USAID Expanding Water and Sanitation Project

Quarterly Progress Report #2

Contract #: 72061122C00004

Prepared for
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The authors’ views expressed in this report do not necessarily reflect the views of the United States Agency for International Development or the United States Government.
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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADS</td>
<td>USAID Automated Directives System</td>
</tr>
<tr>
<td>AMELP</td>
<td>Annual Monitoring, Evaluation, and Learning Plan</td>
</tr>
<tr>
<td>AWP</td>
<td>Annual Work Plan</td>
</tr>
<tr>
<td>CBO</td>
<td>community-based organization</td>
</tr>
<tr>
<td>CDF</td>
<td>community development fund</td>
</tr>
<tr>
<td>CF</td>
<td>construction fund</td>
</tr>
<tr>
<td>CFM</td>
<td>Construction Fund Manager</td>
</tr>
<tr>
<td>CHWSC</td>
<td>Chambeshi Water and Sanitation Company</td>
</tr>
<tr>
<td>CLA</td>
<td>collaborating, learning, and adapting</td>
</tr>
<tr>
<td>COP</td>
<td>Chief of Party</td>
</tr>
<tr>
<td>COR</td>
<td>Contracting Officer’s Representative</td>
</tr>
<tr>
<td>CSO</td>
<td>civil society organization</td>
</tr>
<tr>
<td>CU</td>
<td>commercial utility</td>
</tr>
<tr>
<td>DDCC</td>
<td>District Development Coordinating Committee</td>
</tr>
<tr>
<td>DFC</td>
<td>USAID Development Finance Corporation</td>
</tr>
<tr>
<td>DMA</td>
<td>delegated management agreement</td>
</tr>
<tr>
<td>D-WASHE</td>
<td>district water, sanitation, and hygiene education committee</td>
</tr>
<tr>
<td>EMMP</td>
<td>Environmental Mitigation and Monitoring Plan</td>
</tr>
<tr>
<td>GRZ</td>
<td>Government of the Republic of Zambia</td>
</tr>
<tr>
<td>GUC</td>
<td>grants under contract</td>
</tr>
<tr>
<td>GYSI</td>
<td>gender, youth, and social inclusion</td>
</tr>
<tr>
<td>HEARTH</td>
<td>Health, Ecosystems, and Agriculture for Resilient, Thriving Societies (USAID public–private partnership program)</td>
</tr>
<tr>
<td>IEE</td>
<td>Initial Environmental Examination</td>
</tr>
<tr>
<td>IT</td>
<td>information technology</td>
</tr>
<tr>
<td>LA</td>
<td>(government) local authority</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>monitoring and evaluation</td>
</tr>
<tr>
<td>MEL</td>
<td>monitoring, evaluation, and learning</td>
</tr>
<tr>
<td>MOF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>MWDSEP</td>
<td>Ministry of Water Development, Sanitation, and Environmental Protection</td>
</tr>
<tr>
<td>NRW</td>
<td>non-revenue water</td>
</tr>
<tr>
<td>NWASCO</td>
<td>National Water and Sanitation Council</td>
</tr>
<tr>
<td>NWSSP</td>
<td>National Water Supply and Sanitation Policy</td>
</tr>
<tr>
<td>O&amp;M</td>
<td>operations and maintenance</td>
</tr>
<tr>
<td>PDCC</td>
<td>Provincial Development Coordinating Committee</td>
</tr>
<tr>
<td>PEA</td>
<td>political economy analysis</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>PLOCA</td>
<td>Participatory Local Organizational Capacity Assessment</td>
</tr>
<tr>
<td>PP</td>
<td>Planet Partnerships</td>
</tr>
<tr>
<td>PPP</td>
<td>public–private partnership</td>
</tr>
<tr>
<td>PSE</td>
<td>private sector engagement</td>
</tr>
<tr>
<td>PSP</td>
<td>private sector participation</td>
</tr>
<tr>
<td>P-WASHE</td>
<td>provincial water, sanitation, and hygiene education committee</td>
</tr>
<tr>
<td>PWD</td>
<td>persons with disabilities</td>
</tr>
<tr>
<td>QASP</td>
<td>Quality Assurance and Surveillance Plan</td>
</tr>
<tr>
<td>RTI</td>
<td>RTI International (registered trademark and trade name of Research Triangle Institute)</td>
</tr>
<tr>
<td>SaniFOAM</td>
<td>framework to analyze behaviors to design effective sanitation programs: focus, opportunity, ability, motivation</td>
</tr>
<tr>
<td>SBC</td>
<td>social and behavior change</td>
</tr>
<tr>
<td>SNV</td>
<td>SNV Netherlands Development Organisation</td>
</tr>
<tr>
<td>STTA</td>
<td>short-term technical assistance</td>
</tr>
<tr>
<td>SUN-TA</td>
<td>Scaling Up Nutrition Technical Assistance</td>
</tr>
<tr>
<td>SWSC</td>
<td>Southern Water and Sanitation Company</td>
</tr>
<tr>
<td>TBD</td>
<td>to be determined</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>V-WASHE</td>
<td>village water, sanitation, and hygiene education committee</td>
</tr>
<tr>
<td>WARMA</td>
<td>Water Resources Management Authority</td>
</tr>
<tr>
<td>WASAZA</td>
<td>Water and Sanitation Association of Zambia</td>
</tr>
<tr>
<td>WASH</td>
<td>water, sanitation, and hygiene</td>
</tr>
<tr>
<td>WQAP</td>
<td>Water Quality Assurance Plan</td>
</tr>
<tr>
<td>WWSC</td>
<td>Western Water and Sanitation Company</td>
</tr>
<tr>
<td>ZCSMBA</td>
<td>Zambia Chamber of Small and Medium Business Associations</td>
</tr>
<tr>
<td>ZANACO</td>
<td>Zambia National Commercial Bank</td>
</tr>
<tr>
<td>ZPPA</td>
<td>Zambia Public Procurement Authority</td>
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</table>
EXECUTIVE SUMMARY

RTI International is pleased to submit Quarterly Progress Report #2 for the United States Agency for International Development (USAID) Expanding Water and Sanitation Project. The Quarterly Progress Report discusses progress within the reporting period, as well as cumulative progress in the context of the agreed-upon accomplishments and indicators. It discusses existing and potential problems in implementation and variance from the Annual Work Plan (AWP) and Activity Monitoring, Evaluation and Learning Plan (AMELP).

The purpose of this contract (72061122C00004) is to professionalize water, sanitation, and hygiene (WASH) services, to promote accountability for reliable and high-quality WASH services, and to enhance the enabling environment for private sector engagement (PSE) in service delivery in Zambia.

This report covers the second quarter of the USAID Expanding WASH project, FY 22 Q3. The second quarter made good progress to move the project out of the operational and technical start-up phase and into full program implementation. The top highlights from the quarter include:

- Most Lusaka project staff were hired and began work on the project this quarter while additional provincial staff were identified and hired to begin work next quarter
- Technical start up continued with the data collection, analysis, and drafting of four foundation project reports, including the WASH Baseline Assessment, Political Economy Analysis (PEA) baseline, WASH Market Assessment, and Gender, Youth, and Social Inclusion (GYSI) Action Plan
- The main Lusaka project office opened in June after the office fit out and furniture procurement was completed
PROGRAM OVERVIEW

The United States Agency for International Development (USAID) Expanding Water and Sanitation Project (USAID Expanding WASH) is a five-year program to professionalize water, sanitation, and hygiene (WASH) services, promote accountability for reliable and high-quality WASH services, and enhance the enabling environment for private sector engagement (PSE) in service delivery in Zambia. With operating dates from January 27, 2022 through January 26, 2027, implementation of the USAID Expanding WASH Project is led by RTI International.

