

Togo: Water Supply Sokodé II

Ex post evaluation report

OECD sector	14020 / Water supply and sanitation	
BMZ project ID	1) fixed asset investment:	1998 65 262
	2) accompanying measures (AM):	1998 70 361
Project executing agency	Togolaise des Eaux (TdE)	
Consultant	IGIP	
Year of ex post evaluation report	2010 (2010 sample)	
	Project appraisal (planned)	Ex post evaluation (actual)
Start of implementation	January 1999	November 2000
Period of implementation	27 months	36 months
Investment costs	(1) EUR 4.2 million (2) EUR 0.51 million	(1) EUR 4.2 million (2) EUR 0.51 million
Counterpart contribution	EUR 0.4 million	EUR 0.4 million
Financing, of which FC funds	(1) EUR 3.83 million (2) EUR 0.51 million	(1) EUR 3.83 million (2) EUR 0.51 million
Other institutions/donors involved	./.	./.
Performance rating	4	
• Relevance	3	
• Effectiveness	3	
• Efficiency	4	
• Overarching developmental impact	4	
• Sustainability	4	

Brief description, overall objective and project objectives with indicators

This project was the second expansion phase of the German Financial Cooperation (FC) "Water Supply Sokodé" project, the first part of which was commissioned back in 1970. The project objective was to expand the urban water supply system and improve the sanitary situation in Sokodé. The results were to be measured by the following indicators:

- connection rate increase from 50% to 75%, or 78,000 inhabitants, by 2005;
- per-capita consumption of 20 litres per day at public water points and of 35 litres per day at household connections;
- water quality in accordance with WHO standards;
- availability of water supply facilities on the basis of the number and duration of downtime events.

By seeking to achieve this objective, the project aimed to reduce the potential risk of water-induced diseases (overall objective) and ultimately to improve the living conditions of the local population. The target group was the population of the City of Sokodé (approximately 106,000 inhabitants in 2008), out of which the project planned to cover about 78,000 people by 2005.

Essential project measures included

- constructing a raw water storage facility at the river Boulaé (1 kilometre upstream from the existing reservoir) while continuing the use of the existing storage basin;
- rehabilitating and expanding the existing water treatment facility;
- rehabilitating raw and purified water lines and water storage facilities;
- rehabilitating and expanding the distribution network (including the distribution lines and 650 household and backyard connections), and constructing 34 new water points and rehabilitating 50 existing ones;
- consultancy services for drawing up detailed studies and tender documents and supporting *Société Togolaise des Eaux* (TdE) in conducting tenders, evaluating bids, awarding contracts and supervising the construction work; and
- providing personnel support, as part of the accompanying measures, in the field of sanitary education, water marketing and to assist the executing agency in implementing plans to commercialise water points, and to enable the target group to build sanitation facilities (particularly latrines and soak pits in private houses and schools) relying for the most part on their own resources, or to make better use of existing facilities.

The overall project volume was approximately EUR 4.75 million. German FC funds totalled EUR 4.29 million (EUR 3.83 million for investments and EUR 0.46 million for the accompanying measures), while the Togolese counterpart contribution made through TdE was EUR 460,000 (EUR 410,000 for investments and EUR 50,000 for the accompanying measures). *Régie Nationale des Eaux du Togo* (RNET) acted as executing agency. In 2003, it was renamed TdE.

Project design / major deviations from the original project planning and their main causes

Togo's water sector is centralised, and TdE is one of three agencies within the ministry of mining and infrastructure. TdE holds a monopoly on the water supply and sanitation sector in all major cities. It is divided into six regional directorates among which the Direction Regionale Centrale (DRC) represents the Central Region, which includes the cities of Sokodé, Soutouba and Tchamba. Before the launch of the project, TdE was giving top priority to the installation of household connections. Public water points were accepted only as a concession to KfW. As part of a comprehensive participatory survey involving the population, the demand for and the number and location of public water points were determined, but due to administrative issues, this measure was carried out relatively late during the implementation stage.

Later in the process, the demand for water decreased at the water points due to high prices, and the focus of the accompanying measures shifted mainly to water marketing and sanitary education. For that purpose, five local NGOs were hired as subcontractors. After the end of the project, they will be selectively employed according to TdE's specifications. Due to some bureaucratic hurdles in the consultant selection process, the accompanying measures were confined to a period of 15 months. Originally, they had been planned for 27 months.

