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SUSTAINABLE WATER AND SANITATION IN AFRICA (SUWASA)

Year 4 Project Work Plan



SEPTEMBER 2012

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CONTENTS

ACRONYMS	III
1.0 EXECUTIVE SUMMARY	1
2.0 PLANNED ACTIVITIES	3
2.1 IMPLEMENTATION OF APPROVED ACTIVITIES.....	3
2.1.1 Ethiopia:.....	5
2.1.2 Kenya.....	7
2.1.4 Nigeria	9
2.1.5 Senegal	11
2.1.6 South Sudan.....	11
2.1.7 Uganda.....	12
2.1.8 Zambia.....	13
2.2 DESIGN AND DEVELOPMENT OF NEW ACTIVITIES	15
2.2.1 Nigeria Project Expansion	15
2.2.2 Kenya Urban Utility Finance Initiative	15
2.3 PROMOTE AND DISSEMINATE LESSONS LEARNED AND GOOD PRACTICES IN WATER AND SANITATION REFORM.....	16
2.3.1 Current Status	16
2.3.2 Planned Activities and Strategy	16
3.0 MANAGEMENT PLAN	21
3.1 ORGANIZATION AND STAFFING.....	21
3.2 COMMUNICATION AND REPORTING.....	24
3.3 MONITORING AND EVALUATION.....	24
3.3.1 Current Status	24
3.3.2 Planned Activities and Strategy	25
3.4 CURRENT BUDGET AND FINANCIAL PROJECTIONS.....	27
Annex 1: Project Personnel Contact List	28

ACRONYMS

AfWA	Africa Water Association
ARA-SUL	State Agency for Water Resources Management, Mozambique
BoD	Board of Directors
BSWB	Bauchi State Water Board
COP	Chief of Party
COR	Contracting Officer's Representative
CU	Commercially Viable Water Utilities
DBO-OBA	Design Build Operate-Output Based Aid
DCA	Development Credit Authority
DCOP	Deputy Chief of Party
DIG	Development Innovations Group
DNA	National Directorate of Water
DWD	Directorate of Water Development
FMWR	Federal Ministry of Water Resources
FPA	Private Water Service Providers
GPS	Global Positioning System
HTWSSSE	Hawassa Town Water Supply and Sanitation Services Enterprise
JICA	Japan International Co-operation Agency
KIWASCO	Kisumu Water and Sanitation Company
LGA	Local Government Authority
M&E	Monitoring and Evaluation
MFI	Micro Finance Institution
MIS	Management Information System
MoFEP	Ministry of Finance and Economic Planning
MoH	Ministry of Health
MWE	Ministry of Water and Environment

NAWASSCO	Nakuru Water and Sanitation Services Company
NWASCO	National Water and Sewerage Company
NWSC	National Water and Sewerage Company-Uganda
O&M	Operation and Maintenance
OD	Organizational Development
PMP	Performance Monitoring Plan
POPs	<i>Pequenos Operadors Privados</i>
RCG	Reform Coordinating Group
RSS	Republic of South Sudan
RUWASS	Reform of the Urban Water and Sanitation Sector Program
RWPs	Reform Work Plan
SEO	Search Engine Optimization
SIP	Small Investment Program
SOW	Scope of Work
SSUWC	South Sudan Urban Water Corporation
STA/M	Senior Technical Advisor/Manager
SUWASA	Sustainable Water and Sanitation in Africa
SWG	State Working Group
US	United States
USAID	United States Agency for International Development
UWCs	Urban Water Corporations
UWSR	Urban Water Sector Reform
WASH	Water, Sanitation and Hygiene
WSP	Water Service Provider

1.0 EXECUTIVE SUMMARY

WORK PLAN DEVELOPMENT PERSPECTIVE

The development of this work plan is informed by lessons learned from the first three years of program implementation. During the past three years, SUWASA has focused primarily on identifying, designing, and implementing activities under country-specific Reform Work Plans taking advantage of opportunities identified together with USAID/Washington and some USAID country missions in sub-Saharan Africa. All projects were carefully selected to fit the overall SUWASA goal of increasing access to safe, affordable, reliable and sustainable water and sanitation services to un-served and underserved populations. In September 2012, at mid-term, SUWASA's is implementing twelve reform activities in eight sub-Saharan African countries, including Ethiopia, Kenya, Mozambique, Nigeria, Uganda, Senegal, South Sudan, and Zambia. With a number of RWPs nearing completion, the work plan for the coming year will focus on:

- Increasing the pace of implementation for approved activities;
- Developing and sharing lessons learned to date from a significant number of projects which are already yielding successes and learning experiences;
- Evaluating and developing new activities as requested by USAID, namely: 1) expanding the ongoing SUWASA RWP in Nigeria to include two additional States; and 2) designing a new activity in Kenya to serve as a pilot for a potential future USAID regional initiative to support innovative water and sanitation financing in urban areas.

KEY ACTIVITIES FOR THE YEAR

Current project countries, include, Ethiopia, Kenya, Mozambique, Nigeria, Uganda, Senegal, South Sudan, and Zambia. Three of the projects, Ethiopia, Kenya, and Zambia, will be completed during the coming contract year to provide SUWASA with valuable learning experiences in key program thematic areas, including reforms and sustainable financing. We will maximize the value of the experiences through an outreach strategy highlighting the significant successes. The insights developed from ongoing RWPs will be documented and disseminated as results are realized. Good practice notes, lessons learned papers, and documentary videos will be produced for country projects to be made widely available to the public via an enhanced SUWASA website, and project staff attendance at international and in-country conferences and other sector events.

Additionally, SUWASA, at the request of USAID, is currently evaluating the options for the possible launch of two new activities that could commence during Year 4. These include:

- Nigeria Project Expansion

A comprehensive assessment will be completed in five states in Nigeria to select the final two for SUWASA activities beginning in Year 4, pending the availability of additional USAID Nigeria Mission buy-in funding. The states under consideration are Borno, Ebonyi, Ekiti, Katsina, and Rivers State.

- Key Urban Utility Finance Initiative

SUWASA has prepared and submitted a proposed work plan for a new activity to foster and support increased private sector financing for Kenya urban water service providers to meet their capital investment needs. This project will serve as a pilot for a potential long-term regional USAID financed initiative, possibly in partnership with other donors.

MANAGEMENT PLAN

SUWASA has completed the successful recruitment and filling of essential technical and administrative positions for the regional office to provide timely guidance and assistance to the country project teams. To ensure enhanced coordination and monitoring of the increased project activities, and quick response to urgent project issues, regional office staff have been assigned direct responsibility for specific country projects. As a result, the COP and DCOP will be kept fully informed on all matters related to country projects for timely decision making.

The SUWASA performance monitoring plan (PMP) approved in the first quarter of Year 3 remains the yardstick for measuring program performance. Activity level M&E plans have been carefully designed to align with the overall program PMP. These, coupled with regular project reviews, will ensure proper tracking of progress of country-level activities with the view to identifying challenges that impede timely implementation and taking the necessary corrective measures.

CONCLUSION

The 12-month period outlined in this work plan envisions real progress in project performance. Documentation and dissemination of project experience is a key feature of the plan since a number of project activities will sufficiently mature over the period. SUWASA will build on the achievements to increase visibility and share best practice experiences as well as effectively implement on-going projects.

