



PHOTO CREDIT: [REDACTED], USAID EXPANDING WASH: USAID EXPANDING WASH PROJECT STAFF ENG. [REDACTED] WORKING COMMUNITY MEMBER TO CONSTRUCT A MODEL TOILET IN NALOLO DISTRICT

USAID EXPANDING WATER AND SANITATION PROJECT

QUARTERLY PROGRESS REPORT #6 JULY 1 – SEPTEMBER 30, 2023

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USAID Expanding Water and Sanitation Project

Quarterly Progress Report #6

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CONTENTS

EXECUTIVE SUMMARY	5
PROGRAM OVERVIEW	6
SUMMARY OF CUMULATIVE PROGRESS AND ACCOMPLISHMENTS	7
OPERATIONAL	7
TECHNICAL	7
DELIVERABLES	8
DESCRIPTION OF PROGRESS AND ACCOMPLISHMENTS	9
OBJECTIVE 1: INSTITUTIONALIZED MARKET-BASED WASH SERVICE DELIVERY, FINANCIALLY SUSTAINABLE AND INCLUSIVE MANAGEMENT MODELS FOR WATER AND SANITATION FACILITIES.	9
OBJECTIVE 2: INCREASED ACCOUNTABILITY OF WASH SERVICE PROVIDERS, POLICYMAKERS AND CIVIC LEADERS	13
OBJECTIVE 3: INCREASED PRIVATE SECTOR PARTICIPATION	15
MANAGEMENT	22
OPERATIONS	22
COMMUNICATION AND REPORTING	23
CROSS-CUTTING ACTIVITIES	23
GENDER AND YOUTH	23
GRANTS UNDER CONTRACT (GUCS)	24
COLLABORATING, LEARNING, AND ADAPTING	26
ENVIRONMENTAL MANAGEMENT	26
ENVIRONMENTAL COMPLIANCE	26
CLIMATE ADAPTATION	26
SCHEDULES	27
CHALLENGES	28
IMPLEMENTATION STATUS, CHALLENGES, AND RISKS	29
NEXT-QUARTER ACTIVITIES AND MILESTONES	30
ANNEX 1. ORGANIZATIONAL CHART	32
ANNEX 2. INDICATOR TABLE	33
ANNEX 3. SUMMARY OF SERVICE DELIVERY MODELS	35
ANNEX 4. IMPACT STORY 1	36
ANNEX 5. IMPACT STORY 2	38

TABLES-

Table 1. Reports and Deliverables Completed During the Reporting Period 8

Table 2. Proposed construction capacity building activities 11

Table 3 sex disaggregation of training participants 23

Table 4. Challenges and Risks 29

Table 5. Activities and Milestones..... 30

FIGURES

Figure 1 Pipeline to Securing Capital Investment 16

Figure 2: Proposed Pillars for the National PSE Strategy 20

ACRONYMS AND ABBREVIATIONS

ADS	USAID Automated Directives System
AMELP	Annual Monitoring, Evaluation, and Learning Plan
AWP	Annual Work Plan
CBO	community-based organization
CDF	community development fund
CF	construction fund
CFM	Construction Fund Manager
CHWSC	Chambeshi Water and Sanitation Company
CLA	collaborating, learning, and adaptation
COP	Chief of Party
COR	Contracting Officer's Representative
CSO	civil society organization
CU	commercial utility
DDCC	District Development Coordinating Committee
DFC	USAID Development Finance Corporation
DMA	delegated management agreement
D-WASHE	district water, sanitation, and hygiene education committee
EMMP	Environmental Mitigation and Monitoring Plan
GRZ	Government of the Republic of Zambia
GUC	grants under contract
GYSI	gender, youth, and social inclusion
HEARTH	Health, Ecosystems, and Agriculture for Resilient, Thriving Societies (USAID public-private partnership program)
IEE	Initial Environmental Examination
IT	information technology
LA	local authority
M&E	monitoring and evaluation
MEL	monitoring, evaluation, and learning
MOF	Ministry of Finance
MWDS	Ministry of Water Development and Sanitation
NRW	non-revenue water
NWASCO	National Water and Sanitation Council
NWSSP	National Water Supply and Sanitation Policy
O&M	operations and maintenance
PDCC	Provincial Development Coordinating Committee
PEA	political economy analysis

PLOCA	Participatory Local Organizational Capacity Assessment
PP	Planet Partnerships
PPP	public–private partnership
PSE	private sector engagement
PSP	private sector participation
P-WASHE	provincial water, sanitation, and hygiene education committee
PWD	persons with disabilities
QASP	Quality Assurance and Surveillance Plan
RTI	RTI International (registered trademark and trade name of Research Triangle Institute)
SaniFOAM	framework to analyze behaviors to design effective sanitation programs: focus, opportunity, ability, motivation
SBC	social and behavior change
SNV	SNV Netherlands Development Organization
STTA	short-term technical assistance
SUN-TA	Scaling Up Nutrition Technical Assistance
SWSC	Southern Water and Sanitation Company
TBD	to be determined
USAID	United States Agency for International Development
V-WASHE	village water, sanitation, and hygiene education committee
WARMA	Water Resources Management Authority
WASAZA	Water and Sanitation Association of Zambia
WASH	water, sanitation, and hygiene
WQAP	Water Quality Assurance Plan
WWSC	Western Water and Sanitation Company
ZCSMBA	Zambia Chamber of Small and Medium Business Associations
ZANACO	Zambia National Commercial Bank
ZPPA	Zambia Public Procurement Authority

EXECUTIVE SUMMARY

RTI International (RTII) is pleased to submit Quarterly Progress Report #6 for the United States Agency for International Development (USAID) Expanding Water and Sanitation Project (USAID Expanding WASH). This report covers FY23 Q4 (July – September 2023) of implementation of the USAID Expanding WASH project. It 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.

During the quarter, the project had good management outcomes and made positive progress on its three technical objectives. Key implementation highlights from the quarter are outlined below:

OBJECTIVE 1: During the quarter under review, the project finalized its review of various service delivery models and selected three that will be used to institutionalize market-based wash service delivery in the target project areas. The models selected include Commercial Utility (CU) managed model; private sector (investment and management) model; and cooperative/community managed model. The project also developed a Sanitation Behavior Change (SBC) strategy that will be used to facilitate improved access to adequate sanitation facilities for the poor.