The USAID Expanding WASH Project will use USAID’s Local Solutions Framework to strengthen social accountability within complex, dynamic local systems. This approach entails a flexible and responsive strategy to link supply-side governance—understood as GRZ’s ability to follow through on its promises for providing WASH services to its citizens—with demand-side governance, defined as robust civil society engagement that keeps governments and private service providers accountable.

The four objectives of the project are:

- institutionalize market-based WASH service delivery through financially sustainable and inclusive management models
- increase the accountability of WASH service providers, policymakers, and civic leaders
- support policy and regulatory reform
- increase private sector participation (PSP)

These interventions, taken together, will increase access to safe water, improve sanitation, and enhance the capacity of the Zambian government, the private sector, and civil society organizations (CSOs).

The USAID Expanding WASH Project will be headquartered in Lusaka, Zambia, and will cover four provinces: Northern, Muchinga, Western, and Southern. The project has an initial target of 12 districts within the provinces: Chinsali, Kalabo, Kalomo, Kaoma, Kazungula, Lunte, Mongu, Mpika, Mungwi, Nakonde, Nalolo, and Sesheke. Throughout implementation, the project team will work with USAID to reaffirm the target areas.

The target provinces were selected based on the CUs that operate there. The three targeted CUs are (1) Western Water and Sanitation Company (WWSC); (2) Chambeshi Water and Sanitation Company (CHWSC), which covers both Northern and Muchinga provinces; and (3) Southern Water and Sanitation Company (SWSC).

During preparation of the Initial Work Plan, the project team assumed that work in the districts would be apportioned in the following ways:

- Focus on water: Lunte and Mungwi districts in Northern Province; Kalomo and Kazungula in Southern Province, and Nakonde in Muchinga Province
- Focus on sanitation: Kalabo, Kaoma, Mongu, Nalolo, and Sesheke districts in Western Province, and Chinsali and Mpika in Muchinga Province

Throughout this Quarterly Progress Report, the districts, provinces, and CUs listed above may be referred to as “targeted provinces,” “targeted districts,” or “targeted CUs,” to be as concise as possible.
SUMMARY OF CUMULATIVE PROGRESS AND HIGHLIGHTS

This was the second quarter of the USAID Expanding WASH project which saw the project move out of the start-up phase toward the end of June 2022. Highlights from this quarter are listed below.

Operational

- Eight project staff began work this quarter
- Lusaka office lease signed, and team moved into office space; Provincial office arrangements negotiated with the CU
- Key program procurements started or completed this quarter such as office, office furniture and equipment, and vehicles

Technical

- Two technically focused short term technical assistance trips; one supporting the Baseline PEA and the other supporting Objective 4
- Introductory meeting with the key project stakeholders including the Commercial Utilities, Local Authorities, Ministry of Finance, and NWASCO.
- Data collection and analysis for the four foundation assessments completed with draft reports for 3 of 4 completed before the end of the quarter
DELIVERABLES

During the reporting period, USAID Expanding WASH submitted seven deliverables as drafts and/or final products in line with Section F of the contract, as seen in Table 1 below.

<table>
<thead>
<tr>
<th>REPORT/DELIVERABLE</th>
<th>STATUS</th>
<th>SUBMISSION DATE</th>
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<tbody>
<tr>
<td>Branding Strategy and Marking Plan</td>
<td>Draft</td>
<td>February 25, 2022</td>
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<td>Final</td>
<td>April 1, 2022</td>
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<td></td>
<td>Approved</td>
<td>April 2, 2022</td>
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<tr>
<td>Initial Annual Work Plan</td>
<td>Draft</td>
<td>March 12, 2022</td>
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<td>Final</td>
<td>May 10, 2022</td>
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<tr>
<td>Activity MEL Plan</td>
<td>Draft</td>
<td>March 12, 2022</td>
</tr>
<tr>
<td></td>
<td>Final</td>
<td>May 10, 2022</td>
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<tr>
<td>Environmental Mitigation and Monitoring Plan</td>
<td>Draft</td>
<td>March 12, 2022</td>
</tr>
<tr>
<td></td>
<td>Final</td>
<td>May 10, 2022</td>
</tr>
<tr>
<td></td>
<td>Approved</td>
<td>June 3, 2022</td>
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<tr>
<td>FY22 Q2 Quarterly Progress and Financial Reports</td>
<td>Draft</td>
<td>April 15, 2022</td>
</tr>
<tr>
<td></td>
<td>Final</td>
<td>April 28, 2022</td>
</tr>
<tr>
<td></td>
<td>Approved</td>
<td>May 13, 2022</td>
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<tr>
<td>Grants Under Contract Manual</td>
<td>Draft</td>
<td>April 15, 2022</td>
</tr>
<tr>
<td></td>
<td>Final</td>
<td>June 3, 2022</td>
</tr>
<tr>
<td>Quality Assurance and Surveillance Plan</td>
<td>Draft</td>
<td>April 26, 2022</td>
</tr>
<tr>
<td></td>
<td>Final</td>
<td>May 25, 2022</td>
</tr>
<tr>
<td></td>
<td>Approved</td>
<td>June 6, 2022</td>
</tr>
</tbody>
</table>

DESCRIPTION OF PROGRESS AND ACCOMPLISHMENTS

START-UP ACTIVITES

USAID Expanding WASH start-up activities continued through FY22 Q3. Start-up activities included on-boarding project staff, submitting key start-up deliverables like the Grants Under Contract (GUC) Manual, opening the project office in Lusaka, and continuing project procurement.

Administrative start-up tasks were led by a local consultant for the first month of the quarter before shifting to the Operations Support Senior Specialist, an STTA consultant from RTI who served as the Acting Finance and Operations Director for May and June. Administrative start-up was supported by the Project Coordinator and Project Associate, until the project Administrative and Procurement Specialist and Accountant on-boarded this quarter. The Home Office Acting Project Manager, Project Coordinator, and Project Assistant continued to support project staff in completing tasks related to both administrative and technical start-up.
Technical start-up, including development of key start-up deliverables, has been led by the Acting COP and Project Manager. The Acting COP has been mobilized in the field since February to lead technical implementation of the project. Four assessments form a comprehensive programmatic baseline evaluation: (1) a WASH assessment, measuring existing levels of access to water and sanitation, (2) a political economy analysis (PEA), (3) a WASH market assessment, and (4) a gender, youth, and social inclusion (GYSI) action plan, further detailed below. All assessments are expected to be concluded by July 2022, and will provide foundational information for the four objectives under USAID Expanding WASH.

OPERATIONS

In Q3, operational support from the local consultant continued along with two key STTA assignments, one from the home office Project Coordinator (April 20 – May 6) and the other from the Operations Support Senior Specialist (May 19 – July 16).

The on boarding of project staff and moving into the office were key goals for this quarter. The office negotiations concluded early in the quarter in the second week of April. The office lease was fully executed by April 19 and the keys were handed over on April 25. The Project Coordinator supported the procurement for the furniture and other office services which were finalized in mid-May. While the office commissioning was on-going, project staff worked out of conference room spaces in first the Neelkanth Sarovar Hotel and then second at the Latitude-15 Hotel. Delays in Internet Service Provider (ISP) and Local Area Network (LAN) procurement and installation meant that the move-in to the official office space did not take place until June 20. The Operations Support Senior Specialist and Procurement Specialist finalized procurement and selection of security and cleaning services for one year, beginning on July 1.

