

MID-TERM
EVALUATION

KSV/018

Institutional and Technical Support for the
Water Supply System, Mitrovica Region
(Phase II)

PROJECT SUMMARY DATA

Country	Kosovo
Long project title	Institutional and Technical Support for the Water Supply System, Mitrovica Region (Phase II)
Short project title	Water in Mitrovica, Phase II
LuxDev Code	KSV/018
Version of the Report	January 2017

RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	4 (Below average results, clear need for improvement). 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: 3 Efficiency: 1 Sustainability: 5

EXECUTIVE SUMMARY

The contract for undertaking a mid-term evaluation mission was awarded to COWI Belgium by LuxDev, the Luxembourg Agency for Development Cooperation, at the end of October 2016 and carried out by Olivier Demeure (team leader) and Arian Shuku (local expert). The assignment began with a Skype conference call held on 17 November 2016. The evaluation mission mobilised on 4 December 2016 and began with a briefing held at the Luxembourg Embassy in Pristina. The evaluation team spent two weeks in Kosovo, time which resulted short considering the magnitude of the evaluated project. The reader can find in appendix F the most important minutes of meetings.

The evaluation method implemented by the team has included a broad review of the water sector policy and an extensive review of different strategic departments within the company. The evaluation process has been carried out on a participative way, having an intermediary debriefing with the Chief Technical Advisor one week after the start of field mission. Moreover, the evaluator has dedicated a lot of time investigating project documentation. The team does not have the pretention to have a holistic vision on the project but has used at the best its skills in the water sector in order to sample the most sensitive issues to understand the ownership gained by the beneficiary on the different techniques and infrastructure provided by the donor.

The overall project objective is "To contribute to the reconstruction program for the northern part of Kosovo".

The reconstruction of the water supply network managed by the Mitrovica Regional Water Company represents a significant item within the reconstruction programme for the North and part of Kosovo. Moreover, the water supply service has a considerable social significance for the beneficiary population.

The specific objective is "To contribute to the achievement of a reliable and sustainable water supply to the population served by the Mitrovica Regional Water Company".

The specific objective is fairly ambitious. The reliable provision of water supply is already a reality within the project area; with the commissioning of the Shipol water treatment plant and the radical improvements brought by the project to the network. However, the sustainable character of the water supply supposes a full ownership of the various skills necessary to manage properly the company and a resolute fight against the biggest threat against it: the Non-Revenue Water. Those issues are addressed by the project Document. However, the sustainable character of the water supply does not look forthcoming. Witness of this difficulty is the non-revenue water indicator, which has raised by 1.3% (76.4% Non-Revenue Water at the time of the evaluation), since the beginning of the project, over the initial reference mark from the Objectively Verifiable Indicators table. Another indicator (not actively monitored by the technical assistance) is the weakness of the cash flow generated by the company. Non-revenue water are representing a considerable waste of resources and energy and should be tackled anyway.

The evaluation mission took place at 79% of the project lifespan. At the time of the evaluation, 67% of the overall budget is contracted. This means that the project implementation is lagging behind schedule. This can be explained by the late ratification of the project by the Kosovar Parliament. The investment schedule shows that the minimal extension of the project lifespan should be till end of February 2018, considering a two-month phasing out period. An extension till mid-June 2018 is advisable considering the difficulties met in the capacity building process.

From the title of the project, Institutional and Technical Support for the Water Supply, Mitrovica Region, it can be understood that the project is twofold. It is made from institutional and technical supports. To make the analysis simple, it should be observed that the institutional support is mostly a failure while the technical support (mainly provision of infrastructure) is providing globally outstanding results.

The evaluation mission has diagnosed serious issues within the capacity building process. Those are briefly listed below:

- The evaluator observes that the project has been lacking a holistic vision on a water utility functioning and has been repeatedly shifting from activities without consideration for the level of acceptance and integration of the proposed techniques. Important techniques provided with the donor support are still not understood at the level of the beneficiary's staff (i.e. District Metered Area techniques which are not understood and not implementable owing to internal barriers between departments within the company). District Metered Area techniques were supposed to be operational at the end of the first project phase. The fact that those techniques are still not operational 2 1/2 year after the beginning of the second project phase is representing a major failure within the project implementation. Another support provided by the technical assistance during the previous project, Geographic Information System support, has been phased out at the level of the technical assistance during the first project phase with consequence that the database created in that time has not been updated by the beneficiary and is now out-dated;
- The evaluator observes an alignment issue within the technical assistance provided to the project by its technical assistance contractor. This issue has to be addressed;
- The evaluator observes that a sizable part of the capacity building process, the standard operational procedures and the business planning procedures are delivered, but not implemented within the company, are not understood and, in most of the cases, not known. The evaluator observes that all the deliverables expected were soundly drafted, and his interpretation is that the time necessary to get ownership from this material within the company was probably insufficient at the level of the contract granted to the contractor. In order to avoid a complete loss within this activity, an addendum can be granted to the contractor in order to accompany the capacity building within the operational management staff. An alternative could be appointing a local contractor. Conversely, the contract for the development of a new billing and accounting system looks promised to a success. The evaluator considers that this has a lot to do with the bottom up approach implemented by this contractor;
- In the project management defence, it should be observed that difficulties were met during the project implementation coming from oppositions manifested against the proposed measures. Some stakeholders within the company can have different agendas making difficult the structural reform proposed to the company.

The global score considered for the project at midterm stage is 4, much closer to 5 than to 3. The evaluator expresses with this ranking that the capacity building process has to be entirely reshaped. The perception got from the evaluation process is that the core functions making a water utility manageable were not properly understood when designing the project. The different actions making the capacity building process proposed by the donor have lacked for a general concept making them interrelated in order to make the company run smoothly.

The recommendations listed below can be used as a guideline to improve the effectiveness of the capacity building process within the company.

1. The principal factor to succeed in capacity building is time. For this reason, the means and objectives assigned to the T1A6 task should be reconsidered in order to ascertain the objective.
2. An addendum should be proposed to the financial sub-contractor in order to develop ownership on the different proposed techniques. An alternative would be appointing a local contractor.
3. The infringements observed to the project alignment policy should be addressed and amended.
4. The implementing agency should concentrate, for the capacity building tasks, on core activities making water utility run smoothly. Between those activities, resuming with Geographic Information System activities, creating an asset management database, network modelling capabilities, District Metered Area monitoring techniques, a correct understanding on data transmission techniques, etc. should be considered.
5. The capacity building activities should be refocused considering a bottom up approach rather than the top down mostly used so far.
6. The Water Regulatory Office should be invited as a team member within the Steering Committee.