2.0 PLANNED ACTIVITIES

The activities presented in this section outline Tetra Tech ARD's plans for SUWASA's fourth year of project implementation during the period October 1, 2012 to September 30, 2013. It builds on the tasks outlined in the program Statement of Work (SOW) and the project Reform Work Plans (RWP) implemented in the first three years of SUWASA.

During its first three years of implementation, SUWASA focused primarily on identifying, designing, and implementing activities under country-specific Reform Work Plans. SUWASA has now matured to a point where ongoing RWPs are yielding results and lessons learned that can bring value to African decision makers beyond those directly involved in these projects. Therefore, while the major priority for Year 4 will continue to be on RWP implementation, SUWASA will place a greater emphasis on analysis, documentation, and dissemination of lessons learned from these RWPs.

Notably, three RWPs – in Ethiopia, Kenya and Zambia - will be completed during the year, providing SUWASA with particularly strong opportunities to learn from these projects and conduct outreach activities to commemorate their successes. In addition, however, we anticipate that other ongoing RWPs will yield valuable insights which we plan to document and disseminate as results are realized.

In addition to continuing implementation of approved activities, and dissemination and promotion of lessons learned, SUWASA will continue to evaluate and develop new activities as requested by USAID, namely: 1) Expansion of the ongoing SUWASA RWP in Nigeria to two additional states; and 2) Design of a new activity in Kenya to serve as a pilot for a potential future USAID regional initiative to support innovative water and sanitation finance in urban areas.

2.1 IMPLEMENTATION OF APPROVED ACTIVITIES

The SUWASA program Statement of Work (SOW) requires the provision of support to “at least twelve reform activities in sub-Saharan Africa in at least five countries”. These activities are meant to support “at least twelve utilities, local service providers, or other organizations” at the regional or national level. Areas of reform include innovative institutional, service delivery, policy, and financing innovations. SUWASA's current portfolio includes twelve reform activities in eight sub-Saharan African countries, including Ethiopia, Kenya, Mozambique, Nigeria, Uganda, Senegal, South Sudan, and Zambia. The current status and planned activities for each are provided in Table 1.

Table 1: Current Project Activities by Country

RWP Country	RWP Activities	Type of Reform(s)	Duration
Ethiopia	Support to Hawassa Water and Sewerage Services Enterprise	Institutional and service delivery	2 years (Jun 11 - Jun 13)
Kenya	Nakuru prepaid meter pilot project	Service delivery	2 years (Dec 10 - Nov 12) ¹
	Kisumu piped water extension pilot project	Finance	2 years (Dec 10 - Nov 12)
Mozambique	Development of regulatory program for small scale operators in Maputo and Matola	Regulatory	2 years (Oct 11 - Oct 13)
Nigeria	Urban water sector-wide reform for Bauchi State	Policy and regulatory	3 years (May 11 - May 14)
	Support to Bauchi State Water Board	Service delivery	3 years (May 11 - May 14)
Senegal	Improved fecal sludge management services and oversight in selected communities	Service delivery and regulatory	2 years (Aug 12 - Jul 14)
South Sudan	Urban water sector-wide reform for South Sudan	Institutional and policy	3 years (Sep 11 - Sep 14)
	Support to the Wau Water Station	Service delivery	3 years (Sep 11 - Sep 14)
	Support to the Maridi Water Station	Service delivery	3 years (Sep 11 - Sep 14)
Uganda	Support for establishment of an autonomous national water regulatory body	Regulatory	18 months (Jul 12 - Dec 13)
Zambia	Support to National Water and Sewerage Commission	Regulatory	1 year (Aug 12 - Jul 13)

Each country team has developed a detailed work plan providing projected activities over the life of the project, expected outputs, and deadlines for activity completion. Country team leaders are responsible for ensuring that planned activities are implemented with technical direction and support from the SUWASA Nairobi regional office. The Chief of Party (COP) provides overall oversight and strategic leadership to the activities with support from the Deputy Chief of Party (DCOP) and other technical staff (see Section 3.1). Specialized expertise is provided by short-term consultants recruited and engaged as needed from SUWASA subcontractors, pool of technical experts, and resource organizations.

Implementation of the small investment program (SIP) is an integral component of SUWASA's overall strategy to promote various water supply and sanitation reforms in selected countries, as detailed in RWPs, namely Kenya, Nigeria, Senegal, and South Sudan. In addition, SUWASA has identified an opportunity to effectively use the SIP to support achievement of project

¹ SUWASA has submitted a request to USAID for a four-month extension, through March 2013.

objectives in Ethiopia, and has submitted a proposal to USAID to revise the approved RWP with the addition of a SIP component.

Detailed information on the status of SUWASA activities will be provided in the July - September 2012 Quarterly Report. However, brief overviews and status of each activity, and plans for Year 4 are provided below.

2.1.1 Ethiopia

The Ethiopia project is focused on improving the performance of the water utility in the secondary town of Hawassa, in the southern region of the country, primarily through the following reforms:

- Updating the current water tariff to fully recover operational costs and to provide the utility with a capital reserve to apply to capital needs;
- Putting into place an incentive-based performance agreement between the utility board and management;
- Improving the utility's organizational structure and management systems to improve operational efficiency; and
- Updating the utility's business plan to incorporate these reforms.

Based on the experience with implementing these reforms, SUWASA aims to derive lessons learned that will be applicable to all urban water utilities in Ethiopia and useful to decision makers across the region.

Key Milestones Achieved to Date:

As of September 2012, SUWASA completed a series of consultancies needed to lay the groundwork for successful implementation of the project's targeted reforms:

- Tariff study and recommendations for updating the existing tariff rates and tariff structure;
- Assessment of options for a performance agreement, and associated legal issues;
- Organizational assessment and recommendations for restructuring; and
- Study of alternatives for private sector participation to improve operational efficiencies, primarily through outsourcing specific functions such as maintenance and collections.

In addition, three studies were initiated to: 1) review the utility's existing financial accounting systems and practices; and 2) assess the utility's current use of information and communications technology (ICT) and plans for implementing the new hardware and software systems currently being installed with funding by the World Bank; and 3) updating the utility's asset inventory and valuation to improve its baseline for capital budgeting.

These studies culminated in a workshop in July 2012, bringing together stakeholders from the utility, town administration, regional water board, World Bank, Ministry of Water; and members of the public to present SUWASA's findings to date and recommendations for reforms.

Subsequently, the town administration has accepted SUWASA's recommendations and approved a new tariff in accordance with those recommendations. In addition, the utility board, city administration, and state water board have accepted the framework for the performance agreement recommended by SUWASA and committed to working with SUWASA in developing the detailed performance agreement and putting a final agreement into place this year.

In addition to these activities, SUWASA recently submitted a proposal for SIP investment to USAID to support extensions of the utility's distribution network to three low income communities currently not served by the utility. A primary objective of the proposed SIP initiative is to implement a pilot program for outsourcing the management of the public tap stands to be installed.

