

Mali: Water Supply in Rural Towns, 1st Region

Ex-post evaluation

OECD Sector	Water supply and sewage disposal for poor people	
BMZ project number	1995 65 581 / 1995 70 375	
Project-executing agency	Direction Nationale de l'Hydraulique; Operation: user groups	
Consultant	IGIP	
Year of evaluation	2002	
	Project appraisal (planned)	Ex-post evaluation (actual)
Start of implementation	Q 3 1995	Q 2 1996
Period of implementation	2 years	2 years
Investment costs	EUR 6.39 million	EUR 6.39 million
Counterpart contribution	--	--
Financing, of which FC funds	EUR 6.39 million	EUR 6.39 million
Other institutions/donors involved	--	--
Performance rating	2	
• Significance / relevance	1	
• Effectiveness	3	
• Efficiency	3	

Brief Description, Overall Objective and Project Purposes with Indicators

Designed as an open programme, the project comprised the expansion of nine central water supply facilities in small rural towns (2,000 - 10,000 inhabitants) in the 1st region. A measure added at a later date involved the selective rehabilitation of five additional water supply facilities in small villages near Yélimané (also 1st region). The project purpose was to supply the population in the chosen rural towns with enough safe drinking water to meet their basic needs year-round via centralized systems that they administer themselves. In this way the project was to make a contribution to reducing water-induced diseases (overall objective). To this end production wells were equipped and water tanks, distribution networks and mainly public standpipes were constructed and/or rehabilitated. Under a complementary measure the organizational and technical operation – administered by the users themselves – as well as financial and legal aspects were supported and the population was sensitized to the use of and the importance of paying for the water. Additionally, residual funds were used to support the main service center Cellule de Conseil aux Adductions d'Eau Potable (CCAEP). The total costs amounted to EUR 6.39 million for the investment in fixed assets and to EUR 0.77 million for the complementary measure.

This project is part of a comprehensive FC commitment in the priority sector water with which German FC greatly contributed to the establishment of structures via its promotion of an innovative, decentralized operator concept for provincial areas.

Project conception / Major Deviations from the original Project Planning and their main Causes

No major deviations. Residual funds were used to carry out selective rehabilitation work and comprehensive complementary measures in five additional towns.

Key Results of the Impact Analysis and Performance Rating

Based on the indicators agreed during the project appraisal, the rate of achievement of the objectives for the project is as follows:

- The aspired average consumption of at least 10 l/cd in small towns (2,000 – 5,000 inhabitants) and at least 15 l/cd in larger towns (5,000 – 10,000 inhabitants) was achieved in five of the new towns and in all five of the additional towns. In three towns the respective values failed to be reached by a large margin.
- Due to a lack of corresponding laboratory tests, the indicator of water quality could not be verified pursuant to WHO standards; however, thus far there have not been any indications of problems with quality.
- With the exception of one town the aim of resolving interruptions in operation within 72 hours has been reached at all centers.
- Five of the new towns and three of the five additional towns have payment arrears of less than three months' revenues. Seven of the nine towns and all five additional centers have attained a tariff level that enables coverage of the operating costs and the investments in spare parts with a service life of up to 10 years.

Measured by these indicators the project purpose can be considered as having been achieved overall despite the limitations described. The fluctuation margin between the individual centers is considerable: Four towns enjoy good or satisfactory operation, two have certain difficulties, sustainability is doubtful in two other towns and in one town the project was a complete failure. Taking into account the fact that, in the five additional towns, the programme focused mainly on reinforcing the operator organization by way of the complementary measure and that it comprised only selective rehabilitation measures, the operating results in these towns also varied substantially.

Owing to its considerable improvement in drinking water supply in both quantitative and qualitative terms, the FC programme was able to contribute to a noticeable decrease in water-induced diseases. Even if no comparative data from before and after the project is available, the estimates of the health care centers and of the population confirm this hypothesis. One limitation that should be mentioned, however, is that the positive repercussions for the population's health arise primarily in areas where the per-capita consumption exceeds the aspired targets; accordingly, towns that do not attain these targets benefit less from the positive health effects.

From a sectoral perspective two key impacts should be emphasized: first, the main service center and the related operating and maintenance concept changed from being a project approach to forming part of a sector strategy applied nation-wide. Second, a tariff scheme has

prevailed which principally requires a functioning collection system in order to ensure that much more than just the running expenses are covered.

The classification of the project into the DAC categories – SHA, PD/GG 1, URO, G1 – was confirmed in the ex-post evaluation.