Prior to office opening, the project developed a COVID-19 Operations SOP in-line with RTI policies to ensure all COVID-19 measures are being observed with daily and regular checks of temperature for all staff and visitors to the office. Adequate sanitizers, handwash and facemask have been made available to all staff and visitors. This is to ensure full compliance with all COVID-19 protocols as enshrined in the CDC (Center for Disease Control) and ZNPHI guidelines. In late June, the office closed for two days in-line with the COVID-19 Operations SOP due to a positive COVID case and potential exposure to the rest of the staff.

The PMI (Private Medical Insurance) procurement was also provided for all staff and their dependents for their health care cover. Process for procurement of four project vehicles is ongoing with three responses received from potential vendors. The selection committee has been formed and will select the best of the three based on the criteria set. The project financials moved completed in-house with the project team, with the QuickBooks Accounting software setup in June and transactions commenced in-country through Standard Chartered Bank.

STAFFING

Noteworthy progress was made on project staffing in Q3. 8 of the 12-project staff located in the Lusaka office started this quarter. The start dates for staff hired this quarter can be found in Table 2. Of the remaining 4, two (Finance and Operations Director [FOD] and Institutional Development Specialist) are expected to start early in Q4. The FOD has a start state of July 6 while the Institutional Development Specialist, to be hired by WASAZA, is expected to be selected by mid-July.
The two remaining Lusaka staff are key personnel, the Chief of Party (COP) and the Policy and Regulatory Lead (Objective 3). During Q3, two candidates were submitted for the COP role. One candidate was originally submitted on April 29, but they were withdrawn on June 8 as the candidate was no longer available. The second candidate was submitted for USAID consideration on June 28.

Provincial staff hiring for the three provincial offices started this quarter by subcontractor SNV. The three Provincial Leads and the three Governance & Accountability Coordinators were identified and will start in Q4. However, the Service Delivery Coordinator positions for Western and Northern/Muchinga Provinces have not found successful candidates. After initial reviews of applications, no successful candidates were identified. SNV is revisiting the applicant pool to search for suitable candidates to fill these vacancies.

The updated complete list of staff and their positions in the Lusaka and Province offices, and expected start dates, is shown in Table 2.

<table>
<thead>
<tr>
<th>TABLE 2. USAID EXPANDING WASH STAFF POSITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITION TITLE</td>
</tr>
<tr>
<td>Monitoring, Evaluation and Learning Director</td>
</tr>
<tr>
<td>Service Delivery Lead</td>
</tr>
<tr>
<td>Civil Society Engagement Lead</td>
</tr>
<tr>
<td>Private Sector Participation Lead</td>
</tr>
<tr>
<td>Accountant</td>
</tr>
<tr>
<td>Monitoring and Evaluation Assistant</td>
</tr>
<tr>
<td>Office and Procurement Assistant</td>
</tr>
<tr>
<td>Grants Specialist</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
</tr>
</tbody>
</table>
Staff onboarding for most staff was completed this quarter. A second round of staff onboarding for newly recruited staff will take place in Q4. A separate inception workshop is planned with the Provincial Leads and Institutional Development Specialist for Q4, organized by the Service Delivery Lead, SNV, and WASAZA. See Annex 1 for the full organizational chart which includes staff names.

WORK PLANNING

The draft Initial Work Plan was submitted last quarter on March 12. On April 14, comments were received back from the USAID COR, along with a request to extend the submission of the deliverables in anticipation of a contract modification that would alter the program year from the contract start date to the calendar year. The revised, final version of the Initial Work Plan was submitted on May 10, responding to comments from the COR. Due to delays in execution of the modification, the COR provided a request on June 6 to change the programmatic year in the Work Plan back to the original contract year basis (January 27, 2022 – January 26, 2023). The project re-submitted the work plan with the programmatic year change on June 22.

ACTIVITY MONITORING, EVALUATION AND LEARNING PLAN (AMELP)

The project submitted a revised AMELP on May 10 that addressed the verbal and email feedback USAID provided on the draft submission. USAID requested that the project includes tentative targets for each indicator that could be revised once the baseline values are established.

The revised plan included the tentative targets for all the indicators, revised unity of analysis from chiefdom to community/village and the target is 840 (70 villages per district over the life of project) villages from 40 for indicator number HL.8.2-1 number of communities verified as open defecation free as a result of USG assistance. The project removed all the targets figures for year one except the targets on community WASH engagements with women and youth where the project has proposed a much smaller target.

The project and the COR have discussed the best methods for setting targets for the population numbers associated with the increase to water and sanitation access. The team will meet early in Q4 with the final baseline values from the WASH baseline assessment to finalize the associated targets.

Future quarterly progress reports will update indicator progress against the approved targets in the AMELP.

COMPREHENSIVE WASH BASELINE

The comprehensive WASH baseline will clarify the status of infrastructure and service needs across the 12 identified districts. This information will feed into all objectives and will complement identification of priority infrastructure and service needs by collecting key demographic data (e.g., number of women or youth water users, population served through clinics or schools), and the location and state of existing WASH facilities, their functionality, and who manages them.
The project awarded Impact Research Limited the subcontract to conduct a comprehensive WASH Baseline Assessment. On 12th April 2022 Impact Research held an inception meeting that was attended by both project staff and USAID. The objective of the inception meeting was to go over the project’s expectations from the WASH Baseline assessment and ensure that the subcontractor understands the scope and complexity of the assignment. The inception report then included the baseline assessment tools for review and approval before submission to the Ethics Research Board for final approval.

Enumerator training and commencement of data collection exercise took place on May 9th and 12th respectively. Impact Research concluded data collection in all 12 of the project’s target districts on May 20th. After the conclusion of data collection, the subcontractor started data merging, cleaning, and analysis. Revisions of the draft WASH Baseline Assessment took place throughout June. The final report is expected on July 6. The project intends to use the baseline estimates to inform the revision of targets in the Activity Monitoring, Evaluation and Learning Plan and will share consolidated findings during the project launch next quarter.

**BASELINE PEA**

Building off the PEA Introductory Training from last quarter, there were four internal PEA workshops held with technical project staff and subcontractors on April 14, 19, 20, and 25. The workshops were supported remotely by RTI’s home office with [Name Redacted], the Director of Governance and Economic Development taking on the lead facilitator role. Through the workshops, the team refined the PEA topic and subtopics, identified elements and key stakeholders, designed questions, and finalized logics for the PEA process. After the workshop, the team completed stakeholder mapping exercise to finalize the list of stakeholders to hold PEA discussions with.

The main PEA Topic for the baseline focused on sanitation, with the understanding the project would complete a rapid PEA later that focused specifically on water. The baseline PEA topic was: Why do gaps exist between the theory vs. reality on sanitation-related laws, policies mandates, regulations, and service provision for citizens in peri-urban and rural areas in the target districts? Two sub-themes were identified, one at the system level and one at the service delivery/private sector level.

- **System Level:** Why are government entities unable to fulfill their mandates to enable and facilitate sanitation service delivery in the target areas?
- **Service Delivery and Private Sector Level:** Why are service providers not providing quality equipment and services?