Key Activities Planned for This Year

To successfully achieve project objectives and M&E targets by the project's planned June 2013 completion date, SUWASA will build upon the technical support and achievements to date, with major focus on:

- 1) Assisting the utility and board in implementing the newly approved tariff;
- 2) Finalizing performance targets, terms and conditions in the performance agreement within the framework agreed to during the July 2012 workshop, with the aim of having in place a fully approved agreement by the end of the first quarter of Year 4;
- 3) Completing the technical studies currently underway to improve the utility's operational efficiency, and to assist the utility in implementing their recommendations, specifically:
 - Completing the review of the accounting system and financial management procedures, and providing technical assistance and training to implement an improved system;
 - Implementing a management information system (MIS) that takes maximum advantage of the new hardware and software currently being installed by the utility; and
 - Completing an updated asset inventory.
- 4) Updating the utility's current business plan to reflect the new tariff, performance agreement, asset inventory, financial accounting system and the MIS put into place with SUWASA support, as well as the increased production capacity expected in 2012/2013 with World Bank funding. The plan will also provide an implementation plan for the utility to carry out the performance improvement recommendations provided by SUWASA, including organizational restructuring/streamlining and outsourcing selected technical services;
- 5) Convening a national workshop in the third quarter of Year 4, to present the results and lessons learned from the SUWASA Ethiopia project, with invitees to include all water utilities in Ethiopia, state water bureaus and national agencies, and the international donor community; and
- 6) Preparing a final project report, including evaluation of achievement of RWP targets and evaluation of good practices implemented under the project.

2.1.2 Kenya

In the cities of Nakuru and Kisumu, SUWASA is working with the local utilities, microfinance institutions and other partners to overcome the financial and institutional obstacles standing in the way of connecting residents in low-income communities to the town's water distribution network. In Kisumu, SUWASA is conducting a pilot with the local utility, Kisumu Water and Sewerage Company (KIWASCO), and K-Rep Bank to implement an innovative finance mechanism through which KIWASCO can obtain loans to extend piped water to the currently unserved informal settlement of Nyamasara, to facilitate the connection of more than 1,500 households to the network. The loan will be recouped by including payment in monthly water bills spread over a five-year period.

In Nakuru, SUWASA is implementing a pilot project to demonstrate the viability of pre-paid water meters at public tap stands as an alternative to the existing *ad hoc* manner in which tenants in low-income settlements obtain their water. SUWASA has partnered with the town's utility, Nakuru Water and Sanitation Services Company (NAWASSCO), Family Bank, and Kenya's Water Services Trust Fund (WSTF) to finance the installation of 95 pre-paid public meters in six settlements, with 80 procured through SUWASA's SIP and the additional meters through the WSTF.

Key Milestones Achieved to Date

Since the project was launched in December 2010, SUWASA has completed all of the tasks defined in the project work plan that were prerequisite to successfully financing the pilots, including:

- Developing the overall pilot concepts and partnership arrangements;
- Conducting market assessments;
- Developing technical plans including cost recovery models;
- Providing technical assistance to the utilities in preparing loan applications and serving as intermediary between the banks and utilities;
- Assisting the utilities in developing and implementing community outreach plans; and
- Procurement of prepaid meters under the SIP and installation of the first tranche of meters.

With SUWASA assistance, both utilities have launched the implementation of infrastructure construction activities in both towns.

Key Activities Planned for This Year

While the RWP called for completion of the project by November 2012, minor delays experienced during implementation, largely attributable to additional time needed for internal approvals of both utility boards and subsequent loan approvals by the banks, have necessitated extension of the project to allow for completion of construction works in both towns and SUWASA evaluation of results. SUWASA has submitted a request to the USAID COR for extension of the project to March 30, 2013. During this period, SUWASA will:

- 1) Continue to assist KIWASSCO and NAWASSCO in conducting its community outreach activities in the targeted communities as infrastructure is completed;
- 2) Evaluate the results of the project in accordance with the RWP monitoring and evaluation plan;
- 3) Document lessons learned and prepare case study reports for both towns; and
- 4) Complete project close-out.

2.1.3 Mozambique

The Mozambique project is designed to assist the Government of Mozambique in establishing a clear and transparent regulatory framework to assure effective oversight of the delivery of water services by small private operators in urban and peri-urban areas to their customers. SUWASA has partnered with the government's water regulatory body, the Conselho de Regulação do Abastecimento de Água (CRA), to assist the agency in expanding its current oversight program to include these operators, now generally known as *Fonctionnaires Privado de Agua* (FPAs).

Key Milestones Achieved to Date

Regulation of FPAs is a highly contentious issue, and much of SUWASA's initial efforts were directed to establishing firm agreements with GoM and other stakeholders over the engagement strategy for developing the regulatory framework for the FPA's. A key milestone was the signing of the Project Implementation Agreement between SUWASA and the Government in February 2012, enabling SUWASA to move forward in executing the project as defined in the RWP. Since that time, SUWASA has completed the following key activities:

- GoM approval of the project stakeholder facilitation plan;
- Development and GoM approval of Terms of Reference for creation of a Regulatory Consultative Group with representation of all key stakeholders; and
- Preparation of a situational analysis to provide critical data for development of the regulatory framework, based on literature reviews, stakeholder interviews, and FPA focus groups.

Based on this work, SUWASA convened a facilitation workshop of all key stakeholders in July 2012 to present the project's key findings and recommendations. A key outcome was agreement on a strategy for accreditation/licensing of the FPAs.

Key Activities Planned for This Year

Based on the strategy agreed to during the July 2012 workshop, SUWASA will undertake the following major activities over the next year:

- 1) Procure the services of a local legal expert to identify options and constraints to licensing FPAs under Mozambique's legal framework, to be completed during the first quarter of SUWASA Year 4.

- 2) Procure the services of an international regulatory expert, supported by local consultants, to develop a draft regulatory framework consistent with the strategy agreed to during the workshop, to be completed by the second quarter of SUWASA Year 4;
- 3) Convene meetings with the Regulatory Consultative Group at key decision points as the regulatory framework study progresses and convene workshop of all major stakeholders upon completion of the framework report and proposed implementation strategy;
- 4) Develop a five-year action plan for implementing the regulatory framework and strategy as agreed during the stakeholder workshop, to be completed during the third quarter of Year 4; and
- 5) During the third and fourth quarters of Year 4, support the GoM and FPAs in initiating implementation of the action plan, including training Ministry of Health and DNA personnel on monitoring FPA compliance with water quality standards; conducting a workshop for the FPAs and other major stakeholders on licensing procedures; and providing technical assistance to DNA in implementing its initial responsibilities in the action plan.

2.1.4 Nigeria

The SUWASA Bauchi project is supporting the State Government of Bauchi in improving and expanding access to safe, affordable, sustainable and reliable water services to the urban populations in Bauchi State, which are under the jurisdiction of the Bauchi State Water Board (BSWB). The project is designed to provide this support through implementation of two parallel activity tracks:

- Policy-level activities: Creation of an enabling environment based on sound policies, robust, clear and acceptable institutional framework with a clear regulatory framework promoting good corporate governance and accountability of service provision; and
- Service delivery-level activities: Supporting the Bauchi State Water Board (BSWB) in developing and implementing a performance improvement plan based on commercial practices, such as the introduction of improved billing and financial management systems, internal performance incentives, improved customer enumeration, pilot metering, and development of a strategic investment plan.

Key Milestones Achieved to Date

Policy-level achievements:

- Preparation, public launch, and publication of the Water & Sanitation State Status Overview for Bauchi;
- Preparation and publication of a new Water & Sanitation Policy for the State;
- Completion of a reform study tour for key stakeholders (a high level delegation comprising of officials from the Federal and State Ministry of Water Resources, local governments, Bauchi State Water Board, Rivers State officials and USAID Nigeria) to South Africa and Zambia, to acquaint them with good practices in institutional, regulatory and legislative reforms that have been achieved in the urban water sectors of these countries;

- Completion of a comprehensive analysis of the current institutional, regulatory and legal framework for urban water services in Bauchi State, recommendations framework improvements, development of a proposed roadmap to achieve these improvements; and
- Selection of the preferred framework and validation of the implementation roadmap at a stakeholder workshop held on August 29-30, 2012 in Abuja. The preferred framework involves the creation of a corporatized and autonomous service provider, with a revised legislative framework to accommodate the new institutional and regulatory arrangements which include harmonizing the two existing water laws in the state.