Summarized Justification of the Performance Rating

As regards the sustainable achievement of the objectives, we identify the following average risks:

- *Non-sustainable operation of the main service center:* The conflict between additional needed support for the water committees, an increase in the tariffs – which thus far did not cover costs – and the limited ability to render payment on the part of smaller centers in particular could be shown to be incapable of being resolved.
- *Insufficient productivity of the water user committees and the operating personnel:* Acceptance of the necessity of ongoing repairs and preventive maintenance has neither penetrated the committees nor has it caught on with the technicians. Above all the commercial side lacks a systematic tariff collection scheme.
- *Intervention by the community administrations:* Political considerations by the mayors or the community councils could lead to disregard of the contractually guaranteed independence of the user committees and especially to access to the savings.
- *Limited access for extremely poor population groups:* The resolution of the conflict between cost-covering tariffs and tariffs that are actually paid, willingness of families that are not as poor to accept cross-subsidies, limited ability of extremely poor families to pay the tariffs and the availability of alternative sources are not expected to pose any problems in the future, either.
- *High outstanding accounts:* Three factors explain the collection risk: the poor payment habits of the public sector, the limited ability of poor families – who frequently depend on money transfers from emigrants - to render payment and also the efforts by the committees, which thus far have only been partially successful.
- *Loss of value and misappropriation of the savings:* Due to a lack of corresponding investment opportunities, the savings are not protected adequately against inflation and especially not against a possible devaluation of the FCFA. The higher the savings balance, the stronger the inclination to use the funds for purposes other than reinvestments.
- *Declining money transfers from emigrants:* Finally, the extent to which the region will be able to build up its own economic basis in the long term which determines, among other things, the ability to pay for services such as water supply cannot be predicted.

Taking these remaining sustainability risks into consideration, we arrive at the following summarized estimate:

- Overall the indicators show that the project purpose has been achieved, although the fluctuation margin between the individual towns is very wide. Thus, the project's effectiveness is adequate (partial evaluation: rating 3).
- Due above all to the successful co-designing and further development of sector policy, we assign the project high relevance and significance (partial evaluation: rating 1).

- The dynamic production costs considerably exceed the estimates during the project appraisal and also exceed the users' ability to pay, even in the long term. However, coverage of the running expenses seems realistic. Additionally, some towns are able to partially finance their write-offs via tariff revenues, as stipulated by sector policy. Overall the project's efficiency is adequate (partial evaluation: rating 3).

Against this backdrop we assign the project overall a satisfactory degree of developmental effectiveness (rating 2).

General Conclusions applicable to all Projects

The transfer of the responsibility for operation to the water committees is a promising approach, especially in areas where a high degree of social cohesion has grown within the population and such social control is possible. Inversely, contradictory particular interests of families or ethnic and/or social groups inhibit the effectiveness of the approach. Factors that complicate the matter include high mobility of the population and – from a certain limit – a population figure that is too high (in this project: approx. 10,000). A key challenge for the water committees is the collection of agreed tariffs, the safekeeping of the collected funds such that they do not lose their value and also provisions for unforeseen repairs and investments in spare parts.

Qualified know-how can be bundled and provided to the water user committees via a main service center, giving them access to knowledge that they would not have been able to obtain otherwise. Prerequisites for the success of this approach are a service offer adjusted to the need for consulting services, the limitation of the conflict between consulting and controlling tasks of the service center and a financing structure that is feasible for both sides.

The WHO standards should only be used to measure water quality if there is a legitimate chance that corresponding, regular measurements are actually being conducted during operation.

Legend

Developmentally successful: Ratings 1 to 3

- | | |
|----------|--|
| rating 1 | Very high or high degree of developmental effectiveness |
| rating 2 | Satisfactory degree of developmental effectiveness |
| rating 3 | Overall sufficient degree of developmental effectiveness |

Developmental failures: Ratings 4 to 6

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| rating 4 | Overall, no longer sufficient degree of developmental effectiveness |
| rating 5 | Clearly insufficient degree of developmental effectiveness |
| rating 6 | The project is a total failure |

Criteria for the Evaluation of Project Success

The evaluation of a project's "developmental effectiveness" and its classification into one of the various levels of success described in more detail below during the final evaluation concentrate on the following fundamental questions:

- Are the **project objectives** reached to a sufficient degree (aspect of project **effectiveness**)?
- Does the project generate sufficient **significant developmental effects** (project **relevance** and **significance** measured by the achievement of the overall development-policy objective defined

beforehand and its effects in political, institutional, socio-economic and socio-cultural as well as ecological terms)?

- Are the **funds/expenses** that were and are being employed/incurred to reach the objectives **appropriate** and how can the project's microeconomic and macroeconomic impact be measured (aspect of **efficiency** of the project concept)?
- To the extent that undesired **(side) effects** occur, are these tolerable?

We do not treat **sustainability**, a key aspect to consider for project evaluation, as a separate category of evaluation but instead as a cross-cutting element of all four fundamental questions on project success. A project is sustainable if the project-executing agency and/or the target group is able to continue to use the project facilities that have been built for a period of time that is, overall, adequate in economic terms or to carry on with the project activities on its own and generate positive results after the financial, organizational and/or technical support has come to an end.