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FINAL EVALUATION REPORT

THE COMMERCIALIZATION OF AFGHANISTAN WATER AND SANITATION ACTIVITY (CAWSA) PROJECT

SEPTEMBER 2014

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ACRONYMS

AUWSSC	Afghanistan Urban Water Supply and Sewerage Corporation
ADB	Asian Development Bank
AFD	Agence Francaise de Developement
CAWSA	Commercialization of Afghan water and Sanitation Authority
CRR	Cost Recovery Ratio
FY	Fiscal Year
GHWSD	Ghazni Water Supply Department
GrWSD	Gardez Water Supply Department
GIZ	German Development Agency
Hh	Household
HQ	Headquarters
ICMA	International City County Management
ICRC	International Committee of the Red Cross
JSBU	Jalalabad Water Supply Department
KfW	Kreditanstalt fur Wiederaufbau (German Development Bank)
KrSBU	Kandahar Water Supply Department
LaWSD	Lashkar Gah Water Supply Department
MeWSD	Mehtarlam Water Supply Department
Mln	Million
M3	Cubic meter
MoF	Ministry of Finance
MEW	Ministry of Energy and Water
MSBU	Mazar-I –Sharif Water Supply Department
SBU	Service Business Unit
SOW	Statement of Work
WSD	Water Supply Department

I. EXECUTIVE SUMMARY

The Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) project was awarded on November 12, 2008 to the International City Managers Association (ICMA)under USAID Agreement No. 306-A-00-09-00501-00. The initial agreement was for three years at a cost of $8.5 million. USAID provided additional funding, summing to $14.2 million that extended the award to May 2014 to assist the Kandahar Service Business Unit (SBU), the Zaranj Water Supply Department (WSD); the Lashkar Gah WSD and the Mehtarlam WSD.[1] Under the amended award, CAWSA provided limited capacity building support to the Afghanistan Urban Water Supply and Sewerage Corporation (AUWSSC) Headquarters based in Kabul.

The primary purpose of the project was to establish a viable business model for water service delivery by enhancing both the technical and commercial operations at the AUWSSC's SBUs/WSDs. The business model sought to establish a cost recovery system for operations that would support long-term infrastructure. CAWSA's design included three elements: (i) technical assistance (classroom and on-the-job training) paired with capital investments and other in-kind support; (ii) embedded staff and interns hired to work at the utilities as normal staff; and (iii) performance-based incentive payments for SBU/WSD staff to achieve targeted performance indicators.

The first phase of CAWSA closed in May 2011, while the second phase closed in mid May 2014. The final performance evaluation took place after the completion of the project, between June and August 2014, with the aim of documenting project performance, as well as verifying the accuracy of the results reported, deriving lessons learned, and providing recommendations with a focus on increased cost recovery through follow-on programmatic activities with AUWSSC.

The team met or communicated with the beneficiary utilities (SBUs and WSDs) and AUWSSC Headquarters (HQ), as well as other donors and ICMA staff formerly engaged with CAWSA. The team visited the Jalalabad SBU (JSBU), Mazar-I-Sharif SBU (MSBU), Mehtarlam WSD (MeWSD), and Kandahar SBU (KrSBU).[2] The evaluation team invited the Ghazni WSD (GhWSD) and Gardez WSD (GrWSD) managers to interviews in Kabul. The Zaranj WSD (ZWSD) and Lashkar Gah (LaWSD) officials were contacted via phone call interviews and a survey. Evaluation tools used included a review of CAWSA reports coupled with a survey and semi-structured interviews with stakeholders, beneficiaries (SBUs/WSDs) and customers whenever possible. The team

[1] Tarin Kot WSD was also included but dropped shortly with USAID consent.

[2] As was agreed with USAID, Ghazni, Gardez and Zaranj could not be visited, either for security reasons or impossibility to travel and lodge (Zaranj). Lashkar Gah proved challenging first in finding the contacts of the manager, and upon holding the first phone interview with him, became quite evident that a visit was not necessary.

paid special attention to assessing the cost recovery ratios (CRR). Data triangulation was used to increase reliability of assessment results. The data and information were analyzed in a qualitative and quantitative manner, the latter consisting mostly of the CRR calculations based on data obtained from the SBUs and WSDs.

The evaluation questions emphasized the identification of major effects of CAWSA interventions on SBU/WSD performance and the sustainability of those achievements; assessment of the appropriateness of project design and implementation; investigation of any synergies with other donors; an assessment of gender issues, and the formulation of conclusions, lessons learned and recommendations. The findings seek to provide a comprehensive understanding of the characteristics and status of the SBU/WSDs, both during the period of active CAWSA implementation, and now that CAWSA has closed. The findings outline what effect CAWSA had on management and service level performance in the SBUs and WSDs in order to arrive at objective conclusions on the effects and sustainability of CAWSA.

Main Findings:

CAWSA's interventions introduced water utility management concepts and procedures that improved management's performance, particularly with respect to customer service. These improvements in management included the creation of customer databases, introduction of adequate billing and collection procedures (proper billing forms delivered to customers for collection and payment to collection officers), development of communication systems, and selective computerization of accounting and financial systems. CAWSA also introduced network maintenance procedures. In addition, CAWSA's capital investments and in-kind assistance had a considerable effect in upgrading the working conditions and work environment, laying the foundation for long-term improvement of performance. The perception of CAWSA's assistance by all SBU/WSD managers and other staff was very positive.

The findings on Cost Recovery Ratio (CRR), do not suggest any significant improvement in most of the SBU/WSDs (except Gardez), both according to CAWSA reports and data from the SBU/WSDs and AUWSSC. The data obtained from the SBU/WSDs show that the staff capabilities in finance and accounting are very low in all SBU/WSDs.

The evaluation's findings on Continuity of Supply (hours of piped water availability) during the years of CAWSA's active intervention suggest a very low level of service for four utilities (Mazar SBU 0.5-1 hr/24, Jalalabad SBU 2hr/24, Ghazni WSD and Mehtarlam WSD 1hr/24); negligent levels of service in Lashkar Gah WSD (2.5hr/24 split between morning and afternoon for 20 public taps):[3] reasonable service in Gardez WSD

[3]According to LaWSD, potable water is provided only through 20 public taps, and 2.5 hours split between morning and afternoon.

and Zaranj WSD (where CAWSA and SBU/WSD data are available); and unknown service in Kandahar. None of the SBUs/WSDs are currently capable of meeting their customers' daily demand for water, as all utilities suffer from either insufficient or a complete lack of network infrastructure, storage capacity and equipment. At the same time, the customer base is generally willing to pay for improved service, even if tariffs are higher than their current amounts. In particular, in Zaranj there is a high and unmet demand to connect to the network.

CAWSA's achievements in terms of capacity building appear quite sustainable in Jalalabad (JSBU) and Mazar-i-Sharif (MSBU), moderately sustainable in Gardez (GrWSD), barely sustainable in Mehtarlam (MeWSD), and unsustainable in Ghazni (GhWSD) and Zaranj (ZWSD), unless these last three are supported further with a combination of substantial infrastructure improvements and technical assistance. Any achievements or improvements in Kandahar and Lashkar Gah were not sustainable. However, based on the evaluation team's observations of past and current levels of Continuity of Supply for most of these utilities, it was unrealistic to expect any long-term or sustainable changes in overall performance (including cost recovery) without significantly improving the utilities' ability to deliver higher quantities of water.

Sustainability of any technical assistance to AUWSSC HQ, including that delivered under CAWSA, is almost entirely dependent on donors' decisions to continue subsidies for key staff salaries, which appears to directly affect and determine staff continuity.[4]

The CAWSA project introduced commercial water utility principles that were suitable to the context of a majority of the SBU/WSDs, and introduced sound management and work-environment practices to all staff. The design of CAWSA—which combined technical assistance (TA) with capital investment, and embedding CAWSA staff within the utilities—was particularly beneficial, because it promoted positive synergies between these two components. However, the amount of the capital investments was not sufficient to resolve any major problems and the investment was not matched to the utilities' priority needs, nor was it proportional to each system's size.

The assumptions and targets related to CRR were too ambitious given the limited capabilities of the utilities' personnel and infrastructure. Achieving higher CRR targets may be more realistic in a follow-on project, but only after necessary infrastructure and other physical system improvements can be coupled with the provision of more qualified key staff.

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[4] Indications from communications of the evaluation team with the World Bank representatives suggest that the WB is considering to discontinue its supporting of AUWSSC with salaries any longer.

On gender, CAWSA's approach was optimal given the context. However, financial restrictions, combined with cultural barriers and a poor understanding by the SBU/WSD managers of the importance of gender-sensitive billing of the customer base (CAWSA supported gender-sensitive billing by hiring female meter readers who were able to access households when only women were at home) prevented a continuity of CAWSA's practice to involve female staff.

Main Recommendations:

The evaluation team determined that future programming may benefit from using existing CAWSA design elements, but should be combined with other components, most notably, a business planning component. This component and others would need to conform better to commercialization objectives. Other considerations (and recommendations) provided within this evaluation regard strengthening both the position of the donor (USAID) and any future programming by ensuring the involvement of AUWSSC HQ, especially in ensuring that staff in targeted SBUs/WSDs meet minimum technical qualifications.

In addition, more attention should be paid to the selection of utilities and an assessment of their infrastructure conditions, as well as staffing needs and capacities prior to activity implementation, in order to determine more realistic expectations and appropriate capital investment to facilitate project objectives. This may result in more focused assistance in a smaller number of utilities. Finally, and in relation to the possible need for focused assistance, other types of projects, such as management contracts could be considered.

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II. INTRODUCTION

1. PROJECT BACKGROUND

The Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) project was awarded on November 12, 2008 to ICMA under USAID Agreement No. 306-A-00-09-00501-00.The initial agreement was for three years, at a cost of $8.5 million. The primary purpose of the project was to establish a viable business model for water service delivery in Afghanistan by enhancing both the technical and commercial operations at the AUWSSC's water supply and sanitation utilities. The business model of CAWSA sought to establish a cost recovery system for operations that support long-term supply and sanitation infrastructure, and to identify incentives to motivate water utility staff and improve overall Afghan water utility performance.

The cooperative agreement was scheduled to end in November 2011. USAID modified the agreement three times between 2011 and 2012, to increase the project's scope and funding. As activities in the originally-supported AUWSSC locations ended at the start of 2012, USAID provided additional funding and extended the award to assist the Kandahar SBU, Zaranj WSD, Lashkar Gah WSD, and Mehtarlam WSD,[5] keeping intact the project's original purpose and extending the funding for the second phase until May 2014. Under the amended award, the project also provided limited capacity building support to AUWSSC Headquarters in Kabul, raising the agreement's total estimated cost to $14.2 million.

2. EVALUATION PURPOSE

The aim of this CAWSA final performance evaluation is to assess the performance of USAID's assistance to the AUWSSC's SBUs and WSDs through the CAWSA project. The evaluation also aims to determine the accuracy of the results reported, derive lessons learned, and provide next steps and recommended course of actions with a focus on increased cost recovery through follow-on programmatic activities with AUWSSC. The evaluation findings will inform the design of any follow-on project and the USAID water team's future strategy. Annex I contains the evaluation statement of work (SOW).

[5]Tarin Kot WSD was also included but dropped shortly with USAID consent.

3. EVALUATION QUESTIONS

The evaluation questions as outlined in the SOW are listed below. This report will present findings by utility (SBU/WSD), followed by consolidated answers to evaluation question in Section 4 of this report.

- Questions 1 and 2 (combined as per SOW): In what areas of management and service level performance were CAWSA interventions responsible for improvements? In particular, what specific areas most strongly affected cost recovery? In what areas were identified failures? *Based on analysis of the specific SBU/WDS activities, including results against objectives, how well have the activities improved sector performances, what new practices were introduced, and in what areas the program was not successful.*
- Question 3: What recommendations can be made with respect to increasing cost recovery through infrastructure network expansion, availability of a sustainable water supply, electricity costs to pump water and further capacity building activities? Please provide examples.
- Question 4: How sustainable are the capacity building activities and technical skills transferred from CAWSA? *To what extents have SBU/WDSs have actually integrated in their daily performance the CAWSA work procedures and management tools? What staff capacity gaps they experience? What capacities are there in the sector (at AUWSSC HQ level, in particular) to transfer skills to SBU/WDSs?*
- Question 5: Was the project correctly designed, managed and implemented? Provide recommendations for future programming. *Identify the approaches – from strategy, management and implementation – that enhanced the project and identify the ones that can be replicated in the future. Also, identify the ones that weakened the project.*
- Question 6: How have CAWSA efforts ensured women participation and empowerment?
- Question 7: What were the major success factors and challenges faced by CAWSA and the lessons learned during the implementation of the program that should be integrated into a follow on program?
- Question 8: What were, if any the development impacts and aid effectiveness? *Has CAWSA been effective at integrating other development activities in a way that maximizes development impact and aid effectiveness? If so, are there specific ways that this has been accomplished that could inform future USAID programming?*

4. REPORT STRUCTURE

The report is structured to achieve the following: (i) answer the evaluation questions and provide a verification of Cost Recovery Ratio results reported under CAWSA, and (ii) present specific information on each SBU/WSD and AUWSSC, in order to enable the reader understand the context and appreciate better the conclusions and recommendations made. For this purpose, findings and conclusions from each SBU/WSD (excluding those

related to CRR) are presented separately per utility and a separate section is reserved for the analysis of data for CRR for all SBU/WSDs. In addition, in the same section along with CRR, the team assessed another key indicator, which is Continuity of Supply. Finally, there are sections on gender and donor cooperation, which address Evaluation Questions 6 and 8.

Section III discusses the evaluation methodology. Section IV focuses on findings and conclusions from AUWSSC HQ, and then from all SBU/WSDs, separately; then CRR and Continuity of Supply. Section IV provides finally presents consolidated findings, related conclusions and recommendations organized around each of the evaluation questions.

III. EVALUATION METHODOLOGY AND LIMITATIONS

The evaluation methodology was based on primary information obtained directly through field visits to the utilities and AUWSSC HQ; interviews and phone calls to key stakeholders; secondary data sources, consisting of a thorough desktop document review; and analysis of CAWSA activity reports for each of the eight SDU/WSDs concerned, as well as at AUWSSC's headquarters.

The team met or communicated (when meeting was not possible) with the beneficiary utilities and AUWSSC HQ, other donors, and ICMA staff engaged with CAWSA. The team visited the JSBU, MSBU, MeWSD and KrSBU.[6] The evaluation team invited and met with GhWSD, and GrWSD managers in Kabul. The ZWSD and LaWSD managers were interviewed via phone, and a survey was used for Zaranj, in addition.

Methods used for this evaluation included a survey, semi-structured interviews with stakeholders, beneficiaries (SBUs/WSDs) and, whenever possible, utility customers, and desk review of reports. The data were analyzed in a qualitative and quantitative manner, the latter consisting mostly in the calculations of CRR based on data obtained by the SBU/WSDs.

As identified in the tables below, traditional water utility indicators and data types were employed to understand the overall characteristics of each of the concerned utilities. The evaluation team requested and received data related to CRR from SBU/WSDs and AUWSSC in order to address USAID's specific request to verify the CRR results reported by CAWSA.

The evaluation team requested detailed historical cost and revenue data from the companies and AUWSSC HQ,[7] beginning one year before CAWSA began to the end of 1392 (2013) and first quarter of 1393 (2014). The evaluation team also reviewed CAWSA progress reports, both provided by USAID visa ICMA, and by ICMA directly to the evaluation team. The evaluation team used these documents to examine reported values for the CRR (presented in Annex 6, which also identifies cases of inconsistent reporting of CRR under CAWSA). The data obtained from the utilities were aligned, in terms of calendar quarters and fiscal years, with CAWSA's reporting to enable a comparison, because all data in SBU/WSDs are recorded and reported according to the Shamsi calendar. CAWSA's reporting of project indicators (PIs), done only for quarters and

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[6] As was agreed with USAID, Ghazni, Gardez and Zaranj could not be visited, either for security reasons, or impossibility to travel and lodge (Zaranj). Lashkar Gah proved challenging first in finding the contacts of the manager, and upon holding the first phone interview with him, became quite evident that a visit was not necessary.

[7] Of which, provided data: (Jalalabad and Mazar monthly data, Zaranj quarterly, Mehtarlam, Gardez and Ghazni annual), while Kandahar did not. Lashkar Gah does not have any data, neither AUWSSC has any data on this city.

never for full years, was inconsistent – sometimes following one or the other calendar. (Also the numbering of quarters in CAWSA reports was incomprehensible, not clearly indicating which was the first quarter, and clarified only after asking ICMA).

The evaluation team calculated CRR, providing detailed explanations as to how the calculations were performed. *(For further details see Section 4.10- CAWSA Reported CRR and hours of Water Supply and Findings from Evaluation).*

Data Triangulation was applied to the extent possible. For example, one approach was to request and obtain AUWSSC's cost and revenue data for the same utilities, and then compare CRR results derived from data from SBU/WSDs with those derived from AUWSSC HQ data. In addition, the evaluation team asked the companies to re-confirm and/or verify their own data after the first submissions, resulting in corrections. In particular and whenever possible, the evaluation team did not rely on numbers provided verbally during interviews, but rather relied on numbers provided by the utilities, originating from their systems. Whenever data were obviously incorrect,[8] the team followed up with phone calls and emails until necessary clarifications and/or corrections were effectuated.

Limitations

The limitations experienced by the evaluation team in conducting this evaluation consisted of the team's inability to visit all sites due to security; the short time allowed for each site visit (one day); the varying degrees of responsiveness from SBU/WSDs staff and more importantly, their level of understanding of the issues concerned; and the level of accuracy of the data reported by the SBU/WSDs.

[8] Identified by applying judgment, viewing and comparing with trend of previous years, or abnormal data, etc

IV. Findings and Conclusions:

AUWSSC HQ, SBU/WSDs, Cost Recovery and Continuity of Supply Results

This chapter presents findings on AUWSSC and all CAWSA-supported SBU/WSDs evaluated. These findings are based mainly on fieldwork conducted by the evaluation team during June-July 2014, consisting of: interviews with counterparts; and data obtained from the utilities, AUWSSC, the World Bank, and CAWSA reports. The CAWSA reports (submitted on a quarterly basis to USAID) mainly describe the work done by CAWSA in the utilities, and document the results achieved. This section begins with an overview of the CAWSA project, and continues with specific findings and conclusions with regard to the performance and daily operating status of AUWSSC HQ and each SBU/WSD. Finally, this section presents findings and conclusions on Cost Coverage Ratio and Continuity of Supply results.

1. CAWSA – Summarized Support And Challenges – Phase I and II

As stated above, the CAWSA approach to improving the performance and sustainability of targeted SBUs and WSDs can be summarized as follows:

1. A combination of technical assistance (classroom and on-the-job training) with capital investments and other in-kind support through the Small Grants Fund, applied in all eight SBU/WSDs.
2. Use of embedded staff and interns hired to work at the utilities as normal staff and also perform on-the-job training.
3. Use of incentive payments for SBU/WSD staff to achieve targeted performance indicators.

CAWSA funds available through the Small Grants Fund were insufficient to meet the needs for virtually all the SBU/WSDs, so CAWSA undertook two supplementary strategies: (i) coordinating with other donors, and (ii) assisting the CAWSA-supported utilities in identifying and leveragingpotential funding offered through the Provincial Reconstruction Teams (PRTs) and other donors.[9]

The CAWSA approach is summarized in Table 1 below. This table breaks down CAWSA interventions per SBU/WSD by trainings, interns, embedded staff, Small Grants Fund disbursements, incentive payments, and externally leveraged funds. As shown below, the distribution of funding (both for technical assistance and Small Grants) was substantially

[9] None proved fruitful, in spite of the effort, due to non-responsiveness or very limited response by other donors.

less during Phase II, and the distribution of assistance/funding was not proportional to the size of each beneficiary utility.

According to CAWSA reports,[10] CAWSA interventions introduced various work procedures and systems to improve operations at the SBUs. These activities included development of the SBU-level work program budgeting matrix, and new financial reporting and controls procedures. These newly introduced financial procedures, included: many accounting forms and financial statements, profit and loss statements, balance sheets, sources and application of funds statements, billing and collection systems, and inventory management systems. CAWSA also assisted in developing job descriptions for SBUs to improve human resources functioning. CAWSA also developed templates for computation of depreciation, and of sinking funds to identify replacement of fixed assets. These were all implemented at all SBUs.

In the area of customer service, CAWSA implemented customer awareness programs, customer hotlines, and complaints handling systems. In addition, CAWSA developed and implemented numerous databases to meet the specific requirements of individual SBUs, such as tracking systems for warehouse inventory transactions and balances, customer accounts, customer complaints and follow-up, infrastructure identification and management, asset depreciation, and maintenance management data.

CAWSA reports identify numerous difficulties and challenges faced through the life of the project, including: the initial low level of staff competency; inadequate office space and equipment; lack of infrastructure; inadequate revenue due to low tariff structures and excessive water losses; severe security threats; and travel constraints, both due to security and logistics, which made it difficult to visit most of the provincial AUWSSC locations.[11] CAWSA reports document these difficulties in detail and provide information on measures undertaken to overcome them. Based on the evaluation team's interview with the former CAWSA Chief of Party, other un-reported challenges included:

1. Difficulty in retaining national project staff: Initially, local staff members were hired from Kabul, but later CAWSA focused on hiring local staff from the provinces, and then provided for training and orientation for those local staff.
2. Under-qualified or a lack of staff at the SBU/WSDs: As local staff were hired from the provinces, their level of education and qualifications were not as high.
3. Land ownership issues: Two such problems occurred when building infrastructure in Ghazni and Gardez.

[10] Refer in particular to Annex 26 of CAWSA Final Report.
[11] CAWSA Final Report.

Table 1: Summary of CAWSA TA and Capital Funding

	AUWSSC HQ	Mazar SBU	Jalalabad SBU	Ghazni WSD	Gardez WSD	Kr SBU	Zaranj WSD	Meht. WSD	LKG WSD
Trainees	226	1063	491	187	251	156	74	136	113
Days of Training	591	2963	1374	570	997	873	1091	591	224
No. of training topics[12]	12	25	29	21	26	27	14	16	8
Interns paid by CAWSA[13]	n/a	24 (11F)	5 (4F)	4 (1F)	5	7	2 (1)	2 (1F)	3 (1F)
Embedded staff[14]	n/a	7	9	5	5	6	2	3	4
Small Grants Funds	n/a	**$152,211**	**$151,481**	**$157,551**	**$140,327**	**$ 47,438**	**$26,607**	**$ 41,645**	**41,368**
Incentive Payments						**$ 68,926.35**			
Leveraged funds (confirmed)[15]	non appl.	$0	$0	$252,166	$150,000	**$0**	**$0**	**$0**	**$0**

[12] This item and the preceding two are sourced from CAWSA Final Report, Annex 2.
[13] ICMA email of end July 2014.
[14] Ibid.
[15] All figures confirmed directly with SBU/WSDs as of July 2014.

According to the same (but also mentioned in CAWSA reports), it was particularly difficult to work in Kandahar, due to non-sufficient cooperation from the manager. In addition, for Kandahar, Mehtarlam, and Lashkar Gah, it seems there was a serious problem with staff capacity.

2. AUWSSC HQ:

a. CAWSA support to AUWSSC HQ

CAWSA was tasked with developing and implementing technical and managerial improvements at AUWSSC Headquarters through training, workshops, study tours, on-the-job training, and embedded staff support. CAWSA provided three embedded Afghan advisors and one short term expatriate to provide technical assistance to AUWSSC senior management, and their procurement and finance departments. Staff embedded at the AUWSSC headquarters in Kabul facilitated trainings for HQ staff and SBU level counterparts. The embedded staff also introduced management techniques that facilitated enhanced information-sharing and more agile corporate decision-making across the network.

The CAWSA project provided high-level recommendations and drafted Corporate Resolutions for the AUWSSC Board of Directors to improve bill collection enforcement mechanisms. CAWSA also worked with the national power utility to reduce AUWSSC's power tariffs from industrial rates to residential rates, and to rationalize and increase water tariff rates at each SBU to levels that would increase cost recovery and improve their commercial sustainability. Those adjusted tariff rates were determined based on the true local cost structure and the physical condition of the network of each SBU. However, the ultimate tariff increase was applied uniformly throughout all of Afghanistan in June 2012.[16]

b. 4.3.2 Findings, Conclusions and Recommendations on AUWSSCHQ

Findings:

AUWSSC managers expressed their appreciation for CAWSA's support, both at the Headquarters and the SBU/WDSs, but reported to the evaluation team that this support was limited in its scope. Key informants at AUWSSC HQ mentioned the following interventions as being particularly helpful: the provision of some key, qualified staff at AUWSSC HQ through CAWSA, several trainings conducted, and the drafting of a number of procedures and technical manuals.[17]

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[16] A complete account of CAWSA support activities to AUWSSC HQ is included in Final CAWSA Report.

[17] Including AUWSSC Gender Policy (Oct 2013); AUWSSC Communication Plan (Oct 2013); AUWSSC Strategic Business Plan 2014 – 2024 (Oct 2013); AUWSSC Technical Operations and Maintenance Manual; AUWSSC Standardized Job Descriptions

The evaluation team asked AUWSSC representatives to express any concerns they have about the sustainability of the sector and the utilities. They mentioned an array of congenital shortcomings in the sector, including a lack of proper infrastructure and/or conditions that present barriers to proper service provision. Those barriers include scarce water resources, very low performance levels, financial unsustainability of utilities, lack of qualified staff, and dysfunctional or absent sector institutions (e.g., absence of a comprehensive and coherent regulatory framework, low support from the Ministry of Urban Development, etc.)

AUWSSC, while being the service provider for the urban sector, has been performing some additional functions as the economic regulator. The current tariffs were calculated and proposed by AUWSSC and the Operations Department (in charge of tariff proposals), is preparing to submit a proposal for another tariff change to the Government and the President's Office.

AUWSSC is entirely dependent on donor support, and despite a substantial 2012 tariff increase, AUWSSC in its entirety runs at a deficit. Donor support provides subsidized salaries for senior staff at HQ and the general managers of SBUs, as well as subsidized funding for infrastructure, buildings, and technical assistance. AUWSSC interviewees believe that the sector needs continued, long-term donor support to survive, in no small part because qualified AUWSSC staff will likely only remain if high salaries will continue to be paid by donors. The support provided by AUWSSC HQ in Kabul to the SBUs and WSDs in the provinces is limited, and the feedback from AUWSSC interviewees is that HQ is not in a position to support SBUs with training. However, it is worth noting that the Finance Department of AUWSSC is currently working to verify and correct the data from the SBUs/WDSs, thus creating a fairly comprehensive updated database at HQ level.[18] This centralized database is a first step to raise awareness among SBU/WSDs of the need to implement more accurate accounting standards and procedures.[19]

***Conclusions**:*

The institutional capacity at AUWSSC is very limited. AUWSSC HQ does not currently have the capacity to assist SBUs/WSDs with necessary support, including training and coaching at a minimum. Even training for the purposes of enforcing standardized procedures for accounting, data recording and reporting is needed, and AUWSSC has not been able to provide this support.

Furthermore, the sustainability of technical assistance that has been provided to AUWSSC HQ - through projects like CAWSA and other such as the World Bank (WB) - is highly

[18] Work is still ongoing as this report is being written, with verification of 2013 data, and will be shortly followed by an audit for all SBU/WDSs, by an outside, contracted auditor.

[19] Not the same can be stated for the data from the Operations Department, as data received from them reveal some obvious inaccuracies and are not updated.

vulnerable and almost entirely subject to the donors' decisions to either continue or discontinue salary subsidies, which will determine how long or if key staff will remain at AUWSSC.[20] The current payments by donors for AUWSSC staff support staff retention, and ensure qualified staff to some extent over the short-term, but it is counterproductive and unsustainable in the longer term.

The fact that the roles of service provider and the regulator are simultaneously vested in AUWSSC creates an obvious conflict of interest, and is against the principles of division of the functions of policymaking, regulatory and service provision.