Service delivery-level achievements:

- Implementation of a computerized billing system, resulting in an increase in recovery of operations and maintenance costs by 6%.
- Initiation of a customer enumeration task to develop an accurate customer data base. This work is ongoing.
- Development of a strategy to improve revenue collection through decentralization of revenue offices and definition of their supervisory / performance monitoring roles.

Key Activities Planned for This Year

Building on the project achievements to date, over the next year SUWASA plans to carry out the following key activities:

Policy-level activities:

- Upon the official launch of the Water and Sanitation Policy (which will be carried out by the USAID LEAD project), SUWASA will develop a policy implementation strategy;
- Design a tariff policy and structure that is based on cost recovery principles.
- Develop a strategic investment plan for the Bauchi urban water sector;
- Conduct a study tour to further orient stakeholders in Bauchi on good practices, corporate governance and regulatory and institutional reforms that will further promote good service provision; and
- Develop a communication strategy to inform the residents of Bauchi on the reform process, the achievements to date, and the implications - especially concerning improved customer service and cost reflective tariffs.

Service delivery-level activities:

- Launch the capacity building project component in the first quarter of Year 4, through the Institute for Public-Private Partnerships (IP3);
- Continue providing technical assistance to the utility in finalizing and implementing the performance improvement plan, including the organizational improvement plan, metering, billing and collection;
- Develop a leak detection program;

- Develop a waste management program; and
- Prepare and implement the project small investment program which will include procurement of meters; purchase of a billing software package; provision of equipment to enhance network management; and the partial rehabilitation of the Bauchi treatment plant (small sand filters). The proposal for this investment will be submitted to USAID in the second quarter of Year 4.

2.1.5 Senegal

The SUWASA project in Senegal started activities in August 2012. It seeks to improve access to reliable and affordable sanitation services for the urban poor in selected urban communities of Senegal by creating conducive environment for improved and private sector-led fecal sludge management. The project has mobilized and is currently in the inception stage. Discussions are ongoing with ONAS – BV and USAID/PEPAM to map out details of activities in the project work plan.

2.1.6 South Sudan

The South Sudan projects are focused on establishing national urban water institutions and operationally healthy water utilities in Wau and Maridi with a focus on improving service delivery for urban water customers. The primary objectives are:

- Support the establishment of clear institutional and legal frameworks for urban water services provision in South Sudan;
- Promote and support implementation of accountable and sustainable financial management practices for urban water services focused on eventual achievement of cost recovery and increased local financial autonomy; and
- Increase technical, financial and managerial capacity and performance of selected Urban Water Corporations (UWCs), including support for development, prioritization and implementation of local strategic performance improvement plans.

SUWASA aims to work at both the national and utility levels to drive institutional development and the reform process in the urban water sector. Progress on many issues in South Sudan remains slow, but the urban water sector initiative has recently achieved key milestones towards developing a comprehensive governance structure for the urban water sector of South Sudan.

Key Milestones Achieved to Date:

As of September 2012, SUWASA South Sudan had realized the following outputs and achievements:

- Urban Water Sector Reform (UWSR) document agreed and signed;
- Situational Analysis for Maridi completed;
- Stakeholder Workshops held in Maridi and Wau resulting in next step recommendations for establishment of an institutional framework for water service delivery in each of the respective towns;

- National Roles and Responsibilities Workshop completed with provisional agreement on a national institutional framework for the urban water sector, to be outlined in the workshop report by the co-host GIZ;
- A presidential nomination and approval for the formation of a board of directors for the South Sudan Urban Water Corporation (SSUWC); and
- The first Board of Director's (BoD) meeting and orientation workshop of the South Sudan Urban Water Corporation (SSUWC) held in Juba. SUWASA provided instructive case studies from Kenya and Uganda.

Key Activities Planned for This Year

To work towards the project objectives and M&E targets by the project's planned September 2014 completion date, SUWASA will build upon its first year achievements to move forward the institutional development agenda and focus on increased technical support at the Wau and Maridi utilities, with the major focus on:

- 1) Continued support to the Board of Directors for the establishment of the institutional and legal processes that support the increased effectiveness of the SSUWC. SUWASA is open to the possible request from the BoD to provide external auditing services for the SSUWC which will provide an independent and transparent baseline for the BoD on the financial operations of the SSUWC. SUWASA also plans to promote use of performance and management contracts to assure proper linkage between SSUWC and its UWCs in Maridi and Wau;
- 2) Build on the Water Operators Partnership (WOP) principles of peer to peer capacity building. In this case, the National Water and Sewerage Corporation (NWSC) of Uganda has been identified to develop the technical knowledge and skills of staff at the SSUWC, Mairidi and Wau urban water stations; and in addition, support in the development of effective operational and management systems. The support will be provided for a period of 18 months, starting in the first quarter of Year 4;
- 3) Implement a small investment program with a specific focus on advancing the sector reform agenda by improving service delivery in Wau and Maridi. The details and strategic approaches for the SIPs are still being finalized with key stakeholders and USAID. Implementation is expected in the second quarter of Year 4; and
- 4) Establish the Wau and Maridi Management Committees to oversee local UWCs and liaise with the National Board of Directors on performance and management issues. Now that the BoD is operational, SUWASA will focus on Utility Management Committees to provide the institutional structure at the local level for appropriate representation of customers, improved oversight and transparency.

2.1.7 Uganda

A major objective of the original SUWASA project in Uganda was to provide incentives for private operators to participate in financing of water systems, using the design-build-operate (DBO) contracting framework, with capital investments subsidized through output based aid provided by basket funding from the Government of Uganda. The project was designed to scale

up the pilot project conducted by the World Bank's GPOBA program. Based on the analysis of the existing situation (after one year of implementation), i.e. non-availability of donor funds earmarked toward DBO-OBA, Government's inability to put its funds in an escrow account to guarantee payment, and the unwillingness of architectural and engineering companies to enter into long-term partnerships with private water operators, it became apparent that the DBO- OBA approach was premature, and possibly not viable. In January 2012, SUWASA undertook an internal mid-term review to assess project progress, determine stakeholders' views of the project, and identify possible modifications in the second year to increase impact. The main conclusion of the review was that the timing of the DBO-OBA approach for financing infrastructure in the small towns was not appropriate to secure the anticipated impact of the project. After consultation with USAID, it was decided that the Uganda project be restructured to focus on activities that could bring about results within the remaining time frame for SUWASA.

The restructured Uganda project focuses on the analysis and design of an institutional and regulatory framework for urban water services and the development of a report on lessons learned about the failure to implement the DBO-OBA concept for Uganda. The 18-month project will have as its main implementation partners the Directorate of Water Development (DWD) and German International Cooperation Agency (GiZ). The project is currently in the inception phase.

Key Milestones Achieved to Date

- SUWASA and GiZ have discussed and agreed to collaborate on the regulatory activity. Since SUWASA's role is short term and will be limited only to framework design, this collaboration fills the need for a long-term engagement leading to the actual establishment of the regulatory oversight.
- The process of identifying experts to design options for the regulatory framework and lessons learned paper has started.