In late May, the team undertook PEA discussions with key stakeholders in Lusaka and in four target districts (Mongu, Kaoma, Mpika and Kasama) in three provinces (Western, Northern and Muchinga). The PEA team included three technical staff from the USAID Expanding WASH project and a representative of WASH Association of Zambia (WASAZA). They split into two sub teams and conducted the PEA discussions with a total of 29 individuals from May 30 to June 3, 2022. The MEL Lead and Chief Executive Officer of WASAZA traveled to Mongu and Kaoma districts in Western province while the Civil Society Engagement Lead and Service Delivery Lead traveled to Kasama district in Northern Province and to Mpika in Muchinga Province. The Team conducted interviews using a semi-structured PEA interview tool that included open-ended questions on challenges and opportunities in implementing sanitation services in peri-urban, rural growth centers and the rural areas along with an initial question on challenges in water services.
After consolidating the information from the PEA interviews, in mid-June, the team was supported by a technical STTA from RTI’s home office PEA expert, to support synthesizing the key themes, findings, and recommended actions. While the final report will be shared internally and with USAID in Q4, a presentation of the draft challenges and opportunities identified during the synthesis were shared with USAID in mid-June. A summary of the challenge and opportunity themes are below:

**Challenge Themes**
- Sanitation options at the household level are too expensive and affordability mechanisms are not flexible
- Current social and behavior change efforts to decrease open defecation and improve sanitation are punitive and ineffective – there is fatigue in using the same messages with minimal results and a poor supply chain for latrine construction materials
- Elected officials are directing and influencing how CUs operate at the local, regional, and national levels – political influence in the running of CUs and in tariff setting

**Opportunity Themes**
- The demand by citizens for sanitation services is high in growth centers and peri-urban areas
- The new policies and frameworks (water and rural supply) have clarified and formalized roles and responsibilities between LA, CUs, and private sector
- There is an active civil society engaged that can advocate for increased attention to WASH

The PEA shall continue to be used as a discussion guide in the districts that were not part of the survey and with partner institutions. The project will include the on-going PEA approach, to ask PEA questions as a pulse check on progress throughout project implementation.

**WASH MARKET ASSESSMENT**

The WASH market assessment investigates the potential for market-based WASH service-delivery models, including the presence and capacities of local businesses.

The data collection for the WASH market assessment has been completed and the information is currently being analyzed with the report expected to be finalized in Q4. Field work to the districts was conducted between 22nd and 25th June 2022 in five of the twelve project districts, Mongu, Kalabo, Chinsali, Mungwi and Lunte, as the Market Assessment activity is complementing the previous data collection from the WASH baseline survey that has been undertaken. In the case of Southern Water, virtual meetings were conducted.

Over 30 interviews have been conducted with existing and potential service providers, as well as other stakeholders between May 23rd and June 25th. Insights on existing service delivery models have been gained and will inform the partnership arrangements for the CUs as we move along in the project. Generally, the market assessment reinforced the need for private sector participation as CUs do not have the capacity and in some cases willingness to reach all the consumers under their designated areas of service.

The findings of the market assessment will provide a basis for private sector dialogue and the private sector engagement forum design recommendations.
GYSI ACTION PLAN

The GYSI Action Plan includes a systematic analysis of obstacles, relevance, and power dynamics in the context of the WASH sector. The project shall identify the differential impacts of development policies and programs on women, men, youth, and persons with disabilities, to examine disparities and their causes, assess their potential to negatively impact results, and determine how they can be addressed. The GYSI plan shall provide an outline of how WASH interventions can leverage this information to expand opportunities for vulnerable populations (e.g., improving WASH facilities in schools to reduce dropout rates for female students).

A Consultant and Enumerators have been engaged to carry out this activity. The consultancy was finalized in mid-May and the team held a kick-off meeting with the consultant and SNV. The assessment tools were developed by June 20 and the orientation of the five (5) Enumerators took place at the end of the same week. The orientation focused on translation into local language and how to appropriately capture information through notes and ask probing questions to the interviewees. The assessment tool comprised open-ended questions with the target respondents being representatives from CUs, LAs, D-WASHE, V-WASHE, women’s groups, market committees, associations for the disabled and civic societies at district and community levels.

A total of five districts were targeted for the assessment namely: Mpika, Mongu, Mungwi Kalabo and Kalomo in Muchinga, Northern, Southern and Western. Data collection is expected to be completed early in Q4. It is envisioned that the GYSI Action Plan shall be completed by the last week of July 2022.

ACTIVITIES BY OBJECTIVE

The following sections elaborate on the project’s progress on activities by objective and sub-objective.

OBJECTIVE 1: INSTITUTIONALIZED MARKET-BASED WASH SERVICE DELIVERY, FINANCIALLY SUSTAINABLE AND INCLUSIVE MANAGEMENT MODELS

Objective 1 will improve social accountability by securing the minimum quality standards for market-based services and strengthening the institutional arrangements to ensure that these services reach customers. The USAID Expanding WASH Project will achieve this objective through comprehensive analysis and deliberate engagement of district, community, and private sector stakeholders, recognizing how co-implementation can enhance governance (Objective. 2), policy reform (Objective 3), and sustained investment (Objective 4). The project will work with CUs to identify service-improvement projects for peri-urban areas, rural growth centers, and rural communities, including upgrading existing infrastructure, drilling boreholes, installing water taps and small piped water schemes, and improving on-site sanitation. Where possible, the project will capitalize on existing management models to increase shared value for rural growth centers and communities, using them as a foundation to scale a structured delegation of authority for market-based services.

SUB-OBJECTIVE 1.1: IMPROVE AND INSTITUTIONALIZE MARKET-BASED, PROFESSIONALIZED, FINANCIALLY SUSTAINABLE, ADAPTIVE, AND INCLUSIVE MANAGEMENT MODELS

TASK 1.1.1: DETERMINE ENTRY POINT FOR WATER SUPPLY AND SANITATION SERVICES
The project held virtual introductory meetings with the three CUs between April 6 – 8 in order to introduce the project and start building the relationship for future programming support. A similar introductory meeting was held with the regulator, NWASCO, in Lusaka on May 10. The Service Delivery Lead supported introductions to the CU, NWASCO and other key stakeholders to provide project overview and collect existing documentation. The documentation is under review as the first step towards determination of entry points. This will be evaluated in Q4 along with the findings from the Market Assessment and WASH Baseline Assessment.

**TASK 1.1.2: ESTABLISH FLEXIBLE MODELS FOR DELEGATION OF WASH SERVICE DELIVERY**

Activities under this task are anticipated to start in July 2022.

**TASK 1.1.3: STRENGTHEN DATA SYSTEMS, TECHNOLOGICAL TOOLS AND INFORMATION PLATFORMS**

Activities under this task are anticipated to start in October 2022.

**SUB-OBJECTIVE 1.2: ENHANCE CONSTRUCTION QUALITY OF SMALL-SCALE WATER SYSTEMS (NEW AND REHABILITATED HAND PUMP BOREHOLES AND SMALL PIPED-WATER SCHEMES)**

Although the activities as defined in the work plan are anticipated to begin in July 2022, the project started engagement with WaterAid Zambia, communicating with the Technical Manager to share documentation on the National Strategies and Standards in Rural Water Supply and Sanitation, as well as water quality and piped water scheme. The Acting COP also facilitated introductions and meetings with SUN-TA in April to obtain lessons on construction standards and experiences and discuss potential schematics for future USAID Expanding WASH Interventions.

**TASK 1.2.1: ENSURE CONSTRUCTION QUALITY OF SMALL-SCALE WATER SYSTEMS (NEW & REHABILITATED HAND PUMP BOREHOLES AND SMALL PIPED-WATER SCHEMES)**

**TASK 1.2.2: BUILD CU AND COUNTERPART CAPACITY FOR CONSTRUCTION MANAGEMENT AND OVERSIGHT**

Activities under this task are anticipated to start in July 2022.

**TASK 1.2.3: DESIGN AND OPERATIONALIZE A CONSTRUCTION FUND (CF) FOR NEW, EXPANSION, AND/OR REHABILITATION OF WATER AND SANITATION INFRASTRUCTURE**

Activities under this task are anticipated to start in July 2022.