***Recommendations*:**

The evaluation team recommends that the Government of the Islamic Republic of Afghanistan (GIRoA), with technical and financial support from USAID approve and implement changes in the commercial water sector to promote the efficient functioning of AUWSSC. In light of risk of staff loss at AUWSSC as a result of cutting subsidized salaries, consideration should be given to prompt assistance to AUWSSC with new staff recruitment combined with the WB efforts to convince the GIRoA to allow AUWSSC a salary structure comparable to that of the private sector. Over time, the salaries of AUWSSC employees should be linked to the performance of SBUs. In time, AUWSSC salaries (or an established percentage) should come from SBU contributions.[21]Serious consideration should also be given to create an economic regulatory structure, supported by donors for some time.

3. JALALABAD SBU

The Jalalabad SBU (JSBU) was part of the Phase I CAWSA, starting on November 2008 and ending in May 2011. The evaluation team visited the JSBU on June 25, 2014. In the course of the visit, the team interviewed the current head of JSBU and met with other senior staff.[22]

CAWSA Activities in JSBU

CAWSA reports state that the project supported 491 trainees and a total 1,374 days of training for JSBU. CAWSA also employed five interns (four of which were females), spent $151,481 as Small Grants Funds, and paid $69,112 in incentives to JSBU staff during the life of the project. Furthermore, CAWSA assisted JSBU in applying to other donor organizations for 36 infrastructure projects, but according to interviews with JSBU's management, none were realized.

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[20] Indications from communications of the evaluation team with the World Bank representatives suggest that the WB is considering to discontinue its support of AUWSSC salaries.

[21]The World Bank is trying to get agreement from the GIRoA to treat the water and electricity utilities the same way - both are revenue generating entities, but the electricity utility seems to be able to recruit outside civil service salary norms from the private sector - this appears not to be the case with the water utility-

[22] For details on people met at JSBU and all the rest, see Annex 4 – List of People Interviewed and Consulted.

The scope of trainings performed included all functional areas of the utility.[23] CAWSA also assisted in the preparation of a computerized customer database[24] to enable high quality customer service and billings/collections, billing forms, computerized financial data and reporting, consolidated financial/commercial reporting to AUWSSC, analysis of past due accounts, calculation of depreciation, inventory computerization of historical inventory transactions, analysis of 2009 inventory movements to estimate baselines for performance budgets and restocking of warehouses, reporting procedures to establish basis for performance standards, program budgets and improved technical/commercial planning. The infrastructure improvements, ($151,481) included: construction of a customer care building; network extension; construction of boundary wall and valves chambers; construction of shelters for generators; provision of emergency maintenance funds; provision of IT and office equipment; provision of four sets of transformers; provision of submersible pumps with panel boards and provision of technical equipment.

Table 2: JSBU Utility Size, Service Level Data

JALALABAD SBU - Statistics			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
Household	4,315	4,910	9,225
Commercial	*206*	-	*206*
Government	*107*	*15*	*122*
Mosques	*8*	*52*	*60*
TOTAL Connections	**4,636**	**4,977**	**9,613**
Est. People/household	8		
Est. Pop Served	**85,800**		
Hours of daily supply	**2014:**2 hours **CAWSA years**: Average 1 hour a day		
Total Annual Production 2013:	*1,470,041 m3*		

JSBU characteristics, size, service level

Jalalabad has an urban population of 206,500[25] (the population within the jurisdictional area of JSBU).[26] Based on data collected from JSBU, the company has, as of end of first quarter of 2014 (1393), 9,613 connections, of which 4,636 are metered and 4,977 unmetered. By assuming a density of 8 capita/Household (Hh),[27] the estimated served population is 85,800,

[23] See Annex 26 of CAWSA Final Report for a full account of trainings of all SBU/WSDs.

[24] GTZ had implemented a computerized customer database that is functioning in Herat, Kunduz, and Kabul, and CAWSA used this database in Jalalabad. CAWSA improved the database in collaboration with GTZ.

[25] Source: Central Statistics Organization of Afghanistan. Most recent statistics available 2012-2013. See: http://cso.gov.af/en/page/demography-and-socile-statistics/demograph-statistics/3897 Accessed on 28 July 2014.

[26] This is a reasonable assumption, given the scope of AUWSSC, which covers the urban population.

[27] This estimate from interviews with JSBU was 10capita/Hh. The evaluation team chose to use the estimates used by ICMA for Hh density (8) and est. people served by each mosque as (200) (See MoU with JSBU). This approach in calculating est. population served is used for all cities in this report.

which equates to a population coverage ratio of 41.5 percent.[28] According to the JSBU manager, the company currently supplies water 2 hours/24hrs, while other senior staff confirmed that during the CAWSA implementation years,[29] the schedule was two hours every other day, equivalent to an average of 1hr/24hrs. Table 3 shows in part the information above.

Based on historical data provided by the JSBU (2009-2011), the number of connections increased from 986 and 1086.[30] JSBU is equipped with a laboratory, (CAWSA contributed to construction of the lab space) and performs regular testing of water quality in the wells only, but not on the network, while the manager confirmed they use chlorine to disinfect the water. According to the JSBU manager, water losses are still high at 40 percent,[31] and there is no leak detection equipment. The JSBU manager confirmed that there were no private water networks in his service area competing with the JSBU. The tariffs applied are based on the 2012 Presidential Decree on Water Tariffs (See Annex 7-Tariff Structure for Urban Water Supply in Afghanistan). The JSBU did not confirm the application of lower tariffs for poor households, as foreseen in the decree.

Beneficiary perception of CAWSA

CAWSA's work was praised by the JSBU manager, and he rated it overall as "good."[32] Particular praise went to management tools and capital investments (and other support with furniture and equipment), although the latter were not deemed sufficient to cover their needs. The expressed feeling of the JSBU manager was that the "management performance of the JSBU had improved markedly as a result of CAWSA."

Effect on management tools and performance

Visual inspections by the evaluation team confirmed that the JSBU is well equipped. They maintain and use the computers, printers, and office facilities purchased through CAWSA. JSBU has a computerized billing system, as well as accounting systems in place and actively utilized. The JSBU Manager confirmed that they continue to use CAWSA procedures

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[28] To note that population coverage here is calculated as: Est. population served/Est. total population in jurisdictional area. This is the standard definition of this important indicator and differs from CAWSA definition for population coverage. It was impossible for the evaluation team to assess it as CAWSA did. This indicator is not meant to be compared with coverage as calculated under CAWSA.

[29] The current JSBU manager started working at the JSBU after CAWSA, and while he was very informed from his staff on CAWSA activities and impact, particular questions like this were asked to other senior staff who was working at the JSBU during CAWSA.

[30] Although CAWSA did some network extensions, it is not clear whether the resulting number is the outcome of CAWSA activities only.

[31] To note that all estimations given by the SBU/WSDs on water losses are completely arbitrary, in the conditions when there is no zone metering and no procedure to estimate water losses. CAWSA did not include water losses in its parameters precisely because was not possible to estimate them with a sufficient degree of accuracy.

[32] The evaluation team had included a standard question for the heads of SBU/WSDs to rate the impact of CAWSA on overall performance. The scales were: 1. "None" 2. "Poor", 3."Average", 4. "Good", 5. "Very Good". As we will be seen further, all SBU/WSDs rated CAWSA impact as GOOD, mainly due to their perception of insufficiency of capital investments. To note that the rating expresses a very subjective view, as was not always sufficiently justified with examples by the same managers.

(customer services, financial recording and reporting, network maintenance, procurement).In fact, the data requested by the evaluation team from JSBU were computer-generated and consisted of monthly records. JSBU has also GIS-generated network maps.

JSBU works to raise citizen's awareness about water-related issues, by using mosque gatherings and clerics to advocate paying bills on time. When there is an extension of network in a new area, the company intends to conduct prior research and estimate demand. Also, the messages sent to the public include awareness of water quality (stressing the fact that chlorine is used, hence networks provide better quality water), thus potentially attracting new customers.

Staffing and other needs

JSBU has a total staff of 64, which yields a staff usage efficiency ratio of 6.6 staff/1000 connections, an acceptable parameter for Afghanistan.[33] However, staff is expected to reach 87, according to their organizational chart, as approved by AUWSSC. JSBU confirms there was no loss of key, qualified staff after CAWSA left (rather, the financial manager embedded by CAWSA continues in his position). However, the head of JSBU complained of a lack of qualified technical staff.

The priorities of JSBU, as confirmed by the manager consist entirely on network repair and replacement (out of 184km of network they need to change 46km of badly damaged network) expansion, metering and raising production capacity. One concern they expressed was the cost of fuel and energy for pumps.

Conclusions

CAWSA helped to upgrade the overall management performance tools utilized at the JSBU. In the opinion of the evaluation team, the technical assistance (TA) improvements are sustainable, and the combination of TA with capital investments was the key to CAWSA's effectiveness at JSBU. According to interviews with the JSBU managers, the factors that had the greatest effect were customer service improvements and network extensions (circa 1000 new connections). However, the evaluation team examined JSBU's own data as well as AUWSSC data, and did not find evidence to support that either factor had any great impact on cost recovery.

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[33] Staffing level is a parameter based on empirical standards. The minimum value is 2-3 staff/1000 connections, while the maximum can go over 10, but considered not efficient, generally. Subjective factors for overstaffing regard abusive creation of jobs for favoritism, (not necessarily needed), and this is not a rare phenomenon in the public sector, particularly in developing countries. Objective factors that condition staffing levels include the level of technological sophistication of the network, security i.e. necessity to physically guard pumping stations, etc. Considering the latter factors, the reported parameter for Afghanistan is reasonable.

4. MAZAR – E – SHARIF SBU

The evaluation team visited Mazar-e-Sharif (MSBU) on July 8, 2014. The team interviewed the head of MSBU and met with other senior staff, and visited several office premises and facilities. Upon the team's request, MSBU made available technical and financial data.

CAWSA activities in MSBU

According to CAWSA reports, CAWSA supported 1,063 trainees and a total of 2,963 days of training for MSBU, employed 24 interns (11 of whom were females), spent $152,211[34] in capital investment and other material assistance and paid $69,112 in incentives to MSBU staff during the project duration. CAWSA also assisted MSBU to apply to other donor organizations for a number of infrastructure projects,[35] but based on interviews with MSBU management, none were realized.[36]

CAWSA provided training in all functional areas of the utility.[37] In addition, CAWSA assisted MSBU with the preparation of various Excel formats for financial reporting, forms used in network technical management, HR database job descriptions (endorsed by CEO of AUWSSC before end of 2009), personnel system operating manual, customer's complaints management system with tracking database, new forms for payment demand and formal installment plans for collection of past-due accounts, financial records database, inventory tracking procedures, customer accounts databases, development of the MSBU Website.[38] The infrastructure improvements, (amounting to $151,481)[39] included: construction of a customer care building, renovation of central pump house, supply and installation of two conexus (large shipping containers) for use as a training room, provision of IT and office furniture, emergency maintenance funds, provision of technical equipment, and network rehabilitation.

MSBU size, service level

Mazar–e-Sharif has an urban population of 368,100, which is the population in the jurisdictional area of MSBU.[40] Based on data collected from MSBU by the evaluation team, the company has, as of end of first quarter of 1393 (2014), a total of 19,079 connections, of which 1,452 (only 7.6 percent - a very low figure) are metered and 17,868 unmetered, representing 94 percent of the total connections. A connection fee of 5,000 to 5,200

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[34] Email received from ICMA, on 15 Jul: Subject: Re: On Data for Investments, SBU Support, etc. (See Annex 10 – Email Reponses From ICMA.)

[35] For a full list and status as of end of Phase I (in 2011), see Annex 26, Final Report, pg. 15. ICMA had no updated information on the status of these applications. During interviews with MSBU staff, the evaluation team asked on the status of these applications and the response is reported above.

[36] From CAWSA Reports appears that the World Bank had approved circa $7Mln for Takhta Pul well field, but no investment has started.

[37](See Annex 26, CAWSA Final Report, pg. 34 for a full list of trainings).

[38] Quarterly Reports 2010-2011.

[39]ICMA-CAWSA Performance Report 11 November 2008 to 11-May-2012.

[40] This is a reasonable assumption, given the scope of AUWSSC, which covers the urban population.

Afghanis ($91.23) is charged per connection without a water meter installed. A water meter costs 2,000-3,000 Afghanis ($43.86).[41] The manager stated that, "the majority of households cannot afford the cost of a water meter."[42] By assuming a density of 8 capita/Hh,[43] the estimated served population is 163,232, giving a population coverage ratio of 44.3 percent.

The water production source is a series of 69 drilled wells, 100-150 meters deep, located around the city and many are surrounded by residential and commercial neighborhoods. MSBU's reported a total monthly production capacity of 225,000 m^3. The wells are connected to 5.82 km of transmission pipes and 371.31 km of distribution pipes that serve 67 distribution stations. The distribution system utilizes one in-ground cement reservoir with 1,750 m^3 storage capacity and 68 elevated tanks with a combined storage capacity of 1,957m^3. Water losses are reported at 20 percent[44] of production. MSBU confirms pump working hours as 7-9 hours/day, but provides only 0.5-1hr of water supply/day to all its service area over the past five years (this includes the years of CAWSA activities.)[45] Table 4 below presents some of this information.

Table 3: MSBU Utility Size, and Service Level

MAZAR E SHARIF SBU			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
Hh	**1,452**	**17,627**	**19,079**
Commercial	*0*	*171*	*171*
Got	*0*	*70*	*70*
Mosques	*0*	*53*	*53*
TOTAL Connections	**1,452**	**17,868**	**19,373**
Est. People/Hh	**8**		
Est. Pop Served	***163,232***		
Hours of daily supply	**30 min-1 hr/day.**		
	CAWSA YEARS: Same.		

Beneficiary perception of CAWSA

The management of the MSBU was very appreciative of CAWSA/ICMA. They acknowledged "the great work performed so far," in spite of their continuing problems. The

[41] This figure seems excessive. For example, in Southeastern Europe the cost of an (imported) Hh water meter is around $10.

[42] In Afghanistan, water meters are rented at 430Afs/year. This is official tariff (stated in the Presidential Decree for Tariff Change) as well as practice in all the other utilities.

[43] This estimate from interviews with JSBU was 10capita/Hh. The evaluation team chose to use the estimates used by ICMA for Hh density (8) and est. people served by each mosque as (200) (See MoU with JSBU).

[44] As with JSBU, this figure cannot be trusted.

[45] This figure was confirmed by a RODECO engineer (former CAWSA engineer) as well as some MSBU customers. The information from the MSBU manager was about 6-7 hours, but in fact, that is referring only to pump working hours (7-8 hrs/day). Indications from the CAWSA engineer are that the reasons for the very low supply rate are, at least in part, to the inadequate topology of the network, influencing negatively its ability to supply water to the public.

activities were useful and valuable in the areas of capacity building as well as technical support. The manager confirmed that CAWSA trained 16 members of their staff.

Effect on management tools and performance

Based on confirmation from the manager, and in part from conversations with other financial and technical managers and visual inspections, the evaluation team found that the procedures and forms produced by CAWSA in the areas of financial management, operations, administration, customer service, and procurement are still in use. In fact, the financial and technical data MSBU provided to us were generated from the financial software. The customer services run a system to record complaints, (which regard short hours of supply and low pressure).

According to feedback, activities that had most effect on improvement of performance were the creation of customer database and the creation of the billing system by CAWSA/ICMA. Both proved to be very effective steps to enable billing of all customers.[46] In particular, the customer services department is, in the manager's view, functioning very well. Visual inspections of office premises and some facilities gave a positive impression, that the MSBU was quite modern and well-kept.

Staffing and other needs

MSBU has a staff of 116 people, which makes a ratio of six staff/1000 connections. The managers had no particular complaints of shortage of qualified personnel. All the people trained under CAWSA remained with the company, and a factor that helped retain staff was an increase in salary. In terms of needs, MSBU stated as its top priority the construction of the Takhta Pul well field, and construction of a transmission main to connect to its distribution network, in order to resolve the supply problem and construct/renovate most of the distribution system and facilities.

Customer Feedback

The evaluation team met with three customers. Their feedback indicated that the level of service was not positive, complaining about the very short time of available water supply each day, 30 minutes-1 hour/day, and sometimes only 10-15 minutes a day. One of the customers was met at the MSBU customer relations office, where he had come to ask to disconnect his house, angry with the level of service and unwilling to continue to pay for a service he did not receive.

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[46] CAWSA hired two computer operators (Data Entry Clerks/Interns) to support MSBU in computerizing their system and support in other daily activities: Furthermore; six other interns were hired to support revenue increase by surveying all MSBU customers house to house, collecting of past dues, identifying illegal customers, identifying illegal customers and distributing MSBU messages to customer also through the new hotline phone numbers. (Source: Former CAWSA engineer).

Conclusions

The evaluation team concluded that CAWSA succeeded in upgrading the overall management performance of the MSBU. The technical assistance appears to have been especially effective and sustainable, as demonstrated by the continued use of management tools introduced by CAWSA. The activities with the greatest impact on revenue collection were those related to customer service strengthening.

A major problem for MSBU is its inability to meet current daily demand; 0.5 to 1 hours of service per day is absolutely insufficient. This also explains the low metering rate maintained on purpose by the utility.

Provided MSBU is able to increase its water supply to meet the demands of customers, there is potential for MSBU to build on the foundation laid by CAWSA for sustainable improvement of performance indicators, including CRR.

5. GHAZNI WSD

The evaluation team could not travel to Ghazni Water Service Department (GhWSD) for security reasons, and arranged for the Head of GhWSD to meet at the Checchi/SUPPORT II Office in Kabul. The meeting took place on June 22, 2014, and was followed-up by numerous phone calls to confirm and obtain (more) accurate data.

CAWSA activities in GhWSD[47]

GhWSD is a satellite of the Kabul SBU. CAWSA reports indicated that training was provided to 187 trainees over 57 days. The project employed four interns (of which one was female) and spent $157,551 as part of its Small Grants Funds. Leveraged funds raised through CAWSA-assisted applications made by GhWSD amount to $252,551.

CAWSA provided training and support in all functional areas of the utility. Examples included network/technical, customer care (identifying and reporting illegal connections, collecting past due amounts, customer awareness on water conservation, health issues, usage of a hotline to report complaints, leaks and damage, and meter reading); finance and accounting training, including financial reporting and proposal writing. Other trainings included literacy training for interested field workers, meter readers, drivers, and guards, English language training and computer training. The Small Grants Funds were used for the provision and installation of new pipe extension, construction of a shelter for generators and new pump houses, renovation of warehouse, provision of office and IT equipment, provision of emergency maintenance funds, repairing of a 60KW generator, provision and installation of technical equipment.

[47] This section draws heavily from all quarterly reports pertaining to years of Phase I.

GhWSD size, service level

Ghazni's urban population is 157,600.As of 2014; the company has 2,753 connections, of which 2,282 are metered (83 percent). The estimated population served is 26,488,[48] giving a ratio of 17 percent for population coverage. Table 5 provides a summary of the above:

Table 4: GhWSD Utility Size, and Service Level

GHAZNI WSD			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
Hh	**2,206**	**430**	**2,636**
Commercial	*52*	*6*	*58*
Govt	*11*	*21*	*32*
Mosques	*13*	*14*	*27*
TOTAL Connections	**2,282**	**471**	**2,753**
Est. People/Hh	**8**		
Est. Pop Served	**26,488**		
Est. Coverage	17%		
Hours of daily supply	***11 Zones –all supplied 1 hr daily.***		
	CAWSA years: Same		

The company applies a rate of 25Afs/m^3 to nearly half of its residential customers, while the other half, considered poorer households, are charged 12 Afs/m^3, in compliance with the water tariff level in effect since 2012. Water meters are rented, at a rate of 450 Afs/year. The company provides only one hour/day of supply to all of its customers,[49] and according to the managers, the same was true during the CAWSA project. Daily supply is reported as 1,696 m^3/day (summer time). The WSD operates six wells, but actually only four are operational and two are damaged. Four reservoirs ensure supply to the city, three of which have production water meters.

The manager of GhWSD confirmed that there are other private operators in Ghazni, running private networks and supplying water to an estimated 1,000 household connections, all metered. They supply water 24 hrs/day and charge 35Afs/m^3.

Beneficiary perception of CAWSA

The Ghazni manager was appreciative of CAWSA, rating the project's effect as "good." Particular praise went to material assistance provided through CAWSA and the technical training. However, he pointed out that the training in finance department in particular was not effective because of the quality of his staff.

[48] Hh density (8) and estimated people served by each mosque is 200.
[49] To note that the system is not efficient, given that according to the manager, pumping hours amount to 6.5 days.

Effect on management tools and performance

GhWSD does not have any computerized systems in place, although they use computers for official reporting (but very limited). The manager confirmed the use of customer relations procedures introduced by CAWSA, to include the billing procedure and form, use of telephone line to receive complaints (40/month), communication with the public, raising awareness on health issues, timely payment, through radio programs. Water losses are reported at 20-22 percent by the Ghazni manager, but the figure seems very underestimated, given the old age of most of the network (over 40 years), lack of zone metering to estimate losses. The company does not apply preventive maintenance, and has no leak detection equipment.

Staffing and other needs

GhWSD has a staff of 20 employees (7.3 staff/1,000 conn). The manager confirmed that all technicians trained by CAWSA remained, but they lack engineers, and is difficult to find, especially given the competitive salaries in the private sector. He stated the need for qualified accountants, finance staff, and customer relations staff, confirming that the people they have are not suitable for the job, but "he cannot replace them."[50] The manager indicated that in the calculation of their operation costs, they do not include maintenance costs, confirming that an existing contingency fund[51] is used for that purpose. While this is a detail, it does provide insights as to the poor understanding of utility accounting.

In the opinion of the manager, the needs of GhWSD, besides suitable staffing, include office space, fixing of the office yard replacement of networks and new wells.[52]

Conclusions

The evaluation team found that the value of CAWSA activities in Ghazni consisted mostly of providing a "push" in terms of infrastructure and providing good examples in management with CAWSA-embedded staff. However, despite the potential created through CAWSA for performance improvement, the achievements do not appear to be sustainable unless the GhWSD can attract and retain more qualified staff, and make investments to significantly improve water supply. For example, there are clear problems in the finance and accounting departments due to low staff capacity.

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[50] In this case the reasons maybe various, but seemed not to be connected to lack of better staff.
[51] Fund, which origin was not made clear , is most likely result of donor support.
[52] Note the ordering of priorities.

According to the GhWSD manager, the CAWSA activities with the greatest effect were technical support (including training), but it appears that customer service improvements and capital investment were also important.

6. GARDEZ WSD

The evaluation team could not travel to Gardez for security reasons, and arranged for the Head of GrWSD to meet in Kabul at the Checchi SUPPORT II Office. The meeting took place on June 22, 2014, and was followed-up with numerous phone calls to confirm and obtain (more) accurate data, which in several instances were in conflict with the information provided by the manager verbally. In the following narrative, we use the data provided through follow-up phone calls with GrWSD.

CAWSA activities in GrWSD[53]

GrWSD is a satellite of the Kabul SBU. According to CAWSA reports, CAWSA supported training for 251 GrWSD trainees, with 997 days of training and a total of 5,787 training hours. CAWSA hired five interns (reportedly all male) to work in the GrWSD (reportedly no females). The Small Grants Fund amounted to $140,327, while the amount of leveraged funds, as confirmed by the company, and was roughly $150,000. Training topics covered the technical fields (water loss control, hydraulic computations, water quality, operations and maintenance, design, cost estimating for new projects, AUTOCAD, GPS coding) financial (water utility mathematics training), customer care areas, and proposal writing for solicitation of donor funds. Other trainings included literacy training for field workers, meter readers, drivers, and guards, English language training, and computer training (Microsoft Word and Excel).

CAWSA supported GrWSD to computerize all financial reports and update all customer account ledgers, and also provided on-the-job training to build GrWSD's capacity to produce computerized accounting and management reports and official letters. Funding through small grants was used for: renovation of the customer care building; construction of a shelter for tools; cleaning of water karezes; new pipe extension in commercial area (Khost road); construction of boundary wall for GrWSD; provision of emergency maintenance funds; provision of IT and office equipment; provision of technical equipment; transportation of warehouse containers from Kabul to Gardez; and provision of fuel for generators.

[53] This section draws heavily from all quarterly reports pertaining to years of Phase I.

GrWSD size, service level

GrWSD has a total of 1,202 connections as of 2014. Of these, 347 are metered (29 percent), and the remaining 855 are unmetered.[54] For metered connections, the water meter is rented at 450 Afs/year. Estimated population served is 14,136.[55] The system consists of eight wells, four of which deliver water directly to households[56] and four to elevated reservoirs,[57] which have production meters. The system produces 1,150 m^3/day. The system provides water to the population from 4 hours to 18 hours/24 hours, according to zones, and during CAWSA years was the same. Table 6 below summarizes this information:

Table 5: GrWSD Utility Size, and Service Level

GARDEZ WSD			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
Hh	**345**	**697**	**1,042**
Commercial	*0*	*65*	*65*
Govt	*2*	*64*	*66*
Mosques	*0*	*29*	*29*
TOTAL Connections	**347**	**855**	**1,202**
Est.People/Hh	**8**		
Est. Pop Served	**14,136**[58]		
Hours of daily supply	***Z1 (18hrs), Z2 (4hrs), Z3 (6hrs), Z4 (8hrs)***		
	CAWSA years: Comparable/Same		

The manager confirmed that there are no private operators competing with the WSD in Gardez.

Beneficiary perception of CAWSA

The GrWSD manager appreciated CAWSA support,[59] especially with regard to the technical and managerial training and customer care provided. In mentioning the type of procedures they still use from CAWSA (see below) he asserts that they are now able to "*run the business properly.*"

[54] These data were asked and obtained from the GrWSD in the days to follow the interview. To observe that the figures provided by the manager during the interview differed (not unsubstantially) from what the GrWDS reported later.
[55] There was no reliable source for Gardez urban population, therefore population coverage ratio was not calculated.
[56] In elevated areas vis a vis parts of the city, so distribution is gravity-based.
[57] Likely fed by the four wells, though this was not confirmed.
[58] Hh density (8) and estimated people served by each mosque is 200.
[59] This was based on his knowledge of the project, as he started working as managing of GrWSD only 6 months before CAWSA was completed.

Effect on management tools and performance

The manager confirmed that they use the CAWSA work procedures for customer services, such as (i) recording all customer's complaints in a computerized database provided by CAWSA; (ii) providing information on how to get connection and associated costs (e.g. through mosque gatherings.)[60] In addition, he said GrWSD is still using the same CAWSA billing system/procedures, the billing form, and customer database. He confirmed that they apply the differentiated tariff for poor Hh[61] (both for m^3 and flat rate), but no details were given as to the number of such households.

GrWSD is flexible with its customers, allowing connection fees (of 5,100Afs) to be paid in installments. They apply disconnection from network in case of long due payment (but only in rich areas) they would cut the service and reporting them to the police for legal action.

Staffing, and other needs

GrWSD has 28 staff as of 2014 (23 staff/1000 conn, a quite high ratio). After CAWSA support ended, three staff (one of whom was a qualified engineer) staff left the company. The manager recognized that more technical/network training is needed, but said there is not much support from AUWSSC HQ. Further, he stated the need for more staff, and more pumps for their network. GrWSD is expecting another 24 km of distribution network and two reservoirs of $200m^3$ each, to be built by the International Rescue Committee (IRC).

Conclusions:

The evaluation team concluded that CAWSA succeeded in upgrading the overall management performance of the Gardez WSD, and that the achievements at this point in time appear to be sustainable, especially in light of some evidence that the CRR has increased. The combination of technical assistance, customer service strengthening, technical training, and capital investment contributed to CAWSA's effectiveness. The evaluation team also believes that CAWSA created a foundation with potential for further improvement in performance. According to interviews with GrWSD staff, the most effective CAWSA interventions were a combination of customer services strengthening, technical training, and capital investments.

7. KANDAHAR SBU

The evaluation team visited the Kandahar SBU (KrSBU) on July 2, 2014. An interview was held with the Head of KrSBU and site visits made to several locations. The KrSBU did not provide any data to the team, neither during the visit, or later. It should be noted that the

[60] It appears this kind of awareness is particularly necessary in Gardez, as the manager said the area is water rich and people are not very keen to get a network connection.