Objective 2: The project awarded grants under contract (GUCs) to three civil society organizations to support advocacy and social accountability activities in the project areas. The project also trained a total of 16 civil society organizations (CSOs) in advocacy and social accountability. The CSOs will use these skills to increase advocacy and social accountability from the citizens for improved WASH services by Water Service Providers. Of the 16 CSOs, five were youth groups, four women's groups and seven associations of persons with disabilities.

OBJECTIVE 3: In its continued efforts to support private sector participation in the WASH sector, the project successfully hosted the Wash Entrepreneurship and Partnership Forum in July at which 38 private sector entities participated. The forum provided a platform for further engagement between private sector entities and the three partner Commercial Utilities. At national level, the project commenced support to Ministry Water Development and Sanitation (MWDS) for the development of a national private sector engagement strategy that will be finalized by June 2024.

MANAGEMENT: In Q4, the project finalized engagement of a Local Engineering Support Firm to support construction activities and commenced the procurement process for an A&E firm to support project infrastructure design and construction supervision.

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 uses 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 three project objectives are to:

1. Institutionalize market-based WASH service delivery through financially sustainable and inclusive management models;
2. Increase the accountability of WASH service providers, policymakers, and civic leaders; and
3. Increase private sector participation (PSP) with supporting policy and regulatory reform.

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 is headquartered in Lusaka, Zambia, and covers four provinces: Northern, Muchinga, Western, and Southern. The project has a target of 12 districts within the 4 provinces namely:

1. Muchinga – targeted districts are Chinsali, Mpika, Nakonde
2. Northern – targeted districts are Mungwi, Lunte
3. Southern – targeted districts are Kalomo, Kaoma, Kazungula
4. Western – targeted districts are Kalabo, Mongu, Nalolo, Sesheke

Throughout implementation, the project team will work with USAID to reaffirm the target areas.

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 Work Plan, the work in the districts was apportioned in the following ways:

- Focus on water: The targeted districts are Lunte and Mungwi districts in Northern Province; Kalomo and Kazungula in Southern Province, and Nakonde in Muchinga Province
- Focus on sanitation: The targeted districts are 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 ACCOMPLISHMENTS

In Q4, the USAID Expanding WASH project completed the following key priority activities. Highlights from the quarter are listed below:

Operational

- Engaged a Reporting and Communication Consultant to support editing and formatting of project reports and communication documents. The Reporting and Communication Consultant will organize, draft, edit and manage the projects reporting schedule. Also engaged an Environmental Compliance Consultant to support the project team to integrate the environmental mitigation and monitoring plan into its construction processes including site selection, design, and construction stages. The Environmental Compliance Consultant will also support orientation and training of key construction staff in environmental management and compliance. A short-term independent contractor was engaged to review, evaluate and compile a list of eligible hotels for provision of accommodation and conference facilities in the twelve target districts.
- Support office set-up for three field engineers to be based in the provincial offices. Procurement of desks, chairs, laptops, monitors and docking stations to be used by the engineers engaged through the local engineering firm.

Technical

- The project team on Tuesday, August 29th, held a quarterly implementation review meeting with Ministry of Water Development and Sanitation and presented technical updates. The project also presented the service delivery models that it will promote to professionalize water and sanitation service delivery. The models identified and shared include CU managed model; Private sector (Investment and Management) models; and Cooperative Community managed models.
- Awarded Grants Under Contract (GUC) to three Civil Society Organizations (CSO) to support the project in empowering citizens and district based CSOs in advocacy and social accountability for improved WASH services. The project submitted to USAID a request for approval to issue a fourth grant under the same Request for Application (RFA). The fourth GUC will cover the remaining two districts (Lunte & Mungwi) in the Northern province.
- The project trained 16 CSOs in advocacy and social accountability for improved WASH services. These CSOs comprised 5 youth groups, 4 women's groups and 7 associations of persons with disabilities. 37 percent of the participants trained were females whilst 63 percent were males.
- Held the WASH Entrepreneurship and Partnership Summit on 11th and 12th July with 38 and 27 private sector participants on the first and second day, respectively. The WASH Entrepreneurship and Partnerships Summit was private sector-facing, focusing on the building of capacity for private sector entities in several key areas to prepare them for partnering with the CUs.
- Commenced development of the National Private Sector Engagement Strategy with MWDS in August, 2023. The strategy, which is by request from MWDS, is meant to provide a

platform for Public-Private Dialogue (PPD) in WASH anchored within MWDS for sustainability, and rolled out to other CUs which are not part of the project.

- Made an official submission to MWDS on 31st July 2023 on the Water Supply and Sanitation Services Bill which seeks to ensure that there are legislative improvements to commodify WASH services in Zambia. Details of the submission are in the Objective 3 section of this report.
- Concluded the financial and options analysis for the pilot projects in readiness to support the CUs in preparing tenders for respective pipeline projects in which the private sector can partner with them in October 2023.

DELIVERABLES

During this reporting period, USAID Expanding WASH submitted two contractual deliverables as final products in line with Section F of the contract, as highlighted in Table I below.

TABLE I. REPORTS AND DELIVERABLES COMPLETED DURING THE REPORTING PERIOD		
REPORT/DELIVERABLE	STATUS	SUBMISSION DATE
FY23 Q3 Quarterly Progress Report	Draft	July 14, 2023
	Final	July 28, 2023
	Approved	August 4, 2023
FY23 Q3 Quarterly Financial Report	Draft	July 14, 2023
	Final	July 28, 2023
	Approved	August 4, 2023

DESCRIPTION OF PROGRESS AND ACCOMPLISHMENTS

The following sections outline progress made on each of the objectives, milestones, and performance indicators.

OBJECTIVE 1: INSTITUTIONALIZED MARKET-BASED WASH SERVICE DELIVERY, FINANCIALLY SUSTAINABLE AND INCLUSIVE MANAGEMENT MODELS FOR WATER AND SANITATION FACILITIES.

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

Objective 1 aims at improving social accountability by securing minimum quality standards for market-based services and strengthening 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, policy reform, and sustained investment. The project is working 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 capitalizes 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.

Through these interventions, USAID Expanding WASH seeks to increase access to safe drinking water and sanitation services by giving 430,550 people new access to basic drinking water, 633,900 people access to improved service quality, 89,700 people access to safely managed water, 86 institutions with institutional access to water. Further, 840 communities will attain open defecation free (ODF) status over the life of the project. In FY23, the project planned to provide 21,528 people with access to basic drinking water, 26,910 with access to safely managed water, and 31,695 with access to improved water service quality. 168 communities will attain ODF status and 26 health facilities and schools will have institutional access to water. In the period under review, (Q4) the project undertook preparatory activities, listed below, that will enable the provision of new access to water and sanitation services, and the achievement of key results and targets.