Key Activities Planned for This Year

- 1) Consultancy for the development of a lessons learned paper;
- 2) Consultancy for design of a regulatory framework;
- 3) Stakeholder consultations on options of a regulatory framework;
- 4) Cost benefit analysis of regulatory options; and
- 5) Development of an implementation plan for the legislative framework.

2.1.8 Zambia

The SUWASA activity in Zambia responds to a need recognized by USAID and MCC for technical assistance in upgrading the tariff adjustment procedures used by the National Water and Sanitation Council (NWASCO) to more realistically reflect actual utility cost of service. Approved in August 2012, the RWP focuses on three technical assistance tasks in support of NWASCO:

- Establishing a baseline of optimal cost of water services of Zambia's water utilities (called commercial utilities, or CUs), to facilitate NWASCO's review of tariff adjustments

proposed by the CUs, and to ensure that tariff decisions incorporate considerations of feasible efficiency improvements;

- Updating NWASCO's tariff setting methodology, using the improved cost of service baseline; and
- Updating NWASCO's Corporate Governance Guidelines for Zambia's CUs to bring them in line with international standards and norms.

Key Milestones Achieved to Date

A SUWASA assessment team led by the DCOP and consisting of international specialists visited Zambia in August 2012 to meet with NWASCO and other stakeholders to develop a detailed inception report, including detailed project management arrangements. The inception report was finalized in September 2012.

Key Activities Planned for This Year

With completion of the inception phase, the project is on track to complete the three RWP tasks during the third quarter of SUWASA Year 4. Key activities include:

- 1) Procurement of a local consultant to support the data collection needs of the international consulting team during the first quarter of Year 4;
- 2) In November, 2012, the Project team will visit up to six of the 11 CUs to obtain an idea of the challenges and unique situation of each utility system. Five CUs were visited in the project initiation phase. In addition, the November trip will include coordination activities with the local sub consultant, NWASCO and other stakeholders regarding data acquisition and project management leading up to Workshop I;
- 3) Identify cost category structure and define cost categories. A set of cost categories will be developed to provide a level of detail to allow for successful monitoring, tracking and projection of costs. Specific emphasis will be placed on identifying the determination of O&M and capital costs. The developed cost categories and definition will be distributed to the stakeholders, including NWASCO and the CUs for their input;
- 4) Tariff Model Improvement. The project will build upon the initial assessment of the appropriateness of the current tariff model by conducting a thorough examination of the model and making suggestions for its improvement. NWASCO will be conducting its annual evaluation of tariff applications during the fourth quarter of 2012 and the result of NWASCO's work will form the basis for testing of our model improvements and enhancements;
- 5) Hold Workshop I. The results of the cost categories will be presented to all stakeholders in a workshop format. This workshop is anticipated to be held in February 2013. The output of the improved tariff model will also be reviewed in detail with NWASCO and then presented at the Workshop in Lusaka to which representatives of all CU's will be invited;
- 6) CU Cost Analysis – the project will work with the CUs and NWASCO to allocate the current budgetary and cost data into the identified cost categories and will perform an analysis of the historical and current costs of the CUs for each of the cost categories. This will include a

review of the cost trends over the current and prior year and identification of normalized data that can be used as a benchmark to evaluate performance and comparison of cost categories across the CUs;

- 7) Develop a Cost Structure Model. A model will be developed to track the cost categories for each CU. The model will be developed in a spreadsheet format that will allow for numerous inputs and variables that affect the cost structure of the CUs. The model will be designed to simulate how changes over time can potentially affect the cost structure in the future.
- 8) Finalize Tariff Model Improvements. Based upon the feedback received from NWASCO and sector stakeholders at the workshop, modifications and improvements will be made to the tariff evaluation model and changes will be suggested to NWASCO's Guidelines for Tariff Evaluations; and
- 9) Hold Workshop II. The completed cost of service model will be reviewed with NWASCO and then launched in a stakeholder workshop in conjunction with the Tariff Model. In addition to NWASCO, all CU's will be invited. This workshop is expected to take place in August, 2013.

2.2 DESIGN AND DEVELOPMENT OF NEW ACTIVITIES

At USAID's request, SUWASA is currently evaluating options for the possible launch of two new activities that could commence during Year 4. Implementation of these activities would require USAID approval.

2.2.1 Nigeria Project Expansion

USAID/Nigeria has requested SUWASA to conduct a due diligence assessment of five states in Nigeria to identify two states as candidates for SUWASA support beginning in Year 4, with funding from additional Mission buy-in. In response, SUWASA mobilized assessment teams to the five candidate states – Borno, Ebonyi, Ekiti, Katsina and Rivers in September 2012 to conduct reviews of the legal, institutional, and policy opportunities and constraints for SUWASA, using the experience of the Bauchi State reform project as a guide.

SUWASA is currently preparing a final due diligence report, to be submitted to USAID/Nigeria and USAID/Washington in October 2012, which will include findings and recommendations for State selection and project scope. SUWASA anticipates that USAID will make its decision regarding states and scope of work during the first quarter of Year 4, and that project start-up in the two selected States will commence during the second quarter.

2.2.2 Kenya Urban Utility Finance Initiative

At USAID's request, SUWASA has prepared a proposed work plan for a new SUWASA activity to foster and support increased private sector financing to Kenya urban water service providers to meet their capital investment needs. This project would serve as a pilot for a longer-term regional USAID finance initiative, possibly in partnership with JICA and other donors, as announced by USAID at the Sixth World Water Forum in March 2012. SUWASA will continue to work with USAID to refine the proposal as required and, upon USAID approval, to launch this activity.

2.3 PROMOTE AND DISSEMINATE LESSONS LEARNED AND GOOD PRACTICES IN WATER AND SANITATION REFORM

SUWASA's public outreach plan for Year 4 is summarized in this section. A timeline of planned activities is provided in Table 3, at the end of this section.

2.3.1 Current Status

In the past year SUWASA took advantage of extensive networking opportunities to promote the reform principles and good practices that are the foundation of the SUWASA program, including high profile participation in two key international water sector events - Africa Water Week and the Africa Water Association Congress. Through SUWASA, USAID was one of the recognized Theme Conveners of the 4th Africa Water Week held in Cairo, Egypt from May 14-18, 2012. The SUWASA team prepared and led a half day panel session titled, 'Does Regulation Matter in Attracting Private Sector Investment?' under the conference thematic track entitled Private Sector Investment in Water and Sanitation. At the AfWA Congress, held in Marrakech from February 20 to 24, SUWASA organized a three hour session on the issue of regulating small scale service providers and sponsored the participation of three discussants with diverse opinions and experiences. SUWASA also made a presentation on innovative financing and the Kenya activity at a plenary session. Water utility managers and private operators represented were keen to discuss the projects, viewed as remarkable examples in seeking solutions for improving services for the urban poor.

In 2011-2012, SUWASA disseminated four e-newsletters to the project's mailing list of subscribers. During this period, SUWASA added 455 new subscriptions through the project web site, bringing the number of subscribers to 1,960. The number of SUWASA Web site hits over the year reached, 18,700, with a highest number reaching 7,000 during one quarter. In addition, SUWASA prepared one press release and four snapshots, from the Kenya and Nigeria activities. SUWASA's activities were featured eight times in the local media in Kenya, Nigeria and South Sudan, and in the regional *Africa Water and Sanitation* magazine.

