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SUSTAINABLE WATER AND SANITATION IN AFRICA (SUWASA) YEAR 1 PROJECT WORK PLAN



JANUARY 2009

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS AND ABBREVIATIONS

ADS	Automated Directives System
AFUR	African Forum for Utility Regulators
AfWA	Africa Water Association
AIDAR	USAID Acquisition Regulation
AMCOW	Africa Ministerial Conference on Water
AWOP	African Water Operators Partnership
CBO	Community-Based Organization
CFR	Code of Federal Regulations
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
DCOP	Deputy Chief of Party
DIG	Development Innovations Group
EA	Environmental Assessment
EGAT	Bureau of Economic Growth, Agriculture and Trade
FACTS	Foreign Assistance Coordination and Tracking System (includes processes and indicators used to measure project performance)
FAR	Federal Acquisition Regulations
IEE	Initial Environmental Examination
IM	Initiative Manager
IP3	Institute of Public-Private Partnerships
M&E	Monitoring and Evaluation
MIS	Management Information System
MOU	Memorandum of Understanding
NEPAD	New Partnership for Africa's Development
NGO	Nongovernmental Organization

NWSC	National Water and Sewerage Corporation
PMP	Performance Monitoring Plan
RWP	Reform Work Plan
SIP	Small Investment Program
SDE	<i>Senegalaise des Eaux</i>
SOW	Statement of Work
STA/M	Senior Technical Advisor/Manager
STTA	Short-Term Technical Assistance
SUWASA	Sustainable Water and Sanitation in Africa
TA	Technical Assistance
USAID	United States Agency for International Development
WSP	Water and Sanitation Program
WSS	Water Supply and Sanitation

PREFACE

Sustainable Water and Sanitation in Africa (SUWASA) is a four-year initiative managed by the Bureau of Economic Growth, Agriculture and Trade (EGAT) with technical direction and substantial involvement from the Africa Bureau, Office of Sustainable Development of the US Agency for International Development (USAID), Washington, DC. SUWASA seeks to identify, promote, and transfer good practices in water utility reform and governance within sub-Saharan Africa to improve and expand the delivery of water and sanitation services throughout the region. ARD, Inc is implementing SUWASA, in association with a consortium of US, international, and African organizations, herein referred to as the ARD Team.

This work plan presents the implementation strategy, milestones, benchmarks, activities, and tasks which the project will complete toward addressing the Scope of Work outlined in USAID Contract No. EPP-I-04-00019. It covers the 12-month project period beginning September 30, 2009 through September 30, 2010.

1.0 INTRODUCTION

With Sustainable Water and Sanitation in Africa (SUWASA), USAID is embarking on an ambitious four-year program for the sub-Saharan Africa region, fostering and encouraging innovative approaches to water sector reforms. The program is expected to initiate new reform approaches, explore avenues of innovative project finance and private sector participation in water and sanitation service delivery, and thus add significant value not only to ongoing debates on water reforms on the African continent, but also to the collective experience in reform implementation.

SUWASA will neither replicate nor duplicate efforts of other donors, but will build upon the promising reform approaches and successes in the region. The program is committed to reach out to major actors in the African water reform arena and actively seeks various forms of cooperation, including co-financing, with international and bilateral donor organizations, sector operators and utilities—as long as such cooperation is in line with the SUWASA key principles and geared to further the policy objectives of SUWASA.

SUWASA is dedicated to support and promote reforms in water and sanitation service delivery that are based on cost-reflective pricing and consumer tariffs, whereby creating a financially viable and sustainable environment for infrastructure expansion and improved quality of services, and is designed to support reform initiatives that are:

- Utilizing, where applicable, innovative financing approaches, with a view to more efficiently engage the private sector in water and sanitation service delivery;
- Offering incentives to utility management and staff for meeting clearly defined operational and financial performance standards; or
- Introducing autonomy and accountability to government utilities (e.g., through corporatization of utilities and the establishment of independent regulatory bodies).

By implementing at least a dozen technical assistance projects across sub-Saharan Africa, SUWASA will help shape the debate on best practice water reforms in Africa with hands-on practical experience. Moreover, SUWASA will develop and implement tailored training curricula on sustainable reform approaches, participate in the various international and national forums, and provide interested practitioners readily accessible online access to an extensive database on African water and sanitation reforms.

This Work Plan provides ARD's proposed approach to implementing SUWASA over the project's first year of operation. Section 2.0 presents our proposed activities and schedules to carry out the tasks defined in the project Statement of Work (SOW); Section 3.0 presents ARD's proposed management plan; and Section 4.0 provides our proposed schedule for implementing the project over the next year.

2.0 PROPOSED WORK PLAN, TASKS AND ACTIVITIES

This section presents ARD’s proposed work plan for the first year of SUWASA, September 30, 2009–September 30, 2010. The plan is organized in accordance with the six tasks defined in the project SOW, with activities, deliverables, and schedules provided for key project milestones.

2.1 TASK 1: TRAINING/SOCIALIZATION

2.1.1 SOW REQUIREMENTS

The SOW calls for ARD to organize three regional training sessions to: 1) introduce potential partners to the types of reforms and approaches that are being successfully applied in sub Saharan Africa, (2) explain the objective and general approach of the SUWASA activity, and (3) identify initial partners and projects. The attendees are to include senior managers from reforming utilities in the priority countries, representatives from associations such as the African Water Operators Partnership (AWOP), regulators, central and/or local government officials, USAID mission staff, donors working in the water sector, and other potential partners. The three sessions are to be completed within the first six months of contract award.

2.1.2 TASK APPROACH

At USAID’s request, the ARD Team has evaluated alternatives to streamlining the process defined in the SOW, particularly to reduce the time and resources required to convene the three regional workshops. The following approach provides our response to this request. We believe it will achieve the same quality of outcomes as the process in the SOW, in a more cost-effective and efficient manner. The main difference between our proposed approach and the one provided in the SOW is that the ARD Team will solicit inputs from key regional organizations and water and sanitation experts by engaging them in one-on-one and focus group discussions rather than attempting to develop a program agenda in the kinds of large group settings that would be afforded by the regional workshops.