Within the scope of their powers and resources, the DRC and TdE as a utility take a purpose and profit-oriented approach. They seek to charge water prices that cover their

costs, and according to their own files, the collection rate with private customers is above 91%. If private customers fail to pay their bills on time, their connection will be turned off (according to the data for October 2010, this happened to 439 households in Sokodé).

DRC documents claim that the supplied water meets WHO standards and checks are carried out on a monthly basis at ten different tapping points. Public water points are run by private operators which have been licensed by the DRC and sell the water for their own account. The per-capita data on water consumption vary between 10 and 20 litres per day. Consumption from the TdE supply system rises by 30% to 50% on average during the dry season, but people increasingly use other sources during the rainy season. Apparently, a number of households which are connected to the water network resell some of their water, but there is no detailed data available.

Taking into account the connections that were turned off (as mentioned above), there are currently some 1,440 private connections in operation. Add to that 76 public water points and 177 connections at government buildings. If the number of users is estimated at an average of 6 at private connections, 380 at public water points and 100 at government buildings, the TdE/DRC supply network covers approximately 55,200 persons in Sokodé, including

- 8,650 persons with private connections
- 28,850 persons with access to public water points
- 17,700 persons with access to government buildings.

According to the DRC, Sokodé has a total of 154,000 registered inhabitants. Therefore, the above figures translate into a connection rate of approximately 36%, and if all connections were fully functional, the rate would increase to well over 43% (just short of 67,000 inhabitants). The rest of the population that lives in Sokodé's more remote and often poorer city districts has still not been connected to the DRC water network and has to cover its demand for water from traditional wells or surface water. However, the data shows that a major proportion of TdE clients (whose number is hard to quantify) do the same for cost reasons during the rainy season.

As a result of the accompanying measures and the campaigns run by the NGOs after the end of the project (see above), the majority of the population is aware of the dangers of water-induced diseases. According to the available data, the incidence of cholera and other diseases is decreasing. And yet health risks persist, particularly during the rainy season, as perennial drinking water supplies are relatively expensive and people use them only temporarily. The majority of households have their own wells, the quality of which is rather bad, but in view of financial constraints, at least some of the households will continue to use them. The same is true for the wells that were built by religious organisations. They offer water for free, but the water quality is alarming.

Key results of the impact analysis and performance rating

At a consumption rate of approximately 10 litres per day, the average person has to spend about 30 euro cents on water per month. This corresponds to an estimated income share of 6.5%, which is higher than the average and explains why TdE customers temporarily switch to alternative sources, even though that may be questionable from a hygienic point of view.

Due to structural weaknesses and the general governance issues in Togo (particularly the poor payment behaviour of government agencies), TdE is not able to generate adequate revenues and finds itself in a permanent state of crisis; this is why it is not able to cover additional city districts and particularly the poorer neighbourhoods.

In retrospect, the project had only a limited impact in terms of poverty reduction – it was mainly the existing supply network that benefited from the measures while poorer city districts in the periphery were covered only to a very limited extent. Sokodé's poorest neighbourhood, the district of Kpangalam, has yet to build its first public water point.

In Togo (as in many other countries), it is mostly women who are responsible for fetching water. The project enhanced gender equality by improving access to water and reducing the workload of many women. They now save time which they can spend on other things. Yet there has been no sustained momentum to improve the involvement of the population. Participatory efforts were confined to the preparation phase and did not become part of the institutional set-up. As TdE has maintained its strongly centralised structure, there is still a lack of responsiveness to customers' needs.

The project failed to produce any significant environmental effects. Therefore, it appears justified, from today's point of view, to classify it as UO.

The relevance of an urban water project is extremely high in a country like Togo where most of the water supply and sanitation indicators are rather bad. Due to high population growth in the cities, it is crucial to build appropriate water supply systems to curtail the incidence and rapid spread of diseases. The project made a direct contribution to MDG 7c. It was in line with the Togolese sector policies and the focal points of development cooperation between Germany and Togo at the time when it was launched. The underlying cause and effect analysis of the project provided a reasonable link between the core issue, the project measures and the project and overall objectives. However, it failed to take into account TdE's inadequate revenue situation and the poor payment behaviour of government agencies. This issue would have required a coordinated donor approach, and the documents available do not provide any evidence to that effect. Overall, the relevance of the project is rated as satisfactory (sub-rating 3).