TASK 1.1.2: Establish flexible models for delegation of wash service delivery.

The project finalized the research on different market-based WASH service delivery models. The research findings, which included the advantages and suitability of different service delivery models, were shared with MWDS for their buy in. The 3 models recommended for implementation under the project are the CU managed model; Private sector (Investment and Management) model; and Cooperative Community managed model.

The project will in the next quarter meet CUs and LAs to discuss research findings and thereafter commence capacity building activities to support the establishment of professionalized service delivery in line with the recommended 3 models. The table in annex 3 presents a summary of service delivery models recommended for implementation under the project.

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

TASK 1.2.1: Ensure consistency in construction requirements and determine infrastructure needs.

During the quarter under review, the project oriented the new Construction Fund Manager on the key quality guiding documents -Construction Implementation Plan (CIP), Water Quality Assurance Plan (WQAP), Environmental Mitigation and Monitoring Plan (EMMP) that will guide the implementation of procurement and construction to ensure the quality of small-scale water systems. The CFM will ensure that all project construction activities are implemented in accordance with these guiding documents.

TASK 1.2.2: Build CU and counterpart capacity for construction management and oversight.

The Construction Management Expert and the Institutional Development Specialist, working under Water Association of Zambia (WASAZA), undertook a construction capacity assessment and developed a report that highlighted construction management and oversight gaps and challenges in CUs and LAs. As a result, WASAZA (with support from the Local Engineering support & A& E Firm/s), will undertake capacity building activities in line with the assessment with a target to improve the ability of service providers to design, supervise, construct, and manage long-term O&M beyond the life of the project.

The construction capacity building activities will include mentorship and coaching of CUs and LAs in pre-design, design and construction of WASH Infrastructure. These activities are planned to commence in the next quarter of 2023 and continue through the construction phase, up to mid-2026. The table below presents the identified gaps and proposed capacity building activities for implementation under the project.

TABLE 2. PROPOSED CONSTRUCTION CAPACITY BUILDING ACTIVITIES		
Identified Key Weaknesses/Gaps	Proposed interventions/Capacity Building	Responsible Institution/Organization
1. Limited skills in boreholes and piped scheme rehabilitation and installation	Provide mentorship to CUs and LAs in undertaking borehole /piped scheme construction and supervising subcontractors	WASAZA and Local Engineering Support Firm will work with A & E Firms
2. Low skills set in planning and design and construction management	Provide mentorship to CUs and LAs in planning, designing, and procurement for construction	WASAZA and Local Engineering Support Firm will work with A & E Firms
3. Low number of technically qualified staff in construction	Develop CU /LA mentorship program and graduate’s internship program. The mentorship program will include activities that link students in institutions of learning (Universities, Colleges, trade schools) to CUs and LAs	WASAZA
4. Lack of design software tools such as EPANET, Modeling and AutoCAD	Link CUs and LAs to funding sources for procurement of construction software	USAID Expanding WASH Team
5. Poor availability and use of O & M manuals, infrastructure specifications and drawings	Capacity building on use of O & M manuals, infrastructure specifications and drawings for sustainable and functional WASH infrastructure.	WASAZA and Local Engineering Support Firm will work with A & E Firms

TASK 1.2.3: Design and operationalize a construction fund (CF) for new, expansion, and/or rehabilitation of water and sanitation infrastructure.

GOPA Infra has been engaged as Local Engineering Support Firm which will provide the Construction Support Engineer and 3 field engineers. The Local Engineering Support Firm will provide engineering support services to assist in the quality assurance (QA) and quality control (QC) for the design and oversight of construction activities as well as support construction contract administration for all project infrastructure.

The Expression of Interest (EOI) for the engagement of A&E Firm/s was published on 1st September and closed on 21st September. The EOI will enable the identification of three to four technically capable A & E Firms that will be invited to submit detailed proposals after which the A&E Firms will be selected. The project targets to procure construction subcontractors by first quarter 2024 and to commence construction immediately after the rainy season next year.

TASK 1.2.4: Develop asset maintenance management systems and O&M manuals.

During the period under review, the project oriented the CU project focal persons on the Comprehensive Asset Management and operation and maintenance (O&M) Training Manual which was developed in the first quarter of 2023. The manual provides guidance on steps for the assessment of the condition of key equipment and infrastructure and implementation of capacity building for key staff and persons involved in asset management and O&M of water and sanitation facilities in the project’s target districts. Key topics covered in the manual include water quality management, non-revenue water management, operation and maintenance of boreholes, water schemes and networks, as well as tool kits and spares management.

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.

During the period under review, the sanitation behavioral change strategy was developed based on the SaniFOAM framework. The implementation of the strategy will involve the probing of the existing sanitation behaviors and practices in rural areas covered by the project. Community leaders and members will also be interviewed to understand the sanitation interventions each village has used in the past after which responsive approaches will be used to create awareness on benefits of toilet construction by households. This approach enables a tailored implementation of sanitation behavioral change that deviates from the standardized Community Led Total Sanitation (CLTS) approach. The strategy follows a market-based method that will support the supply of local materials and construction of toilets by local masons that will be trained.

Full scale behavioral change activities are planned to begin in the next quarter and include awareness creation, community meetings, and capacity building of rural households, after which communities that attain Open Defecation Free (ODF) status will be verified.

TASK 1.3.2: Address sanitation priorities through market-based services.



Improved traditional grass thatched pit latrine, which is part of the Toilet Catalogue. Photo Credit: USAID Expanding WASH

The project finalized the toilet catalogue of proposed designs for affordable, durable, and market-aligned toilets, which will be promoted during sanitation-improvement activities. The catalogue will guide the households to construct their own toilets by households. Training of masons and development of sanitation supply chains will be linked to finalized toilet designs.

Following approval for construction of demo toilets granted by the CO on August 17, Western Provincial Team supported the construction of the two Baruto model toilets by communities in Silowana ward of Nalolo district. The toilets will be used to pre-test functionality and acceptability of designs after which they can be promoted as an option for durable and affordable toilets in western province.

TASK 1.3.3: Communication and behavior change.

The project finalized the development of the sanitation behavior change communication strategy. The strategy guides implementation of activities to address open defecation and improved sanitation access at the household level. As a first step towards implementation of the strategy, the Provincial teams held meetings with DWASHE Committees to orient them on of the sanitation behavioral change and communication strategy. The meetings highlighted the objective, approach, and the key implementation steps. The Project team piloted the behavior change strategy.