We believe that this program is more efficient because it focuses on engaging a targeted group of individuals and organizations that share SUWASA’s vision of water and sanitation reform. An important characteristic of SUWASA is the program’s sharp focus on a specific spectrum of the wide range of water and sanitation initiatives supported by multilateral and bilateral donors in sub-Saharan Africa (i.e., a focus on fundamental reforms that have demonstrated long-term sustainability attributable to design frameworks based on commercial principles and providing a clear path to long-term cost recovery). Notably, SUWASA will generally not be working in the area of “service delivery efficiency

improvement” (e.g., non-revenue water reduction, improved billings and collections, etc.), which is already a crowded space for a new program like SUWASA. Further, SUWASA is not a capital funding program, although limited capital investment support is available as needed to support individual initiatives. By contrast, SUWASA is focusing on new models of water and sanitation service delivery—primarily in urban and peri-urban areas—that build in incentives, accountability and transparency, and appropriate allocations of authorities and responsibilities among central ministries, regulatory bodies, utilities, intermediate service providers, customers, and private sector institutions.

Among the large number of donor programs and government initiatives across sub-Saharan Africa involved in water and sanitation improvement, a subset shares SUWASA’s priorities. Our approach is based on reaching out to experts and organizations within this targeted group, to solicit their cooperation and possible partnerships with SUWASA, by carrying out the following activities.

- **Prepare list of key African water and sanitation leaders to be targeted for SUWASA engagement.**

The ARD Team is preparing a list of individuals who are widely recognized in the region and in the international arena for their knowledge and experience in water supply and sanitation issues, and donor and regional associations that we propose to target for SUWASA engagement. We are preparing the list based on suggestions from USAID personnel, personal knowledge of ARD Team members, and literature reviews. Our goal is to develop a prioritized list of targeted individuals (including senior representatives of key donors and regional organizations) with whom we propose to conduct detailed interviews. We propose to keep the initial list manageable by targeting a maximum of 30 individuals to be contacted. The list will include representatives from all of the organizations presented in Table 2.1.

TABLE 2.1. REGIONAL AND INTERNATIONAL ORGANIZATIONS TO BE INCLUDED IN INITIAL CONSULTATIONS¹

<i>Donor Community</i>
• World Bank/WSP
• World Bank/PPIAF
• World Bank/Water Sector Board Programs
• African Development Bank/Africa Water Facility (AfDB/AWF)
• UN-Habitat
• Bilateral Donors (including DFID, GTZ, etc.)
<i>Regional Organizations</i>
• Africa Water Operators Partnership (AWOP)
• International Water Association-East & Central Africa (IWA-ESAR)
• Africa Water Association (AfWA)
• Africa Ministerial Conference on Water (AMCOW)
• African Forum for Utility Regulators (AFUR)
• Network for Water and Sanitation (NETWAS) International,
• African Network for Water and Sanitation (ANEW)
• Water and Sanitation for the Urban Poor (WSUP)
• NEPAD Business Foundation

¹ This is not intended to be an exhaustive list, but rather to be representative of key SUWASA partners. During the consultations, the ARD Team will reach out to additional prospective partners.

Deliverable/Completion Date: List of key experts/senior organization representatives targeted for initial SUWASA consultation: December 11, 2009.

- **Prepare draft project evaluation and selection criteria package for USAID review.**

Given the limited number of projects that can be supported by SUWASA, it is important that well defined criteria be established to guide the identification and selection of projects toward projects that most effectively meet program objectives. A program statement providing these criteria is important, both as a tool to guide the ranking and selection of potential projects and as a practical mechanism to explain the process to potential SUWASA partners. The ARD Team will draft a statement providing:

- Explanation of the types of reform initiatives that will receive priority consideration for SUWASA support;
- Policy considerations that will be taken into account in evaluating initiatives, particularly in evaluating the extent to which the initiatives emulate SUWASA core principles of commercial best practices and long-term financial sustainability;
- Replicability and relevance of “lessons learned” from the initiatives to other countries and localities in sub-Saharan Africa;
- Practicality and feasibility of the initiative;
- Cost to SUWASA, including degree of leverage of SUWASA resources with resources of project partners.
- Relative weightings of the criteria.

Deliverable/Completion Date: Draft Program Statement providing proposed project parameters and selection criteria: December 21, 2009.

- **Conduct consultations with African water and sanitation leaders and organizations.**

The ARD Team will conduct technical one-on-one discussions and focus groups with internationally recognized experts on water and sanitation in Africa, and representatives from the international and bilateral donor and consulting community with the objectives of: 1) introducing them to SUWASA and soliciting their cooperation with the program; 2) informally vetting SUWASA draft project selection and evaluation criteria with them; and 3) seeking their suggestions for potential SUWASA partners and projects. A key output of these consultations will be a “long-list” (10-15) of candidate SUWASA projects and partners consisting of candidates that are vetted adequately for priority ranking. ARD proposes to conduct the consultations in two phases:

Phase 1: Initial consultations with senior international experts and managers of regional and international organizations to identify SUWASA engagement opportunities. In this phase, the ARD Team will meet with selected experts, including those on the “master list” of African water and sanitation leaders, to: gain their perspectives on water and sanitation priority needs that fit well with SUWASA tools and objectives; identify reforms that they believe would fit well with SUWASA project criteria; and identify contacts for consultations among the project proponents, including governments, proponents, donors, and other key stakeholders. Based on these consultations, we will submit a list of 10-15 projects to USAID that we recommend for technical vetting (Phase 2).

Phase 2: Consultations with reform initiative managers to qualify candidate partners and projects. Upon approval of USAID, we will consult with USAID missions, technical managers with donors, government sponsors, and other stakeholders who are directly involved in each of the reform initiatives on the long-list developed in the Phase 1 consultations. Each consultation will assess: 1) the current status of the initiative; 2) current sources of funding and other support for the initiative, particularly donor support; 3) interest of all parties to the initiative in SUWASA engagement; and 4) types of SUWASA interventions that could provide maximum benefit and leverage of all parties.

We will place priority on mission coordination, and will consult with the USAID Contracting Officer's Technical Representative (COTR) prior to initiating mission communications. We will solicit mission engagement in our in-country consultations and will keep the designated mission contact fully informed of our consultations.

Deliverable/Completion Date: Phase 1 recommendations for a long-list of candidate projects to be vetted: February 5, 2010.

Deliverable/Completion Date: Phase 2 recommendations for a long-list of vetted candidate projects: February 26, 2010.

- **Convene Project-Ranking Workshop.**

ARD will convene a two-day workshop in Nairobi for the SUWASA team and partners to review the long-list of candidate projects, and to rank them in accordance with the project selection and evaluation criteria. We will also ask participants to comment on their experiences in applying the criteria, and to provide suggestions for improvement for future selection rounds of SUWASA projects. We will invite the proponents of the initiatives on the long-list to participate, and present their initiatives. The workshop will include plenary sessions and breakout sessions (e.g., focused on technical areas of reform [legal/regulatory, sector restructuring, contracting reforms/performance agreements, finance, etc.], and/or stakeholders [utilities, regulators, NGOs, etc.]).