[61] I.e. in unplanned areas.

interview with the KrSBU manager was quite difficult, with the latter mostly complaining and providing little and/or contradictory information.[62] *The justification for not providing any data to us was first, "that after CAWSA left, employees took all the information on their ´computers and left too (!)", and the second explanation was that "…the finance director was too old and cannot do his job properly."*

CAWSA activities in KrSBU[63]

KrSBU was part of Phase II of CAWSA, with activities beginning in May 2012 and continuing through May 2014. CAWSA reports show that the number of trainees for KrSBU was 156, with a total of 873 days of training and 5,556 hours of training. CAWSA hired six interns to work with KrSBU (no females). The amount of Small Grants for KrSBU was $47,438.The Small Grants funding was used for provision of emergency maintenance funds, office and IT equipment, repairing of ten submersible pumps, technical equipment, renovation of KRSBU office and guest house, construction of generator, shelter, and wooden shelves for the warehouse.

KrSBU size, service level

Kandahar's urban population is 491,500 inhabitants. According to data from AUWSSC,[64] KrSBU has a total of 5,716 connections, of which 1,680 are metered (29.3 percent), and 4,036 unmetered.[65] Table 7 below summarizes this information.

Table 6: KrSBU Utility Size, and Service Level

KANDAHAR SBU			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
TOTAL Connections	*1,680*	*4,036*	*5,716*
Est. Pop Served	57,160		
Est. population coverage ratio:	11.6%		
Hours of daily supply	**Unknown KrSBU Manager gives incoherent answers.**		
Total Daily Production:	**2800 m3**		

[62] To bring an example: With regard to continuity of supply – a very simple, straightforward and must-know parameter by a manager: In the interview he says "three zones, one hour each". Later , in a phone call to re-confirm, he provides two completely different versions. Hence the reason why the evaluation team did not report here continuity of supply based on KrSBU information. He also mentions metered and non-metered connections (2000 and 3000) but the evaluation team chose not to use his data.

[63] This section draws heavily from all quarterly reports pertaining to years of Phase II, especially the CAWSA Final Report.

[64] This was the only utility for which the team used technical/network data from AUWSSC, in absence of any information from KrSBU.

[65] *Source: AUWSSC Data-2013.*

Beneficiary perception of CAWSA

The manager of KrSBU was appreciative of CAWSA's interventions and stressed the good cooperation with CAWSA's consultants.[66] He valued the training provided, adding that he was not sure if any real benefit was produced, given that most of his staff are illiterate.

Effect on management tools and performance

The manager confirmed they are registering all their customers in a computerized database, and that billing and customer service procedures are continuing as introduced by CAWSA. Customer awareness is promoted through mosque gatherings.[67] Visual inspections of the team could not verify that they kept any computerized account of customers.

KrSBU does not have a preventive maintenance program or leak detection equipment or related procedures. The only need mentioned by the manager was to double their connections, adding another 5,000 if they could find a donor. The overall impression from the site visit was that although premises were quite good, KrSBU appeared to be a disorganized utility, with various staff complaining of management.

Staffing and other needs

The administrative manager confirms they have 32 employees, and will be hiring eight[68] more very shortly, as they need more staff. He admits to have "a lot of problems now because most of our departments lack staff."[69]

Conclusions

The evaluation team concluded that CAWSA had a limited effect in upgrading the physical infrastructure and building the capacity of the Kandahar SBU. There appears to have been no sustainable change in procedures related to billing, finance, or accounting.

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[66] It is mentioned in various quarterly reports, and also in the interview with former CAWSA COP that KrSBU manager was not cooperative and especially not interested in capacity building (only in material assistance).

[67] Anecdotal information suggests that in Kandahar, like in all other cities, people use private wells, but although the quality of water there is quite unsuitable for most uses, the population is little or not aware of the involved health risks. Moreover, seems that the mentality (and expectation) that "water supply should be free of charge" is widespread.

[68] Consisting on (1) database manager, (1) IT manager,(3) meter readers, (1) driver and (2) guards for reservoirs.

[69] He added that "…because one of their colleagues who was managing the information on collections, billing, etc. passed away, and that causes that the company does not have enough information."(!).

8. MEHTARLAM WSD

The evaluation team visited the MeWSD on June 24, 2014.The visit included an interview with the head of MeWSD and visits to some of the premises and other departments. The visit was followed by several phone calls to clarify information and data obtained.

CAWSA activities in MeWSD[70]

CAWSA reported that it provided training to 136 trainees, with 591 days of training and 4,740 training hours. CAWSA hired two interns (one female) and spent $41,645 in Small Grants Funds.

Training topics for MeWSD included introduction to accrual accounting, introduction to financial statements, financial/accounting basic management, general management, proposal writing, pumps and pump equipment safety, water quality, English language classes computer literacy. The Small Grants funding was used for the provision of emergency maintenance funds, provision and installation of 3 km new pipe extension, IT equipment, technical equipment and office equipment.

MeWSD size, service level

Mehtarlam has a total urban population of 126,000 inhabitants. Data from the utility show that MeWSD is a very small utility, with just 282 connections, of which nearly half are metered (132) and 142 unmetered. The estimated population served is 2,976.[71] The utility supplies water 1 hr/day to all its service area and operates three wells connected to one elevated reservoir serving the distribution network. The production of water per day is 360 m^3. Table 8 below summarizes this information.

Table 7: MeWSD Utility Size, and Service Level

MEHTARLAM WSD			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
Hh	**131**	**141**	**272**
Commercial	*2*	*0*	*2*
Government	*3*	*3*	*6*
Mosques	*0*	*2*	*2*
TOTAL Connections	**136**	**146**	**282**
Est.People/Hh	*8*		
Est. Pop Served	**2,976**		
Est. population coverage:	**2,4%**		
Hours of daily supply	**3 Zones –all supplied 1 hr daily.**		
	CAWSA years:1 hr daily all zones		

[70] This section draws heavily from all quarterly reports pertaining to years of Phase II, especially the CAWSA Final Report.

[71] Hh density (8) and estimated people served by each mosque is 200.

Beneficiary perception of CAWSA

The MeWSD manager appreciated CAWSA, saying that "*Generally CAWSA was a project that gave us the strength and abilities to work effectively in order to reach to our goals… Capacity building trainings were balanced, but not with assistance for physical infrastructure, but still helpful… Before CAWSA we had 220 connections, with its help became 370, (but 295 connections are active-75 damaged by municipal road works).*"

CAWSA provided on-site and classroom-based trainings in different fields (accounting, logistics, management, customer care, customer awareness, report writing, total station training, designing and other technical trainings). Most of the staff participated. The manager confirmed that the MeWSD are still using the procedures introduced by CAWSA in their daily operations.

Effect on management tools and performance

MeWSD has no computerized systems, but visual inspections (and confirmation from the manager and other staff we met with) show that they still use their billing and customer service procedures left by CAWSA. All records are handwritten. The data received from the Mehtarlam WSD demonstrated a serious misunderstanding of accounting and reporting.

Customer service has a dedicated phone line. WSD receives and processes complaints – 20-30/month. The most common complaints are related to water availability (1hr max per day).Sixty-five percent of all customers pay their bills regularly.[72] The company has no preventive maintenance or leak detection equipment. The manager was aware of a customer survey done by CAWSA in late 2013 and reported that they surveyed 163 houses, of which 130 Hh were satisfied with services, while 30 of them were dissatisfied due to the short time of water provision.

Staffing and other issues

The company has a staff of seven people for 350 connections. Although appreciative of the female meter readers hired by CAWSA, they confirmed that they cannot now afford to pay them, though they are keen to and would, as soon as affordable. They also stated that they need a qualified accountant, because they recognize that their accounting is not properly maintained.

[72]But not verifiable by their data.

Customer Feedback

The evaluation team met with one customer, who while complaining about the very limited water supply of 30 minutes a day, confirmed he was willing to pay the full tariff, should he be provided water for longer hours, although he confirmed his was a poor household.

Conclusions

The evaluation team found that CAWSA had a limited effect in upgrading the physical infrastructure of the Mehtarlam WSD, despite the relatively large increase in the number of connections introduced under CAWSA (which remains low overall, but was nonetheless a significant increase from the baseline). However, the interviews suggest that there was some positive impact on the capacity of the MeWSD, though the finance and accounting sectors remain at a very low capacity. Overall, staff capacity at the MeWSD (including senior management) is quite low. The evaluation team believes that CAWSA results are unlikely to be sustainable unless the company is provided with further assistance for substantial infrastructure improvements, expansion of the customer base, and hiring more qualified staff.

9. ZARANJ WSD

The evaluation team did not visit the Zaranj WSD (ZWSD) due to a combination of unavailability of flights and suitable accommodation. Information presented in this section is the result of a questionnaire sent to the manager of ZWSD and phone call interviews with the manager to clarify some answers given in the questionnaire. Other phone calls and email communications followed to obtain and clarify data sent by Zaranj.

CAWSA activities in ZWSD[73]

According to CAWSA reports, 23 trainees participated in the courses provided during CAWSA, with a total of 320 training days. CAWSA hired two interns to assist ZWSD (one of whom was female). CAWSA provided both on the job and classroom trainings. Topics included financial management, basic management and communication, office management, commercial (customer care), English language and computer literacy training. The Small Grants Funds, amounting to $41,368, was used for the provision of twenty-two months' rent of ZWSD office, provision of IT and office equipment, technical equipment, and motorbikes.

[73] This section draws heavily from all quarterly reports pertaining to years of Phase II, especially the CAWSA Final Report.

ZWSD size, service level

ZWSD has 1,660 connections, all of which are unmetered. The estimated population served is 12,645 people. The company operates a network consisting of several pumping stations along the river and two reservoirs (800m^3 and 300m^3). Basic chlorination is provided as treatment. The service area is divided into two zones, each supplying water 24 hours every three days (during CAWSA was each 12 hours every other day). Table 9 below summarizes this information.

Table 8: ZWSD Utility Size and Service Level

ZARANJ WSD			
No. of Connections	**Metered**	**Unmetered**	**TOTAL**
Hh	*0*	*1,635*	*1,635*
Commercial	*0*	*0*	*0*
Government	*0*	*19*	*19*
Mosques	*0*	*6*	*6*
TOTAL Connections	**0**	**1,660**	**1,660**
Est. People/Hh	7		
Est. Pop Served	**12,645**		
Hours of daily supply	2 Zones –each 24hrs every 3 days		
	CAWSA yrs: 12 hrs every 2 days		

Beneficiary perception of CAWSA

The ZWSD manager appreciated CAWSA's support to his utility. Before 2012, ZWSD had only one manager and four guards, now is a company with nine staff. The ZWSD Manager was very thankful to CAWSA, and rated assistance as "good." He particularly praised the results of customer service training, but not so for financial and technical departments, noting that capital funding was insufficient to meet their needs, despite 200 new Hh connections added as a result of CAWSA.

Effect on management tools and performance

The company has no computerized systems in place and no data available before 2012. A manual customer database exists and the company uses pre-printed billing forms introduced by CAWSA and a customer complaint system. While CAWSA hired one female to assist with billing, the utility does not have funds to rehire her. As Zaranj is located in an arid-semiarid area, private wells are not an option, and the river is virtually the only water source, but untreated is not suitable, hence the demand to obtain a connection is quite high, and a high willingness to pay. However, network extensions and production capacity increases are needed to satisfy demand. There are no privately managed networks in Zaranj.

Staffing, and other needs

ZWSD has nine staff, and has severe staff shortages in all departments. ZWSD also is unable to attract qualified staff, (including female meter readers). The company is lacking essential infrastructure, including network repair/replacement and extension, pumps, warehouse, offices.

Conclusions

The evaluation team concluded that the interventions introduced through CAWSA contributed to constructing the basics of a simple utility, and set the stage for further improvements. The most notable results of CAWSA include improvements in customer service and infrastructure. While the ZWSD clearly has limited capacity in terms of human resources, its staff is committed to their work and to providing services to the customers of Zaranj.

10. LASHKAR GAH WSD

The evaluation team did not visit Lashkar Gah (LaWSD), because of a delay in obtaining a point of contact for the WSD, with neither AUWSSC, nor KrSBU having any information in regard.[74] *After communicating via phone with the LaWSD manager, the team decided not to visit the LaWSD.*

CAWSA activities in LaWSD[75]

CAWSA reported 123 trainees, with 224 days of training. The project hired three interns (one was female) to assist the utility. On-the-job and classroom trainings included procurement management, budgeting, office management, Effective Communications & Customer Care, the selection of water pumps and electrical components, computer literacy and English language trainings. The Small Grants Fund, amounting to $41,368 was used for the provision of emergency maintenance funds, technical equipment, IT and office equipment, provision of motorbikes, provision and installation of 6 km new pipe extension, provision a container to set-up the Lashkar Gah water supply office.

LaWSD serves a city with a population of 100,200 inhabitants. It is considered a satellite of the Kandahar SBU, but it is *de jure* and *de facto* under the management of the Lashkar Gah municipality. In the past, AUWSSC had a technical advisor embedded in the LaWSD, as part of the process for the transfer of ownership to AUWSSC, but he resigned eight months

[74] Finally, late in July the evaluation team found a way to contact the municipality of Lashkar Gah and from there the current manager (municipal employee).

[75] This section draws heavily from all quarterly reports pertaining to years of Phase II, especially the CAWSA Final Report.

prior to the evaluation, and has not been replaced. Neither AUWSSC, nor KrSBU have any data for LaWSD; according to the KrSBU manager, there is no connection between KrSBU and LaWSD).

The current manager of LaWSD confirmed that the company operations are completely subsidized by the municipality. The LaWSD has a staff of 35 employees, operates only 20 public taps, and provides water to the public through water tanks, but also performs other municipal urban services (e.g. street cleaning). Most of households have private wells and, are not keen to get a house connection, provided the opportunity. Water is provided for free, for 2-2.5 hours during the day. The company does not issue any bills, at least not since 7 months. They reportedly keep no records on their customers, or other financial and accounting records.

Beneficiary perception

The LaWSD manager confirmed assistance from CAWSA was helpful, and that he was satisfied with what was provided in terms of trainings and material assistance, but added that neither was sufficient to cover the needs of LaWSD.

Effect on management performance

The only comment that would suggest that one possible effect of CAWSA is that the WSD is considering beginning to issue bills to 80 households in the Ahmad Shahee Mina Area. These households receive water from the network, the construction of which was supported by CAWSA.

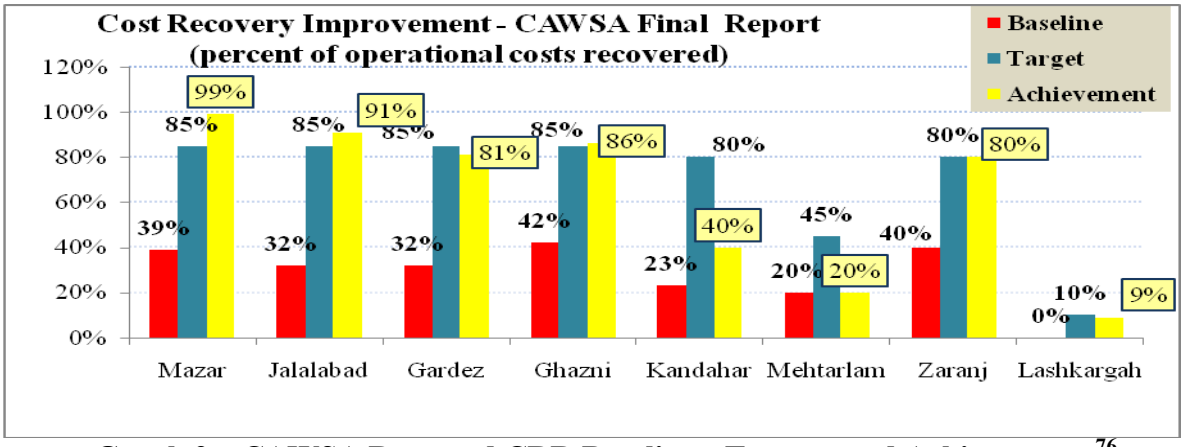
Conclusions

The evaluation team assesses that any effort to commercialize the Lashkar Gah WSD is futile and pointless as long as it remains under the auspices of the municipality, whose policy is to deliver free water, thus completely negating any efforts to establish a self-sustaining business model. CAWSA had a positive effect on the system through its infrastructure assistance, but there is not much evidence that capacity building efforts were effective.

11. CAWSA Reported CRR and hours of Water Supply and Findings from Evaluation

As part of this evaluation, the team was specifically requested by USAID to focus on finding ways, within the context of an evaluation mission, to verify the accuracy of CAWSA's reported Cost Recovery Ratios (CRR) for each SBU/WSD. Therefore, in addition to the other Findings and Conclusions reported for AUWSSC HQ and each SBU/WSD, this section will specifically address CRRs.

In addition to CRR data, the team also verified the reported average hours of daily water supply over the life of the project (as well as actual levels). Continuity of Supply was another CAWSA indicator and though not specifically requested for verification, was deemed important by the evaluation team for the analysis, and for drawing overall conclusions about the effectiveness of CAWSA. CRR is an indicator closely (though not explicitly) linked to the level of service provided, as quality of service is generally determined by continuity and quality of water supply. While water quality is not addressed by any of the companies and no data exist, the information on continuity of supply was generally easy to obtain from the SBUs and WSDs.



Graph 2 – CAWSA Reported CRR Baselines, Targets, and Achievements[76]

The evaluation team reviewed CAWSA's reported CRR values over 9 to 10 reporting periods (quarterly reports), along with findings from SBU/WSDs and AUWSSC data, to determine the final CRR results. Graph 3 below displays the CAWSA-reported baselines, targets and achievements for CRR for each SBU/WSD, (*as presented in CAWSA Final Report, Annex 26, Table 1 on p. 11 for MSBU, JSBU, GhWSD and GrWSD, and CAWSA*

[76] For details on sources used for the figures provided in the graph see Sheet 3 in Annex 6 – CAWSA Reported CRR, Baselines, Targets; Achievements and Identified Reporting Inconsistencies

Final Report, Annex 1 for the remaining four). The contradictions in trends, and the contradictions between different CAWSA reports will be addressed below.

The data above suggest successful achievement of targets in all but two companies (Kandahar and Mehtarlam). However, these results do not seem to be in line in their majority with the trend of the quarterly values of CRR as reported by CAWSA, as will be seen below (See Annex 6 for a full representation of CAWSA CRR quarterly values, with all references, as well as the tables in this section).

Methodology for assessing CRR reporting accuracy:

The evaluation team's approach to assessing the accuracy of CAWSA's CRR reporting was based on a comparison of CAWSA's CRR data and data obtained from AUWSSC and the SBUs/WSDs, which enabled the evaluation to calculate CRR. The data included the following:

1. Monthly data on Revenue, Collections, and O&M Costs for 1388 – 1393 (2009-2014) from JSBU[77] and MSBU. [78,79]
2. Quarterly data on Revenue, Collections, and O&M Costs 1390-1392 (2011-2013) from ZWSD.[80]
3. Annual data on Revenue, Collections and O&M Costs from 1389 – 1392 (2010-2013) MWSD,[81] GhWSD[82] and GrWSD.[83]
4. Annual data on Revenue, Collections and O&M Costs for 1389 – 1392 (2010-2013) from AUWSSC.[84,85] These data are the result of a process of data verifications and corrections done by AUWSSC financial department in all SBU/WSDs up to March 2012.

Challenges and Limitations for assessing CRR accuracy:

The comparison of results proved to be a complicated task due to ambiguities and inconsistencies in the way CAWSA reported project indicators.

The first major challenge was that values reported by CAWSA/ICMA for CRR for the same reporting periods are not consistent across reports. The evaluation team identified a number

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[77] See Annex 9- JSBU Data and Calculations.
[78] See Annex 10 – MSBU Data and Calculations.
[79] See Annex 6 , last sheet, for a correspondence of financial years, and months according to Shamsi and Gregorian calendars.
[80] See Annex 11 – ZWSD Data and Calculations.
[81] See Annex 12 – MeWSD Data and Calculations.
[82] See Annex 13 – GhWSD Data and Calculations.
[83] See Annex 14 – GrWSD Data and Calculations.
[84] See Annex 15 – AUWSSC Financial Data and Calculations.
[85] For costs, AUWSSC reports 1392 (2013) too, but not for collections. The process of verification and auditing is ongoing at the time this report is written. According to AUWSSC, finance staff from HQ visited all SBU/WSDs and worked with them to verify and correct the data entries in their records.

of such inconsistencies, detailed in Annex 6. For the purposes of the evaluation, the evaluation team chose the lowest values reported by CAWSA if there was an inconsistency across reports.[86] A salient point is that it is not clear what definition of CRR was used to calculate this indicator.[87] The standard, correct definition of CRR for Operations and Maintenance (O&M) Cost Recovery (a water sector industry standard, excluding depreciation) and Full Cost Recovery (including depreciation)[88] for a given period, are below. However, the CAWSA reports use various definitions.

O&M Cost Recovery: $$\frac{\text{O\&M Costs (occurred in time period X)}}{\text{Collected Water Sale Bills (issued only during time period X)}}$$

Full Cost Recovery: $$\frac{\text{Full Costs(occurred in time period X)}}{\text{Collected Water Sale Bills (issued only during time period X)}}$$

In the CAWSA reports, the definitions of the numerator (O&M costs) vary as follows:[89]

(i) including all types of revenues;[90]
(ii) including only cash revenues;[91]
(iii) including only current collections;[92]
(iv) including current and past collections.[93,94]

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[86] For example, CAWSA Quarterly Report 2011 Q3 (Jul-Sep 11) (See in ANNEXES- Annex 1: Saratan, Assad Sunbula 1390) gives baseline values, which is values for CRR for the preceding quarter (i.e. Q1-1390 or Q9) as follows:
MSBU: 79%, JSBU: 53%, GhWSD: 77.3%; GrWSD: 60%
While: CAWSA Quarterly Report 2011 Q2 (Apr-Jun 11) PI s in pg 12, gives, for the same period:
MSBU: 64%, JSBU: 35%, GhWSD: 55%; GrWSD: 60%

[87] In an email (included as Annex 10), ICMA explains the CRR calculation as follows (see highlighted text in particular): *"The CRR indicator that includes depreciation ... was introduced simultaneously in order to train the WSD in proper commercial practice and to establish new commercial goals. ....ICMA/CAWSA* ***consistently counted only actual payments received in our cost recovery ratio, not accruals.*** *Cash Collection of past-due accounts (from delinquent and stale accounts) were included in the indicator, as they indeed cover costs, but this was done as part of CAWSA's training with the understanding at the WSD level that this source of cost recovery would be a reduced percentage of the numerator going forward as collection of water bills became more aggressive. WSD managers understood that the goal was to eventually reduce delinquent account balances to virtually zero."*

[88] While for the case of Afghanistan this is quite reflective of the reality, should be noted that the above is a simplified explanation because is the difference between the two types of costs does not consist on depreciation only, as other types of costs usually apply.

[89] For example, see table below, found in page 3 of report titled: "CAWSA- Q4 2010 and Year_2_Annual__Report Feb 10 2011 FINAL":

Breakdown CRR%	Description	MSBU	JSBU	GhWSD	GWSD
Full Cost Recovery Ratio%	All type revenue/ all type of costs	66%	44.0%	82%	59%
Operating CRR%	Cash revenues / all cost	44%	44.0%	58%	40%
CRR% Excluding Depreciation	All revenues / Cost Excluding Dep	106%	91.0%	160%	109%
CRR% if all bills are paid	Billed revenues/ total cost	77%	122%	40%	55%

Note: "CRR% if all bills are paid" includes all outstanding and past due water bills from customers. Enhanced collection of past due accounts is a non-sustainable source of cash flow."

(The note above is part of the text in report. Observe that the difference between the terms "revenue" and "collections" is quite blurred.)

[90] It should come as no very big surprise that when the evaluation team asked Mehtarlam SBU to submit collection data (among other), turned out they had included even donor funding as collections…

[91] Thus not differentiating between current and past collections, or connection fees or rent (all paid in cash),

[92] But not clear whether is only water bills collected, or connection fees too, for connections of the same period, but that have nothing to do with the correct way of calculation of CRR.

[93] In the email (included as Annex 10) ICMA explained that calculation of CRR with inclusion of past collections was done in order to release incentive payments for SBU/WSD staffs. While this makes sense, for the purpose of incentivizing staff to collect past dues, it does

The differences regarding the denominator include O&M Costs (without depreciation) or with depreciation (i.e. full cost).[95] All possible combinations of nominators with each of the two possible denominators could have been used. ICMA explanation *(See footnote 10, grey highlighted text)* suggest that only current collections were used in calculations reported, in spite of the slight ambiguity of the text.

The second major challenge was because CAWSA only reported quarterly results, which makes it impossible to accurately compare annual results obtained through AUWSSC, and the results from the SBU/WSD utilities that provided annual data only (i.e. GrWSD, GhWSD, MeWSD). However, the evaluation team was able to calculate an approximation.[96] For the SBUs/WDSs for which the evaluation team obtained quarterly data, the comparison is done per quarter when available.

A third and similar issue arises when comparing Continuity of Supply, as the information from SBUs/WSDs with regard to annual averages, not quarterly figures. However, for this indicator, the comparison is quite straightforward (explanation below). In addition, it is reasonable to expect that the answers obtained from managers on continuity of supply are credible, given the nature of the question, as opposed to questions about CRR for which managers frequently gave inaccurate information in interviews.[97]

In the following Tables 9-19 and accompanying illustrative graphs, results for CRR and Continuity of Supply are presented side by side.

For CRR**,** results for CRR (our calculations**)** obtained through SBU/WSDs data, CAWSA reports and AUWSSC data are compared. Results for CRR for MSBU, JSBU and ZSBU (all of which provided quarterly data) are compared with the same quarterly results reported by CAWSA, and are then compared with annual results derived from AUWSSC data. For the rest of the utilities, which provided annual data only, the annual values of CRR are compared with AUWSSC annual results, and approximate CAWSA annual results (see footnote 90). In addition, whenever data permitted, current and past collections were both used for the calculation (and comparisons) of CRR.

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not make sense if a correct CRR is to be reported. The problem is that in CAWSA reports is not obvious whether past collections were used for the calculation or not.

[94] In addition to footnote 89 above, see *CAWSA Quarterly Report 2010 Q3 (Jul-Aug 2010)*" (in fact the period referred is Jul-Sept- but referring here the title as it is) there is a footnote on pg 3, where is explained how CRR is reported in two tables (pg 3 and 4). One definition is compliant with (iii), the other with (iv).

[95] The latter differences are made clear in CAWSA reports.

[96] This is because averaging across quarters is not equivalent with calculating the ratio of total annual collections to total annual costs, i.e.: $(\sum_{i=1}^{4} \frac{ai}{bi}) /4 \neq \frac{\sum ai}{\sum bi}$. Assuming positive values of all the variables, which is the case here, it can be very easily proven (algebraically) that the left side of the inequality is greater (or equal - in the limit case the denominators of the left side are all equal) than the right side. This implies that an approximation for the annual CRR, based on the average value of CRR across quarters produces a value no smaller than the true value.

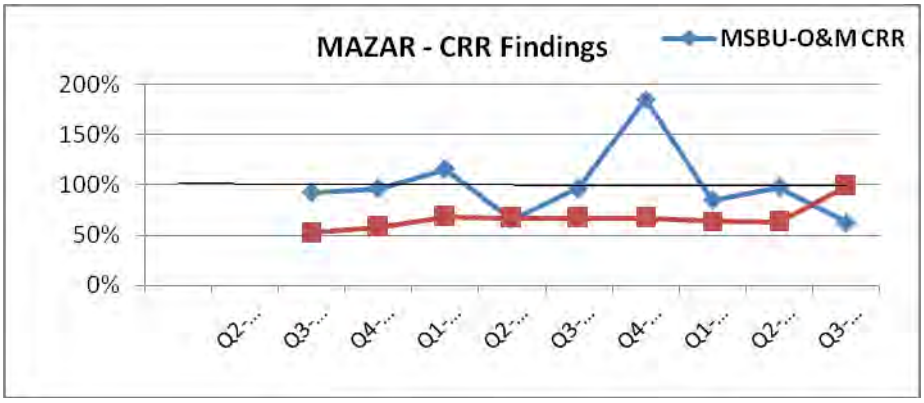
[97] As stated elsewhere in the report, the only exception here is the manager of Kandahar, an unexpected, exceptional case.