**TASK 1.2.4: DEVELOP ASSET MAINTENANCE MANAGEMENT SYSTEMS AND O&M MANUALS**

Documentation that was shared by the CUs in Task 1.1.1 covering Asset Management and Operation & Maintenance practices started the initial review. An additional meeting was held with GIZ in mid-June to discuss the new expected national standards. This activity will continue into Q4 through the support by the newly recruited Institutional Development Specialist.

**SUB-OBJECTIVE 1.3: FACILITATE ACCESS FOR THE POOR TO ADEQUATE SANITATION FACILITIES**
TASK 1.3.1: DETERMINE STATE OF SANITATION COVERAGE AND EXISTING PRACTICES

Activities under this task are anticipated to start in July 2022.

TASK 1.3.2: ADDRESS SANITATION PRIORITIES THROUGH MARKET-BASED SERVICES

Due to the prioritization of on-boarding provincial staff, execution of the SaniFOAM Framework by SNV will continue through Q4. During Q3, the project supported the analysis of sanitation needs highlighted in WASH Baseline survey and the Baseline PEA. The project plans to match the identified needs from the Baseline and SANIFORM framework with the Market Assessment results in Q4.

TASK 1.3.3: COMMUNICATION AND BEHAVIOR CHANGE

Activities under this task are anticipated to start in September 2022.
OBJECTIVE 2: INCREASED ACCOUNTABILITY OF WASH SERVICE PROVIDERS, POLICYMAKERS AND CIVIC LEADERS

Objective 2 focuses on enhancing social accountability by equipping citizens—as constituents and as customers—with tools and spaces that enable them to advocate for high-quality services and hold service providers accountable to minimum standards. At the district level, a primary challenge is the competing priorities of civic leaders and local authorities (LAs). In town and rural councils, political expedience often trumps adherence to national policies and guidelines. This discrepancy translates into a misalignment of incentives which in turn misdirects resources and investments away from local citizen demands and priorities. The project will use insights from the baseline PEA to analyze district-level political dynamics, then engage reform champions within GRZ, LAs, and civil society to co-implement activities that reinforce responsive governance systems. Using its social accountability framework and grants, the project will focus on scaling activities that demonstrate a positive impact on more-inclusive citizen engagement.

SUB-OBJECTIVE 2.1.1: IMPROVE CITIZENS’ CAPACITY TO HOLD WASH SERVICE PROVIDERS, POLICYMAKERS, AND CIVIC LEADERS ACCOUNTABLE FOR QUALITY SERVICE DELIVERY

TASK 2.1.1: EMPOWER CITIZENS AND BUILD CAPACITY OF CIVIL SOCIETY FOR ADVOCACY AND SOCIAL ACCOUNTABILITY

Starting in May, the Civil Society Engagement Lead commenced the compilation of the CSO database and Community Radio stations for each of the target districts. As part of the workplan, the database will be used to identify potential grantees and partners who can empower citizens to hold service providers, policymakers, and civil leaders accountable for service delivery, but also raise awareness of any issues requiring social and behavior change.

Additionally, during this quarter a desk review was conducted to establish what the current service levels look like for rural, rural growth centers and peri-urban areas are in the target districts.

After the on-boarding of the Grants Specialist in June, the Civil Society Engagement Lead begin to design, in conjunction with the Grants Specialist, the process and focus for the first call for grantees. Some of the PEA findings (challenges) may be used as areas of focus for the call for grant.

TASK 2.1.2: DEPLOY RIGOROUS AND USER-FRIENDLY LOCAL GOVERNANCE TOOLS

As part of the desk review under Task 2.1.1, the Civil Society Engagement Lead began to research and review existing governance tools that can be adapted for use in the target districts. Progression of this task will remain highly dependent on advancement of Task 2.1.1.

TASK 2.1.3: REINFORCE PUBLIC PLATFORMS TO MONITOR PERFORMANCE AND SERVICE QUALITY

Activities under this task are anticipated to start in July 2022.

SUB-OBJECTIVE 2.2: IMPROVE INVESTMENTS AT THE NATIONAL LEVEL

TASK 2.2.1: INCREASE GRZ RESOURCE ALLOCATION FOR WASH

Activities under this task are anticipated to start in July 2022.
TASK 2.2.2: IMPROVE WASH SECTOR COST RECOVERY

Although activities under this task were anticipated to begin this quarter, this task will not start until next quarter in conjunction with the Service Delivery Lead to support the CUs and project target districts. Upon review of documentation, it was clear that some of the fundamental reasons for poor investment at the national level were not satisfactorily explained. Some of these have since been identified in the PEA that took place through this quarter. These reasons include 1) poor dialogue between CUs and customers on issues related to connection, 2) how the community development fund (CDF) is being utilized in WASH and 3) the poor relationships between the LAs and the CUs in water and sanitation coverage and service delivery, especially in rural communities and rural growth centres.
OBJECTIVE 3: SUPPORTED POLICY AND REGULATORY REFORMS

Under Objective 3, the USAID Expanding WASH Project will strengthen social accountability by ensuring that updated policy, regulatory, and legislative frameworks reflect local stakeholder priorities and create a favorable enabling environment for market-based services. The project’s policy and regulatory reform agenda will be driven by priorities and constraints identified under Objective 4, together with private sector partners and through the planned private sector forum. Although existing legislation has limited provisions for rural WASH, the NWSSP outlines GRZ’s updated vision of private sector partnerships that can deliver services to these areas. The policy builds on a strong business-enabling environment established by several national laws, including the Companies Act, Investment Act, Public Financial Management Act, and PPP Act. Directed by the Policy and Regulatory Lead, the project will analyze the above laws and other relevant policies to locate specific articles on PSE; engage MWDSEP, the private sector, and local stakeholders to prioritize key reforms; and co-implement a joint policy-review process that capitalizes on political insights and reform champions identified in the baseline PEA. The project will explore partnerships to scale WASH services and their impact as the enabling environment improves.

SUB-OBJECTIVE 3.1: STRENGTHEN THE POLICY AND REGULATORY FRAMEWORKS TO REMOVE BARRIERS TO PRIVATE SECTOR INVESTMENTS AND PARTICIPATION IN THE WASH SECTOR

TASK 3.1.1: DESIGN AND STRENGTHEN REGULATORY INSTRUMENT FOR RURAL WATER SUPPLY

During June, a gap analysis of regulatory policy at the national was conducted, as part of Task 3.1.2. However, the local level gap analysis will continue into Q4 as it requires the support from provincial staff who have not on-boarded yet.

TASK 3.1.2: DEVELOP APPROPRIATE ENABLING ENVIRONMENT ACTIVITIES FOR THE PRIVATE SECTOR

To support identification of appropriate activities that include buy-in from local partners, subcontractor Planet Partnerships supported the development of the WASH Investment Enabling Environment Diagnostic Tool during this quarter. The tool has been designed to provide a systematic and objective assessment framework for evaluating the quality and effectiveness of the status quo governance systems for investment in the Zambian WASH sector. The Tool is composed of three primary analytical phases described as follows:

1. Business Climate Benchmarking: This component benchmarks international best practices in the investment climate and economic development by deconstructing the Global Competitiveness Index.

2. Investment and Public-Private Partnerships Benchmarking: This component benchmarks two international best practice PPP appraisal indices, including the Infrascope Index and the World Bank Benchmarking Infrastructure Development report.

3. Diagnostic Assessment: This component entails a diagnostic assessment framework for the objective and standardized analysis of two key elements of the national PPP system: i) the Legal and Regulatory Framework and ii) the Institutional Architecture.
Each of these analytical stages feed into recommendations and key take-aways to inform both short- and long-term enabling environment reform. The diagnostic tool will complement the findings from WASH market assessment to hold targeted discussions with government officials on the enabling environment.