We propose that invitees include representatives of all the ARD subcontractors and Africa-based resource organizations; USAID headquarters and missions, selected Africa water and sanitation leaders, and project proponents (including government and nongovernmental initiative sponsors, donors, and utilities).

Deliverable/Completion Dates: Workshop convened in Nairobi: Week of February 28, 2010. Workshop report, including the results of the project ranking; analysis of comments on the ranking process; and recommended "short-list" of projects (3-4) for the first round of SUWASA project: March 12, 2010.

- **Identify and select candidates for "second round" SUWASA projects.**

For the three to four top-ranked projects, we will enter into negotiations with project proponents to develop RWPs (see our proposed approach to Task 2 below). However, we recognize the importance of developing a full suite of at least 12 SUWASA projects, and we will continually seek out additional candidate projects for the second project round and beyond.

We will begin with the prioritized list prepared from first project ranking workshop. However, we will not limit our search to this list, but rather will continue consultations with the network of African water and sanitation leaders and country experts developed in the course of identifying first round projects.

We expect this network to continue to grow, and that our list of candidate projects will grow accordingly. We expect that the time required to identify, qualify, and rank projects will be considerably less than that required for the first round, given the development of guidance and procedures, the lessons that our team will have learned through the first round selection process, and the greater familiarity of countries and organizations with SUWASA affected through implementation of the program.

Overall, we will employ the consultation process used for “first round” projects, with an expanded base of collaborators and partners, as follows:

- Meet with project proponents of highly ranked initiatives on the SUWASA long-list prepared during Round 1.
- Conduct one-on-one and focus group consultations, with an expanded set of international and country experts.
- Revise/expand long-list of candidate initiatives.
- Convene workshop to rank projects for second round in light of information collected during the consultations.

Regarding the workshop, we recommend that it be held at one of our utility subcontractors’ locations: Kampala, Uganda (NWSC); Johannesburg, South Africa (Rand); or Dakar, Senegal (SDE). This will provide a “public message” that SUWASA is a truly region-wide program.

Deliverables/Completion Dates: Prepare updated long-list of candidate initiatives: August 30, 2010. Convene project ranking workshop/submit workshop report with “second round”: recommendations: September 15, 2010.

2.2 TASK 2: REFORM WORK PLANS

2.2.1 SOW REQUIREMENTS

Under this task, ARD is to refine the list of potential partners identified in Task 1, and provide the criteria used to prioritize candidate partners and projects to USAID. For each project approved by the USAID COTR, ARD will negotiate a Reform Work Plan (RWP), which details the commitments of all parties over the period of the reform support activity. The RWP should cover a period of no more than 24 months. Each RWP will clearly delineate the assistance to be provided by SUWASA, including training, consulting services, and any resources intended for capital expenditures or commodities; and the responsibilities and commitment of the reforming partner, including the staff resources available to implement the reform activity. ARD will work closely with the relevant bilateral and/or regional USAID mission throughout the project selection and implementation process, to assure that the mission is supportive of the project, to keep the mission informed of the RWP development and implementation, and to ensure that activities are complementary to mission water and sanitation programs.

2.2.2 TASK APPROACH

While the SOW requires that RWPs cover a period of no more than 24 months, ARD is concerned that this may not be sufficient time for project completion, given the implementation complexities of the projects likely to be included in the SUWASA portfolio. Consequently, rigid application of this limitation would not allow sufficient flexibility for SUWASA to effectively address contingencies that often arise in reform implementation. For this reason, ARD recommends that the 24 month limitation be

maintained as a program preference, but that projects of up to 36 months be considered on a case-by-case basis. In addition, ARD recommends that the RWPs provide sufficient flexibility for SUWASA support to continue support beyond 24 months, if required due to circumstances that were not anticipated when the RWP was negotiated. ARD requests clarification from USAID regarding whether this recommendation requires a contract modification.

Since the RWPs are the central agreements between SUWASA and the other project partners, it is critical that they be complete, clear, and readily amenable to effective monitoring and evaluation. It is especially important that the roles, responsibilities, and relationships among all parties be detailed. We propose the following approach to negotiating the first round of SUWASA projects and entering into additional negotiations to prepare for a second round of RWPs to be finalized later in calendar year 2010.

- **Prepare RWP template, providing all standard terms and conditions.**

To facilitate negotiations with reform proponents, we propose to reach agreement with USAID over the critical requirements for all RWPs, well in advance of entering into individual project negotiations. Therefore, we will prepare a draft template for the RWPs, providing all standard terms and conditions that the ARD Team believes are crucial to assuring effective project implementation. The kinds of requirements that we will consider include:

- A detailed description of the initiative, divided into discrete tasks;
- Endorsement and commitment by the senior staff of each initiative partner;
- A commitment to engaging and ensuring equitable benefits to women and the poor;
- Monitoring and evaluation plan;
- Project milestones and implementation schedule;
- Environmental mitigation measures, as necessary, to ensure compliance with USAID environmental procedures (see Section 2.4 below);
- A management and staffing plan, including a detailed description of the roles and responsibilities of each initiative partner, and designation of the Initiative Manager (IM);
- Contributions to be provided by all parties to the RWP, including:
 - *SUWASA*: technical assistance (TA), small investment program (SIP), and/or provision of commodities;
 - *Implementing partner(s)*: in-kind contributions, access/use of facilities, direct funding;
 - *Third parties*: multilateral/bilateral donors, private parties, etc.; and/or
 - *USAID mission*: TA to reforms supported by missions, leveraging of TA provided by mission programs and contractors, and/or DCA credit enhancements, etc.;
- Detailed budget corresponding to the description, including the commitment of funds (counting in-kind contributions) by all initiative partners;
- Detailed description, budget, and timetable for small investment program and commodity procurements;
- Reporting requirements for all parties;
- Conditionalities; and
- Dispute resolution procedures.

Deliverable/Completion Date: Draft RWP template; January 15, 2010.

- **Negotiate RWPs with reform-specific terms and conditions.**

Immediately upon submittal of the three to four short-listed projects to USAID under Task 1, we will enter into discussions with the USAID COTR, and with the relevant missions as directed, to review the recommendations and propose next steps for negotiations. We will recommend members of the ARD Team, including any consultants or outside advisers, to represent SUWASA in the negotiations. While the specific members of the team will depend on the nature of each reform, the Chief of Party (COP) will provide leadership and direction to the negotiations. The Deputy Chief of Party and the SIP and Commodities Specialist will support the COP in negotiating SIPs and commodity procurements that are components of RWPs. Upon approval of each project, our designated negotiating team will enter into detailed negotiations with the project proponents.