For Continuity of Supply: As CAWSA chose to report this indicator as a percentage (number of hours of supply as a percent of 24) rather than as an absolute number (hours of supply) as is typically done, in the tables following this narrative the evaluation team converted all CAWSA percentages to hours to facilitate comparison.[98]

The tables and graphs below make evident differences in results in CRR and Continuity of Supply according to SBU/WSD data, CAWSA reports, and AUWSSC data.

Table 9: COMPARISON OF CAWSA AND MAZAR SBU RESULTS FOR CRR AND CONTINUITY OF SUPPLY

CAWSA Reports- First Quarter for PIs is considered May-June 2011			Eqv. Shamsi Calendar	CAWSA		MSBU Data		
				O&M CRR	Cont. Supply (hrs)	Shamsi Calendar	O&M CRR	Continuity of Supply
2009	Q1	May-June	Q1-1388			Q1-1388	n/a	0.5-1 hrs in 24 (since 2009)
	Q2	Jul-Sept	Q2-1388			Q2 1388	n/a	
	Q3	Oct -Dec	Q3-1388	52%	3.4	Q3 1388	92.8%	
2010	Q4	Jan-March	Q4-1388	58%	3.4	Q4 1388	**96.6%**	
	Q5	Apr-Jun	Q1-1389	68%	3.4	**Q1 1389**	**115.4%**	
	Q6	Jul-Sept	Q2-1389	67%	3.4	Q2 1389	**65.6%**	
	Q7	Oct- Dec	Q3-1389	67%	3.8	Q3 1389	**96.9%**	
2011	Q8	Jan-March	Q4-1389	67%	3.8	Q4 1389	185.5%	
	Q9	**Apr-May-end**	Q1-1390	64%	5.52	**Q1 1390**	85.1%	
	Q10	Jul-Sept	Q2-1390	63%	5.76	Q21390	98.0%	
	Q11	Oct-Dec	Q3-1390	99%	5.8	Q3 1390	62.4%	



[98] In Annex 6 is possible to see the conversion formulae used.

Table 10: CRR. MSBU and AUWSSC data - ANNUAL

CRR	(1392) 2013	(1391) 2012	(1390) 2011	(1389) 2010	(1388) 2009
Calculations based on MSBU Data-Current and Past Collections	**70.72%**	**71.39%**	**119%**	**111.33%**	**89.1%**
Calculations based on AUWSSC Data-Current Collections	**n/a**	**33.9%**	**30.6%**	**29.9%**	**29.3%**
Calculations based on AUWSSC Data-Current and Past Collections	**n/a**	**71.4%**	**81.6%**	**84.7%**	**69.9%**

Note on MSBU. Annex 10 contains the soft version of MSBU data as the utility provided only hard copies and the evaluation team created the soft version. The hard copies provided by MSBU are included in the CAWSA Evaluation Project archive).

Table 11: COMPARISON OF CAWSA AND JALALABADRESULTS FOR CRR AND CONTINUITY OF SUPPLY

CAWSA REPORTS (First Quarter for PIs is considered May-June 2011)			Equivalent Shamsi Calendar	CAWSA		JSBU DATA			JSBU INFO
				O & M C R R	Cont. Supply (hrs)	Shamsi Calend.	O&M CRR[99]	O&M CRR-All Collect	Cont. Supply (hrs)
2009	Q1	May-June				Q1 1388	65.5%	83.2%	2 hours every other day, i.e. AVERAGE ONE HOUR IN 24.
	Q2	Jul-Sept	Q2-1388			Q2 1388	56.9%	75.3%	
	Q3	Oct -Dec	Q3-1388	36 %	2.4	Q3 1388	91.2%	108.3%	
2010	Q4	Jan-March	Q4-1388	46 %	2.9	Q4 1388	156.1%	171.4%	
	Q5	Apr-Jun	Q1-1389	49 %	2.9	Q1 1389	69.0%	99.4%	
	Q6	Jul-Sept	Q2-1389	42 %	2.9	Q2 1389	79.0%	82.3%	
	Q7	Oct- Dec	Q3-1389	42 %	2.6	Q3 1389	114.8%	91.7%	
2011	Q8	Jan-March	Q4-1389	41 %	4.1	Q4 1389	111.3%	126.3%	
	Q9	**Apr-May end**	Q1-1390	35 %	4.4	Q1 1390	69.4%	77.7%	
	Q10	Jul-Sept	Q2-1390	n/ a	n/a	Q21390	97.9%	102.1%	
	Q11	Oct-Dec	Q3-1390	91 %	4.56	Q3 1390	75.0%	80.6%	

[99] Included only current collections from water bills issued.

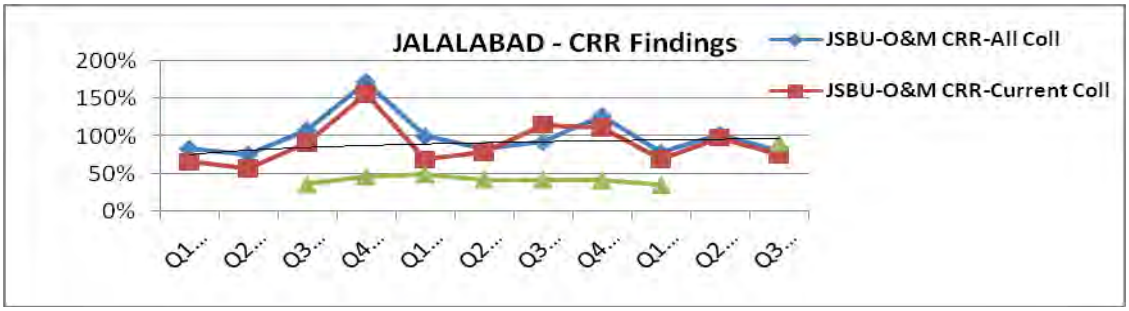
Table 12: JSBU and AUWSSC Comparison of CRR- Annual

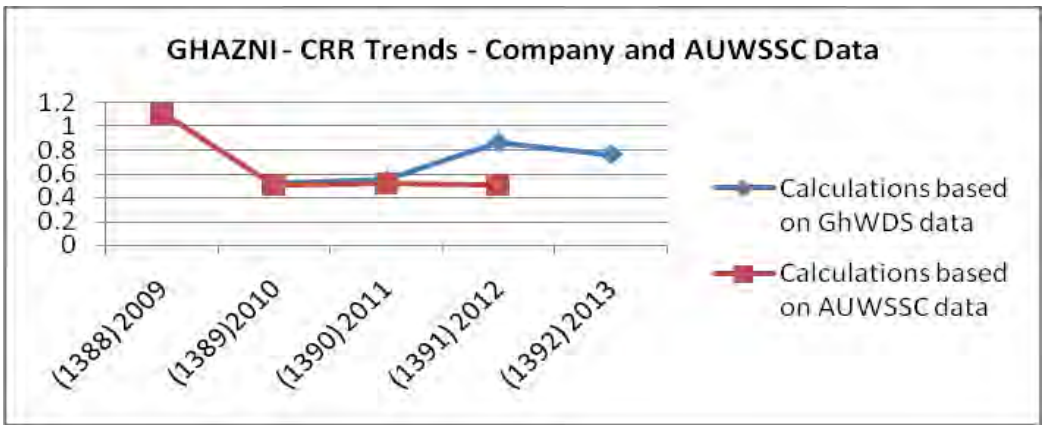
O&M CRR	(1392) 2013	(1391) 2012	(1390) 2011	(1389) 2010	(1388) 2009
JSBU monthly data-Our calculations	73.7%	87.3%	88.7%	88.6%	92.7%
Calculations based on AUWSSC data-- Current Collections	**n/a[100]**	**46.3%**	**61.5%**	**82.7%**	**61.0%**
Calculations based on AUWSSC data-- Current and Past Collections	**n/a**	**55%**	**79%**	**94%**	**71%**

Table 13: Table 12: GHAZNI and AUWSSC Comparison of CRR- Annual

O&M CRR	(1392) 2013	(1391) 2012	(1390) 2011	(1389) 2010	(1388) 2009
Calculations based on GhWSD data	77%	87%	55%	52%	n/a
Calculations based AUWSSC data	n/a	51%	52%	51%	111%
CAWSA -Approx. Annual Value	**N/A**	**N/A**	**66%**	**77%**	**58%**

Note: GhWSD confirms past collections are included in their calculations.





[100] The data exist, but there is one abnormal figure that distorts the result. Upon our observation made to AUWSSC, the indication was they will follow up to amend.

Table 14: GARDEZ and AUWSSC Comparison of CRR- Annual

O&M CRR	(1392) 2013	(1391) 2012	(1390) 2011	(1389) 2010	(1388) 2009
Calculations based on GrSBU Data-Current Collections	57%	85%	77%	60%	n/a
Calculations based on GrSBU Data-Current and Past Collections	**119.5%**	**118.0%**	**100.3%**	**130.3%**	**n/a**
Calculations based on AUWSSC Data-Current Collections	n/a	82.8%	60.2%	58.3%	94.9%
Calculations based on AUWSSC Data-Current and Past Collections	**n/a**	**99.3%**	**74.8%**	**86.1%**	**107.6%**
CAWSA -Approx. Annual Value	**N/A**	**N/A**	**55%**	**59%**	**51%**

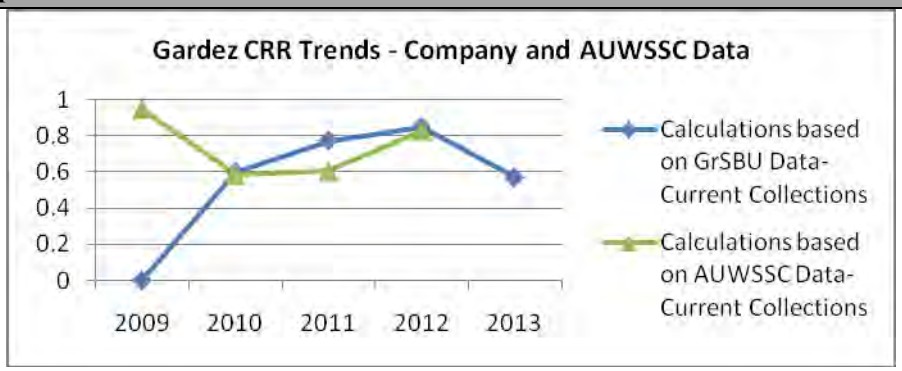


Table 15: COMPARISON OF CAWSA AND ZARANJ WSD RESULTS FOR COST RECOVERY AND CONTINUITY OF SUPPLY

CAWSA REPORTS			Eqv. Shamsi Calendar	CAWSA-ZARANJ		ZARANJ WSD Data	
				O& M CRR	Cont. Supply (hrs)	O& M CRR	Cont. Supply (hrs)
2012	Q12	Jan-March	Q4-1390	45%	3.2	n/a	12 hrs every two days:- ON AVERAGE 6 hrs / 24
	Q13	**Apr-MAY (specified)**	Q1-1391	79%	3.1	115.9%	
	Q14	Jul-Sept	Q2-1391	73%	3.12	49.6%	
	Q15	Oct - Dec	Q3-1391	87%	3.12	91.3%	
2013	Q16	Jan-March	Q4-1391	79%	3.12	73.2%	
	Q17	Apr-Jun	Q1-1392	78%	3.12	87.8%	
	Q18	Jul-Sept	Q2-1392	n/a	n/a	60.3%	
	Q19	Oct - Dec	Q3-1392	75%	2.88	110.8%	
2014	Q20	Jan-March	Q4-1392	80.00%	3.24	143.9%	
	Q21	**Apr-May-end CAWSA**	Q1-1393	80.00%		n/a	

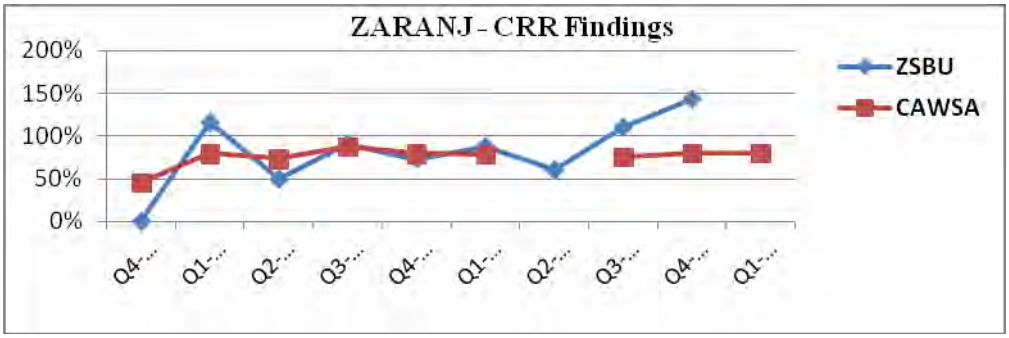


Table 16: ZARANJ and AUWSSC Comparison of CRR-Annual

O&M CRR	(1392) 2013	(1391) 2012	(1390) 2011	(1389)2 010	(1388) 2009
Calculations based on ZWSD data - Current and Past Collections	99.6%	80.4%	122%	n/a	n/a
Calculations based on AUWSSC data - Current and Past Collections	n/a	n/a	120%	87%	104%
Approx. Annual Values from CAWSA	**80%**	**78%**	**n/a**	**n/a**	**n/a**

Notes on ZWSD: *ZWSD first submitted annual data (2011-2014) then quarterly for 1391 and 1392. The results for CRR do not quite coincide. In the table above we use results from ZSBU quarterly data, except for year 2011 (first submission of annual data).* ***Annex 11, ZWSD Data and Calculations.***

Table 17: KANDAHAR and AUWSSC Comparison of CRR- Annual

CRR (AUWSSC)	1393 (2014)	1392 (2013)	(1391) 2012	(1390) 2011	(1389) 2010	(1388) 2009
Calculations based on AUWSSC data - Current Collections	n/a	n/a	12.4%	10.1%	32.9%	35.4%
Calculations based on AUWSSC data - Current and Past Collections	n/a	n/a	12.4%	25.6%	32.9%	35.4%
CAWSA -Approx. Annual Value	**40% (*)**		**28%**	**45%**		

(*) Note. This is the value for first quarter only.

Table 18 – MEHTARLAM and AUWSSC Comparison of CRR- Annual

O&M CRR	1393 (2014)	(1392) 2013	(1391) 2012	(1390) 2011	(1389) 2010	(1388) 2009
Calculations based on MeWDS data - Current Collections	n/a	21.40%	15.73%	4.30%	n/a	n/a
Calculations based on MeWDS data - Current and Past Collections	n/a	**61.45%**	**53.66%**	**4.30%**	**n/a**	**n/a**
Calculations based on AUWSSC data - Current Collections	n/a	n/a	14.6%	2.9%	3.5%	4.4%
Calculations based on AUWSSC data - Current and Past Collections	n/a	**n/a**	**22.8%**	**2.9%**	**10.2%**	**7.1%**
CAWSA -Approx. Annual Value	**25%**	**24%**	**20%**	**n/a**		

Table 18: Comparison of CAWSA data and SBU/WSD data on Continuity of Supply

HOURS OF DAILY SUPPLY-CAWSA YEARS		
	CAWSA Annual Average	**Company Information**
Mazar	**4.2**	**0.5 – 1**
Jalalabad	**3.5**	**2**
Ghazni	**4.0**	**1**
Gardez	**11.7**	**Comparable/correct**
Kandahar	**3.7**	**Not available**
Mehtarlam	**1.6**	**1**

a. Summarized Findings on Cost Recovery Results and Continuity of Supply

- The most obvious observation from the information presented above is the fact that all three sets of data from AUWSSC, the SBUs/WSDs and CAWSA are substantially different in almost all reported cases, which raises the question of data credibility.[101]
- A comparison of CRR results as reported by CAWSA, AUWSSC, and the SBUs/WSDs, shows that CAWSA's results are substantially lower than those of AUWSSC and the SBUs/WSDs.
- Continuity of supply is very low in all of the SBU/WSDs, and differs from CAWSA's reporting from MSBU, JSBU and GhWSDi (CAWSA reports higher numbers for continuity of supply than the utilities do).Zaranj reports a higher number of hours than CAWSA, Gardez is comparable, and Kandahar was impossible to compare.[102]
- Based on the detailed data (presented in the Annexes) for those utility companies that sent monthly data, the evaluation team found that:
  (i) The accounting in several instances is not correct. For example, items that are not costs are misrepresented as such;

[101] More specifically:
(i) For JSBU and MSBU, CRR results from companies' data, results obtained from AUWSSC data and CAWSA results differ substantially from each other.
(ii) Same holds true for ZWSD.
(iii) Results for KrSBU (from AUWSSC data) differ substantially from CAWSA results.
(iv) MeWSD data have only two years overlap with CAWSA, and CRR results are close (from 10-22% variance) considering results obtained based on current collections for MeWSD.
(v) Ghazni results are quite close to AUWSSC results, but not with CAWSA.
(vi) Gardez CRR results from company data are quite close to AUWSSC, but to note that this equality suggests that "current collections" reported by Gardez coincide with "current and past collections" reported by AUWSSC. However, there is no match between Gardez and CAWSA results; except for year 2011, when all three (Gardez. AUWSSC and CAWSA) coincide.

[102] Excluded Lashkar Gah here, as it was not relevant.

(ii) The presentation of cost and revenue elements is illogical, confusing, and definitely not conducive to cost center based accounting;

(iii) For JSBU in particular: The estimation of billed amounts for years 2009-2012 is nonsense and completely wrong (Annex 11 – JSBU Data and Calculations);

(iv) For MSBU in particular: The utility's calculation of CRR is nonsense and definitely does not reflect the actual CRR (See Annex 12 – MSBU Data and Calculations, Sheet 1);

(v) Accounting is inconsistent over the years;[103]

(vi) Annual data first produced (at the request of the evaluation team) by the utility companies (later supplemented by requests for monthly or quarterly data) do not coincide, which raises a question mark on the credibility of data recorded by the companies;

(vii) The standard practices used by many utility companies for calculation and reporting of collections—by which they include past collections over various years in their calculations—is a completely wrong and misleading practice, resulting in inaccurate calculations of CRR.

b. Conclusions on CRR Findings

Overall, the evaluation team found multiple instances and made several observations suggesting that data provided by the utility companies (SBUs and WSDs) provide ample proof of wrong practice, and incorrect understanding and application of the basic principles of accounting and of the water business as a whole. Specific examples leading to this conclusion are detailed below.

- It would appear that, based on JSBU and MSBU data, CRR has been fluctuating, yet there have been no significant changes over time, either during CAWSA or after completion of CAWSA activities. Gardez data suggest there has been steady improvement during CAWSA, and this coincides with AUWSSC data. It is impossible to draw a conclusion on the following: Ghazni, due to contradicting data (GhWSD data suggest CRR has increased, AUWSSC data remained steady, CAWSA data suggest CRR has decreased); Kandahar, due to lack of data (too few data points from AUWSSC, no data from KrSBU); and Mehtarlam, due to concerns over data accuracy (MeWSD data suggest a slight increase over two years only, but AUWSSC has no sufficient data points to make comparison possible, while CAWSA suggests a slight increase over these same two years). Zaranj utility company data

[103] For example, not two years have exactly the same cost items (for JSBU and MSBU). In particular, in year 2014, JSBU changed quite substantially the presentation of cost elements, apparently in an effort to introduce cost centers, but in fact makes presentation even more confusing. (See Annexes 9 and 10 for details). Besides cost accounting structure, in various instances data itself appear abnormal: e.g. in Mehtarlam, O&M Costs increase significantly in 2013 no apparent reason (See Annex 12). Same for Mazar (Annex 10), where nearly all costs in 2014 augment, to almost double total cost of first quarter (compared to previous years).

suggest an increase in CRR but at a much higher rate than CAWSA seems to suggest (see tables and graphs above in this section for details).

- It is not clear why values of CRR reported by CAWSA by the end quarters are exceptionally much higher than the trend in the previous quarters. For example, it is highly doubtful that the results for CRR reported in the last quarter (Oct-Dec 2011) for MSBU and JSBU are sustainable. According to CAWSA-reported data, the CRR for MSBU for the last quarter is reported at 99 percent, while all eight preceding quarters fall within the interval of 52-68 percent. Similarly, for JSBU the CRR reported for the last quarter (91 percent) is preceded by another eight quarters whose values oscillate between 35 percent and 49 percent.
- It is particularly surprising that CAWSA results do not coincide with the company data (for the same years), especially for the companies where computerized databases were established through CAWSA. The only logical explanations are either that CAWSA did not use the same data to calculate CRR for its reports, or that it did, but that the utility companies then modified their data at a later date for some reason.
- Similar to the above, it is again surprising why companies did not use the AUWSSC corrected and verified data, which would have led to the same results, but keep maintaining their previous accounts.

12. Gender Participation and Empowerment

Gender issues in relation to water supply services are multifaceted, and span from presence of (qualified) female staff in water utilities to improve the life and wellbeing of women as a result of improved services. In the context of CAWSA, only the former was specifically addressed by the activities, and was thus verifiable by the evaluation team. While it intuitively follows that provision of [clean] water into the house marks a huge improvement in women's lives, the evaluation team did not have the chance to meet female members of the public for interviews.

Findings

CAWSA paid due attention to gender issues with regard to participation in utility services, in line with its overall goal, and empowerment of women where mixed staffs existed. The approach was based on a two-fold, pragmatic consideration:

(i) Raise awareness of gender issues and foster empowerment wherever mixed staff exists, i.e. only at AUWSSC. Attention was certainly needed to ensure better cooperation between male and female colleagues, raise work efficiency and trying to promote women empowerment by training specifically female staff on management topics.

(ii) Introduce female staff at utilities (except those where more strict customs prevent that altogether), with the aim to improve billing. The underlying reason is that

during work hours, in most households only female members are present, making it difficult (if not impossible) for male meter readers to perform their job.

The raising of awareness on gender issues, and seeking empowerment of women, wherever mixed staff exists, was covered through the introduction of various training courses focused on Gender, as follows:

- January 30, 2013: One-day training program on *Violence Against Women* for the AUWSSC Staff.[104]
- March 8-11, 2013: *Management training* workshop[105] with 18 female staff of AUWSSC, mid-level and line managers. Reported positive feedback.
- June 3, 2013: One-day training program on *Gender Justice in Islam* for the AUWSSC Staff.[106]
- September 8-11, 2013: *Basic Management Training* for the 18 AUWSSC female Staff,[107] mid-level and line managers. Reported positive feedback.

It is likely too early to see the result of these activities.

Regarding the introduction of female staff, CAWSA utilized paid interns in all companies, except in Gardez and Kandahar. Sometimes CAWSA was able to find original solutions (such as sister-brother meter readers in Ghazni). In the course of the interviews conducted by the evaluation team, their work was highly praised by the respective SBU/WSD managers, and definitely produced results in better billing. Although all managers (except Kandahar and Gardez) recognized the need for female meter readers,[108] the fact remains that after CAWSA left, none of the utilities was able to retain (or recruit) female staff for billing and meter reading, with the justification that CAWSA paid these female staff salaries the utilities could not replicate on their own.[109]

Conclusion

While the above explanation seems to explain why CAWSA female interns discontinued their work with the utilities, it does not necessarily follow that there are no sufficiently qualified females among the public interested in taking the job for a lower pay. It appears that cultural barriers are still too strong to enable a more relaxed environment and conditions

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[104] Annex 12 of CAWSA Final Report.
[105] Annex 18 of CAWSA Final Report.
[106] Annex 13 of CAWSA Final Report.
[107] Annex 14 of CAWSA Final Report.
[108] It is curious to observe that none of the managers was able to comment on the impact that the resignation of female meter readers had on billing.
[109] Anecdotal evidence from various interviews with SBUs suggests CAWSA paid $200-$300/month.

for female participation in the job market in general, and in the water sector in particular, and that the utility companies did not make it a priority to hire women.

13. Donor Activities and Cooperation with CAWSA

CAWSA sought interaction with other donors in the sector in order to compensate for insufficient funding for capital investments in the assisted SBU/WSDs. During the course of the project, CAWSA assisted the SBU/WSDs in applying to various donors for a substantial number of projects, amounting at circa $10 million. The leveraged funds realized are the result of these applications.[110]

The evaluation team conducted meetings and communicated with a number of donors in the sector, including KfW, the World Bank, AFD, ADB and GIZ. Based on these meetings and email exchanges, it appears that coordination and information sharing were less than optimal. Of the above agencies,[111] GIZ was the only donor that reported some interaction with CAWSA, although the interaction was minimal as GIZ and USAID deliberately supported different SBU/WSDs to minimize overlap.[112] This design was a specific requirement of AUWSSC HQ, to ensure that the commercialized water sector was fully covered and supported. Various donors therefore provided complementary support in the water sector, without overlap or duplication of efforts. However, this strategy to spread assistance throughout the water sector did not necessarily maximize the benefits of support, as the design did not require regular coordination or information sharing among donors.

The bullet points below highlight the key discussion points between the donor focal points and the CAWSA evaluation team. Most donor focal points with whom the evaluation team spoke were not familiar with CAWSA, however, given high turnover at donor agencies and the fact that CAWSA had already closed, the lack of familiarity may not be indicative of previous relationships between the project and other donors.

Kreditanstalt fur Wiederaufbau (KfW, the German Development Bank):

- KfW is mostly involved with capital investments (while TA, like that provided to SBUs and WSDs under CAWSA, is covered by GIZ).

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[110] Should be noted that based on CAWSA reports (CAWSA Final Report, Annex 26-Leveraged Funds) appears that a much greater number of projects (and value) were expected to be realized than what, according to utilities, were materialized.

[111] This is based on feedback we had from the current heads of water sectors in the said institutions. Does not necessarily mean that if they knew nothing, nobody at their institution did. For example, the World Bank contact person (Ms. Detawari) had never heard about CAWSA, yet, through CAWSA, MSBU had applied for the Takhta Pul project to the WB and it results (from CAWSA report cited in footnote above) had been approved at a point (later seems cancelled, as no works started).

[112] Consisting in participation of some staff of utilities covered by CAWSA in one workshop organized by workshop, exchange of a few manuals there was not any substantial cooperation. This is based in the interview with the COP of CAWSA, and a very short statement via phone of GIZ representative in Kabul.

- Currently assisting Mazar-i-Sharif (also Kunduz and Kabul) since 2011 with network extensions, but there has been no connection or synergies with CAWSA activities.
- Sanitation is a serious concern, but there is no cooperation between various ministries in Kabul and donors.
- Future plans concern construction of a sewerage network in Kabul based on an existing master plan from 2006.

The World Bank:

- Regarding activities in urban water sector in Afghanistan, the World Bank supported the transformation of CAWSS into AUWSSC (including TA), and continues to support AUWSSC HQ with salary payments.
- Future activities of the World Bank in the sector are yet to be decided, but can be anticipated substantial capital investments to improve infrastructure.

Agence Francaise de Developpement (AFD):

- AFD was familiar with AUWSSC, as they are supporting an initiative led by KfW to support the Kabul SBU (CAWSA did not support this SBU). This initiative is still in the planning stage, but expects to commence in 2014. The purpose is to support management, operations, and infrastructural needs. KfW is the lead donor, with AFD in a support role, by allocating funds yet to be determined. AFD does not have the resources to undertake a major role in the design and management of the proposed project.
- In recognizing the benefit of knowing what CAWSA has done in the sector, ADF said the agency would take steps to establish contacts with USAID in order to learn more about the project.
- AFD has just issued a request for Expression of Interest for services and works similar to CAWSA type of assistance, and intended for Kabul SBU.

Asia Development Bank (ADB):

- The ADB deals exclusively with rural water issues. The representative, however, said that ADB coordinates regularly with USAID water sector representatives. ADB activities do not extend to the urban water sector, but are more focused water resources management. All work aligns with the ANDS and NPPs. Most of their water work in Afghanistan has been repairing irrigation infrastructure.
- ADB plans to fund the Kabul Aquifer Recharge Project, which will be implemented through the Ministry of Finance through on-budget funding from ADB. They do not work with AUWSSC. The MOF is the final deciding body for this project, but ADB reports that coordination and cooperation is good between ADB, MOF, MAIL, and MEW. The Deputy Minister of the MOF has expressed some concern about them stepping into urban water issues, but this is more a "division of labor" issue than it is a concern about the project not earning revenue through water.