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 the 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 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.

From baseline assessments the project has undertaken, such as political economy analysis (PEA) and gender, youth, and social inclusion (GYSI), there is an inadequate understanding among CUs and LAs of revised mandates and separation of functions. This has resulted in poor service and a delivery system that is not socially inclusive. The project has started to adapt governance tools that will enhance responsiveness to customer needs, as well as social accountability tools and platforms that will facilitate healthy dialogue among customers, service providers, and policymakers.

During the period under review, the project continued laying the foundation towards achieving actual target figures and scores through activities and tasks listed under sub-objective 1.3 of Objective 1, as well as the tasks listed below that will support the achievement of key results and associated targets.

SUB-OBJECTIVE 2.1: 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.

Sixteen (16) CSOs were trained in advocacy, social accountability, and social inclusion during the period under review. A total of 71 CSO members participated in the training and twenty-two (22) D-WASHE members were oriented in advocacy and social accountability. These D-WASHE members also supported the training by facilitating some technical sessions such as government policies and guidelines on WASH,. In the process the D-WASHE members were introduced to advocacy and social accountability tools. The 16 CSOs trained comprised 5 youth groups, 4 women's groups and 7 associations of persons with disabilities.

These CSOs have developed short term workplans that focus on empowering citizens with skills and spaces to advocate for improved WASH services and demand social accountability from service providers. These short term workplans run from October 2023 to March 2024, after which longer term work plans that include lessons learnt during implementation of the short-term plans will be developed. Some activities included in the short-term plans are district level meetings with stakeholders and service providers; community sensitization meetings, training of member associations (other associations for the disabled/youth/women, and radio program. The project is yet to support these activities.

The project awarded three grants to local organizations that are implementing activities in Muchinga, Southern and Western provinces. In Q4 the three (3) grantees conducted Inception meetings in 10 districts to introduce their projects to district level stakeholders. The presentations at these meetings included a brief on the USAID Expanding WASH project, a background on the sub-

grantee's organization, the targeted ward/s in the district and targeted activities. The grantees will conduct participatory assessments of selected district level CSOs before building their capacity to begin to implement citizen empowerment activities in advocacy and social accountability for improved WASH services in the targeted areas.

TASK 2.1.2: Deploy rigorous and user-friendly local governance tools.

In the period under review, the project through the training of CSOs (Task 2.1.1 above) and the grantees deployed governance tools to its targeted areas. These governance tools include the citizen report card, service & customer charters, government policies/guidelines, the public expenditure tracking and the complaints redress mechanism. The project grantee is using a training of trainers (ToT) methodology in which locally based CSOs are trained as trainers in the tools first and these then in turn train the communities they are working with. This results in an exponential increase in the people and organizations reached. The governance tools will be deployed at provincial, district, and community levels through the grantees and participating CSOs.

TASK 2.1.3: Reinforce public platforms to monitor performance and service quality.

To reinforce public platforms as spaces for monitoring CU performance and quality service delivery, the project through the grantees is working with local community media and the Zambia National Information Services (ZANIS) at district level to promote interactions between service providers and citizens to improve service quality. Local communities and citizens, especially the poor and marginalized are using these media platforms to engage with CU and policy makers to hold them accountable.

SUB-OBJECTIVE 2.2: IMPROVE INVESTMENTS AT THE NATIONAL LEVEL

TASK 2.2.1: Increase GRZ resource allocation for WASH.

In the period under review, the project using the Participatory Local Organization Capacity Assessment (PLOCA) tool, undertook capacity assessments of Ward Development Committees (WDCs) in 7 districts from Northern, Muchinga, and Southern provinces.

WDCs assessments in Western Province are expected to be undertaken in the next quarter when the Governance & Accountability Coordinator is in post.

The assessments indicate an inadequate understanding of the roles and responsibilities of the WDCs, inadequate understanding of WASH issues, poor community mobilization, poor participatory planning, and poor resource mobilization skills. The project has found WDCs as structures that can mobilize additional resources for WASH services, not just from CDFs, but from other resources available in the district or at national level. The WDC guidelines allow them to mobilize resources from other stakeholders, but this funding must be channeled through the LAs. The project intends to build the WDC capacity to write project proposals that can enable them to get additional resources for improved WASH services. This capacity building shall also include participatory community mobilization for planning and management of WASH services, WDC roles and responsibilities (effective operations), and effective social inclusion. With improved capacity the WDCs should be able to successfully mobilize communities and engage them in submitting successful proposals for CDF funding or applying to any other resources or agencies in the district. WDC capacity building is intended to commence in October to November.

TASK 2.2.2: Improve WASH sector cost recovery.

The project is working on the scope of work for the issuance of a grant/s to conduct awareness campaigns to increase citizens' ability to appreciate WASH services and increase their willingness to pay WASH bills. The intention is to implement this activity through a grantee who is in the province and who can implement an appropriate campaign and follow up actions with the service providers and customers.

OBJECTIVE 3: INCREASED PRIVATE SECTOR PARTICIPATION

Private Sector Participation (PSP) is at the core of the USAID Expanding WASH approach and is key to the sustainability of WASH service delivery. Objective 3 focuses on enhancing 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. This objective also drives priorities for policy and regulatory reform, cognizant of the constraints in the current enabling environment. Existing legislation has limited provisions for rural WASH with regards private sector participation; the National Water Supply and Sanitation Policy (NWSSP)(under review) outlines GRZ's updated vision of private sector partnerships that can deliver services to these areas. 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 O&M and service contracts that complement CU capacities. The project is exploring partnerships to scale WASH services and their impact, as the enabling environment improves.

Through these interventions and those under objectives 1 and 2, the project seeks to: 1) 2) mobilize an additional \$2 million for the WASH sector, 3) strengthen the capacity of 150 institutions that manage water resources, 4) support the legislative reform of 12 identified policies and laws, 5) increase the number of institutions with improved performance, thanks to USG assistance, to 80 percent; and 6) engage 10 private sector enterprises in the WASH sector and help them improve their participation in the local economy.

In FY2023, the project planned to mobilize [REDACTED] to support the expansion of water and sanitation services in project areas, engage three private sector enterprises and support them to improve their participation in the local economy, review four identified policies and laws relevant to the sustainable provision of water and sanitation services, and continue to support CUs in ensuring that their customers pay according to their consumption. In the period under review, the project made significant progress towards meeting achievements on the set targets through implementation of tasks and steps, listed below, that are expected to lead to the achievement of key results and annual targets.