Although the target indicators were correctly chosen, the data available is insufficient to evaluate the project's effectiveness. In particular, there is no reliable data on the availability of the facilities and on actual consumption, and the data on water quality, which appears to be good, is based on TdE information that is not verifiable. Surveys show that the water supply is definitely sufficient to meet the essential demand for clean water (drinking water and water for cooking). The target connection rate of 75% was unrealistic, because the initial value it was based upon was too high (new studies suggest that the initial connection rate was no higher than approximately 30%) and the strong population growth had not been taken into account. We believe that the absolute numbers are more relevant: compared to the original target figure of 78,000 inhabitants, the number of people who could theoretically be connected to the network is about 65,000. This is the target figure that should have been chosen, and it is fair to assume that the project actually reached that figure after the end of the implementation phase. Therefore, the project objective was, in part, achieved, particularly as an even higher number of people have access to the water supply system through the reselling activities of connected households. The effectiveness of the project is still rated as satisfactory (sub-rating 3).

The investment costs per connected inhabitant were EUR 125. These costs of production may be regarded as appropriate, but the utilisation rate of the installed capacity is too low, running at a mere 56%. Technical water losses are not too high (20%), and the collection efficiency with private customers is very good (91%). However, due to the poor payment behaviour of government agencies, the DRC is not able to cover its operating costs. As a result, a maintenance backlog worth EUR 1.5 million has accumulated. Most likely, the DRC will have recourse to selective crisis management measures using short-term government funds to overcome the most

serious bottlenecks, but this approach is usually very inefficient. Due to the low capacity utilisation rates and the structural cost coverage deficit (for which TdE is not to blame), the efficiency of the project is rated as unsatisfactory (sub-rating 4).

As the project objectives were achieved only in part, the impact of the project falls short of initial expectations. This is all the more true as the per-capita consumption of drinking water is low and the number of inhabitants who have gained access to the water supply system is rather small. The sanitary awareness of the population may, at least in part, be attributed to the accompanying measures. Positive health effects, e.g. the reduced incidence of cholera, do exist, but from a methodological point of view, there is no convincing evidence that they can be ascribed to the project, because the use of other (traditional) sources of water is still very common. The overarching developmental impact of the project is rated as unsatisfactory (sub-rating 4).

Generally speaking, the DRC is not able to guarantee the current supply status on a permanent basis, because it lacks both the financial and human resources to supply a larger share of Sokodé's population with clean drinking water or increase the per-capita consumption of water. Nor does the DRC have the necessary resources to reduce water losses, monitor the distribution network and carry out maintenance and repair work. By common standards, the sustainability of the investment is at risk, because due to the poor payment behaviour of government agencies, TdE's revenues are not sufficient to cover necessary expenses. Officially, water utilities do not receive any government subsidies to keep their operations afloat and/or maintain their facilities. However, the government has repeatedly provided TdE with (paltry) allowances to overcome serious contingencies. Another popular option would be to raise new funds with other donors, but in Togo's case this alternative is highly unlikely at the moment. All told, the sustainability of the project is rated as unsatisfactory (sub-rating 4).

Considering the sub-ratings, the overall rating of the project is unsatisfactory (rating 4).

Recommendations for the operation of the facilities and general conclusions

One general conclusion, which may also apply to other projects, is that very stringent pricing and collection policies (as pursued by TdE) may have a counter-productive effect on the connection rate and on revenues. They need to be balanced by a stronger customer orientation. However, in a general context of poor governance like Togo, even a relatively well-functioning and committed executing agency like TdE is doomed to confine itself to crisis management measures. Structural issues such as the poor payment behaviour of government agencies require a coordinated approach of all donors so as to press for solutions either by urging government agencies to become reliable partners or by providing funds from public budgets to directly compensate for the shortfall.

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness (outcome), “overarching developmental impact” and efficiency. The ratings are also used to arrive at a final assessment of a project’s overall developmental efficacy. The scale is as follows:

- 1 Very good rating that clearly exceeds expectations
- 2 Good rating fully in line with expectations and without any significant shortcomings
- 3 Satisfactory rating – project falls short of expectations but the positive results dominate
- 4 Unsatisfactory rating – significantly below expectations, with negative results dominating despite discernible positive results
- 5 Clearly inadequate rating – despite some positive partial results the negative results clearly dominate
- 6 The project has no positive results or the situation has actually deteriorated

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates a project which has no sufficiently positive results.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and an improvement is very unlikely. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a “successful” project while a rating of 4 to 6 indicates an “unsuccessful” project. In using (with a project-specific weighting) the five key factors to form an overall rating, it should be noted that a project can generally only be considered developmentally “successful” if the achievement of the project objective (“effectiveness”), the impact on the overall objective (“overarching developmental impact”) and the sustainability are considered at least “satisfactory” (rating 3).