The evaluation team concludes that CAWSA's synergies with other water sector development activities were limited to those directly related to the commercialization of urban water supply in CAWSA's target areas. Because CAWSA dealt specifically with commercialization of water supply, and only in certain target cities, there was minimal cross-coordination with similar activities in other cities (e.g. SBUs supported by GIZ or WB), and little to no coordination with other actors in Afghanistan's water sector (e.g. natural resource management and rural water issues). It appears there may be room for strengthening donor cooperation in the water sector in Afghanistan.

SUMMARY OF FINDINGS AND CONCLUSIONS:

This section presents a summary of findings and conclusions organized around the evaluation questions with recommendations related to each question.

Questions 1 and 2 combined as per SOW: In what areas of management and service level performance were CAWSA interventions responsible for improvements? In particular, what specific areas most strongly affected cost recovery? In what areas were identified failures? *Based on analysis of the specific SBU/WDS activities, including results against objectives, how well have the activities improved sector performance, what new practices were introduced, and in what areas the program was not successful.*

Findings

1. CAWSA's interventions introduced water utility management concepts and procedures that improved management's performance, particularly with respect to customer services, and included the creation of databases, adequate billing and collection procedures, customer information and communication systems, computerization of accounting and financial systems (done selectively). CAWSA also introduced network maintenance procedures. In addition, CAWSA's capital investments and in-kind assistance had a considerable effect in upgrading the working conditions and work environment – an indispensable premise for improving performance. SBU/WSD managers' and other staff perception of CAWSA was generally very positive, but all of them pointed out insufficiency of capital investment to meet their needs.

2. Considering reservations on the reliability of data reported by SBU/WSDs, and in part from AUWSSC it would appear that, based on data from JSBU and MSBU data, CRR has been fluctuating, yet there has been no significant upward trend over time; during CAWSA and after that. GrWSD data suggest there has been steady improvement during CAWSA, and this coincides with AUWSSC data. It is impossible to draw conclusions on: GhWSD (as WSD data suggest CRR has increased, AUWSSC data remained steady, and CAWSA data suggest CRR has decreased); KrSBU (too few data points from AUWSSC, no data from KrSBU); and MeWSD is doubtful (MeWSD data suggest a slight increase over two years only, but AUWSSC does not have sufficient data points to make comparison possible, and CAWSA data suggests a slight increase over these same two years). ZWSD data suggest an increase in CRR but at a much higher rate than CAWSA reports.

3. It is notable that all three sets of data on CRR (companies, AUWSSC and CAWSA) are substantially different in almost all cases, (which raises the question of data

credibility).[113] The data obtained from the SBU/WSDs show that the staff capabilities in finance and accounting are very low in all SBU/WSDs.

4. Findings on Continuity of Supply during CAWSA years generally differ with CAWSA reports,[114] and suggest a very low level of service for four utilities (MSBU 0.5-1 hr/24, JSBU 2hr/24, GhWSD 1h/24; MeWSD 1hr/24, negligent in LaWSD,[115] reasonable in GrWSD and ZWSD, and unknown in Kandahar. None of the SBUs/WSDs are currently capable of meeting their customers' daily demand for water, as all utilities suffer from a lack of or insufficient water production and distribution network infrastructure, storage capacity and equipment.

Conclusions

5. CAWSA produced important results in establishing proper customer relation procedures and work practices. Positive effects of CAWSA were also demonstrated through work done by their interns, the ability to produce quick results in customer identification and (past) revenue collections (based on our findings, in MSBU, JSBU, GhWSD, GrWSD, MeWSD and ZWSD116), which explains the peaks in CRR results especially for MSBU and JSBU. The main areas of management where CAWSA had the most effect and that produced greater results (though, as it will be seen further in this report, not sustainable) in cost recovery were those related to customer services, where, according to SBU/WSDs, produced results in revenue collection (mainly past revenues). There seems to be no evidence that CAWSA activities were successful in reducing costs.

- With regard to Cost Recovery Ratio, from the CAWSA reports, it seems that CAWSA did not achieve its targets in any sustainable manner in any of the utilities. Utility data suggest appears that achievements were exceptional; while AUWSSC data suggest CRR targets were not achieved.
- Based on our findings, CAWSA did not produce any important effect with regard to the trainings and other support in financial management and accounting areas. With the partial exception of MSBU and JSBU, where some effect was produced and capacities were

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[113] More specifically:

(vii) For JSBU and MSBU, CRR results from companies' data, results obtained from AUWSSC data and CAWSA results differ substantially from each other.

(viii) Same holds true for ZWSD.

(ix) Results for KrSBU (from AUWSSC data) differ substantially from CAWSA results.

(x) MeWSD data have only two years overlap with CAWSA, and CRR results are close (from 10-22% variance) considering results obtained based on current collections for MeWSD.

(xi) Ghazni results are quite close to AUWSSC results, but not with CAWSA.

(xii) Gardez CRR results from company data are quite close to AUWSSC, but to note that this equality suggests that "current collections" reported by Gardez coincide with "current and past collections" reported by AUWSSC. However, there is no match between Gardez and CAWSA results; except for year 2011, when all three (Gardez. AUWSSC and CAWSA) coincide.

[114] See Table 20 for details.

[115] According to LaWSD, potable water is provided only through 20 public taps, and 2.5 hours split between morning and afternoon.

[116] And based on CAWSA reports also in KrSBU and LaWSD.

created, in none of the other utilities seems to have remained any sufficient capacity to support any reasonable performance in these areas. The reasons are linked directly with very low staff capacities.

Question 3: What recommendations can be made with respect to increasing cost recovery through infrastructure network expansion, availability of a sustainable water supply, electricity costs to pump water and further capacity building activities? Please provide examples.

- Regarding enhancement of cost recovery ratio in the utilities under CAWSA, the main recommendation applicable to seven utilities (excluding Lashkar Gah) is that they need serious upgrades in infrastructure to provide sufficient and sustainable water supply to their customers. A straightforward observation on past and current levels of Continuity of Supply for most of these utilities suggests that it is counterintuitive to have expected any sustainable result in overall improvement of any utility's performance, including CRR, before their systems are enabled to deliver water in more amounts that are reasonable.

- Based on the findings of the evaluation team, the customer base is generally willing to pay, even higher tariffs, on the condition that service improves. In particular, in Zaranj there is also a high (but unmet) demand to connect to the network. Besides occasional statements made by managers, the proof of this willingness is the very fact that most these utilities do collect revenues, even despite their providing the level of service they do, which often includes the provision of dubitable quality drinking water.[117] This suggests that willingness to pay is not the key issue, but rather the ability of the utilities to provide minimally reasonable services.

- In addition, all of the utilities should find a solution to provision of qualified key staffs by applying transparent and merit-based hiring policies. Further capacity building activities should ensure that at least minimal capacities exist; otherwise, supplementary efforts will be lost. While all SBU/WSDs complain of difficulty to attract more educated employees, it seems very doubtful that cities like Jalalabad (and Mehtarlam, which is close to it), or Mazar-i-Sharif are unable to attract fresh graduates from the respective universities, at least in the fields of accounting and finance. The job market in Afghanistan has more supply than demand; therefore hiring qualified candidates should be possible.

- If any future programming will address these utilities, a specialized team of engineers will need to assess, in detail, what kind of infrastructure and equipment serves the purpose. The results would then be reflected in a business plan. The current managers are not always clear on their investment priorities and are not qualified to provide an accurate

[117] A finding common to all utilities is that none provides for water quality testing at the customer service point, which leaves out of consideration an essential performance indicator.

account of needs *vis a vis* objectives for service level enhancement**.** However, in addition to the above, the findings of this evaluation suggest:

a) For MeWSD and ZWSD, it is necessary to extend the networks and expand the customer base. This is important for the former because is extremely low (270 connections), and for the latter because great demand is matched by high willingness to pay.
b) For MSBU, JSBU and GhWSD (all with well-based supplies), all supply water for one hour out of 24, while their pumps reportedly run 6-8 hours. For these utilities, it appears that the main measures needed to reduce costs and increase efficiency of operations include: (i) increasing pump efficiency and (ii) re-design of distribution network (reportedly needed for MSBU, but potentially relevant to others as well) to correct/improve system topology.

▪ With regard to Lashkar Gah, before any assistance is considered, it is necessary that first, the water services are separated completely from all the other municipal services and placed under AUWSSC. Second, an agreement will have to be reached with the municipal authorities on the application of commercial practices in water provision, in order to avoid potential conflicts.

▪ With regard to Kandahar, before any assistance is considered, it is necessary to either reach an agreement with the current manager to cooperate, or seriously increase the capacity of their top management.

Question 4: How sustainable are the capacity building activities and technical skills transferred from CAWSA? To what extent have SBUs/WDSs have actually integrated in their daily performance the CAWSA, work procedures and management tools? What staff capacity gaps they experience? What capacities are there in the sector (at AUWSSC HQ level, in particular) to transfer skills to SBU/WDSs?

▪ CAWSA's achievements in terms of capacity building appear quite sustainable in JSBU and MSBU, moderately sustainable in GrWSD, barely sustainable in MeWSD and not sustainable in GhWSD and ZWSD (in all there is good will, but low staff capacity and serious lack of infrastructure). Unless these last three are supported further with a combination of substantial infrastructure improvements and technical assistance, achievements will not be sustainable over time. Achievements have already proven to be unsustainable in Kandahar (exemplified by inadequate responsiveness of KrSBU manager and very low staff capacity) and Lashkar Gah (where above all, the municipality pursues a policy of delivering free water that is completely in contrast with commercialization efforts).

▪ The human capacity at AUWSSC HQ is not lacking, but it is very limited. Financially, AUWSSC is totally dependent on donor funding, including payment of salaries for key staff. For that reason, AUWSSC is not in a position to assist SBUs/WSDs with the support they need, including training and coaching at a minimum. They need support for the

purpose of enforcing standardized procedures for accounting, data recording and reporting, and more importantly, to impose financial controls and discipline in SBU/WSDs.

- Sustainability of any technical assistance, including CAWSA assistance, at AUWSSC HQ is highly vulnerable and would seem entirely subjected to donor decisions to continue or discontinue subsidies for key staff salaries, which determines staff continuity118.

Question 5: Was the project correctly designed, managed, and implemented? Provide recommendations for future programming. *Identify the approaches – from strategy, management, and implementation – that enhanced the project and identify the ones that can be replicated in the future. Also, identify the ones that weakened the project.*

Findings and Conclusions

- Overall, CAWSA produced value mostly in building serious ground for sound management and giving examples of good work practices to all staff. The project design and implementation (which combined TA with capital investment and embedding staff to work directly with utilities) was particularly beneficial and produced synergies between these two components.

- The magnitude of capital investments was such that they could not resolve any major problem, definitely not matched to their needs, and not proportional to their respective system size.

- Regarding selection of utilities, it was likely inappropriate in the case of LaWSD, in which efforts to commercialize were premature and non-effective due to the current policy of delivering free water services to all citizens, established and maintained by the municipality.

- The assumptions and targets related to CRR were too ambitious due to the limited capabilities of the utilities' personnel and infrastructure. Achieving higher CRR targets may possibly be relevant and more realistic in a follow-on project, but only after necessary infrastructure and other physical system improvements, together with provision of more qualified key staff were achieved.

- While CAWSA was suitable for the context, it appears that the objective (commercialization) was not well reflected in its design, at least with regard to including

[118] Indications from communications of the evaluation team with the World Bank representatives suggest that the WB is considering to discontinue its supporting of AUWSSC with salaries any longer.

assistance for drafting a business plan tailored to the capacities of the utilities and a customer survey on ability and willingness to pay, as a minimum. These two are inseparable elements of a TA focused on commercialization.

- In terms of management and implementation approaches that ensure sustainability of the achievements and assistance: While CAWSA seems to have produced a large amount of systems, procedures and databases, little seem to have remained in any (except, to some extent, in MSBU and JSBU). In particular, the trainings in financial management and accounting areas do not seem to have been effective due to very low staff capacities. It could have been appropriate to make strong requests to all respective managements to replace some of the utility staffs in these areas, before continuing with any training, or else, modify seriously the training programs and place efforts elsewhere. In particular, this seems to be the case of Ghazni, Gardez, Kandahar, Mehtarlam, Zaranj, and Lashkar Gah. In addition, the fact that the embedded staff/interns left after CAWSA, thus leaving behind gaps in the organizational structures of these utilities, suggests that the approach should have been modified to: (i) make sure that the interns were still motivated to continue working with the utilities (see recommendations for details on how); and/or (ii) instruct utilities to fill key staff positions during the program, so that employees could be trained/coached thoroughly. This is especially feasible for SBU/WDSs where universities exist and potential cadres are available.

Recommendations

1. The existing elements of CAWSA remain valid and applicable to other SBUs, but need to be combined with other elements, subject to objectives of future programming. The following recommendations are made:

a. Prior to selecting SBU/WDSs for any program, conduct a thorough assessment of each SBU/WSD to understand their respective operational context and thus form realistic expectations. In particular, if the quality of key staff quality at an SBU/WSD is an issue that negatively affects functionality, assistance should only be delivered to that SBU/WSD if AUWSSC is able to replace key staff to meet minimum qualifications.

b. Tailor the project to correspond to the specific needs of each SUB/WSD and set realistic objectives. **Key areas of any future project, especially with a focus on commercialization, should include assistance for drafting five-year business plans and capital investment plans, with clear and realistic performance objectives that address, among other issues, water quality, security of supply, meeting their customers' daily water demand. These objectives should be based on assessments of customers' ability and willingness to connect to the network and pay for services, as well as their water resource capacities.**

c. If necessary, (i.e. whenever the use of private wells comports health hazards), introduce elements addressing awareness of water-related diseases and basic hygiene trainings/awareness activities.

2. The involvement of embedded staff should continue, as it is an excellent and cost effective means of providing daily coaching and in-house training. However, the interns' salaries should be closer to the salary levels with those of utilities in order to motivate potential, permanent employment upon end of assistance.

3. The magnitude of capital investments in future projects should match the objectives for performance improvements in each assisted utility. Coordination with other donors is essential, as it may be difficult to for one donor to fund all SBUs/WSDs. An alternative to donor-funded cooperation is to select and focus on one or two SBUs/WSDs to maximize results, and over time use these SBUS/WSDs as models for future programming.

4. Future assistance could consider other forms of support, including performance-based incentives built into management contracts (as opposed to performance-based incentives for individual staff only). A cost-benefit analysis of the CAWSA project could possibly support the idea of pursuing management contracts, as potentially, this approach would be more cost effective.

5. Finally, the scope of technical assistance needed in the water sector in Afghanistan goes well beyond assistance at the individual utility level. Currently, the way the overall water sector functions is not conducive to commercialization, and even less to building a service that provides value to the customer. The theme is broad, and implies a major sector restructuring to enable a division between policy-making, regulation, and service provision functions, drafting of a harmonic regulatory framework, as well as addressing the issue of improving the quality of human resources in the sector.

Question 6: How have CAWSA efforts ensured women's participation and empowerment?

Findings:

- CAWSA tackled the issues of women's participation and empowerment in two principal ways: (i) Wherever mixed staff exists, i.e. only at AUWSSC through trainings on gender but also on management (empowerment), and (ii) introduced female staff at six out of eight utilities (excluding Gardez And Kandahar), with the aim to improve billing (mainly participation). All the utilities where female staff were introduced were very appreciative of their job. However, after CAWSA left, none was able to retain their female staffs, on the justification that cannot provide required remuneration (as during CAWSA).

Conclusion:

- The approach was correct and definitely needed, but either financial restrictions, or any other reason (cultural mostly), prevent continuity of this practice. The evaluation team noted that none of the SBU/WSD managers proved to be sufficiently analytical to see the cost-benefit side of employing female staffs for the sole purpose of improving billing.

Recommendation:

- This approach is valid and should be continued in other possible projects similar to CAWSA.

Question 7: What were the major success factors and challenges faced by CAWSA and the lessons learned during the implementation of the program that should be integrated into a follow on program?

- Success factors in design and implementation, that can be replicated, consisted in the following features:
    a) Combination of TA with capital investment, enhancing TA: The fact that both were kept within the same implementing agency adds value and potentially maximizes results from TA.[119]
    b) Use of embedded staff and interns.
    c) Use of performance incentives.

- **Main challenges to achieve the objectives concerned:**
    a) Low staff capacity at SBU/WSDs in all areas and at all levels.
    b) In particular, the objective of commercialization of services and target levels for CRR was not in line with the fact that the SBU/WSDs have systems that do not deliver minimally adequate services.
    c) The pervasive and prevailing mentality among key staffs at all levels of that "the state will cover" or "the donors will cover" gaps.
    d) Very limited funding provided under this agreement to enhance infrastructure.
    e) More specific challenges (in addition to the above) non-cooperative management (Kandahar), and municipal policies that go against commercialization (Lashkar Gah), etc.
    f) Other challenges for CAWSA regard security issues that impeded movement and reflected on project performance and difficulty for ICMA to retain its own (local) staff, especially when re-allocation (e.g. from Kabul to provinces) was required.

- **Lessons learned:**

    a) Need to better align objectives with context;
    b) Need to match, whenever possible, capital investment with technical assistance and overall objectives;

[119] This is in spite of insufficient funding, which nonetheless, has always a positive impact and strengthens TA activities. The keeping of both within the same agency ensures synergies and in potential at least, optimized modulation of TA with type of facility and infrastructure improvements.

c) Identify other schemes for assistance that would reduce travel of consultant staff;
d) Find ways to incentivize continuation of work by interns, after the end of program, by considering salary levels closer to utility remuneration.

Question 8: What were, if any the development impacts and aid effectiveness?
Has CAWSA been effective at integrating other development activities in a way that maximizes development impact and aid effectiveness? If so, are there specific ways that this has been accomplished that could inform future USAID programming?

Findings

- CAWSA interacted with various donors to enhance capital investments in particular, by assisting utilities in applying for projects, as well as trying to build capacities in proposal writing. Other efforts to create synergies in TA involved GIZ (one training in common and one manual shared), but seems outcomes were limited**.** Despite efforts, the results were only minimal, apparently because of non-responsiveness from other donors. That said, CAWSA results in one or more SBU/WSDs will surely benefit other donors working there.

Conclusion:

- Donor cooperation in Afghanistan water sector appears to be weak. There is no minimal donor coordination at AUWSSC level, as well.

Recommendation:
- Before deciding on future programming, USAID should actively investigate any possibilities with other donors, in order to seek synergies and advocate coordination in respective forums.

ANNEX 1: SCOPE OF WORK

COMMERCIALIZATION OF AFGHAN WATER AND SANITATATION ACTIVITY (CAWSA)

INTERIM PROGRAM PERFORMANCE EVALUATION

Statement of Work (SOW)

I. PROJECT INFORMATION

Project Name: Commercialization of Afghanistan Water and Sanitation Activity (CAWSA)
Implementing Partner: International City/Country Management Association (ICMA)
Cooperative Agreement #: 306-A-00-09-00501-00
Total Estimated Cost: $14,230,467
Obligation Date: November 2008 – May 11, 2014
Program area: Mazar-i-Sharif, Jalalabad, Ghazni, Gardez, Kandahar, Lashkar Gah, Zaranj, and Mehtarlam

II. INTRODUCTION

The objective of the Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) program was to design and implement a viable business model for water service delivery in Afghanistan through improved cost recovery and increased revenue to operate, maintain, and expand the provision of potable water supply. The business model was to work directly with the Strategic Business Units (SBUs) and Water Supply Departments (WSDs) under the Afghan Urban Water Supply and Sewerage Corporation (AUWSSC) by establishing reasonable performance targets, providing adequate incentives to motivate staff to progressively improve performance, and establishing a basis for cost recovery in the urban water sector.

The purpose of the evaluation is to assess the performance of USAID assistance to the AUWSSC SBUs and WSDs through CAWSA. The evaluation intends to determine the accuracy of the results reported, derive lessons learned, and provide next steps course of actions with a focus on increased cost recovery through follow on programmatic activities with AUWSSC. The Evaluation is meant for the USAID/Afghanistan water team in particular and to enrich the follow on project design and the team's thinking going forward.

III. BACKGROUND

The Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) program was awarded on November 12, 2008 to International City/County Management Association (ICMA) under USAID agreement # 306-A-00-09-00501-00 for a period of three years. The project was then extended for an additional six months until May 2012 through a no-cost extension. Under this award, ICMA provided capacity building and technical assistance to help the SBUs and WSDs improve the water supply systems in selected water utilities (initially in Mazar-e-Sharif, Jalalabad, Ghazni, and Gardez cities) in coordination with the Afghan Urban Water Supply and Sewerage Corporation (AUWSSC) and other stakeholders. The project was later shifted into Kandahar SBU and three selected WSD Satellites Mehtarlam, Zaranj, and Lashkar Gah in early 2011. Since these activities were added late in the CAWSA cooperative agreement, USAID extended the program for two more years until 2014 and provided additional funding to ICMA to build the capacity of these utilities similar the original four SBUs. Although not the primary focus of CAWSA, the project was also tasked to provide limited capacity building support to the AUWSSC headquarters staff and to integrate its office operations and reporting systems with those of the SBUs and WSDs

With the help of CAWSA, The Government of Afghanistan (GoA) instituted reforms with the intent to strengthened the ability of AUWSSC to provide a financially sustainable, dependable, and safe drinking water supply to urban residents initially in Mazar-i-Sharif, Jalalabad, Ghazni, and Gardez. At AUWSSC's request, USAID granted CAWSA an additional time extension and a TEC increase of $4,130,467 on November 10, 2011 to improve cost-recovery ratios to target of 85% in Kandahar, Lashkar Gah, Zaranj, and Mehtarlam.

During the program, CAWSA reported cost recovery increased to over 80% and population coverage rose to over 30% in Mazar-i-Sharif, Jalalabad, Ghazni, and Gardez. However, performance lagged for the four cities added under the extension. Kandahar is reported to only have achieved 39% in cost recovery and 15% in population coverage. Mehtarlam and Zaranj only started new water supply departments in 2011. Lashkar Gah just recently separated from Municipal control and formed an AUWSSC WSD. Challenges in recruiting local personnel, air travel, and security issues are areas reported where AUWSSC operations prevented the implementing partner, ICMA from achieving previously negotiated targets.

IV. OBJECTIVE AND PURPOSE

The aim of this CAWSA Program Performance Evaluation is to assess the performance of USAID assistance to the AUWSSC SBUs and WSDs through CAWSA. The evaluation intends to determine the accuracy of the results reported, derive lessons learned, and provide next steps course of actions with a focus on increased cost recovery through follow on programmatic activities with AUWSSC. The Evaluation is meant for the USAID/Afghanistan water team in particular and to enrich the follow on project design and the team's thinking going forward.

This evaluation will assess the reported indicator results from the implementation of CAWSA on water service delivery in Afghanistan. The evaluation report will also focus on CAWSA's support to AUWSSC SBUs and WSDs and how USAID's investment in CAWSA has:

- Improved cost recovery
- Provided emergency repair to existing water networks
- Provided improvements at office facilities for the beneficiary AUWSSC Strategic Business Units
- Improved WSD performance (technical, commercial, and managerial)
- Introduced new technologies and practices.

Specifically, this evaluation will assess:

1. CAWSA contributions to AUWSSC to: (a) Implement capital improvement projects to support cost recovery and commercialization efforts in the SBUs and 0WSDs; (b) Increase access to water supply of adequate quality; and (c) Develop the technical and institutional foundation for the provision of sustainable potable water supply.
2. The extent to which CAWSA's capacity-building support to SBUs and WSDs has empowered AUWSSC to sustain itself as a business and build on the foundation of CAWSA activities.
3. How lessons learned during CAWSA implementation can inform and provide next steps with the greatest potential effect to increased cost recovery for follow on program development with AUWSSC.
4. Importantly, this evaluation will also clearly identify and assess linkages with other donors supporting AUWSSC, any areas of overlap and potential areas for enhanced collaboration.

V. PROPOSED EVALUATION QUESTIONS

The evaluation team shall address the following overarching questions:

1. What were the major contributing activities to improved cost recovery in the urban water supply sector over the life of the project? Provide specific examples that are evidence-based along with recommendations for future programming.
2. In what areas did CAWSA activities have the greatest success and/or failures implementing the program? Please provide specific evidence of success and/or failures with recommended areas for improvement for a follow on program.
3. What recommendations can be made with respect to increasing cost recovery through infrastructure network expansion, availability of a sustainable water supply, electricity costs to pump water and further capacity building activities? Please provide examples.
4. Are the capacity building activities and technical skills transferred from CAWSA sustainable? Does AUWSSC have the ability to now transfer these skills to new WSDs? Why or why not?

5. What were the major challenges faced by CAWSA and the lessons learned during the implementation of the program that should be integrated into a follow on program?
6. How have CAWSA efforts ensured women participation and empowerment? Provide specific examples.

The Evaluation Team shall answer all questions outlined in this SOW – or propose replacements for USAID approval. The Evaluation Team shall make recommendations, as appropriate. The questions are listed in numbered order of priority and effort.

VI. IMPLEMENTATION

A. Evaluation Team Composition and Qualifications

The Evaluation Team shall include evaluation and technical specialists with conflict/post-conflict country experience, and commercialization of water supply & sanitation expertise. The team shall include at least two (2) expatriate and two (2) Afghan professionals with strong interpersonal and writing skills, and cultural awareness.

Additional requirements include:

- Skilled in evaluation standards and practices related to water and sanitation,
- Ability to conduct evaluations and/or technical work effectively and cooperatively under often challenging conditions,
- Conduct field visits under often challenging conditions,
- Ability to produce a high quality evaluation report in a timely manner.
- Gender analysis experience, though not required, is desired.

Team composition shall include:

- *Evaluation Team Leader (Expat).*The Team Leader shall possess strong leadership and management skills and be an evaluation specialist with at least 10 years of program evaluation experience, preferably with five years or more experience in evaluating USAID programs. The Team Leader shall possess at least a Master's degree, PhD preferred, water supply and sanitation, international development, social science, environmental science, or related discipline. Afghanistan experience preferred. English fluency is required, Dari a plus.

- *Commercialization Specialist (Expat).*The Commercialization Specialist shall possess at least a Master's degree in water utilities management, water supply and sanitation, international development, or related field. The successful candidate shall have at least five (5) years experience in designing, implementing, or assessing commercialization of water supply and sanitation services projects in developing

countries. Afghanistan or regional country experience is preferred. English fluency is required, Dari a plus.

- *Evaluation Specialist (Afghan).*The Evaluation Specialist shall possess at least a Bachelor's degree, Master's preferred, and have at least eight years of applied evaluation experience. Experience in socio-economic field survey and participatory appraisal, sampling and survey methods such as interpersonal interviews and focus group discussions is required. Fluency in English is required.

- *Water Supply & Sanitation Specialist (Afghan).*The Water Supply and Sanitation Specialist shall possess at least a Bachelor's degree in water resources management, water utilities management, international development, environmental/public health, or related field. He/she shall have at least eight years of practical water supply and sanitation, institutional development, water utilities management, or commercialization of water supply services experience. Experience in socio-economic field survey or development is desired. Fluency in English is required.

B. Level of Effort (LOE in person days)

Position	In Briefing	Pre-Field Document Review	Field Workplan Development	Field Survey	Data Analysis	Reporting	Out Briefing	International travel	TOTAL
Evaluation Team Leader	2	5	3	20	8	10	1	4	53
Commercialization Specialist	2	5	3	20	8	10	1	4	53
Evaluation Specialist (Afghan)	2	5	3	20	8	10	1	0	49
Water Supply and Sanitation Specialist (Afghan)	2	5	3	20	8	10	1	0	49
TOTAL	8	20	20	80	32	40	4	8	204

C. Methodology and Materials

The evaluation team may use various methods to assess the different aspects of the program and to comprehensively answer the questions listed under Section IV. Though the evaluation team has full leeway to design and use the most appropriate evaluation

tools, the approach should be participatory in both design and implementation. Due to the constantly changing security situation in Afghanistan, close coordination with USAID/Afghanistan will be necessary to ensure that the evaluation team selects methods that are suitable for use in conflict areas. The team may use various survey and evaluation techniques to complete this activity including, site visits, document review, field interviews with beneficiaries and non-beneficiaries (i.e. AUWSSC SBU and WSD staff, CAWSA staff, registered customers, sector donors, etc.), and focus group discussions, among others. A range of documents will be provided by USAID/OEGI to the Evaluation Team for review, prior to arriving in-country.