2.3.2 Planned Activities and Strategy

With the completion of three RWP projects over the next year and major results expected from other ongoing activities, SUWASA will place a major emphasis on capturing, documenting, and disseminating to policy makers, practitioners, and the general public across sub-Saharan Africa the lessons learned from these activities and promoting the good practices that they demonstrate. Major priorities for Year 4 will include the following activities:

Prepare and Disseminate Good Practice Notes, Project Snapshots, and Lessons Learned

With scheduled completion of the Kenya, Ethiopia, and Zambia projects and anticipated achievement of major results from others (e.g., Mozambique and Nigeria) during Year 4, SUWASA will place a priority on evaluating, publishing, and disseminating lessons learned in implementing reform innovations from these projects. Over the year, the program plans to prepare at least eight good practice notes, particularly targeted to water and sanitation practitioners in Sub-Saharan Africa.

SUWASA will work closely with the USAID COR in selecting specific practices to be considered for evaluation and publication. The possible areas to be considered for each RWP are provided in the following table.

Table 2: Good Practice Topics

Activity/Country	Good practices
Kenya	<ul style="list-style-type: none"> • Financing water connections through customer billings • Public pre-paid meters
Ethiopia	<ul style="list-style-type: none"> • Incentive-based performance agreements • Cost reflective tariffs • IT applications for improved financial management
Nigeria	<ul style="list-style-type: none"> • State Sector Overview process to develop consensus • Cost reflective tariffs • Customer enumeration • Customer metering
Mozambique	<ul style="list-style-type: none"> • Integration of service delivery by FPAs • Consultative process for all stakeholders
South Sudan	<ul style="list-style-type: none"> • Starting and improving basic service delivery in a fragile state • Ring fencing utility revenues
Uganda	<ul style="list-style-type: none"> • Regulatory oversight
Zambia	<ul style="list-style-type: none"> • Tariff setting based on utility cost of service • Corporate governance

In addition, SUWASA will continue to produce project snapshots and seek opportunities to prepare and publish articles in prominent water and sanitation magazines and journals, and USAID publications, including USAID Frontlines and Global Waters.

Redesign and Expand SUWASA Website

In October 2012, SUWASA will re-launch a newly revamped website with a focus on ease of sharing of materials on lessons learned, technical reports, and updates from projects, case studies and success stories. In order to establish a frequently visited website, we will:

- Enhance the site's Search Engine Optimization (SEO) and continue to provide website visit statistics to USAID;
- Continuously update links to USG and relevant partners' websites; and
- Send out resource alerts using SUWASA's mailing list whenever a new SUWASA resource (good practice notes, project snapshots, etc.) is completed.

New and enhanced components of the SUWASA website will include:

- **Project module:** Has been developed to specifically manage project information and related subject matter resources. This information will be more accessible directly from the home page and at the main menus level. This module also creates room for linkages with stories from the field, videos and photos.
- **Stories from the field through videos, photo gallery and success stories** – A new module that integrates accessibility through project pages and a standalone page has

been created. Videos on specific SUWASA focus areas can be viewed from the web page and snapshots and other forms of stories from the field are also accessible.

- **Sharing and learning** – This is a component that is developed within the project pages and allows for downloading of resources directly related to the activities subject matter and practices being promoted by SUWASA.
- **HTML newsletter** - The e-newsletter is more dynamic and its management has been simplified to allow for ease of dissemination. The system can send out resource alerts using SUWASA's mailing list whenever a new resource is completed and ready for sharing. A systematic archiving system is also installed.
- **Website optimization** - Optimization (SEO) has been carried out for all search engines and a system of analytics implemented. This will allow continuous sharing and analysis of website visit statistics.
- **Look and feel**
 - 100% use of screen regardless of screen size/resolution of end-user;
 - Menu that gives a sneak preview of what to expect at the top level menu;
 - Lengthy paragraph content has been paginated to create an illusion of short content for ease of reading and scrolling; and
 - Unlimited use of imagery.

Continue Preparing SUWASA E-Newsletter

SUWASA will continue to produce the quarterly newsletter, *SUWASA News*, to illustrate the changes brought about by USAID through SUWASA activities. The newsletter will have a focus on communicating the results and success of our program activities by highlighting significant policy and reform developments, success stories and major workshops, conferences or events to our stakeholders.

The information and success stories included in the bulletin are an important component of our strategy, and of SUWASA's monitoring and reporting efforts. Success stories are particularly important as they highlight the human element of our work within the context of our broader goals, and promote a better understanding of the development process.

Update and Redesign SUWASA Brochure

An updated brochure that captures actual SUWASA focus areas will also serve as a simple low cost and effective tool to provide a summary of our work. While the old brochure had a focus on SUWASA general focus areas, the updated version will provide an overview of the actual projects and expected outcomes. The brochure is very useful for first time meetings and networking and also serves as a good platform to attract target audiences to visit the website. It is also a good reference for those seeking information. It will be available in English and French.

Produce Documentary Video

SUWASA activities have evolved and are generating valuable lessons learned. We will produce a documentary video that tells the SUWASA story, lessons and practices including cross-cutting program activities and their impact. The video is meant to stimulate thinking on water and sanitation sector reforms and serve as a public relations tool for USAID water initiatives in Africa

in general. The video will introduce SUWASA's core principles and demonstrate how these principles are being successfully applied in the Kenya, Nigeria, and South Sudan projects.

Participate in and Lead National and Regional Technical Meetings and Conferences

Results of SUWASA's reform activities will be shared and debated at select national and regional conferences, including the Scientific and Technical Council of the African Water Association and the Stockholm Water Week. We will use these events to host seminars for sharing the outcomes from SUWASA activities and partner with others to serve on high-profile panels. Africa Water Week and AfWA Congress are now biannual events and will not be held in this implementation period. Networking remains an integral part of the SUWASA strategy and every opportunity to share project knowledge will be utilized well to exhibit and share SUWASA materials.

More details on the expected timelines for key activities are provided in table 3.

Table 3: Planned Activities to Promote Best Practice Reforms

Objectives and Activities		Expected Output	Oct 2012 - May 2013												
			O	N	D	J	F	M	A	M	J	J	A	S	
<i>Activity 1.1: Document good practices and outputs of SUWASA projects</i>															
1.1.1	Support technical personnel in researching and writing at least eight good practice notes.	Eight good practice notes developed and disseminated through the website, at national and regional meetings and to over 2000 stakeholders (USAID, technical audience, and implementing partners) on SUWASA's mailing list.				♦			♦				♦	♦	
1.1.2	Update and redesign SUWASA brochure in English and French														
1.1.3	Develop 'telling our story' narratives and other impact based products for USAID dissemination				♦			♦					♦		♦
<i>Activity 1.2: Expand SUWASA's online presence to generate and maintain public interest in SUWASA</i>															
1.2.1	Organize visits to project sites in Kenya, Nigeria and South Sudan, facilitating photo coverage and video footage for use in web based and traditional media.	A sequenced documentary video about SUWASA's innovative approaches in reforming the water and sanitation sector of Sub-Saharan Africa disseminated through web, local media in Nigeria, South Sudan and Kenya and at regional meetings.				♦									
1.2.2	Remodel SUWASA website and continuously update activity progress and technical reports with a view to expanding sharing		♦												
1.2.3	Develop and disseminate the quarterly e-newsletter in English and French		♦			♦			♦				♦		
<i>Activity 1.3: Participate in national and regional water sector events and technical meetings</i>															
1.3.1	Support country teams to participate in at least two national and local level water sector events	For new activities, SUWASA introduced to the sector and project resources shared. For ongoing activities and regional technical meetings - sharing of project updates, progress in form of good practice notes, success stories and presentations.				♦			♦				♦		
1.3.2	Participate in at least two meetings of the Scientific and Technical Council of the African Water Association					♦							♦		
1.3.3	Participate in Stockholm Water Week, 2013 by presenting results from specific activities														♦

3.0 MANAGEMENT PLAN

With the recent start-up of the Senegal and Zambia projects and the planned start of the redesigned Uganda project during the first quarter of Year 4, a total of eight projects will be under implementation. In anticipation of the increased workload to effectively manage this portfolio, SUWASA has added additional staff and implemented management enhancements, described in this section.