SUB-OBJECTIVE 3.1: ENHANCE THE PARTICIPATION OF THE PRIVATE SECTOR IN WASH SERVICE PROVISION AND IMPROVING SERVICE RELIABILITY

TASK 3.1.1: Prepare a pipeline of WASH investment and management partnerships.

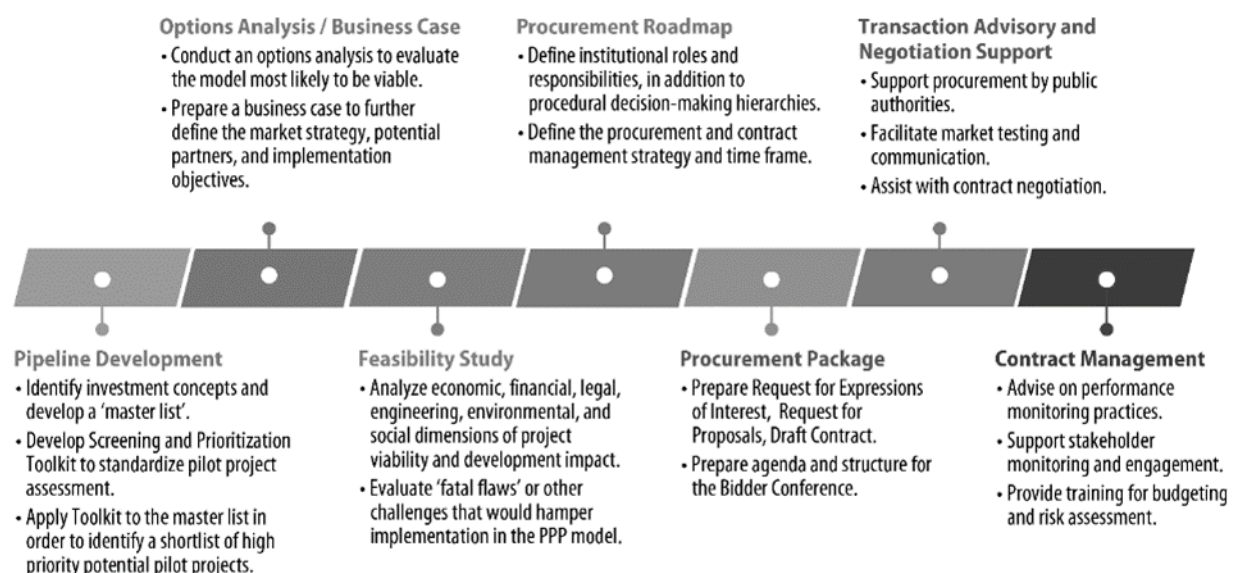
In the period under review, the team worked on optimization of the financial models. This task is the third major step in the pipeline to securing private investment (see Figure 1, below). This activity was expected to conclude by end of August but is ongoing due to delays in getting data on the proposed construction sites for the pilot projects earmarked for PSP from the CUs. In July, data collectors were engaged to verify locations for the proposed sites in the identified project areas. Once all the data was collected, re-evaluation and sensitivity analysis were conducted on four (Build, Operate, and Transfer (BOT) for shared public toilets for Chinsali, Nalolo, Kalabo and Mongu) of the nine transactions

previously looked at during the options and business analysis in quarter 3. These are the four that required additional data. In addition, the re-evaluation also focused on assessing potential need for grant financing to support affordability of user fees for target populations.

In terms of those pilots where refinement was not required, the following were key conclusions:

- In accordance with the financial modeling completed, the vacuum truck pilots for CHWSC and SWSC were found to be financially viable and did not require grant support.
- The Local Authority for the third pilot toilet was unwilling to close a competing facility, rendering this pilot unviable. For the business to be viable, the existing dilapidated facility would have to be shut down by the Nakonde Town Council. However, they were unwilling to do so, and this pilot had to be removed from the pipeline.
- The two decentralized wastewater treatment systems (DEWATS) pilots for SWSC did not have the data or level of conceptualization ready to move forward once the Team received the requested information that was indicated as available by the CU.

Figure 1 Pipeline to Securing Capital Investment



TASK 3.1.2: Facilitate WASH sector dialogue through a PSE Forum.

The PSE agenda continued with the hosting of the WASH Entrepreneurship and Partnership Summit on 11th and 12th July 2023. On Day 1, the summit focused on highlighting market opportunities for the private sector in terms of partnerships with the CUs (focusing on what CUs are looking for in terms of expertise and how the private sector can potentially generate returns from such opportunities). The summit also focused on walking participants through the process of procurement from the private sector perspective (which including focus on practical guidance and tips). During the discussions, participants flagged the following key priorities and challenges:

- Ways and approaches to incentivize PSP in WASH that are supported by the government.
- Past payment issues when working with CUs and Ministry (some flagged payment delays over several years)
- Explored Potential for institutions to issue guarantees tied to payments to the private partners.

- Issues of CU liquidity (for example, if CU cannot pay own staff and bills, how will it pay the private sector?)
- Noted the focus on peri-urban and rural growth centers and confirmed the reality of limited private sector potential for very rural and remote areas.
- Need for NWASCO to update or provide technical guidelines for specific aspects, such as specifications and standards for vacuum tanks (NWASCO said working on such guidelines and team flagged contracts in this space will not move forward until confirmed as will be basis of tender specifications)

On Day 2, the summit focused on networking between the private sector entities represented as well as the CUs. It also included rapid pitches, where the private sector participants were given an opportunity to pitch their value propositions to the CUs. A total of 32 pitches were delivered by private sector participants.

During the summit, the Project Team announced the launch of the WASH Private Sector Network. The network will serve as a platform for sharing information on upcoming opportunities for partnerships, dissemination of information related to market sounding and project events, and links to upcoming training registrations or virtual sessions. The Network will also enable networking between the private sector, encouraging teaming between provincial members and others, as well as the engagement of female-led businesses and provincial small and medium-sized enterprises (SMEs). Currently the network is a listserv with plans to anchor it within WASAZA in 2024.



Photo Credit: I USAID Expanding WASH Participants at the WASH Entrepreneurship summit listening to a session on government procurement processes.

TASK 3.1.3: Strengthen GRZ and private sector capacity to implement PPPs.

At the WASH Entrepreneurship Summit, the project took the private sector through a procurement session on how to respond to public tenders. The focus of the procurement session was the private sector since capacity assessments for both the CUs and LAS had already been undertaken.