**SUB-OBJECTIVE 3.2: LEGISLATIVE IMPROVEMENTS TO COMMODIFY WASH SERVICES**

**TASK 3.2.1: ADVANCE NECESSARY LEGISLATIVE IMPROVEMENT FOR COMMODIFICATION OF WASH SERVICES**

This task, complemented by the WASH Enabling Environment Diagnostic Tool in Task 3.1.2, will inform the design of the Investment Enabling Environment discussion and validation session for recommendations developed, which will feed into the policy and regulatory reform component of the PSD long term strategy and action plan.
OBJECTIVE 4: INCREASED PRIVATE SECTOR PARTICIPATION (PSP)

PSP is at the core of the USAID Expanding WASH approach and is key to its sustainability. Outputs from tasks under this objective will shape and inform tasks under other objectives. For example, all Objective Leads will participate in the PSE forum, noting outputs that impact and direct their respective tasks (e.g., policy and regulatory priorities for review and strengthening under Objective 3). Objective 4 will enhance the private sector’s ability to fulfill its role in socially accountable services, using partnerships to establish effective pricing policies, cost recovery, and shared value. Although the Water Supply and Sanitation Act of 1997 enables PSP directly in the management (and even ownership) of CUs, a more effective approach would create shared value by engaging businesses and private operators in investment partnerships and performance-based operations and maintenance (O&M), management, and service contracts that complement CU capacities.

SUB-OBJECTIVE 4.1: ENHANCE THE PARTICIPATION OF THE PRIVATE SECTOR IN WASH SERVICE PROVISION AND IMPROVING SERVICE RELIABILITY

TASK 4.1.1: PREPARE A PIPELINE OF WASH INVESTMENT AND MANAGEMENT PARTNERSHIPS

Under this task, a draft pipeline development toolkit, which is designed to rank pipeline projects in order of priority and feasibility, was developed through May and finalized on June 2. The toolkit follows a four-step process namely:

Problems: In this first step, the Team facilitates discussions with CU management to identify key issues and re-examine core assumptions to identify the central issues facing the CU.

Priorities: Under the second step, the facilitated discussions then focus on how CUs need to address these issues and the results required for CUs to meet their mandates.

Solutions: The Team then facilitates a solutioning co-creation session, where CUs and technical specialists develop project concepts which are contextually appropriate and could address these foundational problems and key priorities.

Pipeline: Finally, the Team maps out the existing pipeline under this matrix to ensure project concepts proceeding to screening are in line with CU needs. Outlying project concepts are placed to the side for the initial screening. If solutions identified under the previous session offer a better alternative to the existing pipeline project concept, the list will be updated to ensure there is no replication.

This process will be undertaken in two steps. The first is the training of the CUs in the last week of August in order to familiarize them with the toolkit. The second will be a workshop convened to undertake the pipeline development and prioritization of projects.

TASK 4.1.2: FACILITATE WASH SECTOR DIALOGUE THROUGH A PSE FORUM

Under this activity, the first step was conducting the Wash Market Assessment (see section above for further details). The next step is to design and conduct deeper dive interviews and consultations to further explore key challenges and opportunities identified during the WASH Market Assessment. The findings will be integrated into the design of the pipeline concept co-creation component of the private sector dialogue long term strategy and action plan which will inform the PSE Forum designed to be created between September and November.
TASK 4.1.3: STRENGTHEN GRZ AND PRIVATE SECTOR CAPACITY TO IMPLEMENT PPPS

Under this Task, the aim was to initiate dialogue with GRZ primarily through the PPP Department in developing a background paper on the WASH sector and PPPs in Zambia. The project held an introductory meeting with the PPP Department in mid-May, accompanied by STTA from Planet Partnerships. The aim was also to establish a focal point in the PPP Department at MOF and MWDSEP and regular PSE planning and partnership meetings. At this meeting, the PPP Department agreed to work with the project to develop a background paper. The Acting Director of the department assigned focal persons who were instrumental to the writing of the background paper. Drafts were shared with USAID Expanding WASH subcontractors and shared with the PPP Department for finalization in early Q4.

Next steps under this activity are supporting the CUs to create an internal pipeline, related to task 4.1 and identify training needs for the CUs.
CROSS-CUTTING ACTIVITIES

GENDER AND YOUTH

A key priority of the USAID Expanding WASH Project is to create and maximize opportunities to enhance social inclusion and gender equality through public policy and direct field activities. Activities and tasks to support expected outcomes will apply a gender lens, but the project also will incorporate specific processes and indicators. Under Objective 1, for example, in Task 1.1.2, the project will take special care in the delegated management agreements (DMAs) to include GYSI targets for service delivery and will target women and youth for capacity-building courses. Also, the choices in Task 1.3.2 will be critical for establishing GYSI sanitation priorities so that the project responds to the needs of the entire demographic.

Under Objective 2, the project will employ a social-accountability framework with community scorecards, to empower reporting by women and youth and to hold providers, policymakers, and civil leaders accountable. The project will also work with CSOs and women and youth groups to help frame gender and youth-focused service-delivery goals and expectations, to ensure that accountability is measured against shared delivery standards and expectations.

Under Objective 3, the project will pay special attention to policy and regulatory review with gender impact. For example, all legal experts engaged to review legislation will receive orientation in the project’s GYSI action plan, and their terms of reference will include language to ensure that reviews include a gender and youth lens. Working with government and counterpart ministries and agencies, the project will continually share information and results to make the case for policies and regulations that empower women and youth.

Under Objective 4, the project will ensure that potential investments included in the pipeline will undergo a gender and youth impact review, in line with the project’s GYSI action plan.

To ensure partners understanding of how project activities support improved gender and youth outcomes, the learning agenda includes specific gender and youth-related questions. Through collaboration with other programs and local partners, USAID Expanding WASH will continually explore opportunities for gender equality and women’s economic empowerment (e.g., through engagement with V-WASHE and D-WASHE committees) and actively seek out approaches to prevent gender-based violence and address entrenched gender norms. Project grants will share these priorities.

The Civil Society Engagement Lead will help ensure that community mobilization grants support CSOs and have strong GYSI, and that catalytic grants engage CSOs and women’s groups in advocacy activities under Objective 2. All calls for applications under the grants program will include evaluation criteria requiring applicants to propose actions that reinforce the project’s GYSI action plan. All policy review processes (Objective 3) will include a gender analysis and consultation process (via D-WASHE and V-WASHE committees) to ensure that proper social safeguards are integrated into policy design. To strengthen capacity for private sector partnerships (Objective 4), the project will target woman-led businesses for the PSE forum and training program on public-private partnerships (PPPs), then link these businesses to CUs for engagement along the WASH service chain (e.g., water point management, kiosks, and sanitation marketing).

GRANTS UNDER CONTRACT (GUC)

Expanding WASH will implement a flexible GUC mechanism to encourage local organizations to collaborate to achieve expected results. The draft grants manual outlines the application, review, and award process, as well as suggested USAID involvement in establishing selection criteria and
approving grant recipients under the USAID Expanding WASH project. The draft GUC Manual was submitted to USAID on April 15th, in advance of the contractual April 26 deadline. Comments were received from USAID on May 20 and the COR provided an extension from the original deadline of May 26 to allow the USAID Expanding WASH team to sufficient time to respond to the comments. The final GUC Manual resubmitted on June 3. Additional comments were shared by USAID on June 13 with responses sent back on June 24. It was agreed that the COR would speak with the RTI Nairobi Grants Officer in early July (Q4) to address one outstanding question.