3.1 ORGANIZATION AND STAFFING

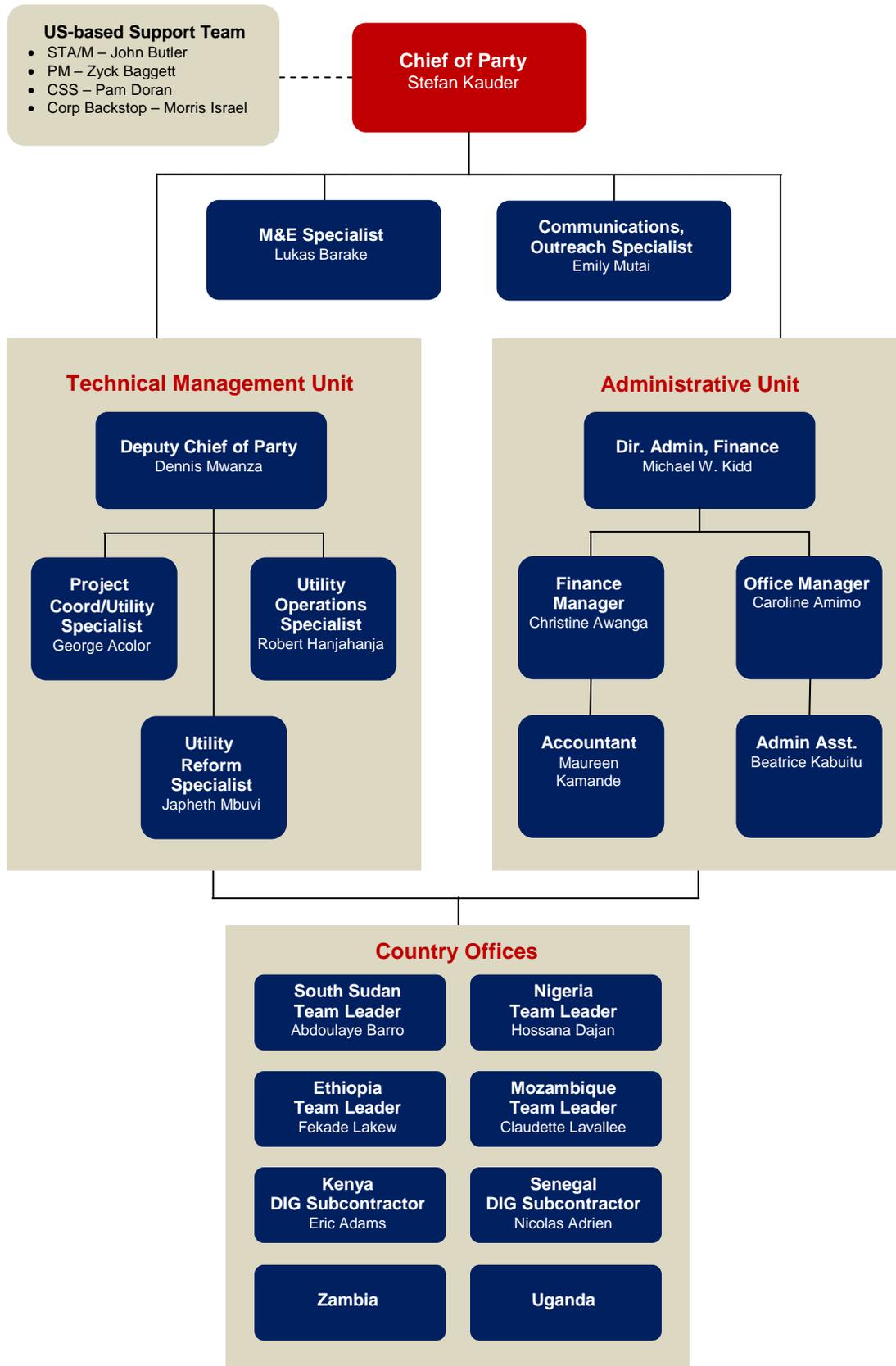
During the latter half of Year 3 of project implementation, SUWASA completed the planned recruitment and hiring of additional technical and administrative support staff in the Nairobi regional office identified in the SUWASA Year 3 work plan. Regional office staff additions of a Director of Administration and Finance; Regional Project Coordinator and Utility Reform Specialist have significantly increased SUWASA’s capacity to provide timely, professional assistance and improved competencies for the program (see Figure 1). The full complement of staffing permits more frequent travel to regional project offices to consult directly with in-country personnel and local partners collaborating in project implementation.

Regional office staff have been assigned as focal persons for specific country projects to ensure the coordination and monitoring of country-specific and overall project activities and to take immediate action needed to address urgent issues (see Table 4). The scheduling of regular calls by the assigned focal person to their designated country Team Leaders assures that the COP and DCOP are kept fully apprised of current activities, future plans, and any significant developments, planned or unanticipated. The Regional Project Coordinator assists the DCOP in assuring that this process of regular consultation and reporting continues to function effectively, and that issues arising with the country projects are promptly addressed.

Table 4: Focal Points

Name	Project Countries
Robert Hanjahanja	Nigeria, Zambia
Japheth Mbuvi	Ethiopia, Senegal
Sam Houston	South Sudan
George Acolor	Kenya, Mozambique, Uganda

Figure 1: SUWASA Organization Chart



Management will continue assessing capacity requirements to assure successful project implementation. Where need arises to identify and recruit qualified personnel for specific functions, this shall be undertaken and necessary approvals obtained.

One additional full-time staff will be hired to provide administrative support to Nigeria and South Sudan projects, respectively, given the increased levels of project activity in the two countries, where intermittent hiring for specific activities would prove burdensome. South Sudan has only one Finance/Office Administrator staff responsible for the principal office and two sub-project offices; Nigeria has a Finance/Office Administrator and receptionist but is required to hold frequently workshops and other group meetings and gatherings in Abuja due to the ongoing insecurity in and about the project State of Bauchi. Office Assistants will be hired to provide administration and finance support to each of the two South Sudan sub-project offices in Maridi and Wau.