The Project also engaged the USAID Local Impact Governance Project who have been conducting capacity building activities on procurement for their facilitation insights and expertise. The Local Impact Governance Project team indicated that the facilitators for procurement are drawn directly from the Zambia Public Procurement Authority (ZPPA). The project team did reach out to the ZPPA Facilitators and learnt the electronic government procurement system will be rolled out to all public procuring entities including local authorities and CUs. Therefore, the project will only conduct procurement training pertaining to the pilot projects in October 2023.

SUB-OBJECTIVE 3.2: STRENGTHEN THE POLICY AND REGULATORY FRAMEWORKS TO REMOVE BARRIERS TO PRIVATE SECTOR INVESTMENTS AND PARTICIPATION IN THE WASH SECTOR

TASK 3.2.1: Design and strengthen regulatory instruments for rural water supply.

In the period under review, the team worked to develop the PSE and PSP Recommendations for NWASCO and CU Rural Water Supply and Sanitation Guidelines and Policies. Following confirmation from the CUs that the CUs and counterpart entities did not have specific standalone PSP guidelines in place, the Team conducted a desk review of existing strategies, policies, and guidance documents of relevance. Specifically, the Team reviewed 23 documents linked to the PSP aspects, which covered the following on the CU and government levels: Procurement Processes, Commercial Planning (revenue projections and past financial performance), Tariff Setting and Fee Schedules, Strategic Planning, Technical and Operational Standards, Technical and Service Delivery Planning as well as Tools and Guidance Documents.

12 recommendations were made as outlined below; these recommendations are guiding the advocacy with NWASCO.

1. Streamline the Licensing and Approval Process for Private Sector Actors Participating in WASH PSP Partnerships
2. Develop PSP Requirements for Regular Monitoring and Operating Reports for NWASCO and CUs
3. Improve CUs' Preparation of 5-Year Investment Plans (including the Identification of Funding Sources) on an Annual Basis
4. Establish National Service Standards for Rural Sanitation and Fecal Sludge Management to Guide Private Partner Operating Requirements
5. Prepare Mapping of Ultimate CU Service Area and Current Coverage of Water and Sanitation Services
6. Develop National/Local Building Codes Addressed Specifically to Rural Water and Sanitation Services
7. Enable Regular Enforcement and Inspection of Privately Managed or Financed Facilities
8. Refine the Required Registration and Approval of On-site Sanitation Facilities (Households) by CU
9. Prepare Standardized Performance-Based PSP and PPP Contracts Tailored Specifically for Rural Water and Sanitation Services
10. Develop Example Performance-Based Financial Incentives for PSP Contracts in the WASH Sector
11. Prepare WASH Design Standards and Standard Designs for Rural WASH Facilities.
12. Clarify Tariff Setting and Changing Principles for WASH-related PPP Transactions

In addition, the team also made submission for legislative amendment to the Water Supply and Sanitation Service Bill in a letter to Ministry of Water Development and Sanitation (MWDS) on 31st July, 2023. The following recommendations were submitted to the Ministry of Water Development and Sanitation:

- I. Revise and strengthen policy and legislation by giving NWASCO authority and independence to approve the adjustment of water and sanitation tariffs. This would enhance the autonomy of the regulator and enable the sector at large charge market

competitive tariffs. This is key if CUs are to progressively achieve full cost coverage and stop depending on government grants.

2. Enhance stakeholder participation in the process of developing and or revising water and sanitation tariff setting guidelines. This will ensure various interests are considered, secure a buy-in, build solidarity and ownership of the process by the wider stakeholders which is key to smooth implementation of new tariffs.
3. Provide clear distinction between policy and legal measures for urban water supply and sanitation and rural water supply and sanitation because the contexts in the two areas are different and therefore require different interventions.

The project further participated in a week-long workshop to review the Water Supply and Sanitation Service bill in readiness for its possible deliberation at the first sitting of National Assembly in September 2023.

Task 3.2.2 Develop appropriate enabling environment activities for the private sector.

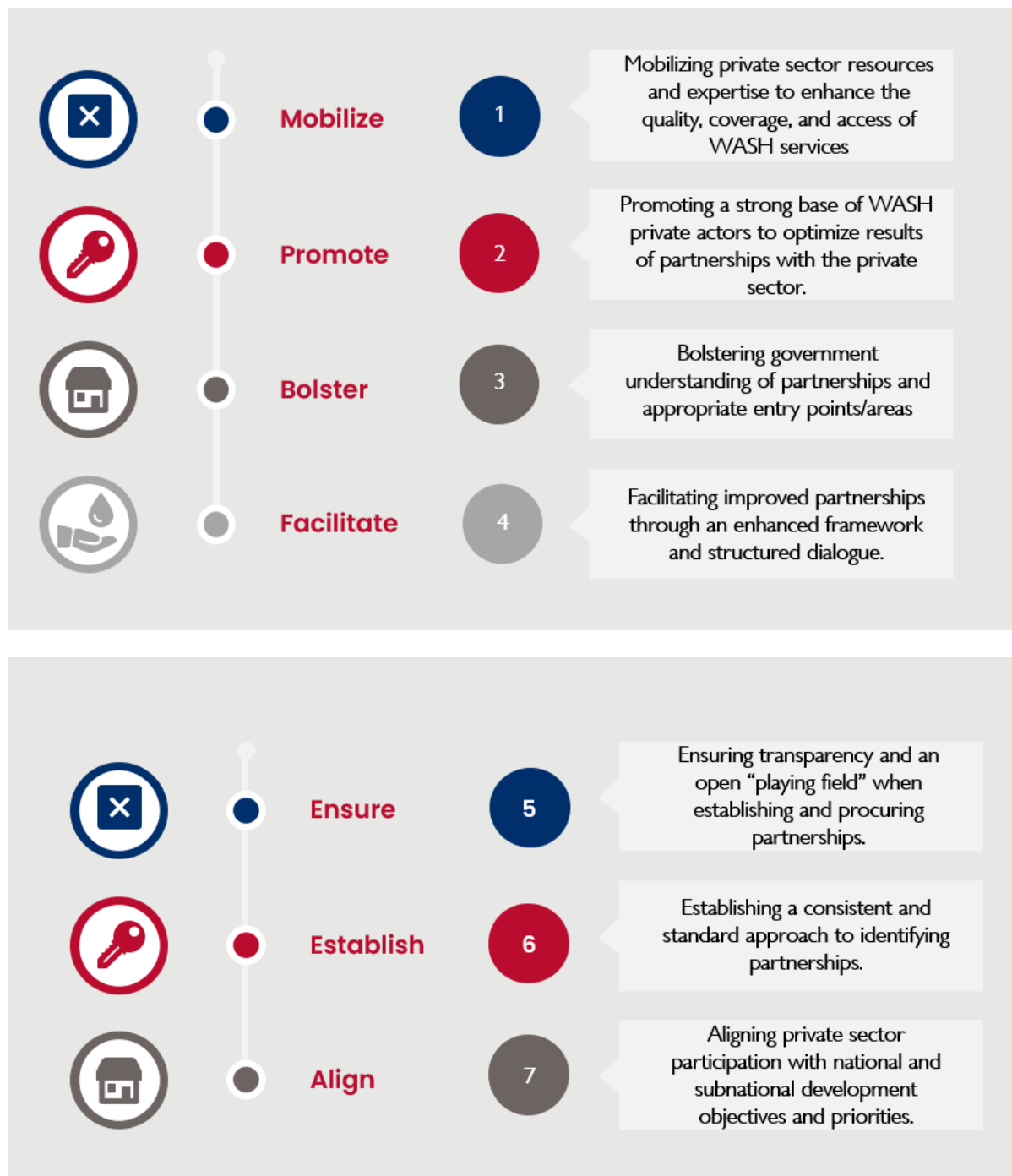
In the last quarter, the project continued with advocacy on creating an enabling environment for private sector in WASH service delivery. Firstly, the project worked with the Public Private Partnership Department in providing inputs to the PPP Bill. Comments into the Bill were shared with the Department. In addition, the PPP Department, through a letter received in September, requested for support in creating WASH PPP guidelines.