Proposed Documents for Pre-Field Review:

1) CAWSA Statement of Work (excerpted from Cooperative Agreement)
2) CAWSA Workplan(s)
3) CAWSA Performance Management Plan
4) CAWSA Quarterly Reports (at least the four most recent)
5) CAWSA Fact Sheet
6) CAWSA M&E Report from original 4 supported SBUs
7) Other documents as requested and deemed necessary.

D. Schedule

The Evaluation Team shall complete this assessment, including the final report, within ten (10) weeks of the start of the assignment. Once USAID approves the personnel to comprise the team, the Documents for Pre-Field Review, listed above in section C, will be sent to the Evaluation Team. A six-day work week is authorized for this activity. The majority of this evaluation will be conducted in Afghanistan. This evaluation is proposed to start on or about June 01, 2014.

In-briefing Meeting: Within two days of arriving in Afghanistan, the Evaluation Team shall attend a kickoff meeting at USAID to introduce the team members, and collaboratively outline the workplan, including interview lists and field visit sites. It is anticipated that at several field visits will be required to previous SBUs and current WSDs.

Work plan: Within eight days of the in-briefing meeting, the team shall submit to USAID/OEGI a detailed Draft Workplan for conducting this Interim Program Performance Evaluation for CAWSA. The draft workplan shall detail the evaluation methodology, incorporate any proposed modifications to this statement of work, and elaborate the customized survey and evaluation tools to be used by the team. Within two business days of receipt of the draft evaluation workplan, USAID/OEGI will provide comments to the team. Within two days of receipt of comments, the team will resubmit the revised workplan to USAID/OEGI. Upon USAID/OEGI approval of the workplan, it will be formally considered part and parcel of this Evaluation Statement of Work and will guide the continued implementation of the CAWSA Evaluation.

VII. MEETINGS, BRIEFINGS, AND DELIVERABLES

1. **In-briefing Meeting** with USAID/OEGI(within two days of arrival in-country). The Evaluation Team will present an introductory PowerPoint presentation introducing team members, outlining a rough draft workplan, presenting the team's understanding of the assignments, initial assumptions, adjust SOW if necessary, and discuss and provide contacts and documents, etc.
2. **Draft Workplan** submitted to USAID/OEGI for comment/approval (within eight days of arrival).
3. **Final/USAID-approved Workplan** (a revised version of the draft based on USAID comments)
4. **Weekly Fieldwork Briefings** to USAID (30-60 min. each):Weekly during this evaluation, at a time to be determined between USAID and the Evaluation Team Leader, the Team Leader will brief USAID on progress and constraints. This may be in person or by telephone.
5. **Post-Fieldwork Briefing** to USAID (60-90 min.):Prior to submitting the draft evaluation report, the Team Leader will deliver a post-fieldwork briefing on initial impressions/findings.
6. **Draft Evaluation Report** submitted for USAID/OEGI comment/approval. The draft report shall be submitted no less than five business days prior to the departure of the Evaluation Team from Kabul. The evaluation report shall describe the methodology, provide conclusions on the key evaluation questions, and offer recommendations for the future. The report shall be no more than 30 pages (excluding Appendices), and follow USAID reporting format and branding guidelines (per ADS 320). The draft evaluation report will be submitted to USAID for comment within one week of completion of fieldwork, but no less than five business days prior to the departure of the Evaluation Team. An outline of the Evaluation Report is provided below:
    - Title page
    - Table of Contents
    - List of any acronyms, tables, or charts (if any)
    - Acknowledgements or preface (optional)
    - Executive summary (not to exceed 3 pages)
    - Introductory chapter (not to exceed 3 pages)
        a) A description of the activities evaluated, including goals and objectives.
        b) Brief statement of why the project was evaluated, including a list of the main evaluation questions.
        c) Brief statement on the methods used in the evaluation such as desk/document review, interviews, site visits, surveys, etc.

- Findings – Describe the findings, focusing on each of the questions the evaluation was intended to answer. Organize the findings to answer the evaluation questions.
- Conclusions – This section will include value statements that interpret the facts and evidence and describe what the facts and evidence mean.
- Recommendations – This section will include actionable statements of what remains to be done, consistent with the evaluation's purpose, and based on the evaluation's findings and conclusions. This section will provide judgments on what changes need to be made for future USAID financial and cooperative development programming. This section should also recommend ways to improve the performance of future USAID programming and project implementation; ways to solve problems this project has faced; identify adjustments/corrections that need to be made; and recommend actions and/or decisions to be taken by management.
- Annex
  a) Statement of Work
  b) List of document consulted
  c) List of individuals and agencies contacted
  d) Methodology description
  e) Copies of all survey instruments and questionnaires
  f) Evaluation Team CVs

All reports must be submitted in English to the CAWSA Agreement Officer Representative, USAID/Afghanistan. The final version of the evaluation report shall be submitted to USAID/Afghanistan both electronically and in hard copy. The format should be restricted to Microsoft products, 12-point type font in the body, with 1" page margins top/bottom and right and 1.25" for left. The team must submit five hard copies of the Final Report to USAID.
USAID will provide comments to the draft report to the Evaluation Team Leader for further action within 10 business days

7. **Briefing of Draft Report** to USAID (60-90 min.): The Team Leader will present key findings including conclusions and recommendations, detailed in the draft report.
8. **Final/USAID-approved Evaluation Report** (a revised version of the draft based on USAID comments): The Team Leader shall submit the final/USAID-approved Evaluation Report within five (5) days upon reception of USAID comments.

VIII. SUPERVISION

The Evaluation Team will report to Kevin Pieters, Office of Economic Growth and Infrastructure (OEGI), USAID/Afghanistan. Designated USAID/Afghanistan staff will review all reports and attend briefings.

Draft-OUTLINE FOR CAWSA FINAL REPORT

1. **Executive Summary**

2. **Introduction**
   - *Project Background*
   - *Evaluation Purpose*
   - *Evaluation Questions*

- **In what areas of management and service level performance were CAWSA interventions responsible for improvements? In particular, what specific areas most strongly affected cost recovery?**
  Based on analysis of the specific SBU/WDS activities, including results against objectives, how well have the activities improved sector performance, what new practices were introduced, - all in terms of documented results and stakeholder perception?

- **Was the project correctly designed, managed and implemented?**
  Identify the approaches – from strategy, management and implementation – that enhanced the project and identify the ones that can be replicated in the future. Also, identify the ones that weakened the project.

- **How sustainable are the capacity building activities and technical skills transferred from CAWSA?**
  To what extent have SBU/WDSs have actually integrated in their daily performance the CAWSA work procedures and management tools? What staff capacity gaps they experience? What capacities are there in the sector (at AUWSSC HQ level, in particular) to transfer skills to SBU/WDSs?

- **What were, if any the development impacts and aid effectiveness?**
  Has CAWSA been effective at integrating other development activities in a way that maximizes development impact and aid effectiveness? If so, are there specific ways that this has been accomplished that could inform future USAID programming?

- **How have CAWSA efforts ensured women participation and empowerment?**

- Success Factors and Identified Challenges –Lessons learned.
  Based on overall findings and analysis in all SBU/WSDs, what factors or circumstances were identified as reasons for success or for non-achievement of objectives? What lessons can be extrapolated from the CAWSA design or implementation?

3. **Evaluation Methodology**
   - Limitations in Data Collection and Analysis

4. Findings, Conclusions Recommendations For Each SBU/WDS

4.1 Jalalabad **(descriptions right below apply to all)**

4.1.1 **Background** *(very brief description of SBU/WSD-i.e. when CAWSA started, what objectives had there, etc.)*

4.1.2. **Findings and conclusions***(specific to each evaluation question)*

4.1.3 **Specific Issues and Limitations***(concern any particular circumstances that helped or hindered implementation on CAWSA)*

4.1.4 **Overall Conclusions)***(how CAWSA did overall)*

4.1.5 **Recommendations***(on possible, future action, by addressing key needs related to enhancing performance-focusing on cost recovery, as will be identified)*

4.2 Mazar I Sharif

4.2.1 Background

4.2.2. Findings and conclusions

4.2.3 Specific Issues and Limitations

4.2.4 Overall Conclusions

4.2.5 Recommendations

4.3 Ghazni

4.3.1 Background

4.3.2 Findings and conclusions

4.3.3 Specific Issues and Limitations

4.3.4 Overall Conclusions

4.3.5 Recommendations

4.4 Gardez

4.4.1 Background

4.4.2. Findings and conclusions

4.4.3 Specific Issues and Limitations

4.4.4 Overall Conclusions

4.4.5 Recommendations

4.5 Kandahar

4.5.1 Background

4.5.2 Findings and conclusions

4.5.3 Specific Issues and Limitations

4.5.4 Overall Conclusions

4.5.5 Recommendations

4.6 Mehterlam

4.6.1 Background

4.6.2 Findings and conclusions

4.6.3 Specific Issues and Limitations
4.6.4 Overall Conclusions
4.6.5 Recommendations

4.7 Lashkar Gah
4.7.1 Background
4.7.2 Findings and conclusions
4.7.3 Specific Issues and Limitations
4.7.4 Overall Conclusions
4.7.5 Recommendations

4.8 Zaranj
4.8.1 Background
4.8.2 Findings and conclusions
4.8.3 Specific Issues and Limitations
4.8.4 Overall Conclusions
4.8.5 Recommendations

5. CAWSA Program level conclusions and recommendations for future USAID programming

Building on the analysis above, and specifically on findings from Evaluation Questions No. 2 and No. 6, this section will include:

- *General conclusions on the highlights and potential weaknesses of CAWSA design, and recommendations for improvement;*
- *Notes on how the present sector structuring in Afghanistan affects effectiveness of programs similar to CAWSA; especially the mid-long term sustainability of such programs;*
- *Recommendations for future programing of USAID in Afghanistan.*

ANNEXES

- Statement of Work
- List of documents consulted
- List of individuals and agencies contacted
- Copies of all survey instruments and questionnaires
- Matrices with concentrated information for each SBU/WSD
- Evaluation Team CVs

ANNEX 2: WORK PLAN

DRAFT WORKPLAN

COMMERCIALIZATION OF AFGHAN WATER AND SANITATION ACTIVITY (CAWSA)

PROGRAM PERFORMANCE EVALUATION

Submitted on:

18 June 2014

Evaluation Team:

Albana Vuji (Team Leader)

John Miller (Commercialization Specialist)

Lisa Jenkins (Checchi SUPPORT II)

Sedequllah Jalalzai (Evaluation Specialist)

Sayeed Ramyar (Water and Sanitation Specialist)

1. Purpose of the Evaluation

The Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) program was awarded on November 12, 2008 to International City/County Management Association (ICMA). Under this award, ICMA provided capacity building and technical assistance to help the (Service Business Units) SBUs and (Water Service departments) WSDs improve the water supply systems in selected water utilities (initially in Mazar-e-Sharif, Jalalabad, Ghazni and Gardez cities) in coordination with the Afghan Urban Water Supply and Sewerage Corporation (AUWSSC) and other stakeholders. The project was later shifted into Kandahar SBU and three selected WSD Satellites Mehtarlam, Zaranj, and Lashkar Gah in early 2011.

The program was closed in May 2014. The aim of this CAWSA Program Performance Evaluation is to assess the performance of USAID assistance to the AUWSSC SBUs and WSDs through CAWSA. The evaluation intends to determine the accuracy of the results reported, derive lessons learned, and provide next steps course of actions with a focus on increased cost recovery through follow on programmatic activities with AUWSSC. The Evaluation is meant for the USAID/Afghanistan water team in particular and to enrich the follow on project design and the team's thinking going forward.

Specifically, this evaluation will assess:

1. CAWSA contributions to AUWSSC to: (a) Implement capital improvement projects to support cost recovery and commercialization efforts in the SBUs and WSDs; (b) Increase access to water supply of adequate quality; and (c) Develop the technical and institutional foundation for the provision of sustainable potable water supply.
2. The extent to which CAWSA's capacity-building support to SBUs and WSDs has empowered AUWSSC to sustain itself as a business and build on the foundation of CAWSA activities.
3. How lessons learned during CAWSA implementation can inform and provide next steps with the greatest potential impact to increased cost recovery for follow on program development with AUWSSC.
4. Importantly, this evaluation will also clearly identify and assess linkages with other donors supporting AUWSSC, any areas of overlap and potential areas for enhanced collaboration.

2. Main Evaluation Questions

The CAWSA evaluation will be guided and based on the SOW. At the start of the evaluation, the Evaluation Team met with USAID/Kabul to discuss the Mission's expectations for the evaluation and the evaluation's design and methodology.

The data to be collected and the analysis shall respond to the five overarching evaluation questions of the SoW, which are:

1. What were the major contributing activities to improved cost recovery in the urban water supply sector over the life of the project?
2. In what areas did CAWSA activities have the greatest success and/or failures implementing the program?
3. What recommendations can be made with respect to increasing cost recovery through infrastructure network expansion, availability of a sustainable water supply, electricity costs to pump water and further capacity building activities?
4. Are the capacity building activities and technical skills transferred from CAWSA sustainable? Does AUWSSC have the ability to now transfer these skills to the SBU's and WSDs? Why or why not?
5. What were the major challenges faced by CAWSA and the lessons learned during the implementation of the program that should be integrated into a follow on program?
6. How have CAWSA efforts ensured women participation and empowerment?

For all the questions, the team will provide specific evidence and recommendations for future programming.

3. Methodology

As required in the SOW, and agreed upon with USAID, the evaluation will include primary and secondary data sources. These include a critical and thorough desktop document review and analysis of CAWSA activities in each of the eight SDU/WSDs concerned, as well as at AUWSSC headquarters, to be complemented with site visits and meetings with various stakeholders and beneficiaries, as well as with other donors in the water sector in Afghanistan. The evaluation team will evaluate the accuracy of the reported figures by (i)consulting their financial reports for the time periods of interest (ideally, before, during and after CAWSA, if they have these figures) and (ii) learning, by interviewing the finance staff mostly, how they came by with the results they did to verify the appropriateness of the calculation method. However, this does not imply that the team will engage in a thorough auditing of the accounting and financial records (incl. bank payments records), and customer relation records of the utility for the years concerned for the SBU/WSDs visited. The team will be able to physically access 5 SBU/WSDs, namely Mazar I Sharif, Jalalabad, Mehtarlam, Kandahar and Lashkar Gah (assuming there will not be major security concerns in the project period) while will not be in a position to access Zaranj, Ghazni and Gardez. This implies that the level of insights of the evaluation team for these three WSDs will require coordination and evaluation techniques using telecommunications, requesting visits to Kabul by WSD employees and document review.

In addition to the above the team will look into all the functional areas of the SBU/WSDs, as the scope of CAWSA touched them too. Evaluation of all of the functional areas together will help point to increased performance and increased cost recovery. So, by addressing the other aspects, not just level of one number, we/you are in a position to understand what was done, what perspective for improvement maybe there and how and how sustainable and replicable the program is.

Data and Data Collection Tools

The nature of data will be mainly qualitative, but also quantitative data will be collected and used as part of evidence whenever possible and necessary.

The following data, collection methods and sources will be used:

	Method for collection	Data	Sources
1	CAWSA Document Review	• All CAWSA documentation made available by USAID	USAID/Kabul
2.	Literature Review	• Evaluation and final reports of related projects • Qualitative and quantitative research of relevance	Other reports, journals, articles, relevant internet sources
3.	Semi-structured interviews with stakeholders, beneficiaries (SBUs/WSDs) and, whenever possible, customers	• Interview transcripts / Observation notes	Stakeholders, beneficiaries (AUSWWC, SBUs/WSDs) ICMA personnel engaged with CAWSA at implementation level Other donors
4	Surveys/phone calls	• Interview transcripts / survey analysis	Stakeholders at SBUs/WSDs where no site visits can be made

Most of the primary data shall be based on semi-structured interviews (See Annex 1). In addition to the questions listed under Annex 1, the evaluators will ask the interviewees to provide some quantitative information, to be noted in prepared tables to be carried with them. The purpose of these questions is mainly to assess how well the managers know their company. These tables will include the following information (the list is not exhaustive):

1. Population of jurisdictional area
2. Number of customers and served population
3. Type of connections (house, public tap)
4. Number of staff, and male/female ratio
5. Tariff levels per customer categories, as applied
6. Cost coverage as of end of last year

The rest of primary data will come from observations to be made by the evaluators during site visits, while the secondary data shall be organized in a format that captures all the issues, as they are required in the SoW, to be covered (see Annex 2). They will jointly inform the Evaluation Report, which analysis will be based on a narrative complemented

with tables, built around the five main research questions mentioned above, and using, whenever there will be sufficient insights, SWOT analysis.

Further: Each SBU/WSD will be presented and analyzed separately. The recommendations will be provided in two sets: one set concerns separate recommendations for each SBU/WSD, the second will include more generic recommendations that, while are related to the former set, are underlined by a holistic approach in rendering an opinion on the potential for future programming in Afghanistan.

Limitations and Risks

The limitations and risks to our approach consist mainly on the following:

- Potential deterioration of security situation that would impede the team to travel to the cities considered feasible to visit at this point in time.
- Responsiveness of the staffs of SBU/WSDs and their level of understanding of the issues concerned.
- Level of accuracy of the data and reports as they exist in the SBU/WSDs.

TEAM MEMBERS

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Evaluation Expert

4. Deliverables and Activity Schedule

The following is a tentative schedule for deliverables and activities. For the purpose of completeness and explanation of the calendar to be followed, it includes events happened prior to the date of this work plan has been submitted. Work weeks exclude Fridays.

Weeks	**PLANNED ACTIVITIES**
W0	5 June: Albana Vuji arrived in Kabul

W1: Jun 7-12	10 June: In-briefing at USAID Start of desktop review
W2: Jun 14-19	Submission of draft-workplan to USAID Meetings with AUWSSC and ICMA staff (former CoP of CAWSA). Continues desktop review.
W3: Jun 21-26	Final/USAID-approved SOW/workplan John Miller arrives in Kabul. Meeting in Kabul with managers of SBU Ghazni and Gardez Field visit to Jalalabad - 3 days Meeting with other donors (KfW)
W4 : Jun 28-Jul 3	Field visit to Jalalabad - 3 days Field visit to Mehtarlam – 3 days. Meeting with other donors. (Team leader travels to UAE for a second visa. Due to expected statement on election results, and expected security concerns, field travel is withheld on week 4).
W5: Jul 5-10	Field visit to Mazar i Sharif - 3 days Field visit to Kandahar – 3 days Meeting with other donors.
W6 Jul 12-17	Field visit to Lashkar Gah Meeting with other donors.
W7: Jul 19--24	Post-fieldwork reporting to USAID
W8: Jul 26-Jul 31	Submission of draft Evaluation Report to USAID
W9: Aug 2-7	Comments from USAID
W10: Aug 9-15	Submission of Final Evaluation Report to USAID

List of Key Interview Questions

The semi-structured interview questions below are meant for managers (of different levels) at the SBU/WSDs and AUWSSC.

The questions will be further detailed by the interviewer, to explain the question (if needed) and suggest topics on which the respondent may elaborate. To note: The questions to managers will be slightly tailored, as maybe needed, subject to whether a SBU or WSD/AUWSSC manager is being interviewed. The order is generally to be followed, but, subject to answer, may be modified at the discretion of the interviewer. The list is not necessarily exhaustive.

Interview Questions for Managers

1. Have any aspects of management performance changed as a result of CAWSA activities and in what way? (If needed, the interviewer may suggest various management aspects, starting from financial reporting, to staff management and customer care, technical management (incl. preventive and corrective maintenance practices, etc.), and ask for examples).

2. Were any new or innovative elements in utility management introduced by CAWSA, not existing there before? If yes, describe your experience with them.

3. What aspects of service level performance changed and how? (here are included performance indicators relevant to the visited SBU).

4. Could you describe the aspects of the interventions done through CAWSA that have produced the greatest (and fastest) impact on cost-recovery?

5. What type of assistance might you need to further enhance performance? What areas?

6. How does the WSD/AUWSSC assist you? What can be improved? (Question for SBUs).

7. (If the Manager describes an improvement with CAWSA) How sustainable do you think is the improvement of overall performance and services? What factors impact sustainability or not? What, in your view, needs to be done to make them sustainable? (This is a broad question. Here is involved also possible need for network extensions, or other infrastructure improvements. The interviewer will guide the interviewee in identifying topics, should be needed).

8. What training did your staff receive? What areas, what level (management, technicians) and how many were trained?

9. Related to the above: Is the knowledge imparted to your staff likely to be sustainable/ replicable? What factors may help/impede that from happening?

10. In your view, is your staff sufficiently well motivated to conduct the job at a high standard?

11. What would your customers be willing to pay for reliable potable water supply? (same question will be asked, if possible to establish direct contact, to customers)

12. Do you have private service providers, who run their networks separately from your SBU/WSD in your area? If yes, do they have separate sources from your SBU/WSD, what tariff do they charge, and how many customers have and what level of service provider in terms of continuity of service. (This question is for the managers)

13. Do you know whether the water of private wells, used by the population, is potable or not (i.e. does or does not represent health risks?) If you know, in what manner have you obtained this information (e.g. lab tests, high rate of water-borne diseases)?

14. In your view, what needs to be done in order to motivate the local population to connect to the network, rather than use water from private wells?

15. How many female staff you have (except cleaners)?Are there examples of activities where women among your staff have been successfully engaged? What chance is there to make them sustainable and/or enhance them?

16. What were the supporting conditions that contributed to your achieving, or approaching the performance targets?

17. What were the factors impeding your achieving, or approaching the performance targets?

18. What have been key lessons learned in what does and doesn't work?

19. In your view, what specific local or other factors, need to be considered in any future programming, that have not been considered so far?

20. Are there, in your view, any unused resources that can be mobilized to help achieve the objective to become a self-sustainable commercial company?

Data Collection Format for Desktop Review

The matrix presented below does, in fact, seek to capture not only the relevant information in the reports, as it corresponds to the evaluation questions, but goes beyond and informs also interview questions with ICMA -CAWSA managers. Thus, the matrix will be completed not only from the document review, but also the interviews with CAWSA project managers of ICMA.

NAME OF SBU/WSD - Evaluation Matrix		
Sub-Questions	Evidence	Source
EVALUATION AREA 1-Sector Performance Improvements Question 1 –*Based on analysis of the specific SBU activities, including results against objectives, how well have the activities improved sector performance, in terms of documented results and stakeholder perception?*		
1a. What evidence is there of improved SBU and WSD management performance aspects - all resulting from CAWSA?		
1b. List infrastructure facility improvements implemented through CAWSA.		
1c. List other, non-physical infrastructure improvements (such as computerized billing systems, call centers, trainings/workshops, etc.) implemented through CAWSA		
1d. As a result of the above, is there documented, measurable improvement in SBU service performance indicators, targeted through CAWSA?		
1e. Were outputs delivered identified, adequately documented in a format that can facilitate replication?		
1f. What is the level of stakeholder satisfaction resulting from CAWSA activities?		
1g. What evidence (where feasible) is there of beneficiary satisfaction resulting from CAWSA activities?		
EVALUATION AREA 2 –Correctly designed, managed and implemented project Question 2 –*Identify the approaches –from strategy, management and implementation –that enhanced the project and identify the ones that can be replicated in the future. Also identify the ones that weakened the project and how these can be alleviated in future programs.*		
2a. Was the overall project design realistic (timeline, funds, human resources, targets) to achieve the expected outcomes and impact?		
2b. Have project risks and assumptions been taken into account in the project design and at implementation?		
2c. Was the country context sufficiently taken into account? How was that reflected in the project design (e.g. revised targets, tailored risk analysis)		
2d. Was the Project monitoring and reporting tools adequately drafted in identifying project successes and areas of weakness?		

NAME OF SBU/WSD - Evaluation Matrix		
Sub-Questions	Evidence	Source
2e. Have difficulties and challenges been adequately documented?		
2f. What measures or corrective actions (if any) have been taken to alleviate difficulties and ensure the project will achieve its intended results and outcomes?		
EVALUATION AREA 3 –Sustainability of Capacity Building		
Question 3 –*Based on analysis of the SBU activities and the CAWSA project overall, to what extent, how, and at what level (local, country, regional, sector) has CAWSA added to the sector knowledge and disseminated it? How sustainable is the capacity building dimension of the project? What are the factors that could undermine the mid-long term sustainability of these activities?*		
3a. What new or innovative elements in utility management were introduced by CAWSA, not existing there before?		
3b. How has this experience and knowledge been disseminated by the project (and at what levels?)?		
3c. How effective has the knowledge of products and, application of knowledge?		
3d. Is the knowledge imparted to the SBU staffs likely to be sustainable/ replicable?		
EVALUATION AREA 4 –Development Impacts and Aid Effectiveness Question 4 –*Has CAWSA been effective at integrating other development activities in a way that maximizes development impact and aid effectiveness? If so, are there specific ways that this has been accomplished that could inform future USAID programming?*		
4a. What was the level of synergy between CAWSA and other (current or planned) Donor programs?		
4b. Is there evidence that CAWSA activities have enabled /supported other development projects (either by Government of donors)?		
EVALUATION AREA 5 –Success Factors and Identified Challenges –Lessons learnt *What factors or circumstances were identified as reasons for success or for non-achievement of objectives? What lessons can be extrapolated from the CAWSA design or implementation?*		
5a. What were the main factors/approaches of success in the project design and implementation?		

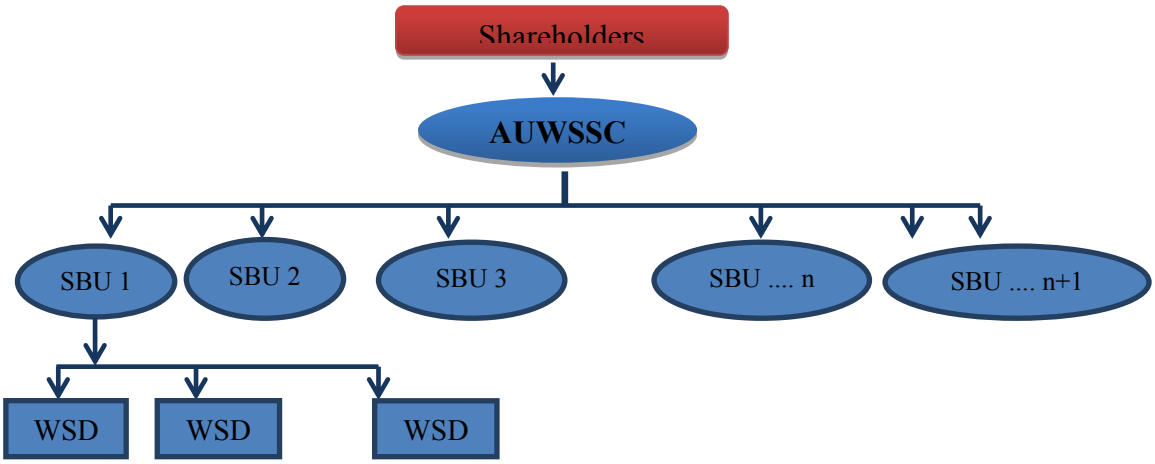
NAME OF SBU/WSD - Evaluation Matrix		
Sub-Questions	Evidence	Source
5b. What were the main factors/challenges/approaches leading to failure to achieve full or parties success?		
5c. What could be changed, or done differently, from the original concept, design and implementation, in order to avoid identified difficulties (stemming from design/implementation) that eventually have lead to underperformance?		
EVALUATION AREA 6 - Gender		
6a. In what terms has the project taken account gender integration?		
6b. Is there evidence of tangible results/positive impact on gender integration? If so, what are they?		