Table 5: In-country Staffing

Country	Existing Staff	Unfilled Positions
Ethiopia	<ul style="list-style-type: none"> • Team Leader • Utility Finance Specialist • Utility Technical Specialist • Finance, Office Administrator • Driver 	
Kenya	<ul style="list-style-type: none"> • Team Leader • Subcontractor technical, support staff 	
Mozambique	<ul style="list-style-type: none"> • Team Leader • Finance and Office Administrator 	
Nigeria	<ul style="list-style-type: none"> • Team Leader • Utility Technical Specialist • Institutional Development Specialist • Interim Finance, Office Administrator • Office Assistant • Driver 	<ul style="list-style-type: none"> • Utility Finance Specialist • Finance/Administration Assistant
South Sudan	<ul style="list-style-type: none"> • Team Leader • Utility Reform Specialist • Activities Coordinator - Maridi • Finance, Office Administrator • Drivers (2) 	<ul style="list-style-type: none"> • Institutional Development Specialist • Water Utility and Operations Specialist • Finance/Administration Assistant • Office Assistants (2)
Senegal	<ul style="list-style-type: none"> • Team Leader • Subcontractor technical, support staff 	
Zambia		
Uganda	Project Administrator	TBD

3.2 COMMUNICATION AND REPORTING

In accordance with contractual stipulations, the SOW, and specific instructions by the COR, the main communication and reporting channels will include the following:

- Weekly e-mail summaries of activities conducted during the week. Currently these are only sent to the COR.
- Bi-weekly or at least monthly meetings or conference calls with the SUWASA COR and/or other members of USAID/Washington staff; the COP and/or other members of the Nairobi project staff; the STA/M and other Tetra Tech ARD home office staff are usually in attendance at these meetings.
- Quarterly Technical and Financial Reports.

In addition, SUWASA has established an Intranet (SharePoint) site to facilitate ready access to internal project information among SUWASA staff and USAID. The site contains all key project documents (e.g., RWPs, budgets, technical reports, etc.) as well as a travel/events calendar, and is continually updated to ensure that all information is up to date. The site is accessible to the USAID COR and other USAID personnel designated by the COR; and to SUWASA staff in Nairobi, the country offices, and the Home Office.

3.3 MONITORING AND EVALUATION

3.3.1 Current Status

The overall SUWASA performance monitoring plan (PMP) that was approved in the first quarter of the third year remains the key yard stick for measuring program performance and guiding monitoring and evaluation activities across all SUWASA projects. Activity level M&E plans that are aligned with the overall PMP have served well in actualizing the wider principles and procedures provided for in the PMP. Project monitoring through regular reporting and project reviews has been carried out to track the progress of country-level activities, identify challenges that impede timely implementation of activities, and provide for the identification of corrective measures required to ensure that the expected results are realized. Mid-term project reviews/evaluations have also been used to assess the progress in attaining results, to document successes and recommend corrective measures for effective realization of set objectives and results.

Based on the selected set of performance indicators and targets, continuous data collection has been undertaken to determine actual program achievement in relation with the set targets and benchmarks. An analysis of the planned versus actual targets for the third year of SUWASA is provided in table 6.

Table 6: Analysis of Planned Versus Actual Targets

Performance indicator	2011/12 Target	Actual	Comments
Number of people gaining access to an improved drinking water source (USAID F-indicator)	75,000	2,500	More people are expected to gain access to improved drinking water sources in the remaining years of SUWASA.
Number of people gaining access to an improved sanitation facility (USAID F-indicator)	10,000	Nil	The delayed take off of the only sanitation intervention in Senegal has contributed to the current state.
Number of people receiving improved service quality from existing improved drinking water sources (USAID F-indicator)	75,000	11,020	More people are expected to receive improved service quality from existing improved drinking water sources in the remaining years of SUWASA.
Percentage of operation and maintenance costs for water supply and sanitation services covered through customers charges	Average 5% increase over baseline	25%	The Ethiopia and Nigeria activities have recorded an increase of 35% and 6% in O&M costs covered through customer charges respectively.
Amount of new financing accessed by water and sanitation service providers	\$50,000	\$240,534	The amount of new financing is based on the loan by K-Rep Bank to KIWASCO.
Number of good practices identified, promoted and adopted	8	4	With enhanced activities across all projects more good practices are expected to be adopted in the coming year.
Number of new policies, laws, agreements, regulations or investment agreements (public or private) implemented that promote access to improved water supply and sanitation (USAID F-indicator)	2	3	We anticipate new laws, agreements, regulations and investment agreements to be adopted and implemented in the coming year.

3.3.2 Planned Activities and Strategy

Regular project reviews will be carried out to track the progress of country-level activities to identify challenges that impede timely implementation of activities, and provide for the identification of corrective measures required to ensure that the expected results are realized. This will be achieved through monthly and quarterly internal project review meetings and quarterly project visits. Mid-term project reviews/evaluations will also be used to assess the progress in attaining results and to document successes.

Detailed project assessments and surveys will be conducted as part of the overall M&E strategy to measure and document results. These studies and surveys will focus on obtaining accurate and reliable baseline data and providing in-depth analysis of the outcome of SUWASA interventions. This analysis will be presented in the form of case studies and success stories for public dissemination.

Table 7: Monitoring and Evaluation Activity Timelines

Activity/Deliverable	October 2012 - September 2013											
	O	N	D	J	F	M	A	M	J	J	A	S
External mid-term evaluation of SUWASA program												
Conduct internal monthly and quarterly project review meetings												
Internal mid-term review of the Mozambique project												
Internal mid-term review of the Nigeria project												
Internal mid-term review of the South Sudan project												
Quarterly M&E project visits												
Develop and update project level M&E Plans												

Performance indicator targets for the coming year are provided in table 8 below. The targets are shared across all the existing activities. Each activity M&E plan outlines the contribution of each country to the overall SUWASA targets.

Table 8: Performance Indicator Targets 2012/2013

Performance Indicator	Country								Total 2012/2013
	ETH	KEN	NG	SS	MOZ	SEN	ZAM	UG	
1. Number of people gaining access to an improved drinking water source (USAID F-indicator).	7,500	7,500	3,000	3,500	-	-	-	-	21,500
2. Number of people gaining access to an improved sanitation facility (USAID F-indicator).	-	-	1,000		-	2,000	-	-	3,000
3. Number of people receiving improved service quality from existing improved drinking water sources (USAID F-indicator).	20,000	15,000	30,000	16,000	-				81,000
4. Percentage of operations and maintenance costs for water supply and sanitation services covered through customers charges.	10% Increase over baseline	-	20% Increase over baseline	25% Increase over baseline	-				10% Increase over baseline

Performance Indicator	Country								Total 2012/2013
	ETH	KEN	NG	SS	MOZ	SEN	ZAM	UG	
5. Amount of new financing accessed by water and sanitation service providers.	-	\$11,000		-	-				\$11,000
6. Number of good practices identified, promoted and adopted.	2	-	2	1	2	1	1	1	10
7. Number of new policies, laws, agreements, regulations or investment agreements (public or private) implemented that promote access to improved water supply and sanitation (USAID F-indicator).	1	-	1	1	1				4

3.4 CURRENT BUDGET AND FINANCIAL PROJECTIONS

Table 9 summarizes the current status of the SUWASA budget as of September 30, 2012 and project expenditures for Year 4. The projections include core operations and implementation of the eight currently approved projects. They do not include expenditures for the potential new activities discussed in Section 2.2.

The projected expenditures represent SUWASA's best estimate, but are subject to revision as the project is implemented over the year. SUWASA will update these projections on a quarterly basis, and review with the USAID COR.

Table 9: Budget Funding Summary

Funding Projections Thru FY 13	
Description	Amount
Cumulative Expense Thru FY12	11,652,630
Projected Expenditures FY13	11,637,530
Cumulative Expense Thru FY13	23,290,160
Cumulative Obligations - 31 July 12*	21,047,898
Balance/(Additional Funding Thru FY 13)	(2,242,262)

*: USAID Missions buy-in funding included in cumulative obligations:

Nigeria2,000,000
South Sudan.....1,700,000

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