Throughout the negotiations, the COP will keep the USAID COTR apprised of progress, and report any unanticipated issues immediately. When negotiations are concluded, the COP will prepare a Decision Memorandum detailing the agreement reached, the draft RWP that all parties have agreed to, and recommendations. We will also provide a detailed budget for SUWASA supporting, including all labor, travel, capital investments and commodities, and other direct costs; and an assessment of the budgetary uncertainties and risks associated with the project.

Deliverable/Completion Date: Decision Memoranda for at least three RWPs submitted to USAID: April 30, 2010.

- **Finalize RWPs.**

Based upon USAID comments to the Decision Memorandum package, the negotiating team will conduct final negotiations to finalize the RWP. Since it is likely that each reform sponsor will have preferences for announcing the agreement (e.g., public signing ceremonies), we will work closely with the parties to schedule SUWASA support activities in coordination with these plans. However, we will emphasize the need to begin the project in accordance with agreed-upon schedules in the RWP, and on a case-by-case basis, enter into an interim Memorandum of Understanding to enable the ARD Team to begin work prior to formal public announcement.

Deliverables/Completion Date: Three final RWPs signed by all parties, or MOUs signed authorizing SUWASA to begin work: May 30, 2010.

- **Negotiate Additional RWPs for second round of projects.**

Immediately following the project-ranking workshop and recommendations for SUWASA “second round” projects (see Section 2.1.2 above), the ARD Team will begin the process of negotiating RWPs for these projects, following the process outlined above for the “first round” projects. Assuming that we receive COTR approval to proceed by August 30, 2010, we will enter into detailed negotiations with sponsors of an additional three to four initiatives in accordance with the following schedule:

Deliverables/Completion Dates: Decision Memoranda with draft RWPs and recommendations to USAID for at least three “second round” SUWASA projects: November 15, 2010. Finalize RWPs and authorize SUWASA to begin work on “second round” projects: December 15, 2010.

2.3 TASK 3: TECHNICAL ASSISTANCE FOR REFORM ACTIVITIES

2.3.1 SOW REQUIREMENTS

Based in the individual RWP for each reform activity, ARD will provide technical assistance and support to carry out specific reforms that will lead to improvements in management and in-service delivery. In addition to providing direct technical assistance and training through short- and long-term advisers, ARD will facilitate technical twinning partnerships and “internships” for technical staff as well as policymakers as a way to transfer knowledge and best practice. ARD will work with AfWA, AWOP, and other regional associations to implement activities—this kind of best practice transfer program could be developed into a viable member service, thereby increasing the likelihood of sustaining the results of the SUWASA activity.

2.3.2 TASK APPROACH

Each RWP will define the specific areas of technical assistance and associated expertise required to provide effective SUWASA support. With the lead times that we are proposing for RWP development and negotiation, the ARD Team will be in a position to mobilize each initiative technical assistance team within a maximum of six weeks of RWP signing/authorization to proceed, as follows.

- **Organize and mobilize technical assistance teams.**

The COP will select and assign team members based on the technical requirements in each RWP. He will draw from the ARD Team subcontractors and resource organizations, but will not draw exclusively from this pool of talent. Rather, in staffing each team, the COP will reach out to national and international experts based on the specific technical needs of the project, including consultants recommended by other parties to the RWP. Each project team will include an Initiative Manager, responsible for day-to-day management of the project staff and coordination with the technical staff of the other implementing partners. The IM will report on a day-to-day basis to the SUWASA Deputy COP (DCOP), who will be responsible for assisting the COP in monitoring the project, coordinating with RWP partners and the USAID mission, assuring quality of performance, and monitoring compliance with schedule and budget in the RWP.

Deliverable/Completion Dates: Staffing plan developed, including contracts with all short-term and long-term consultants, and staff mobilized within a maximum of six weeks of RWP signing:

- For “first round” projects, staff for all projects mobilized by July 15, 2010.
- For “second round” projects, staff for all projects mobilized by January 31, 2011.

- **Implement technical assistance in accordance with the RWP.**

Each RWP that is to be carried out by the SUWASA technical assistance team will provide the specific technical assistance, deliverables, and schedules for the project. The DCOP will be responsible for day-to-day oversight of the work performed, to assure that all requirements of the RWP are met. He will immediately flag problems and work with the COP to resolve them. IMs will be responsible for preparing monthly reports that include:

- Work performed during the month and deliverables completed,
- Issues and their proposed resolution, and
- Work planned for the next month.

Deliverables/Completion dates: Monthly progress reports: five workdays after the beginning of each month; final project report: .Within 30 days of project completion.

- **Develop and disseminate Project Briefs.**

In furtherance of the SOW requirement to transfer best practices to regional associations, we will prepare public SUWASA Project Briefs on a quarterly basis, summarizing the status of all active SUWASA projects, progress achieved during the quarter, and any lessons learned from project implementation. Project Briefs will generally be prepared for groups of SUWASA projects, although individual project successes and milestones will be highlighted. The Communication and Outreach Specialist will prepare the Project Briefs, working closely with the COP and DCOP. Wide dissemination of the Project Briefs, including a strong online presence, will be an important component of the Outreach and Communications Strategy (discussed in Section 2.6 below).

Deliverable/Completion Dates: First Project Brief (for “first round” projects) to be prepared by October 15, 2010; subsequent project briefs to be prepared by mid-month at the end of each quarter.

2.4 TASK 4: SMALL INVESTMENT PROGRAM

2.4.1 SOW REQUIREMENTS

The SUWASA Activity will be responsible for managing a small investment component in conjunction with RWPs where small capital investments are necessary and appropriate (but not to exceed \$3.25 million over the first four-year period). ARD shall develop uniform criteria for reviewing and selecting small investments, including Environmental Impact Assessments, as appropriate. ARD will consult with USAID to approve and finalize the criteria prior to discussing this option with reform partners and development of the RWPs. ARD is required to submit a “Small Investments Manual” to the COTR and Contracting Officer for approval prior to any commitment of resources.

2.4.2 TASK APPROACH

As part of reform initiatives, some projects will require small capital investments to support the reform process. For those RWPs that include a capital investment component, the ARD Team will enter into subcontracts with local engineering and construction organizations to design and construct capital investments and rehabilitation. ARD will implement procedures that assure compliance of the investment projects with USAID and local environmental requirements, prepare specifications and tender documents; procure and select local or regional engineers and construction contractors through a competitive procurement process with strict adherence with USAID regulations and applicable local regulations; oversee the work performed; and assure that all work fully complies with the specifications in the contract, paying particular attention to:

- Assuring that capital investments are implemented in accordance with the reform initiative schedule in the RWP, including those financed by SUWASA as well as those provided by other donors;
- Assuring that the relationship of the SIP and commodity procurement plan to the overall reform initiative is clearly understood by all parties to the RWP and are implemented to effectively support the initiative.