The GUCs will support grantees to achieve technical results and evolve in a way that helps them become more efficient, effective, and sustainable entities that can transform their communities. Grants will bolster activities and build local capacity that fall into three categories: (1) community mobilization grants, (2) catalytic grants, and (3) scale-up awards that leverage CSO, private sector, GRZ, or other donor resources to co-invest, share risk, and institutionalize successful WASH delivery models.

The project will issue no more than 15 grants throughout its five years of implementation, with a ceiling of . Given the limited number of grants that can be awarded, the project will work closely with USAID to ensure that grants are high impact, sustainable, technically focused, and supportive of gender and localization goals. The project will develop a grants pipeline and review it quarterly with USAID to identify and pursue high-potential grants that align with project scope and will continually work with other USAID implementing partners to share strong ideas that may be better suited to their programs or that can be used for replication and scale-up.

The Grants Specialist received specific training on grant implementation from the RTI HO as part of the on-boarding process. By late June, the Grants Specialist was working with the Civil Society Engagement Lead to design the first expression of interest for grants under Objective 2. The expression of interest is expected to be out by the end of July.

LOCALIZATION

USAID Expanding WASH will take a broad approach to localization, pursuing multiple, complementary pathways. All proposed key personnel and other long-term staff are Zambian, and all grant and construction funds will be directed to “local entities” as defined in USAID Automated Directives System Chapter 303 (ADS 303.6). All activities will be undertaken with local partners and, wherever possible, with local partners taking the lead and the project playing a facilitative role. If a specific local leadership and or capacity-building imperative impacts deliverable schedules, the project will advise the Contracting Officer’s Representative (COR) in advance and discuss with USAID how to achieve the results of the project and support USAID’s local capacity development policy and improved performance under the standard capacity-building indicator CBLD-9.

The project’s approach to PSE and leadership is also central to its localization approach. Sustainability of outcomes is based on a market-driven approach, in which private sector and public sector partners find common cause in a business-enabled environment, where citizens can access high-quality services and where enterprises and businesses are encouraged to enter the market based on clear and favorable policies and regulations. To support government buy-in to this approach, the project will share successes and seek to elevate the role of government in supporting market-based approaches. This localization approach will be reflected in project communications that place local partners at the center of this activity, with USAID support.
COLLABORATING, LEARNING, AND ADAPTING

Expanding WASH will bring stakeholders into the learning and adaptation cycle early and often. The project will actively engage and collaborate with stakeholders in gathering information, learning from data, and sharing findings. As the primary means to address learning systematically, the project’s AMELP includes a learning agenda that identifies key learning questions. Through these learning activities, the project will bring forward information from M&E data, learning and research questions, and lessons learned to continually test assumptions, analyze the development hypothesis, and monitor changes in the local context to inform an adaptive management approach. During this quarter, the Project met with World Vision Zambia to discuss potential overlap areas in Northern and Southern provinces. The objective of this meeting was to identify wards that are already covered by World Vision Zambia in the two provinces and to learn from their experiences in working with Commercial Utilities, Local Authorities and the Ministry of Water and Sanitation especially around Information Management systems, data collection and operation and maintenance of water and sanitation infrastructure. The project learnt that World Vision Zambia is already operating in few of the wards in Kalomo and Mungwi districts and they are covering the whole wards with sanitation services.

USAID DEVELOPMENT FINANCE CORPORATION (DFC)

USAID Expanding WASH will explore DFC loan guarantees to connect potential private sector partners with enabling loans. In Year 1, the team will work with the Mission and existing DFC financial institution partners in Zambia (Zambia National Commercial Bank [ZANACO], Standard Chartered Bank, and Madison Financial Services Company) to determine how the DFC portfolio in Zambia can be leveraged to bring private sector partners into the WASH sector. This approach will help the project meet its goal of leveraging $blank in private sector partnerships.
SCHEDULES

No significant schedule delays occurred this quarter.

However, there were minor schedule changes to the final due date of some deliverables, namely the Initial Work Plan, the AMELP, the EMMP and the GUC Manual. The due date changes were provided by the COR to allow for the necessary change from the programmatic year to the calendar year in the case of the first three and to allow the project team sufficient time to review and adapt USAID comments in the case of the last one.

Two additional deliverables have modified due dates, as communicated by USAID. As directed by USAID, the project has not moved forward with the completion of the Construction Plan or the Water Quality Assurance Plan, pending receipt of a contract modification related to construction. These deliverables were originally scheduled to be due 90 days post project award (in Q3) but will be delayed post signing of the modification. This may result in future delays with construction envisioned to happen under the project in Year 2 as these plans must be in place prior to undertaking any necessary construction project selection or environmental assessment that is necessary for construction approval.
**CHALLENGES**

There are several long-term challenges that USAID Expanding WASH will continue to evaluate as project implementation progresses. Current potential foreseen challenges include:

- As a result of the recent transfer of responsibility of rural WASH functions to the CUs, many LAs and community-based enterprises fear losing control and resources in managing WASH service delivery, risking lukewarm cooperation. Clarity on roles and responsibilities is critical for local stakeholders to be willing partners in this transition. Consistent consultation is required to clearly articulate benefits and reflect their priorities in the new arrangements.

- The system used for the management and allocation of resources under the newly rolled out CDF may prove to be an obstacle in getting local government funding earmarked for future WASH programming.

- Under an uncertain policy framework, businesses risk losing their investments and ultimately not meeting the expected standard of service provision. In the WASH sector, the right conditions for private investment are created through effective pricing policies and cost recovery principles. Digital tools and technology can make billing and revenue collection more efficient, reduce NRW, and make partnership models more cost-effective.

- Low service quality and lack of timely information contribute to customer non-payment, risking low levels of cost recovery. An emphasis on affordability - which varies between peri-urban areas, rural growth centers, and rural area - can help determine willingness to pay for each project site. Digital technology can improve information flows and enable customers to monitor quality and track professionalization in service delivery.

- The coronavirus disease 2019 (COVID-19) presents a risk for construction management and oversight, given travel restrictions, human health concerns, and general slowdowns of economic activity that affect the supply chain. Early identification and engagement with multiple pre-qualified vendors (for materials, maintenance, and engineering capabilities) can ensure services are available at the precise time and keep activities on track.
IMPLEMENTATION STATUS, CHALLENGES, AND RISKS

As with any project, unexpected situations may arise that could derail project implementation if not carefully tracked. As part of project implementation, RTI deploys a risk register to continually track potential risks and challenges during project implementation. Using adaptive management principles that promote collaboration, transparency, and accountability, RTI identifies potential mitigation measures for every risk or challenge that is identified. A summary of the risks and challenges as identified this quarter are included in Table 3 below.