ANNEX 3: BRIEF OVERVIEW OF AUWSSC AND WATER SECTOR IN AFGHANISTAN

The **Afghan Urban Water Supply and Sewerage Corporation (AUWSSC)**was established in 2009 under the Commercial Law of Afghanistan byPresidential Decreesigned on January 25, 2006authorizing the creation of AUWSSC by transforming the former CAWSS (public enterprise) into a 100% publicly owned corporate entity; with the following ownership structure, Ministry of Finance (40%),Ministry of Urban Development and Housing (35%), Ministry of Economy (10%), and Kabul Municipality (5%.) Recently, the Independent Directorate for Local Governance has disputed the current ownership structure of AUWSSC, by requesting a 10% share. This issue remains unresolved.[120]

AUWSSC is the entity responsible for the provision of water supply and sewerage services in the urban areas of the country. The aim of the corporatization was to establish a performance-based management of the water utility sector independent of direct government bureaucracy. With support from the World Bank, AUWSSC was established, and the first employee, the General Manager, took up the position in May 2009, followed by other management positions in AUWSSC Kabul HQ and Directors of the water supply operation utilities in six provincial SBUs/city water utilities (Jalalabad, Kabul, Kandahar, Kunduz, Herat and Mazar, starting work in October 2010). At the same time, 18 water utilities were brought under AUWSSC control (Kabul Kandahar, Kunduz, Herat, Mazar, Shebergan, Pul-i-Khumari, Faizabad, Charikar, Jalalabad, Kandahar, Ghazni and Farah and Taloqan).[121]SBUs have 1500 staff all throughout Afghanistan, approximately 10 staff per 1,000 customers.[122]Graph 1 below shows a simplified scheme of AUWSSC:[123]

Graph 1 – Simplified representation of AUWSSC structure



[120]Based on interviews with AUWSSC HQ managers.

[121]To be noted that Lashkar Gah WSD is still under municipality management, and negotiations to make the transition to AUWSSC are still underway.

[122]Meeting with AUWSSC Head, Mr. Dad Baheer.

[123] The difference between SBUs and WSDs is in their size of population in service area. WSDs (also called satellites) are associated with one SBU, usually on the basis of geographic proximity (but not appurtenance to regions). However, at least one exception regarding distance is the case of Zaranj which is a satellite of Kandahar.

Although considered water rich, Afghanistan suffers from an uneven distribution of its water resources, resulting in difficulties to provide sufficient water to urban areas. The total urban networks coverage is reported as 160,000 household connections with another 170,000 connections in progress, with a plan to expand to 43 cities in four years[124].

For urban areas, piped water is supplied through individual household connections and public taps. Estimates suggest that the maximum demand satisfied by the existing daily production capacity and networks is roughly 50 liters/capita/day.[125] The majority of urban populations rely on household-level private wells and public taps for their water supply which is source of health hazards, and although gradually the demand for network connection arises, in part as urbanization takes place, still the public is not sufficiently aware of the risks involved and not always keen to get a connection. However, the pace of urbanization and associated increased demand for connections is not met by the current, limited production, distribution and storage infrastructure of the SBUs/WSD and is already a significant need to address infrastructure improvements and expansion.

Sanitation network is inexistent. As urban populations increase there will be a greater need to expand production, distribution and storage networks to satisfy daily demand. thus addressing basic needs, to include drinking water, In June 2012, after about 2 years of advocacy, the AUWSSC finally got approval from the President's Office and was able to introduce a new country-wide tariff structure As shown in Table 1 below the new tariff increase was substantial.[126]

The result of the tariff change is illustrated below, showing the impact on revenues. Graph 2 below shows the trend in O&M Costs and Revenues for AUWSSC 2009-2013. The figures suggest that the ratio of Revenue and O&M Costs[127] has improved progressively since 2009, with a peak in 2013 due to tariff change.

Table 1- Water Tariff Structure in Afghanistan (partial)

Metered Connections				
No	**Description**	**Estimated cost/m3 (Afs)**	**Current Tariff /m3 (Afs)**	**Proposed Tariff/m3 (Afs)**
1	**Commercial**	**23**	20	35
2	**Hh-Non Planned Areas**	**23**	4	12
3	**Hh-Planned Areas**			
4	*1/2" pipe*	23	6	25
5	*¾" pipe*	23	8	25
6	*1" pipe*	23	10	25
Non Metered Connections				

[124]Meeting with AUWSSC Head, Mr Dad Baheer.

[125] Meeting with KfW in Kabul and also based on estimates resulting from our calculations based on data provided by MSBU.

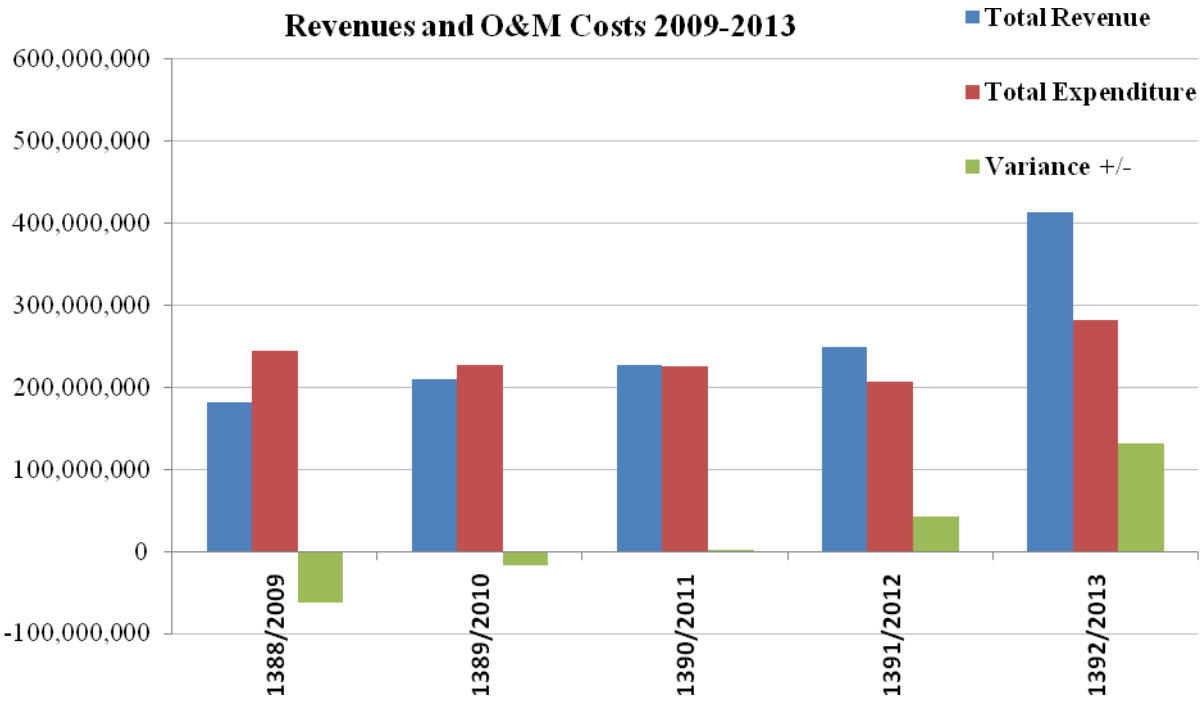
[126] Source: Presidential Decree on Tariff Change; obtained through AUWSSC HQ. Full table with all price changes to include connections is shown as Annex 7.

[127] Excluding depreciation and not accounting for any investment.

A	**Commercial**			
1	1/2" pipe	2100	640	2100
2	¾" pipe	3150	640	3150
3	1" pipe	4200	640	4200
B	**Hh-Non Planned Areas**	690	50	150
C	**Hh-Planned Areas**			
1	1/2" pipe	690	80	240
2	¾" pipe	1035	160	480
3	1" pipe	1380	320	960

Graph 2 - O&M Costs and Revenues for AUWSSC 2009-2013

Source: World Bank Data provided to CAWSA Evaluation Team.



Clearly, the above is illustrative of the pricing policy, but not necessarily of its effectiveness. The data shown above assumes 100% revenue collection which does not seem to be the case. The expressed need to commercialize water services that was the basis for CAWSA and similar projects is reflective of the fact that AUWSSC operates at a loss. The reasons are various, and revolve around a combination of insufficient infrastructure, very low staff capacity at all levels, security issues, chronic poverty of the population associated with a non-indifferent mentality of a right to free-of-charge water supply. All the above contribute to an overall low level of service performance in the sector, in spite of substantial donor funding and other assistance provided in the last 10-15 years.

ANNEX 4: PEOPLE INTERVIEWED AND CONSULTED

No	Name	Date	Position	Mobile No.	Email Address
			AUWSSC		
1	Dad MohmmedBaheer	18 June 2014	General Director	0789002277	d.baheer@auwssc.gov.af dbaheer15@yahoo.com
2	Dr. MohmmedSamizay	18 June 2014,14 July 2014	Senior International Advisor to DG	0705163362	m.samizay@auwssc.gov.af
3	SayedNajibullahMasoumyar	18 June 2014,14 July 2014	Operations Director	0700713721	masoumyar@gmail.com
4	Baseer Ahmad	14 July 2014	Finance Director		auwssc.fm@gmail.com
5	Abdul Karim	14 July 2014 as well as various email and phone exchanges	Senior Accounts Officer	0789489750	shafi.karimzai@yahoo.com
			MAZAR SBU		
6	Eng. AdulJamilMaseh	8 July 2014	Head of MrSBU	0799639397	abjamil_maseh@yahoo.com
7	Samaduddin Shams	8 July 2014	Head of Finance	0700510545	
8	Eng. HassanBasir	8 July 2014	Head of Operations	0794060115	Hasan_hamadard@ yahoo.com
9	Mohmmed Sharif	8 July 2014	Head of Collection/Revenue	0700540205	
10	Abdul Hai	8 July 2014	Customer	0798980340	
			KANDAHAR SBU		
11	Abdul WahabTorabi	2 July 2014	Head of KrSBU	0700785830	Wahab_torabi@yhaoo.com
12	Abdul Ghani	2 July 2014	Admin Manager	0700305489	
13	NoorullahBarekzai	2 July 2014	Customer Service Officer	0700326026	
			JALALABAD SBU		
14	Eng. SardarWali	25 June 2014	Head of SBU	0700605904	w.malikzai1@gmail.com
15	MaqsodHashimi	25 June 2014	Finance Manager	0787808077	s.maqsod@yahoo.com
			MEHTERLAM WSD		
16	Eng. MohmmedAkramSofi	24 June 2014	Head Sub SBU	0781836599	
17	AbulGhani	24 June	Finance Manager	070712452	

No	Name	Date	Position	Mobile No.	Email Address
		2014		6	
18	Allah Uddin	24 June 2014	Customer Service Manager	0798978989	
19	YaarMohmmed	24 June 2014	Customer		
		GHAZNI WSD			
20	Eng. Abdul Rahman	22 June 2014	Head of GhWSD	0799611209	Muslimjar1@gmail.com
		GARDEZ WSD			
21	Eng. Mir AhmadYari	22 June 2014	Head of GrWSD	0777965032	mirahmadyari@gmail.com
		ZARANJ WSD			
22	JawadMuradi	Several phone calls and emails during 25 June-20 July	Head Zaranj WSD	0797291656	Jawad_4030@yahoo.com
		ICMA			
23	Ziauddin Zia	19 June 2014 and numerous emails and phone calls	CAWSA CoP (ICMA)		ziauddinz@gmail.com
24	NasimAmini	Several emails and phone calls	RODECO engineer (former CAWSA engineer)	ICMA / RODECO	nasimamini1354@yahoo.com
25		**Lindsay Kuhn** (Assistant Program Manager) Contacted via email only. (Contact point for other ICMA staff formerly involved with CAWSA, but with whom we had no direct contact)			lkuhn@icma.org
		KfW			
26	Benjamin Graedler	23 June 2014	Project manager		benjamin.graedler@kfw.de
27	J.Kleinheisterkamp	23 June 2014	Sector Coordinator-Water		jan.kleinheisterkamp@kfw.de
28	Sven Grantz	23 June 2014	Project manager		sven.grantz@kfw.de
		ADF			
29	Pascal Brouillet	1 July 2014	Country Deputy Director	0792246565	broulletp@afd.fr
30	Ehsan Hasib	1 July 2014	Project Manager	0797529208	hassibe@afd.fr

ANNEX 5: DATA COLLECTION INSTRUMENTS

QUESTIONNAIRE – CAWSA EVALUATION

1. GENERAL QUESTIONS:

i. Could you describe the interventions, activities done through CAWSA/ICMA that have produced the **greatest (and fastest)** impact on cost-recovery? Please mention 2-3.

_____

_____

_____

5. What examples can you bring to describe how the customers (population) were happy/satisfied with the service you provided in the last 2 years? For example, how did your service improvement affect the lives of women?

_____

_____

_____

6. What examples can you bring to describe on what issues the customers (population) was complaining on the service you provided in the last 2 years

_____

_____

_____

7. How many **of CAWSA/ICMA staff,** working with you before, in the TECHNICAL DEPARTMENT have left the company? How many are still with you?

Left your company: _____ Still in your company; _____

8. How many of **your staff**, trained by CAWSA/ICMA, have left the company after CAWSA/ICMA ended?

_____

_____

9. In your opinion, is your **qualified staff** you have now, sufficiently motivated to continue working with your company? If YES, please explain WHY. If NO, please explain WHY NOT.

_____

_____

10. What were the **supporting** conditions that contributed to your achieving, or improving your performance while you worked with ICMA?

_____

_____

_____

11. What were the factors or problems **impeding** you're achieving, or approaching the performance targets while you worked with ICMA?

_____

_____

12. How would you describe the overall impact of work done by ICMA, through CAWSA/ICMA Project in the improvement of performance of your company? (please put an X beside your choice):

7. VERY GOOD

8. GOOD

9. AVERAGE

10. POOR

11. NONE

PLEASE EXPLAIN YOUR ANSWER IN A FEW LINES.

_____

_____

_____

2. CUSTOMER SERVICES

Please describe how CAWSA/ICMA has improved the CUSTOMER SERVICE in your company by answering the following questions:

2.2 Do you have a new customer database? If yes, is it computerized or recorded by hand only?

_____

_____

2.3 Do you have a customer dedicated telephone line?

_____

_____

2.4 Do you have more qualified staff than you had before? If yes, please say how many and explain in what way they are more qualified.

_____

_____

2.5 Please list what training and on-the-job training did CAWSA/ICMA do for the Customer Service department.

_____

_____

_____

2.6 In your view, what was the impact of the training and on-the-job training in the performance of your customer services staff? (Please underline what you think applies)

Very good **Good** **Poor** **None**

2.7 Do you have now women meter readers? If yes, how many?

_____

_____

2.8 In your opinion, can your customer services continue to function as well as when it did when CAWSA/ICMA was there? If not, please explain what are the problems?

_____

2.14. What is the estimate of current demand per household and per person? _____

2.15. Are there water vendors and if so what do they charge per unit cubic meter per Households, Commercial and Government customers and what is their source of supply.

_____

_____

_____

2.16What tariffs do you apply? (In AFS):

a.Household connection (tariff/m3, when metered) _____
And How many Hh connections are charged with this tariff? _____

b.Household connection (Flat rate/ month, when not metered)_____
_____
And How many Hh connections are charged with this tariff? _____

c.**Poor household** connection (tariff/m3, when metered) _____

And How many Hh connections are charged with this tariff? _____

d.**Poor household** connection (Flat rate/ month, when not metered) _____
And How many Hh connections are charged flat rate? _____

e.Commercial connection (tariff/m3, when metered)_____
And How many Commercial connections are charged with this tariff? _____

f.Commercial connection (Flat rate/ month, when not metered)_____
And How many Commercial connections are charged flat rate? _____

g.Government/public institution connection (tariff/m3, when metered)_____
And How many Commercial connections are charged with this tariff? _____

2.17 What is the maximum and minimum cost of a **house connection?**

Maximum (in AFS): _____Minimum (in AFS):__

2.18 Are in general, the households in your service area willing to pay tariffs even higher than the tariffs applied, if you can provide better services? (please write YES or NO and explain the answer by giving examples).

2.19 What is the average monthly income of the average household? (Neither poor, nor rich).

in AFS: _____

2.20 What is the average monthly income of a **poor household**?

in AFS: _____

3. TECHNICAL DEPARTMENT

Please describe how CAWSA/ICMA has improved the TECHNICAL MANAGEMENT in your company by answering the following questions:

3.1 How many new household connections you have added as a result of CAWSA/ICMA work? How many do you plan to add this year?

_____

3.2 How many metered household connections you have now? How many do you plan to add this year?

_____

3.3 How many new public taps you have added as a result of CAWSA/ICMA work?

_____

_____

3.4 Do you have procedures for preventive maintenance as a result of CAWSA/ICMA assistance? If yes, please explain the procedure (for example, how often in a month you do preventive maintenance, how many workers are dedicated, to whom do they report on the work done, etc.).

_____

_____

3.5 Do you have procedures for leak detection as a result of CAWSA/ICMA advice? If yes, please explain the procedure. (for example, how often in a month you do preventive maintenance, how many workers are dedicated, to whom do they report on the work done, etc.).

_____

_____

_____

3.6. In your technical department, do you have now, as a result of CAWSA/ICMA, more qualified staff? If yes, how many and what are they (engineers, plumbers, electricians, pump managers, etc.)

_____

3.7 Please list what training and on-the- job training did CAWSA/ICMA do for the **TECHNICAL** department.

_____

_____

3.8 In your view, what was the impact of the training and on-the-job training in the performance of your staff? (Please underline what you think applies)

Very good **Good** **Poor** **No**

3.9 How many of your staff, trained by CAWSA/ICMA, have left the company after CAWSA/ICMA ended?

_____

_____

3.10 How many of CAWSA/ICMA staff, working with you before, in the TECHNICAL DEPARTMENT have left the company? How many are still with you?

Left your company: Still in your company;

3.11 In your opinion, can your TECHNICAL Department continue to function as well as when it did when CAWSA/ICMA was there? If not, please explain what are the problems?

_____

_____

_____

4. FINANCIAL DEPARTMENT

Please describe how CAWSA/ICMA has improved the FINANCIAL MANAGEMENT in your company by answering the following questions:

4.1 Do you have computerized accounting and financial system? If yes, what computer program is used and how many staff are using it?

_____

_____

4.2 What new accounting, financial and procurement procedures do you apply now, as a result of CAWSA/ICMA assistance? Please describe.

_____

_____

4.3 Please list what training and on-the- job training did CAWSA/ICMA do for the FINANCIAL department.

_____

_____

4.4 In your view, what was the impact of the training and on-the-job training in the performance of your Finance/Accounting staff? (Please underline what you think applies).

Very good **Good** **Poor** **None**

4.5 How many of your finance staff, trained by CAWSA/ICMA, have left the company after CAWSA/ICMA ended?

_____

4.6 How many of CAWSA/ICMA staff, working with you before in the FINANCE DEPARTMENT, have left the company? How many are still with you?

Left your company: _____ Still in your company; _____

4.7 Please complete the table below:

OPERATIONAL AND MAINTENANCE COSTS AND REVENUES (in AFS)				
	Operational and Maintenance cost (do not include depreciation)	**Amount billed**	**Amount collected for issued bills of same period**	
Before CAWSA/ICMA				
During CAWSA (Specified) -Annual				
Year 2013 (Annual Result)				
Jan-March 4102				

4.8 Please complete the below on MONTHLY staff salaries you apply now (excluding incentive payment your staff received when ICMA was there):

Second level manager (not the general director) _____ (AFS)

Engineer: _____ (AFS)

Finance specialist _____ (AFS)

Accountant _____ (AFS)

Procurement specialist _____ (AFS)

Qualified technician

(Plumber, Electrician, Pump operator) _____ (AFS)

Unqualified technician _____ (AFS)

4.9 In your opinion, can your FINANCIAL department continue to function as well as when it did when CAWSA/ICMA was there? If not, please explain what are the problems?

_____

ANNEX 6: CAWSA REPORTED CRR, BASELINES, TARGETS

CAWSA Reports- First Quarter for PIs is considered May-June 2011			MAZAR		JALALABAD		GHAZNI		GARDEZ	
			CRR	Cont. Supply (hrs)	CRR	Cont. Supply (hrs)	CRR	Cont. Supply (hrs)	CRR	Cont. Supply (hrs)
2009	Q1	May-June								
	Q2	Jul-Sept								
	Q3	Oct -Dec	52%	3.4	36%	2.4	55%	3.4	44%	7.9
2010	Q4	Jan-March	58%	3.4	46%	2.9	61%	3.4	57%	8.2
	Q5	Apr-Jun	68%	3.4	49%	2.9	85%	3.4	68%	8.2
	Q6	Jul-Sept	67%	3.4	42%	2.9	78%	3.4	44%	8.2
	Q7	Oct- Dec	67%	3.8	42%	2.6	78%	3.4	61%	14.2
2011	Q8	Jan-March	67%	3.8	41%	4.1	68%	3.4	61%	14.2
	Q9	**Apr-May-end Cawsa**	64%	5.52	35%	4.4	55%	5.28	60%	14.6
	Q10	Jul-Sept	63%	5.8	39%	4.6	56%	5.3	24%	14.9
	Q11	Oct-Dec	99%	5.8	91%	4.56	86%	5.5	81%	15.1
		Hrs Supply AVERAGES:		4.2		3.5		4.0		11.7

APPROX. ANNUAL CRR - CAWSA REPORTS				
	MAZAR	JALALABAD	GHAZNI	GARDEZ
Q3-1388	52%	36%	55%	44%
Q4-1388	58%	46%	61%	57%
ANNUAL 1388	**55%**	**41%**	**58%**	**51%**
Q1-1389	68%	49%	85%	68%
Q2-1389	67%	42%	78%	44%
Q3-1389	67%	42%	78%	61%
Q4-1389	67%	41%	68%	61%
ANNUAL 1389	**67%**	**44%**	**77%**	**59%**
Q1-1390	64%	35%	55%	60%
Q3-1390	99%	91%	86%	81%
Q2-1390	63%	39%	56%	24%
ANNUAL 1390	**82%**	**55%**	**66%**	**55%**

CAWSA REPORTS			KANDAHAR		MEHTARLAM		ZARANJ		LASHKARGAH		
			CRR	Cont. Supply (hrs)	CRR	Cont. Supply (hrs)	CRR	Cont. Supply (hrs)	CRR	Cont. Supply (hrs)	Eqv. Shamsi Calendar
2011	Q10	Jul-Sept	15%	3.1							Q2-1390
	Q11	Oct - Dec	99%	3.1							Q3-1390
2012	Q12	Jan-March	22%	3.12	36%	1.68	45%	3.24	n/a	n/a	Q4-1390
	Q13	**Apr-MAY (specified)**	31%	4.1	21%	1.6	79%	3.1	0%	1.6	Q1-1391
	Q14	Jul-Sept	25%	3.12	23%	1.512	73%	3.12	n/a	n/a	Q2-1391
	Q15	Oct - Dec	24%	4.08	13%	1.5	87%	3.12	n/a	n/a	Q3-1391
2013	Q16	Jan-March	31%	4.08	21%	1.584	79%	3.12	0%	1.56	Q4-1391
	Q17	Apr-Jun	35%	4.08	22%	1.608	78%	3.12	0%	1.56	Q1-1392
	Q18	Jul-Sept									Q2-1392
	Q19	Oct - Dec	39.2	4.32	24%	1.68	75%	2.88	8.30%	2.0	Q3-1392
2014	Q20	Jan-March	40%	4.32	25%	1.68	80.00%	3.24	9%	1.92	Q4-1392
	Q21	**Apr-May-end CAWSA**	40%		25%		80.00%		9%		Q1-1393
		Hrs of Supply AVERAGES:		3.7		1.605		3.12			

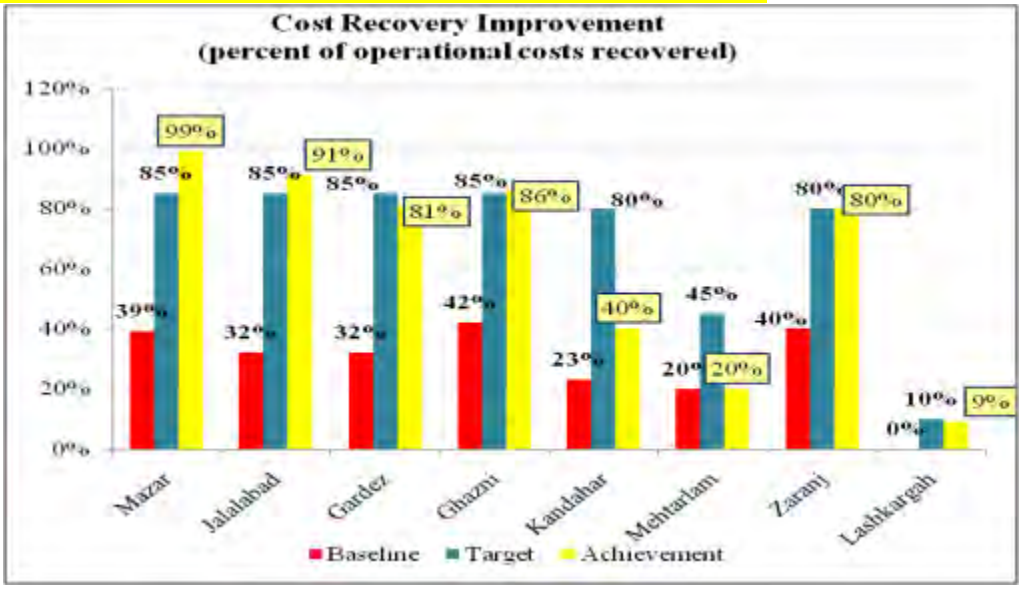
APPROX. ANNUAL CRR - CAWSA REPORTS			
	KANDAHAR	MEHTARLAM	ZARANJ
Q2-1390	15%	n/a	n/a
Q3-1390	99%	n/a	n/a
Q4-1390	22%	n/a	n/a
Approx. Annual 1390 (2011)	**45%**	**n/a**	**n/a**
Q1-1391	31%	21%	79%
Q2-1391	25%	23%	73%
Q3-1391	24%	13%	87%
Q4-1391	31%	21%	79%
Approx. Annual 1391 (2012)	**28%**	**20%**	**80%**
Q1-1392	35%	22%	78%
Q3-1392	39.20%	24%	75%
Q4-1392	40%	25%	80.00%
Approx. Annual 1392 (2013)	**38%**	**24%**	**78%**
Q1-1393	40%	25%	80.00%

	CRR	Baseline	Target	Achievement
1	Mazar	39%	85%	99%
2	Jalalabad	32%	85%	91%
3	Gardez	32%	85%	81%
4	Ghazni	42%	85%	86%
5	Kandahar	23%	80%	40%
6	Mehtarlam	20%	45%	20%
7	Zaranj	40%	80%	80%
8	Lashkargah	0%	10%	9%

Source:

CAWSA Final Report, Annex 26, Table 1 on pg 11 for 1-4.

CAWSA Final Report, Annex 1 for 5-6.



INCONSISTENCIES IN CRR REPORTING IN CAWSA REPORTS

1

CAWSA- Q4 2010 and Year_2_Annual__Report Feb 10 2011 FINAL which is:
(Oct-Dec 2010 Quarterly Program Performance Report), has the following table on pg 3:

Breakdown CRR%	Description	MSBU	JSBU	GhWSD	GWSD
Full Cost Recovery Ratio%	All type revenue/ all type of costs	66%	44.0%	82%	59%
Operating CRR%	Cash revenues / all cost	44%	44.0%	58%	40%
CRR% Excluding Depreciation	All revenues / Cost Excluding Dep	106%	91.0%	160%	109%
CRR% if all bills are paid	Billed revenues/ total cost	77%	122%	40%	55%

CRR values given in table above do not coincide in any figure with:
CAWSA- Q4 2010 and Year_2_Annual__Report Feb 10 2011 FINAL", which gives the following CRR :
values for Q7 (Oct- Dec 2010):
MSBU: 67%, JSBU: 42%, GhWSD: 78%; GrWSD: 61%
(However, closest values are those corresponding to All revenues/all costs.)