- Implementing internal controls carefully designed and built in this system at every critical stage, with the effectiveness and efficiency of these controls subject to continuous review and improvement; and
- Assuring compliance with environmental requirements and mitigation measures assessment where necessary to support capital expenditure of related projects.

To do this, we will propose the following approach.

- **Prepare Small Investment Project Manual.**

The DCOP and the SIP and Commodities Manager will prepare a SIP Manual that will guide the SUWASA small investment program. The manual will include:

- Procedures for conducting environmental screening of small investments in accordance with the SUWASA Initial Environmental Examination (IEE), and preparation of Environmental Review Reports including determinations of the need for Environmental Assessments (EA);
- Procedures for preparing EAs if determined to be needed based on documentation in the Environmental Review Reports;
- For those projects requiring an EA, procedures for conducting the EA in accordance with USAID guidelines;
- Procedures for procuring local and regional engineering and construction services;
- Procedures for overseeing engineering and construction contractors;
- USAID and local regulatory agency approval procedures;
- Commissioning; and
- Quality assurance procedures.

Deliverables/Completion Dates: Draft SIP Manual: January 15, 2010. Final SIP Manual: Within 10 working days of receipt of USAID comments.

- **Prepare small investment plans for inclusion in RWPs.**

For each RWP under negotiation that involves small capital investments, the SIP and Commodities Manager and the DCOP will work closely with the negotiations team to assure that environmental and technical issues are addressed in accordance with the procedures in the SIP Manual, that the costs and risks of the investments are adequately considered; and that the impacts of alternative SIPs and commodity procurement plans on the overall project budget are fully considered. It may be necessary to draw short-term assistance from a consulting engineer on the ARD Team to assure the projects are technically and financially sound.

Deliverables/Completion Dates: Detailed SIP plans to support individual reform initiatives: To be included in RWPs.

- **Implement small investment plans.**

It is important to recognize that the IMs responsible for overseeing SUWASA projects may not have expertise in engineering and construction. For this reason, the SUWASA DCOP and SIP and Commodities Manager will play a substantial role in managing implementation of the small investment plans. For each project with a capital investment component, the technical assistance team will include at least one engineer with substantial experience in infrastructure projects in the localities

included in the RWP. The engineer will coordinate with the IM, but will report to the SUWASA DCOP and SIP and Subcontract Manager.

Deliverables/Completion Date: Small investment activities to be carried out in accordance with the requirements and schedules in the RWP.

2.5 TASK 5: PROVISION OF COMMODITIES

2.5.1 SOW REQUIREMENTS

ARD may procure commodities that will be used to implement reforms in specific utilities. The commodities will be provided under the RWP developed with a local, regional, or national government agency responsible for water and sanitation services. ARD will ensure that the commodities provided by the project are specifically related to implementation of reform activities, and that they are actually used for these purposes. The cost of commodities is part of the \$3.25 million set aside for Task 4.

2.5.2 TASK APPROACH

We anticipate that most of the reform initiatives supported by SUWASA will require the procurement of commodities. ARD will apply its proven commodity provision systems and procedures to this task, as follows.

- **Prepare SUWASA commodities procurement procedures.**

ARD has developed a Local Procurement Handbook, and Standard Operating Procedures, based on the FAR, AIDAR, ADS, and CFR, that are used by our USAID projects worldwide. The DCOP and SIP and Commodities Manager will prepare project working procedures in accordance with ARD's Local Procurement Handbook and Standard Operating Procedures.

Deliverable/Completion Date: SUWASA commodities procurement working procedures: January 15, 2009.

- **Implement commodities provision for individual projects.**

Each RWP will include a commodities procurement plan. The SIP and Commodities Manager will support the IMs in implementing their plans.

Deliverable/Completion Date: Commodities will be procured in accordance with the SUWASA procedures and the specific requirements defined in each RWP.

2.6 TASK 6: SHOWCASE RESULTS

2.6.1 SOW REQUIREMENTS

Throughout the activities, ARD will carefully monitor and document implementation of the reform activities and the final results. At the conclusion of the reform activities, ARD will organize a regional event for water utility operators, national government officials, etc. to give successful reformers an opportunity to showcase their challenges and successes. The event should be coordinated with one of the existing regional associations. The purpose of the final showcase event should not be limited to sharing best practices but should focus on the transfer of that knowledge to other countries and utilities. The

closing event should also allocate time for developing an action plan of next steps for local partners to implement with their own resources to continue the work initiated under the program.

2.6.2 TASK APPROACH

Sharing the lessons of reform initiatives is critical to the success of SUWASA in fostering a paradigm shift in African WSS decision making. This requires much more than a series of one off events. Therefore, building on existing professional networks, ARD proposes a systematic outreach program to foster a *community of practice* of WSS practitioners to learn and disseminate practices based on SUWASA core principles. Our outreach program will build awareness throughout the life of the project to educate the African WSS community on lessons learned in implementing regional reform initiatives, encourage adoption of similar reforms, and build on existing networks to foster a community of practice in innovative reform approaches. In close coordination with the COTR and USAID missions, we will develop a knowledge management approach to guide individual initiatives while supporting a broader network. We will draw from the experiences of our partners in fostering international learning networks and disseminating best practices.

ARD will utilize a range of technology tools for showcasing results and sustaining knowledge management networks. The following will be undertaken:

- **Prepare Communications and Outreach Strategy.**

Under the direction of the COP, the Communications and Outreach Specialist will prepare a Communication and Outreach Strategy for SUWASA. The strategy will provide a road map for continual dissemination of best practices and lessons learned, promoting project activities and ensuring visibility using the SUWASA Web site, Web sites of collaborating partners, regional media, regional conferences, and regional conferences and workshops. The strategy will indicate the identified targeted partners, collaborators, and stakeholders and the appropriate knowledge-sharing mechanisms and communication tools.

Deliverable/Completion Date: Communication and Outreach Strategy: January 15, 2010.

- **Create and maintain water and sanitation reform and stakeholder and information database.**

The Communications and Outreach Specialist will work closely with other members of the project team to create a database containing information on water sector success stories, best practices, contact information for key African water and sanitation reform experts, and project briefs that will be used as training tools for targeted water sector organizations involved in the reform work. The database will be updated regularly and information will be shared among targeted organizations participating in the reform activities and the regional media.

Deliverable/Completion Date: Initial database to be compiled January 30, 2010; to be updated on a continuing basis thereafter.

