitoring, evaluation and learning systems, as well as dedicated time for field and desk monitoring;
- during the formulation phase, the division of labour between Luxembourg's concerned stakeholders should also take these boundaries into account:
 - political and diplomatic structures (represented by the embassy) should be involved in upstream strategic tasks including the definition of objectives and corresponding targets, and
 - operational structures (represented by LuxDev) should be involved in downstream tasks as fine tuning of results, definition of activities and detailed budgets;
- LuxDev should strengthen its own internal monitoring skills to ensure that they steer the monitoring and evaluation systems of the programmes. Having the simple ability to ask the correct questions to project management teams will make a huge contribution to guide the implementation systems;
- reporting templates should be revised to ensure that they are informative and provide sufficient evidence for decision-making;
- synergy strategies should be implemented through joint activity planning with the upstream and downstream programmes and projects that have been identified in the assumptions. Whenever possible, joint activities planning should reduce transaction costs (common events, shared trainings, shared implementation of relevant studies, common data collection activities, etc.);
- increase linkages with policy decision makers, and senior management from target institutions (e.g., National Agency for Water and Sanitation, Agency for Economic Regulation) to ensure that the project deliverables are acceptable and come into force. Also make an initial assessment of approval and implementation of each legislation, regulations, tariffs and incorporate conclusion and recommendations into future programmes;
- consolidate the process of preparation of *Relatório Anual dos Serviços de Água e Saneamento*. This should include the clarification of responsibilities between National Agency for Water and Sanitation and Agency for Economic Regulation, mobilisation of both boards to ensure the allocation of technical and financial resources, the operationalisation of the IT systems, and the improvement of the capacity to audit the data reported (beyond administrative verification);
- strongly prioritise actions to reduce water losses (technical and commercial), rather than increasing mobilisation of more water resources that are later lost and represent an increase (and unnecessary) exploitation of a scarce resources;
- in the provision of sanitation services, priority should be given to the improvement of the use of Wastewater Treatment Plant, whenever possible aiming at producing water for non-human consumption, hence reduce the need for the mobilisation of new raw resources. Also, ensure the coordination with ADR, the new agency in charge of water for agriculture and livestock;
- investments in Water and Sanitation Service Providers must follow a strategic plan, hence avoiding *Ad-hoc* actions for which cost-benefit and priorities may be questionable. This will also contribute for strengthening the important of planning, implementation and monitoring within the Water and Sanitation Service Providers;
- avoid investing in studies which do not have the necessary conditions to be subsequently implemented, as they will run the risk of either not being push forward without the projects subsequent support (i.e. set-up of new water operator) or may just become outdated and their baseline assumptions change (variation of prices in technical studies for the implementation of equipment, where prices vary over time);
- focus on consolidating the technical, managerial and leadership competences at all levels for of sector institutions to equip teams to deal with the vast challenges faced under the current of sector's restructuring process. Concerning Water and Sanitation Service Providers, focus on those that are better equipped to reach a relevant level of autonomy and leadership of the sector, and concentrate intervention in key strategic areas to maximize impact;

- use the experience gained with the promotion of energy efficiency and renewable energy to reduce water production costs and improve financial sustainability of Water and Sanitation Service Providers. But take into consideration the potential negative effect that such interventions may have in reducing the, already small, customer base of energy companies;
- if pursuing PromoSan, focus should be given to consolidating the management and monitoring procedures associated with the maintenance of the infrastructure already installed, including the linkages between schools (*agrupamento*) and the Ministry, to ensure that processes are in place and sound data is collected to support decision making (and better budgeting). Also, make some adjustments to the design of the PromoSan infrastructure, notably improving the quality/adequacy of some of the equipment, notably toilet cistern (*autoclismos*) and kitchen water taps as these seem excessively fragile to the use they are intended for;
- (continue to) allow for some flexibility to adjust actions to changing needs and value small internal projects in Water and Sanitation Service Providers that can be replicated within the organisation and across other Water and Sanitation Service Providers, fostering peer knowledge exchange;
- tie key interventions to realistic commitments by counterpart, notably concerning the mobilisation of key resources (human, financial or material) to ensure continuity of results;
- define and implement a comprehensive approach to capacity building, based on needs assessment, articulated with other training initiatives (from LuxDev and other) and track the progress achieved.