2

(A) Attachment 6 - M&E Report of previously supported SBUs Jan-March 2013
INCONSISTENT WITH:
(B) ICMA-CAWSA Year 3 Annual Program Performance Report FINAL 8 Feb 12
(Annex 1 Performance Indicators Achievements)

	MSBU	JSBU	GhWSD	GrWSD
(A): Oct-Dec 2011	99%	94%	93%	100%
(B): Oct-Dec 2011	99%	91%	86%	81%

3

(C) CAWSA Quarterly Report 2011 Q3 (Jul-Sep 11) (See in ANNEXES- Annex 1: Saratan, Assad Sunbula 1390)
INCONSISTENT WITH:
(D) CAWSA Quarterly Report 2011 Q2 (Apr-Jun 11) PI s in pg 12
Because:
(C) gives baseline values, which is values for CRR for the preceding quarter (i.e. Q1-1390 or Q9) as follows:
MSBU: 79%, JSBU: 53%, GhWSD: 77.3%; GrWSD: 60%
(D) gives, for the same:
MSBU: 64%, JSBU: 35%, GhWSD: 55%; GrWSD: 60%

4

(E) CAWSA Quarterly Report 2011 Q2 (Apr-Jun 11) PI s in pg 12
INCONSISTENT WITH:
(F) ICMA-CAWSA Year 3 Annual Program Performance Report FINAL 8 Feb 12 (Annex 1 Performance Indicators
(E) gives Baseline values i.e.values of Q8 (Jan-March) (or Q4-1389) as follows:
MSBU: 73%, JSBU: 42%, GhWSD: 75%; GrWSD: 60%
(F) gives values for same quarter as:
MSBU: 67%, JSBU: 41%, GhWSD: 68%; GrWSD: 61%

5

(H): CAWSA Final Report,Table in page 6
INCONSISTENT WITH:
(I):Annex_1 OF cawsa Final Report, "Performance_Indicators_Extension_Phase"
In (H) -All Baseline indicators for CRR given Table in pg 6 are completely different from the same shown in Annex 1:

6

(J) CAWSA Final Report, Annex 26, Table 1 on pg 11.
INCONSISTENT WITH:
(K) Annex_1 OF cawsa Final Report, "Performance_Indicators_Extension_Phase"
For Kandahar the baseline for CRR is reported 13% in the former and 23 % in the latter.

Equivalence between Gregorian and Shamsi Calendars

Note: The difference between months is 9-10 days, as e.g. Hamal start 22 March, but here the approximation is 1 April and so on.

1388	**Hamal**	**Sawor**	**Jawza**	**Saratan**	**Assad**	**Sunbula**	**Mezan**	**Aqrab**	**Qaws**	**Jadi**	**Dalwa**	**Hut**
	April	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**
					2009						**2010**	

1389	**Hamal**	**Sawor**	**Jawza**	**Saratan**	**Assad**	**Sunbula**	**Mezan**	**Aqrab**	**Qaws**	**Jadi**	**Dalwa**	**Hut**
	April	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**
					2010						**2011**	

1390	**Hamal**	**Sawor**	**Jawza**	**Saratan**	**Assad**	**Sunbula**	**Mezan**	**Aqrab**	**Qaws**	**Jadi**	**Dalwa**	**Hut**
	April	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**
					2011						**2012**	

1391	**Hamal**	**Sawor**	**Jawza**	**Saratan**	**Assad**	**Sunbula**	**Mezan**	**Aqrab**	**Qaws**	**Jadi**	**Dalwa**	**Hut**
	April	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**
					2012						**2013**	

1392	**Hamal**	**Sawor**	**Jawza**	**Saratan**	**Assad**	**Sunbula**	**Mezan**	**Aqrab**	**Qaws**	**Jadi**	**Dalwa**	**Hut**
	April	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**
					2013						**2014**	

1393	**Hamal**	**Sawor**	**Jawza**	**Saratan**	**Assad**	**Sunbula**	**Mezan**	**Aqrab**	**Qaws**	**Jadi**	**Dalwa**	**Hut**
	April	**May**	**June**	**July**	**August**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**March**
					2014						**2015**	

ANNEX 7: TARIFF STRUCTURE FOR URBAN WATER SUPPLY IN AFGHANISTAN

TARIFF STRUCTURE APPLIED IN ALL AFGHANISTAN SINCE JUNE 2012

Metered Connections				
No	**Description**	**Estimated cost/m3 (Afs)**	**Current Tariff /m3 (Afs)**	**Proposed Tariff/m3 (Afs)**
1	**Commercial**	**23**	20	35
2	**Hh-Non Planned Areas**	**23**	4	12
3	**Hh-Planned Areas**			
4	*1/2" pipe*	23	6	25
5	*¾" pipe*	23	8	25
6	*1" pipe*	23	10	25
Non Metered Connections				
A	**Commercial**			
1	1/2" pipe	2100	640	2100
2	¾" pipe	3150	640	3150
3	1" pipe	4200	640	4200
B	**Hh-Non Planned Areas**	690	50	150
C	**Hh-Planned Areas**			
1	1/2" pipe	690	80	240
2	¾" pipe	1035	160	480
3	1" pipe	1380	320	960
Connection permits				
A	**Hh -Planned Areas**	0	1000	2000
1	1/2" pipe	0	1000	2000
2	¾" pipe	0	2000	4000
3	1" pipe	0	4000	8000
B	**Commercial**		50	150
1	1/2" pipe	0	2000	4000
2	¾" pipe	0	4000	8000
3	1" pipe	0	8000	16000
	Connection's labor charge	**0**	**300**	**450**

ANNEX 8: ICMA RESPONSES TO CRR CALCULATIONS AND OTHER QUESTIONS

Request from Evaluation Team Leader to CAWSA HQ:

Please find below a few questions on CRR calculation and reporting.

1. When was exactly set the initial baseline for CRR (and other PIs - I assume was the same) established for each of the SBU/WDSs concerned? And on which preceding period were calculations based (i.e. previous 3, 6, 9, 12 months?)

2. In ***"CAWSA Quarterly Report 2010 Q3 (Jul-Aug 2010)***" (in fact is Jul-Sept- but referring here the title as it is) there is a **footnote on pg 3**, where is explained how CRR is reported in two tables (pg 3 and 4). The first is of course the right way to calculate, the second is not (as all revenues incl. past collections are included). I, at least, have not seen that kind of useful explanation in any other place. **Question is: How has CRR been calculated and presented in all other reports, before and after this one?**

3. ***"CAWSA Quarterly Report 2011 Q2 (Apr-Jun 2011)***": Please explain:
a. Baseline 9th quarter:
- First question: , Apr-Jun 2011 must then be the 10th quarter, meaning you start counting quarters from Jan-March 2009. Was not Nov-Dec 2008 counted as first quarter?
- The figure under this heading – is that result of previous quarter (8th)?

b. Cumulative Target 9th quarter: What does it mean? How was calculated?

c. The title of table says **Hamal-Jawza 1390 (22 March - 22 May 2011, or if we approximate, 1 Apr- 1 June 2011)**
Why does the third column state **Status on 30/3/2011?** (That would mean end of March, so beginning of Hamal almost. Does not coincide with title). And what is the basis for the calculation of the figure reported under it - which months are comprised?

4. ***"CAWSA Quarterly Report 2012 Q3 (Jul-Sept 2012)***" , Annex 3, pg 7: PI table, please clarify the following:
-Baseline: Is that result of previous quarter?
-Target: Where is based?
-Current status: Result in quarter analysed?

(To note that the text of headings slightly changes compared to previous in question 3.)

5. ***"CAWSA Quarterly Report 2011 Q1 (Jan- Mar 2010)***" : Annex 1: Please indicate which SBU/WDS are referred - the upper row where names should have been is entirely missing.

6. Finally, do you have a table where are shown the values of indicators per year, or per quarter throughout each of the Phases and for each city? In a clear, unequivocal manner? i.e. a summary of all achievements. If yes, please indicate where is it? Note that in Annex 26 of Final Report, page 11, Table 1 shows **CAWSA main indicators and achievements. Please explain, for CRR, what Current Status means?? Above all -which period does it refer to?**

Response from CAWSA HQ:

Apologies for multiple drafts but we hope that the final answers below will be sufficient and in time for your discussions with USAID; if you have not seen the previous emails, please use this version as the final copy. Additions/edits on the previous drafts sent are marked in red text for easier review.

1. When was exactly set the initial baseline for CRR (and other PIs - I assume was the same) established for each of the SBU/WDSs concerned? And on which preceding period were calculations based (i.e. previous 3, 6, 9, 12 months?)

For the first set of SBUs in the previous phase (Gardez, Ghazni, Jalalabad, and Mazar-e-Sharif), the indicators were established in August 2009 when MOUs were signed with the respective SBU directors. The baselines and targets were derived from an analysis of the previous twelve months. For Kandahar, Mehterlam, Lashkar Gah, Tarin Kot, and Zaranj, the baselines were established in June 2011 using the same process. These baselines were re-done when the second phase of the program commenced in May 2012. For each SBU/WSD, field assessments were conducted almost immediately. The baselines were established as soon as possible after the WSD was added to the CAWSA Project responsibilities and before the signing of the MoUs.

2. In ***"CAWSA Quarterly Report 2010 Q3 (Jul-Aug 2010)***" (in fact is Jul-Sept- but referring here the title as it is) there is a **footnote on pg 3**, where is explained how CRR is reported in two tables (pg 3 and 4). The first is of course the right way to calculate, the second is not (as all revenues incl. past collections are included). I, at least, have not seen that kind of useful explanation in any other place. **Question is: How has CRR been calculated and presented in all other reports, before and after this one?**

Prior to CAWSA, CRR for each WSD was calculated as all revenues for a given period (monthly or yearly) were added and then divided by all of that period's operating expenses so the historical data on this indicator was all based on a calculation that didn't include depreciation. When CAWSA then set up baselines and targets, the only way to quantify improvements during the program over prior operations was to include cash expenses only and not depreciation. The CRR calculated by this metric was only to compare with historical data for consistency and provide a real comparison. The government entity that pre-dated AUWSSC (called CAWSS) never included depreciation and amortization in its cost reporting, so ICMA/CAWSA established two indicators for the CRR, one with and one without depreciation. Although CRR without depreciation is not appropriate for commercialization, we justified the calculation of the indicator without depreciation based on two facts, which were agreed in 2009 with USAID during a meeting that included Allan Eisendrath (USAID-DC), who was visiting at the time.

The CRR indicator that includes depreciation (the correct indicator) was introduced simultaneously in order to train the WSD in proper commercial practice and to establish new commercial goals. Of course, the CRR calculated by this metric was only a fraction of the old CRR, since depreciation is a very high cost due to the capital-intensive nature of water utilities. If this measure was used exclusively, the WSD staff could have been demoralized by the very low numbers and it would have been hard to convince them that performance was actually improving. More importantly, given the political nature of the Board of Directors and ministries involved, use of only the CRR with depreciation could have been misused by GIRoA officials to suggest that AUWSSC was not performing as well as CAWSS had, because the CRR under AUWSSC would have appeared lower than the CRR that appeared in the CAWSS historical records.

ICMA/CAWSA consistently counted only actual payments received in our cost recovery ratio, not accruals. Cash Collection of past-due accounts (from delinquent and stale accounts) were included in the indicator, as they indeed cover costs, but this was done as part of CAWSA's training with the understanding at the WSD level that this source of cost recovery would be a reduced percentage of the numerator going forward as collection of water bills became more aggressive. WSD managers understood that the goal was to eventually reduce delinquent account balances to virtually zero.

Apart from the cost recovery indicator, CAWSA introduced the AUWSSC Quarterly and Annual Corporate Financial Report, which utilized Generally Accepted Accounting Principles (GAAP) and the common commercial metrics for commercial and financial reporting. CAWSA engaged the collaboration of GIZ teams that were supporting AUWSSC WSDs that were not supported by CAWSA. This ensured uniform reporting systems and procedures throughout all provincial offices within the corporate structure of AUWSSC. GIZ monitored all their WSDs and submitted the reports to CAWSA for incorporation into the corporate reports. Their cooperation and continuous support of AUWSSC headquarters departments is expected to ensure permanent continuation of improved commercial management systems and reports that were implemented by CAWSA, since GIZ support is expected to continue for at least three more years. In fact, GIZ adopted the CRR calculations, both with and without depreciation, after CAWSA developed them in 2009 to assist them in communicating better with AUWSSC and relevant ministries. Over time, as the AUWSSC financial situation improves and sinking funds or other mitigations are introduced for life-cycle-cost management of AUWSSC, GIZ will help AUWSSC eliminate the CRR as calculated without depreciation and only standard CRR and other utility performance indicators, in accordance with GAAP, will be used. The CRR (with and with depreciation), as discussed above, remains an important measurement however, as this was the basis for calculating performance incentives.

3. ***"CAWSA Quarterly Report 2011 Q2 (Apr-Jun 2011)***": Please explain:
a. Baseline 9th quarter:
- First question: , Apr-Jun 2011 must then be the 10th quarter, meaning you start counting quarters from Jan-March 2009. Was not Nov-Dec 2008 counted as first quarter?

This numbering was adopted for communications and reporting with AUWSSC. CAWSA initiated incentive payments to SBU staff on 22-May-2009 or 1st- Jawza-1388. In order to accurately monitor and verify SBU data, CAWSA employed the Afghan fiscal calendar where the first quarter consists of Hamal, Sawr, and Jawza. Thus CAWSA paid the first quarterly incentive to cover only one month and then referred to this this as the first incentive payment quarter. This decision provided consistency among all financial data and reports across the board in all AUWSSC and GIRoA financial reporting. This simplified the work of the management and administrative staff at each WSD and ensured compatibility of all incentive and payroll records and reports that the WSDs regularly submit to AUWSSC management in Kabul, as well as with the reports AUWSSC submits to its Board of Directors and GIRoA.

- The figure under this heading – is that result of previous quarter (8th)? As explained below, the baseline is re-established each quarter based on the previous quarter's data. Thus, the baseline was established using data as of the 8th quarter but is the baseline for the 9th quarter.

b. Cumulative Target 9th quarter: What does it mean? How was calculated?
In order to accurately monitor, verify, and report all Performance Indicators on a quarterly basis, consistent with the Afghanistan Fiscal Reporting Calendar, and to pay SBUs incentive payments based on the achieved target in each quarter, CAWSA tracked progress of each indicator cumulatively per quarter.

Calculation Method: Baseline + quarterly Target = Cumulative quarterly performance target.

For example, if the baseline for CRR is 10% and the one-year target is 20%, then the intermediate (or quarterly) target for achieving the additional 10% in one year is based on one-fourth of the year—i.e., 10% / 4 = 2.5% per Quarter.

So the first quarter target for CRR is 12.5%; if the target is achieved in the first quarter, the baseline of the **second** quarter is 12.5% and the cumulative target of the second quarter increases to 15%. As mentioned above, this 15% cumulative target of the second quarter then becomes the baseline for the third quarter. The baseline of the third quarter added to the quarterly target yields the cumulative target of the third quarter which is 17.5% (10% [3rd quarter baseline] + 7.5% [3rd quarter target]).

c. The title of table says **Hamal-Jawza 1390 (22 March - 22 May 2011, or if we approximate, 1 Apr- 1 June 2011)**Why does the third column state **Status on 30/3/2011?** (That would mean end of March, so beginning of Hamal almost. Does not coincide with title). And what is the basis for the calculation of the figure reported under it.

You are correct; Hamal to Jawza is equivalent to 03/21/2011 through 06/20/2011. This was incorrectly recorded and should have been 30/3/1390, which corresponds with 3/21-06/20/2011.

The calculation for CRR is described in the answer to Question #2.

4. ***"CAWSA Quarterly Report 2012 Q3 (Jul-Sept 2012)***" , Annex 3, pg 7: PI table, please clarify the following:
-Baseline: Is that result of previous quarter?
The initial status (baseline) of the PIs was calculated at the beginning of the second phase of CAWSA (May 2012).

-Target: Where is based?
After collecting and analyzing baseline data and past performance at each WSD, performance targets were established in meetings at each individual WSD Director's office, with the participation of key managerial, technical and administrative staff to ensure thorough understanding of each PI and how it was to be accurately measured and verified. Technical staff from CAWSA's Kabul Office participated to ensure that targets would be challenging and ambitious, while WSD and local CAWSA staff provided input and feedback to ensure that

the goals were realistic and that ownership of the targets resided in the hands of the WSD managers and support staff.

-Current status: Result in quarter analyzed? (To note that the text of headings slightly changes compared to previous in question 3.)

The presentation of performance indicators differs slightly in the second phase of CAWSA from the presentation used during the previous phase. In the second phase of the CAWSA project, the M&E plan and tracking and reporting PIs were based on the current USAID approved M&E format. Annex 3 (the format) was prepared and finalized with CAWSA's CoTR in the beginning of the new project phase. In the mentioned format both the baseline and Target are unchanged in each quarter; only the status was updated at the end of each quarter.

5. ***"CAWSA Quarterly Report 2011 Q1 (Jan- Mar 2010)***" : Annex 1: Please indicate which SBU/WDS are referred - the upper row where names should have been is entirely missing.

From left to right, Mazar, Jalalabad, Ghazni and Gardez.

6. Finally, do you have a table where are shown the values of indicators per year, or per quarter throughout each of the Phases and for each city? In a clear, unequivocal manner? i.e. a summary of all achievements. If yes, please indicate where is it?
No, we do not have a table showing the indicators per year or per quarter throughout both phases of the program.

Note that in Annex 26 of Final Report, page 11, Table 1 shows **CAWSA main indicators and achievements. Please explain, for CRR, what Current Status means?? Above all -which period does it refer to?**

Current status means the status of the CRR and other PIs as of 21st-Mar-2012. For the performance incentives, this covers the period until December 21, 2011 for Mazar, Jalalabad, Ghazni and Gardez staff and the period until March 21, 2012 for Kandahar, Zaranj and Mehterlam.

Previous question: We have a question on sanitation - since it was mentioned in the Cooperative Agreement of 5 Nov 2008 (attached here for your convenience): In there is required to provide inputs in terms of describing existing conditions, standards, and possibly help the SBUs with tankers, etc. From what we have seen, CAWSA does not seem to have had any inputs on sanitation - just asking whether the choice was fully discussed and agreed with USAID in the course of your work (if so, please provide any details, if possible). Need to cover this point, as it relates to the original SoW for CAWSA and what was realized.

CAWSA did do some work in sanitation but this was primarily drawing up plans (such as in Ghazni and Tarin Kot, which are mentioned in the Quarterly Reports) for basic sanitation services that were then presented to the Provincial Development Councils (PDCs) and Provincial Reconstruction Teams (PRTs) for actual funding. For example, CAWSA introduced waste-water management concepts to Tarin Kot WSD in Tarin Kot in 2012/13, in collaboration with AUSAID, which had built, but not yet implemented a waste-water treatment plant, prior to Tarin Kot being dropped from the project. It was made clear to ICMA/CAWSA staff from USAID (although we do not have specifics) that the Mission's priority was water services, especially since the only urban area in which CAWSA was working that had any kind of sewage system was Kabul; the other cities only had septic tanks. There was also very little funding in the originally proposed budget for sewage and sanitation activities and so most activities focused on plans to be leverages and public awareness-raising.

ANNEXES 9-14: DATA AND CALCULATIONS FOR WSDS AND SBUS

Annexes 9 – 14 are in Excel format and available on CD at the USAID OEGI office.

ANNEX 15: AUWSSC FINANCIAL DATA AND CALCULATIONS

Operation Information Of Water Utiltes AUWSSC 2010

			Name Of Water Utilites							
No	Description	Unit	Mazar	Jalalabad	Lagman	Kandahar	Zaranj	Ghazni	Gardeez	Lashkar gah
1	Total Network Length	Km	245.85	175.2	13.276	134	22	52.55	17	
2	Total Transmation Line	Km	5.8	6.2	1.3	33	7	17	2.56	
3	Total Disruption Line	Km	240.05	169	11.976	101	15	35.55	14.44	
4	Total Connection Registered	No	18000	8368	225	3564	1100	1462	1071	
5	Total Connection Metered	No	352	2628	10	562	0	791	340	
6	Total Connection Unmetered	No	17648	5740	215	3002	1100	671	731	
7	Total Beneficiary	No	180000	83680	2250	35640	11000	14620	10710	
8	Water Production per Year	M^3	2756178	1904322	15759	1924980	28560	338640	384300	
9	Water cost production	Afs	17915157	12378093	102433	12512370	199920	220116	2497950	
10	Water Resources Well Operation	No	68	10	4	15	2	9	5	
11	Water resource other (Karez)	No	0	2	0	0	0	0	1	
12	Reservoirs	No	1	6	1	3	2	3	2	
13	Reservoirs volume	M^3	1750	2800	500	2400	1100	2000	2500	
14	Elevated tank	No	66	0	0	0	1	0	0	
15	Elevated tank volume	M^3	1957	0	0	0	30	0	0	
16	Public stand pipes	No	200	24	0	120	200	12	5	
17	Annual Water prodiction	M^3	2756178	1904322	15759	1924980	28560	338640	384300	
18	Daily Water prodection	M^3	7551	5217	43	5273	78	927	1052	
19	Summer Daily Prodection	M^3	7203	5432	2	4930	525	940	1050	
20	Winter Daily Prodection	M^3	7869	4966	86	5600	1044	910	1050	
21	Number of mosques connection	No	1800	836	22	356	110	146	107	
22	Estimated Water Demend per Family	Liter	273	405	125	962	462	413	639	
23	Estimated population in the Service area	No	949480	316493	36924	619379	73849	73849	78105	
24	Estimated population served	No	18000	83680	2250	35640	11000	14620	10710	

Operation Information Of Water Utilties AUWSSC 2011

			Name Of Water Utilites							
No	Description	Unit	Mazar	Jalalabad	Lagman	Kandahar	Zaranj	Ghazni	Gardez	Lashkar Gah
1	Total Network Length	Km	271.1	175.2	13.276	134	22	52.55	17	
2	Total Transmation Line	Km	31.05	6.2	1.3	33	7	17	2.56	
3	Total Disruption Line	Km	240.05	169	11.976	101	15	35.55	14.44	
4	Total Connection registered	No	18699	8890	225	4200	1100	2107	1176	
5	Total Connection metered	No	15	3130	10	712	0	1436	340	
6	Total Connection unmetered	No	18684	5760	215	3488	1100	671	836	
7	Total beneficiary	No	186840	88900	2250	42000	11000	21070	11760	
8	Water production per yaer	M^3	2906332	1922582	1639	1928967	285600	376113	470206	
9	Water cost production	Afs	18891158	12496783	10653	12538285	1856400	2444724	3056339	
10	Water resources Well Operation	No	68	10	4	15	2	9	5	
11	Water resource other sources (Karez)	No	0	2	0	0	0	0	1	
12	Reservoirs	No	1	6	1	3	2	3	2	
13	Reservoirs volume	M^3	1750	2800	500	2400	1100	2000	2500	
14	Elevated tank	No	66	0	0	0	1	0	0	
15	Elevated tank volume	M^3	1957	0	0	0	30	0	0	
16	Public stand pipes	No	10	24	0	120	200	12	5	
17	Annual Water prodiction	M^3	2906332	1922582	1639	1928967	285600	376113	470206	
18	Daly Water prodection	M^3	7963	5267	405	5285	782	1030	1288	
19	Summer Daly Prodection	M^3	7863	4046	4	5200	525	1568	1198	
20	Winter Daly Prodection	M^3	8021	6500	5	5343	1044	1492	1374	
21	Number of mosque connections	No	1870	890	22.5	420	110	211	118	
22	Estimated Water Demand per family	Liter	277	386	13	818	462	473	712	
23	Estimated population in the Service area	No	949480	316493	36924	619379	73849	73849	78105	
24	Estimated population served	No	186840	88900	2250	42000	11000	21070	11760	

Operation Information Of Water Utiltes AUWSSC 2012

			Name Of Water Utilites							
No	**Description**	Unit	**Mazar**	**Jalalabad**	**Lagman**	**Kandahar**	**Zarang**	**Ghazni**	**Gardeez**	**Lashkar Gah**
1	Total Network Length	Km	**330**	**164.83**	**13.276**	**134**	**22**	**52.55**	**23**	
2	Total Transmation Line	Km	53.05	13.68	1.3	33	7	17	2.56	
3	Total Disruption Line	Km	276.95	151.15	11.976	101	15	35.55	20.44	
4	Total Connection registered	No	19200	9077	234	5300	1165	2381	1196	
5	Total Connection metered	No	443	3319	10	1100	0	1709	396	
6	Total Connection unmetered	No	18757	5758	224	4200	1165	672	800	
7	Total beneficiary	No	192000	90770	2340	53000	11650	23810	11960	
8	Water production per yaer	M^3	2997257	2034835	21030	1939018	305652	483570	394038	
9	Water cost production	Afs	19482170	13226427	136395	12603617	1986738	3143205	2561247	
10	Water resources Well Operation	No	68	10	4	15	2	9	5	
11	Water resource other sources (Karez)	No	0	2	0	0	0	0	1	
12	Reservoirs	No	1	7	1	3	2	3	2	
13	Reservoirs volume	M^3	1750	3725	500	2400	1100	2000	2500	
14	Elevated tank	No	66	0	0	0	1	0	0	
15	Elevated tank volume	M^3	1957	0	0	0	30	0	0	
16	Public stand pipes	No	10	24	9	120	25	0	5	
17	Annual Water prodiction	M^3	2997257	2034835	21030	1939018	305652	483570	394038	
18	Daly Water prodection	M^3	8212	5575	58	5312	837	1325	1080	
19	Summer Daly Prodection	M^3	7965	5933	5	5613	500	1315	1108	
20	Winter Daly Prodection	M^3	8468	5203	112	5000	1188	1335	1050	
21	Number of mosque connections	No	1920	908	23	530	116	238	119	
22	Estimated Water Demand per family	Liter	278	399	160	651	467	361	587	
23	Estimated population in the Service area	No	949480	316493	36924	619379	73849	73849	78105	
24	Estimated population served	No	192000	90770	2340	53000	11650	23810	11960	

Operation Information Of Water Utiltes AUWSSC 2013

			Name Of Water Utilites							
No	**Description**	Unit	**Mazar**	**Jalalabad**	**Lagman**	**Kandahar**	**Zarang**	**Ghazni**	**Gardeez**	**Lashkar Gah**
1	Total Network Length	Km	**366.325**	**170.83**	**14.276**	**185.5**	**23.3**	**67.1**	**23**	
2	Total Transmation Line	Km	5.82	16.68	1.3	33	13.5	17	2.56	
3	Total Disruption Line	Km	360.505	154.15	12.976	152.5	9.8	50.1	20.44	
4	Total Connection registered	No	19678	9214	268	5716	1531	2648	1195	
5	Total Connection metered	No	245	3451	96	1680	0	1975	398	
6	Total Connection unmetered	No	19433	5763	172	4036	1531	673	797	
7	Total beneficiary	No	196780	92140	2680	57160	15310	26480	11950	
8	Water production per yaer	M^3	3579300	1875069	84030	1785600	439200	524202	412536	
9	Water cost production	Afs	55837080	29251076	1310868	27855360	6851520	8177551	6435561	
10	Water resources Well Operation	No	69	13	4	15	2	9	5	
11	Water resource other sources (Karez)	No	0	2	0	0	0	0	1	
12	Reservoirs	No	1	9	1	3	2	3	2	
13	Reservoirs volume	M^3	1750	8725	500	2400	1104	2000	2500	
14	Elevated tank	No	68	0	0	0	2	0	0	
15	Elevated tank volume	M^3	1957	0	0	0	30	0	0	
16	Public stand pipes	No	0	24	9	120	22	0	5	
17	Annual Water prodiction	M^3	3579300	1875069	84030	1785600	439200	524202	412536	
18	Daly Water prodection	M^3	9806	5137	230	4892	1203	1436	1130	
19	Summer Daly Prodection	M^3	10095	5177	205	5100	1200	1657	1376	
20	Winter Daly Prodection	M^3	9453	5068	255	4650	1200	1200	870	
21	Number of mosque connections	No	1967	921	27	571	153	264	119	
22	Estimated Water Demand per family	Liter	324	363	558	556	511	352	615	
23	Estimated population in the Service area	No	463300	21740	4900	409700	25400	57800	23700	
24	Estimated population served	No	196780	92140	2680	57160	15310	26480	11950	

Checchi and Company Consulting, Inc.
Afghanistan SUPPORT-II Project
Wazir Akbar Khan
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