- **Participate in regional and international events and media opportunities.**

As will be discussed in the SUWASA Communications and Outreach Strategy, we will use scheduled regional and international events and opportunities to showcase best practices and promote SUWASA project activities. We propose to participate in a minimum of two regional or international events in Year 1 of the project, as recommended in the strategy.

For our first conference activity, we believe that the meeting of the Africa Water Association Water Congress, March 15-18, 2010, in Kampala, Uganda presents an excellent opportunity for SUWASA to present its program and to engage a range of key national and international stakeholders in the African water and sanitation sector. At this stage, it would likely be premature to make any announcements regarding specific projects. However, with the experience of identifying and qualifying projects through application of the project identification and selection criteria completed, the timing is right to present the SUWASA operating framework and priorities to the African water and sanitation community.

Deliverable/Completion Dates: With USAID approval, presentation at the meeting to introduce participants to SUWASA and seek opportunities for partnership: March 15-18, 2010. The second event to be determined and presented in the communication strategy.

- **Participate in policymaking and planning forums of SUWASA partners.**

Our COP and senior technical personnel, working in coordination with our African partners and the USAID COTR, will participate in meetings of regional water supply and sanitation (WSS) organizations, governmental bodies, and private sector associations, e.g., planning and advisory committee meetings of World Bank/WSP, the African Water Facility, AMCOW, AFUR, and the Water and Sanitation Committee of the NEPAD Business Foundation. We will support inter-donor coordination and provide a conduit for reform initiatives to inform policy development and implementation.

Deliverable/Completion Date: The specific forums and dates will be determined after consultations with partners and presented in updates to the Communication and Outreach Strategy.

- **Collaborate with the media to promote SUWASA activities.**

We will identify relevant regional media houses and personalities in the water sector and engage them to disseminate SUWASA activities and reform best practices and lessons. The media will be availed of relevant reports, outcomes of meetings, and information on project activities in order to facilitate effective reporting.

Deliverable/Completion Date: The initial database of the identified media will to be compiled by January 30, 2010; to be updated on a continuing basis thereafter. The identified media will be provided, on a continuing basis, the relevant reports and project information after consultations with USAID and partners.

- **Design and maintain an online presence.**

To effectively share knowledge on best practices and disseminate project information to targeted partners and stakeholders, the following online presence activities will be undertaken:

- Prepare and submit proposed design for SUWASA website to USAID for approval. The website will be updated regularly to enable dissemination of up-to date project activities, reform initiatives, news and information.
- Prepare and submit public quarterly and progress reports and SUWASA e-newsletter. The reports and newsletter will be sent to USAID, partners and collaborating organizations, regional media, etc. The reports will also be presented during meetings like AfWA, AWOP, etc.

- Link the SUWASA website to USAID approved digital media. While it is easy to create and maintain a project website, such a strategy is rarely sustainable. We will discuss with the COTR which existing institutions could assume hosting SUWASA materials and contribute to the broader knowledge management strategy for the project, with particular attention to maintaining a robust communications strategy after SUWASA ends. USAID-approved digital media can and should be available online from a number of public domain sources and links. Such a strategy will transcend the project and contribute to a long-term network supporting WSS practitioners and policymakers. For example, ANEW's website already is linked to regional community-based organizations (CBOs) around the globe, providing resources for African WSS practitioners.

Deliverable/Completion Date: ARD's proposed design of the SUWASA website will be submitted for approval by February 15, 2010. Project briefs will be submitted and shared quarterly. The timelines for SUWASA e-newsletter and the linking of the website to digital media will be presented in the Communication and Outreach Strategy.

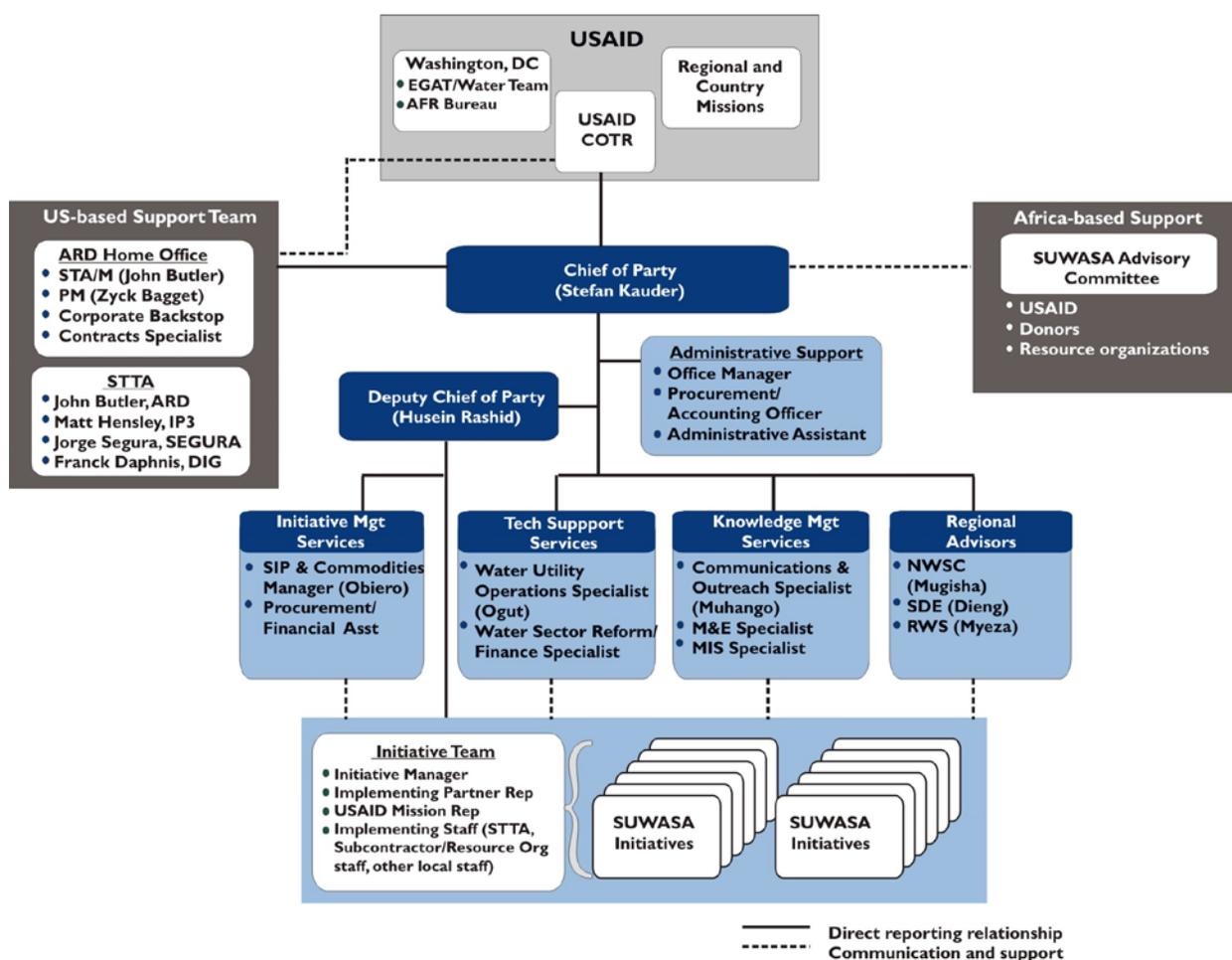
3.0 MANAGEMENT PLAN

ARD’s management plan for this activity is designed to be responsive to the requirements of the project, with sufficient flexibility built in to allow for needed changes in program direction and/or unanticipated developments.