**TABLE 3. CHALLENGES AND RISKS**

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<th>RISK / CHALLENGE</th>
<th>MITIGATION MEASURES</th>
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| **Financial Risk:** The Zambian Kwacha has varied significantly against the U.S. dollar since the project budget was created over one year ago. The variance and rising prices of monthly costs, such as the project office, could cause budget overruns if not carefully monitored. | • Review the budget forecast monthly against actual expenditure.  
  • Look for cost savings where possible, evaluating measure such as buying in bulk and getting potential discounts.  
  • Make sure the project is not covering any tax or VAT charges, as the project has VAT exemption status from GRZ. |
| **Schedule Risk:** Although construction is not anticipated to begin until Year 2, significant preparatory work must be done in Year 1 to adequately prepare environmental compliance documentation and determine the feasibility of projects prioritized by stakeholders. Continued delay in receiving updated information and regulations regarding constructions results in difficulties in budgeting and planning. | • Work with partner USAID projects to identify important lessons learned in construction, such as building in oversight, setting scoring criteria, etc., to facilitate environmental compliance reviews once appropriate documentation is received.  
  • Continue to speak with potential Construction Fund Managers, to adequately prepare for construction activities.  
  • Continue coordination with WaterAid to envision potential future engagement as part of construction. |
| **Schedule Risk:** While the project is actively recruiting replacements for the two key personnel positions not approved by USAID, there is a potential risk for short-term activities to have a delayed start if personnel are not in place | • Project Manager will serve as Acting COP until the approved COP is in place to continue to move forward technical implementation.  
  • Additional support was brought on to provide coverage for the Project Manager as she takes on Acting COP responsibilities.  
  • Objective 3 KP role has been re-envisioned in support of technical implementation. Discussions with the COR have supported this technical change and the project will share the proposal with the CO for input. |
| **Technical Risk:** Current Objective 3 personnel requirements do not appropriately align with project tasks and could lead project down lengthy policy pathways. | • Work with USAID COR to agree with technical profile for personnel overseeing tasks currently housed within Objective 3.  
  • Work with USAID CO to realign Objective 3 tasks under Objective 4 to more closely support private sector actors. |
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| **Technical Risk:** Some identified private sector stakeholders envisaged to be part of the private sector dialogue and private sector engagement forums have been unresponsive to project communications. These groups have delayed or canceled several meetings and the project has been unable to identify POCs. | • Use the planned project launch in Q4 to share information about the project and bring them onboard  
• Leverage influence of other key partners, such as MWDS, to engage the unresponsive stakeholders |
NEXT-QUARTER ACTIVITIES AND MILESTONES

During the next quarter, the project will open the provincial offices to support implementation of activities within the CU’s and the project’s target districts. The project also anticipates holding a project launch event in late August, depending on the new USAID Mission Director’s availability. Table 4, below, includes expected project milestones and deliverable submissions.

<table>
<thead>
<tr>
<th>MILESTONE/Deliverable</th>
<th>Related Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Quarterly and Financial Report Submission</td>
<td>Reporting Requirements</td>
<td>July 30, 2022</td>
</tr>
<tr>
<td>WASH Baseline Assessment Complete</td>
<td>Project Start-Up</td>
<td>July 31, 2022</td>
</tr>
<tr>
<td>GYSI Action Plan Complete</td>
<td>Project Start-Up</td>
<td>July 31, 2022</td>
</tr>
<tr>
<td>WASH Market Assessment Complete</td>
<td>Project Start-Up</td>
<td>July 31, 2022</td>
</tr>
<tr>
<td>PPP Background Paper Complete</td>
<td>Project Start-Up</td>
<td>July 31, 2022</td>
</tr>
<tr>
<td>Baseline PEA Report Complete</td>
<td>Project Start-Up</td>
<td>July 31, 2022</td>
</tr>
<tr>
<td>Issue first EOI for grants</td>
<td>Objective 2</td>
<td>July 31, 2022</td>
</tr>
<tr>
<td>Provincial Offices Open</td>
<td>Project Start-Up</td>
<td>August 31, 2022</td>
</tr>
<tr>
<td>Project Launch Event</td>
<td>Project Start-Up</td>
<td>August 31, 2022</td>
</tr>
<tr>
<td>Replication and Adaptation of Sanitation for All Program</td>
<td>Objective 1</td>
<td>September 30, 2022</td>
</tr>
<tr>
<td>Roadmap Validation Workshop</td>
<td>Objective 3</td>
<td>September 30, 2022</td>
</tr>
<tr>
<td>Stakeholder Consultation and Pipeline Development Workshops</td>
<td>Objective 4</td>
<td>September 30, 2022</td>
</tr>
</tbody>
</table>
Annex 1. Organizational Chart

Chief Of Party (COP)

RTI Home Office
- Project Manager
- Project Coordinator
- Senior Technical Advisor

Home Office Support: Contracts, Accounting/Finance, HR, Recruitment, IT, Operations

Objective 1: Service Delivery Lead
- Institutional Development Specialist (RTII)
- WASH Specialist (STTA)
- Sanitation Specialist (STTA)
- Water Tariff Specialist (STTA)
- O&M Specialist (STTA)

Objective 4: Private Sector Participation Lead
- PSF/Transaction Advisor (STTA)
- Investment Specialist (STTA)
- Blended Finance Specialist (STTA)
- Legal Specialist (STTA)

Objective 2: Civil Society Engagement Lead
- Capacity Development Specialist (STTA)
- Gender, Youth, and Social Inclusion Specialist (STTA)

Objective 3: Policy and Regulatory Lead
- Governance/Regulatory Specialist (STTA)
- Policy Specialist (STTA)

Cross-Cutting Technical Team
- MEL Director (RTI)
- MEL Assistant (RTI)

Operations Team
- Finance and Operations Director
- Office/Procurement Assistant (STTA)
- Grants Specialist (RTI)
- Accountant (RTI)
- Driver

Governance & Accountability Team
- Civil Society Engagement Lead (RTII)
- TBD, Policy and Regulatory Lead (RTII)

Southern Province Hub (Kazungula)
- Provincial Lead/Service Delivery Coordinator
- Governance & Accountability Coordinator
- Administrative Support/Driver
- Technical STTA
- covers Koloma, Kazungula, and Sesheke

Western Province Hub (Mongu)
- Provincial Lead/Service Delivery Coordinator
- Governance & Accountability Coordinator
- Administrative Support/Driver
- Technical STTA
- covers Mongu, Kazoza, Kaloba, and Nasolo

Northern/Muchinga Provinces Hub (Kasama)
- Provincial Lead/Service Delivery Coordinator
- Governance & Accountability Coordinator
- Administrative Support/Driver
- Technical STTA
- covers Mpika, Chinsali, Nakonde, Lusaka, and Mongu

Operations Team
- Finance and Operations Director
- Office/Procurement Assistant (STTA)
- Grants Specialist (RTI)
- Accountant (RTI)
- Driver

Southern Province Hub (Kazungula)
- TBD, Provincial Lead/Service Delivery Coordinator (SNV)
- TBD, Governance & Accountability Coordinator (SNV)
- TBD, Administrative Support/Driver (SNV)

Western Province Hub (Mongu)
- TBD, Provincial Lead (SNV)
- TBD, Service Delivery Coordinator (SNV)
- TBD, Governance & Accountability Coordinator (SNV)
- TBD, Administrative Support/Driver (SNV)

Northern/Muchinga Provinces (Kasama)
- TBD, Provincial Lead (SNV)
- TBD, Service Delivery Coordinator (SNV)
- TBD, Governance & Accountability Coordinator (SNV)
- TBD, Administrative Support/Driver (SNV)

Org Chart Key – Long Term Staff

Key Personnel
- Senior Management Team
- Direct Reporting Relationship

Non RTI Staff Positions
- WASHA
- SNV Staff
- Planet/Partnerships

# All long-term staff except for Regional Hub Teams are based in Lusaka, Zambia

Political Economy Analysis Specialist • Water Resources Management Specialist • Water Tariff Expert • Non-Revenue Water Expert • QA Engineer • Institutional Specialist • Construction Expert • Utility Management Expert • Legal Specialist • Policy Specialist • Finance Specialist • Partnerships Expert • WASH Expert • Environmental Specialist • Governance Specialist • GIS Specialist • CSO Specialist • Gender Specialist • Communication Specialist • Rural Sanitation Expert • Market-Based Sanitation Expert • Behavior Change Expert • Hydrogeologist