In addition, the project held various consultative meetings with the Ministry of Water Development and Sanitation to develop a National PSE Strategy whose objective would be trifold:

- To establish a mechanism through which private sector can be engaged to expand coverage, improve the quality of services, and improve access to WASH services for the population of Zambia.
- To define processes and approaches for identifying appropriate entry points and structuring partnerships for the private sector.
- To establish pathways for closing the finance gap in the Zambian WASH sector.

A roadmap for the strategy was presented to MWDS in August 2023 with the following pillars; mobilize, promote, bolster, facilitate, ensure, establish and align as indicated in the figure below;

Figure 2: Proposed Pillars for the National PSE Strategy



MWDS is currently constituting a technical working group to jointly develop the strategy with the USAID Expanding WASH team.

SUB-OBJECTIVE 3.3: LEGISLATIVE IMPROVEMENTS TO COMMODIFY WASH SERVICES

TASK 3.3.1: Advance necessary legislative improvement for commodification of WASH services.

In the period under review, the project prepared recommendations for PSP Framework Amendments which will feed into the Legislative Reform Roadmap expected to be finalized in November 2023. The recommendations were based on a comparative legislative study of other countries in the region.

The current PSP Framework, as observed in the PPP Act, does not recognize the CU as a contracting authority that can be one part of a PPP transaction with the private sector being another. A key amendment required therefore is that while Local Authorities may fulfill the role of the Contracting Authority under the PPP Act, CUs should be empowered to initiate and identify WASH projects at the local level, with appropriate support from the Ministry of Water Development and Sanitation or the Ministry of Local Government and Rural Development. This capacity should be explicitly clarified in the existing framework.

MANAGEMENT

OPERATIONS

During Q4, the project finalized the engagement of the Reporting and Communications Consultant with September 15, 2023 as the start date. The project also finalized engagement of the Environmental Compliance Consultant with September 18, 2023 as the start date.

In the previous quarter, the project had extended the period of performance for the SaniFOAM Consultant from April 30, 2023 ending July 20, 2023. At the expiry of this extension, the contract was not renewed.

To ensure value for money, the project engaged a short-term independent contractor to review, evaluate and compile a list of eligible hotels, lodges and motels for the provision of accommodation and conference services in the 12 districts the project operates in. The contractor commenced work on September 4, 2023.

During the Quarter, the project procured IT equipment (four laptops, four monitors, and four docking stations) and furniture to be used by the construction support engineer and three field engineers that will come on board upon engagement of the local engineering support firm. As part of risk management, the project procured insurance services for IT equipment such as laptops, monitors, printers etc. The insurance cover selected was for all business risks and electronic cover.

The last vehicle out of the three vehicles that were procured from Toyota Gibraltar is currently in Lusaka, at the offices of Global Logistics, the agency engaged to facilitate clearance and registration of the vehicles. The vehicle arrived in Lusaka on September 01, 2023 and will be deployed to provincial offices for project implementation.

In July 2023 the Project Manager for the USAID Expanding WASH Project was in Zambia to provide technical support to the project team.

In August, 2023 the RTII Senior Regional Procurement and Grants Manager was in-country to provide to the project teams hands on training, coaching, and mentorship on grants and procurement processes and best practices. The Manager also provided support to technical implementation of some time-sensitive and critical project priorities.

Of particular importance was the preparation of the project technical and operations teams for the upcoming construction activity. The Project has a series of aggressive timelines to undertake several construction procurements.

During the period under review, the project team also reviewed the lessons learned on the previous round of grants selection and issuance focusing on opportunities for process improvement over the next rounds.

RTII is in the process of updating many of its legacy systems to modern, scalable, and consolidated solutions that align with its growing business needs. RTII's Treasury division has been implementing Kyriba, an enterprise-wide treasury and cash management system. Training and testing for Country Office finance staff of the new system was conducted in July 2023. The project transitioned to Kyriba in September 2023.

The Governance and Accountability Lead, Western Region and the driver for the Northern Region resigned. The two staff members were replaced on September 4 and 11 respectively.

COMMUNICATION AND REPORTING

In FY23 Q4, USAID Expanding WASH continued its regular communication with the USAID Mission by the following means:

- Weekly emails: The project provided updates to its COR through weekly emails providing details on activities implemented.
- Biweekly meetings with the COR and Alternate: The project held biweekly meetings (virtual and physical) with the COR and alternate COR on agreed dates and times, to discuss updates on progress and implementation challenges. Further, the project used these meetings to seek feedback and guidance from the COR. These meetings were typically attended by the Project Manager, COP, and other key project staff, as necessary.

CROSS-CUTTING ACTIVITIES

GENDER AND YOUTH

To ensure social inclusion at the community level, the CSO training tool kit incorporates the need for social inclusiveness across WASH programming. In Q4, most project activities were socially inclusive. Low social inclusiveness was, however, noted during engagements with WDCs. Under Objective 1, an IT training conducted for district health information officers (DHIOs), WASH coordinators, and PHOs for the target districts, out of 66 participants, only four of these, about 6 percentage, were female. While the project has no control on how many women officers are recruited by Government in the offices that the project interfaces with, the project team will endeavor to ensure adequate representation of women by including females across Wash programming and meetings.