3.1 ORGANIZATION AND STAFFING

ARD’s management structure for SUWASA is straightforward and emphasizes clear lines of authority, responsibility, and communication (see Figure 3.1).

FIGURE 3.1. SUWASA ORGANIZATION CHART



Our Chief of Party, Stefan Kauder, will oversee all aspects of implementation, while his Deputy, Husein Rashid, will assist him by coordinating and managing the portfolio of reform initiatives developed under the project.

The COP assumes overall responsibility for management and supervision of the program in all aspects, including staffing and budgets; is ARD's legal representative in the field and principal point of contact for USAID; and is ultimately responsible for project outputs, deliverables, and results. Furthermore, the COP is the lead negotiator for the development of RWPs and coordination efforts with donors and regional institutions. The COP has overall responsibility for submission of work plans, quarterly and annual reports, technical progress reports, and other deliverables.

The Nairobi project office will be the hub for SUWASA technical and outreach activities and will serve as the base for managing reform initiatives. Under the leadership of the COP, the Nairobi-based project team will provide programmatic direction, leadership, and vision; liaise with USAID and ARD's US-based staff, collaborating partners, and donors on programmatic issues; provide technical and administrative support to individual initiatives, including management of subcontracts and the SIP; and coordinate STTA, outreach, training, and monitoring and evaluation (M&E) activities.

Project staff roles and responsibilities are as follows:

- Deputy Chief of Party, Husein Rashid (fully mobilized as of January 1, 2010), supports the COP in day-to-day management; assumes management responsibilities in absence of COP; manages, coordinates, and supervises the implementation of reform initiatives, including coordination of short- and long-term technical assistance consultants and subcontractors; and is responsible for monitoring environmental compliance of reform initiatives.
- Water Utility Operations Specialist, Petronilla Ogut (fully mobilized as of January 1, 2010), is the lead technical specialist on utility operations and management; provides technical inputs to initiatives design, implementation, and reporting; is the technical backstop for STTA in this area; and ensures gender issues are adequately addressed in reform initiatives.
- Water Sector Reform/Finance Specialist (to be recruited in the first quarter of 2010), is the lead technical expert on project finance, innovative finance approaches in RWPs, as well as utility tariff structures and operational budgets; provides technical inputs to initiatives design, implementation, and reporting; and is the technical backstop for STTA in this area.
- Communications and Outreach Specialist, Chris Muhango (fully mobilized as of November 30, 2009), develops and leads the implementation of the Communication and Outreach Strategy; provides technical assistance to initiative-specific communication and outreach needs, including in design; leads the development and continuous upgrading of a SUWASA database of best practice WSS reform approaches, policies and strategies; ensures SUWASA is adequately represented at relevant regional and international events and conferences as well as in the press and media, to convey SUWASA messages and objectives; and significantly contributes to the development of training work plans.
- Small Investment Program and Subcontracts Specialist, Addah Obiero (fully mobilized as of November 16, 2009), manages, supervises, and coordinates all aspects of the SIP, provision of commodities, as well as financial monitoring and controlling of subcontracts and RWPs; and supports reform partners to ensure compliance with USAID regulations.
- Monitoring & Evaluation Specialist (to be recruited in the first quarter of 2010), oversees continuous M&E procedures for both the overall SUWASA program and the reform initiatives; and prepares regular M&E reports to be included in SUWASA progress reports and/or in responses to requests of USAID.
- Further administrative staff members include an Office Manager, to be responsible for all administrative matters related to the day-to-day management of the Nairobi office, and supervising, in

consultation with the COP, a Procurement/Accountant Officer, an Administrative Assistant, and up to three project drivers.

The project's Senior Technical Adviser/Manager, John Butler, is responsible for supporting the COTR on project coordination; responding to problems and changes in program direction; and providing technical support, e.g., to prepare special reports, analyses, and presentations. In addition, he coordinates the work of subject matter experts from our Washington-based subcontractors (IP3, SEGURA, DIG), who are available for consultation as needed by the COTR.

3.2 COMMUNICATION AND REPORTING

In accordance with contractual stipulations, the SOW and, specific instructions by the COTR, SUWASA reports will encompass the following components:

- Weekly e-mail summaries of activities conducted during the week;
- Biweekly meetings or conference calls with the USAID COTR and/or other members of USAID/Washington staff; the COP and/or other members of the Nairobi project staff; the STAM and other ARD home office staff;
- Quarterly Technical and Financial Reports;
- Quarterly Monitoring and Evaluation Reports; and
- Annual Reports.

3.3 MONITORING AND EVALUATION

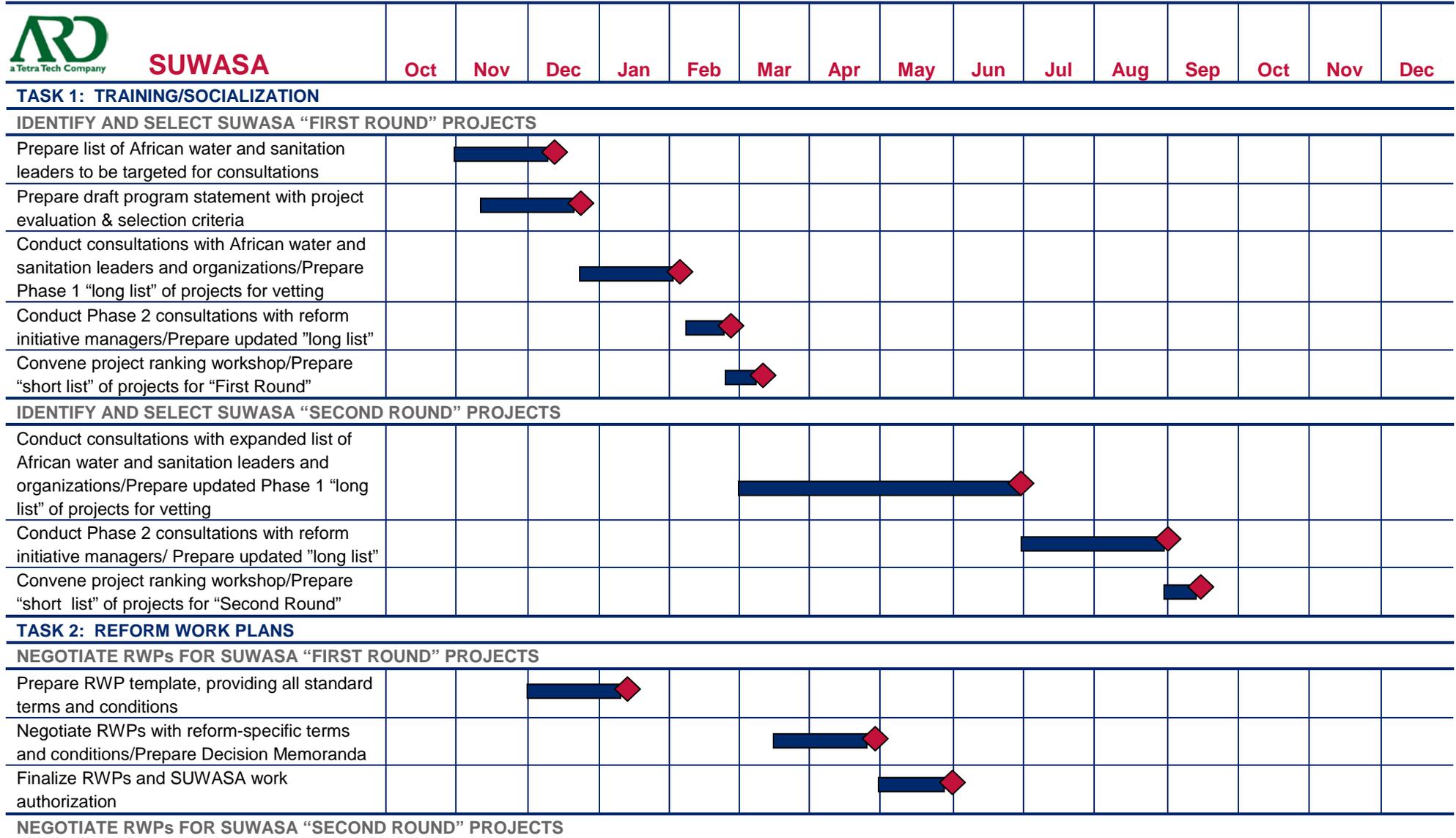
Region-wide management, communications, and showcasing of results requires a robust and sophisticated M&E system that does not just count the outputs, but reflects important outcomes (results actually achieved) in terms of WSS transformation, utility reform, improved services, and increased access of reliable and cost-effective WSS services disaggregated by gender. For this, we propose a multi-level M&E system that supports program management, engenders accountability, advances learning and sharing successes, and tracks progress for individual reform initiatives as well as for SUWASA as a whole. We will prepare and submit for COTR approval by January 6, 2010, a performance monitoring plan (PMP) that is responsive to these needs, operationalizes FACTS reporting requirements and to USAID/Washington and mission M&E requirements.

Our proposed PMP will put particularly emphasis on transformational indicators, measuring the degree to which SUWASA has contributed to the introduction and implementation of genuine and sustainable water sector reforms. Our PMP will, for example, focus on the degree to which reforms based on SUWASA core principles have been accomplished, replicated and generated new partnerships and investments. Indicators, e.g.: 1) the number of successful reform initiatives that lead to replication in other utilities within or across countries, 2) the number of new partnerships formed (among government, business, and civil society sectors), and 3) the level of non-USG investments or capital injections stimulated as a result of SUWASA initiatives.

4.0 PROJECT SCHEDULE

Figure 4.1 provides a timeline of the activities described in this Work Plan.

FIGURE 4.1. SUSTAINABLE WATER AND SANITATION IN AFRICA - IMPLEMENTATION SCHEDULE





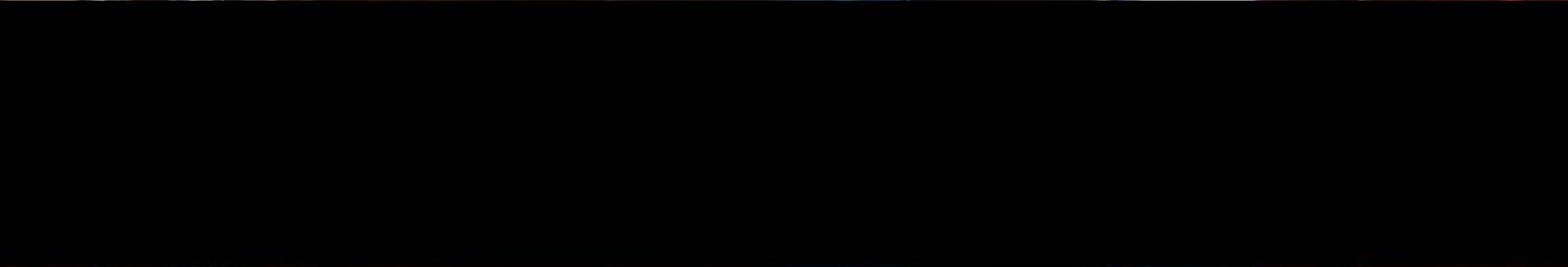
SUWASA

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Negotiate RWPs with reform-specific terms and conditions/Prepare Decision Memoranda															
Finalize RWPs and SUWASA work authorization															
TASK 3: TECHNICAL ASSISTANCE FOR REFORM ACTIVITIES															
Organize and mobilize technical assistance teams for "First Round" projects															
Organize and mobilize technical assistance teams for "Second Round" projects ²															
(Prepare monthly reports for each project															
Develop and disseminate Project Briefs															
TASK 4: SMALL INVESTMENT PROGRAM															
Prepare draft Small Investment Program(SIP) Manual															
Prepare small investment plans for inclusion in RWPs ³															
Implement small investment plans ⁴															
TASK 5: PROVISION OF COMMODITIES															
Prepare implementation procedures for commodities provision															
Implement commodities provision for individual projects ²															
TASK 6: SHOWCASE RESULTS															
Prepare Communications and Outreach Strategy															
Create and maintain water and sanitation reform and stakeholder information database															

² Technical assistance to begin January 31, 2011.

³ As part of RWP negotiations.

⁴ Pursuant to specifications and schedules in RWPs.



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