In reviewing grants applications, the project team ensured that proposed activities are socially inclusive. The project team will provide GYSI guidance to grantees once grants are awarded.

Under Objective 3, each pipeline project had to pass screening criteria comprised of four aspects, one of which was Sustainability and Impact. This criterion addresses social inclusion with regards to youth empowerment and gender equity. All eight qualified projects passed this criterion.

Under Objective 2, of the 16 CSOs that were trained in advocacy and social accountability for improved WASH services, 9 CSOs were either Youth or Women’s groups with 56% (05) being Youth groups and 44% (04) being Women’s/ female headed groups (see table below). The project is encouraging grantees to identify and work with youth and women’s groups in their target areas.

TABLE 3 SEX DISAGGREGATION OF TRAINING PARTICIPANTS					
	District	Organization	Type	Contact	Gender of contact
1	Nakonde	Movement for Promoting Women Affairs & Conflict Resolution (MPWACOR)	Women	Programs Coordinator	Female
2		Muchinga Corridors Zambia	Youth	MEL Officer	Female
3	Mpika	Mpika Youth Alive	Youth	Coordinator	Male
4	Kalomo	Kalomo Interdenominational Youth Christian Fellowship (KIYCF)	Youth	Program Coordinator	Female

TABLE 3 SEX DISAGGREGATION OF TRAINING PARTICIPANTS

	District	Organization	Type	Contact	Gender of contact
5	Mongu	Youth Activists Organization	Youth	C E O	Male
6		Action Governance Forum	Women	Executive Director	Male
7	Kaoma	Maranatha Grassroots Institute	Women	Executive Director	Male
8		Wise Zambia	Youth	Programs Director	Female
9	Nalolo	Cashew Growers Association	Women & PWD	CEO	Male

GRANTS UNDER CONTRACT (GUCs)

Following USAID’s approval of the issuance of three GUCs on June 23, 2023, the project issued the three grants to Young Women Christian Association (YWCA), Centre for Future Generation (CFG) and Rise Community Aid Program (RICAP) on July 5th, 2023. “Kick off” meetings with each of the grantees were held in July and consisted of reviewing of milestones, deliverables, clauses, standard provisions, and budgets included in the grant agreement.

All the three grantees achieved the first deliverable (Branding and Campaign strategy) that was due on July 24, 2023, and milestone payments were made.

The Grants Specialist and Objective 2 Lead attended inception meetings in the three provinces that the three grantees operate in. These inception meetings were conducted from 7th to 11th August 2023. The districts the inception meetings were held are:

- a. YWCA - Nalolo, Kalabo, Sesheke, Mongu and Kaoma
- b. CFG-Mpika, Chinsali and Nakonde
- c. RICAP-Kalomo and Kazungula

The Grants Specialist also conducted in August 2023 monitoring visits on YWCA in Western province and CFG in Muchinga provinces.

The project is considering issuing a grant to Kasama Christian Community Care after a site visit and pre-award assessment was conducted August 16, 2023. The grant is to support implementation of social accountability activities in Lunte and Mungwi districts of Northern Province.

. The Negotiation memo, final budget and program description were finalised in September and the grant will be issued in October.

The request for grant applications under objective 1, Task 1.3.3 - Communication and Behaviour Change and Task 1.2.4 Capacity building of DWASHE committees and Area Pump Menders was drafted and shared with USAID. Approval to release the RFA to the public was obtained on September 15, 2023.

LOCALIZATION

In Q4, the project issued three grants to three local civil society organizations to implement activities on social accountability and advocacy. The project is using these grants to strengthen local organizations capacity to lead advocacy and social accountability efforts on the USAID Expanding

water and sanitation project. The project continued to mentor these subgrantees and ensure that they strengthen internal controls and program management.

COLLABORATING, LEARNING, AND ADAPTING

In Q4, the project worked with the Ministry of Water Development and Sanitation to develop the private sector engagement strategy that will guide how the commercial utilities and local authorities interact with the private sector to improve their participation in the provision of water and sanitation services.

The project also worked with the National Water Supply and Sanitation Council (NWASCO), GIZ, UNICEF and the Ministry of Water Development and Sanitation to review the proposed NWASCO Information Management System and the data elements they intend to collect and agreed that NWASCO should align its data elements to the joint monitoring program indicator definition.

In Q4, the project held a quarterly review meeting with the Ministry of Water Development and Sanitation. During the meeting the project shared with the ministry staff various proposed service management models to be considered in the management of small, piped water schemes and point sources.

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL COMPLIANCE

In Q4 the project engaged an environmental expert to help the project develop strategies and standard operating procedures on how to integrate environmental mitigation measures into project construction activities. The consultant is reviewing the mitigation measures proposed in the EMMP and identifying which among the proposed construction activities pose low or high risk to the environment. The project also signed a contract with GOPA engineering to provide construction support supervision and work with the environmental expert to ensure that the project complies with the client's environmental regulations. In Q4, project supported community members in Mongu district to pilot the Baruto 1 and 2 toilet designs. The project ensured that the model toilets were designed and constructed to prevent the contamination of ground water.

CLIMATE ADAPTATION

In Q4, the project supported community members in some selected communities prone to flooding in Nalolo district to pilot Baruto toilet designs. The project ensured that the toilets are designed to make sure that containment does not allow ground water contamination. The project is marketing these toilets as sustainable and flood resilient.





Photo Credit: [REDACTED]: Community members in Nalolo district constructing Baruto Model toilets.

SCHEDULES

Some activities planned for execution in the reporting period experienced delays, for various reasons. The team will accelerate implementation of these activities to ensure completion by the target dates. Details of the delayed activities are outlined in the table below:

TABLE 7. SCHEDULES				
TASK	ACTIVITY	PLANNED TIMELINE	REVISED TIMELINE	COMMENT
I.2.3	Design and operationalize a CF for New, Expansion, and/or Rehabilitation of Water and Sanitation Infrastructure	July–November 2022	April - December, 2023	<p>Significant delay in putting in place the Construction Team due to the construction modification and the Construction Implementation Plan (CIP) that needed USAID approval.</p> <p>The contract with GOPA Infra as Local Engineering Support Firm was finalized and signed in Q4 FY23.</p> <p>The Expression of interest (EOI) for the engagement of A & E Firm/s was published on September 1st and closing date September 21st.</p>
I.3.3	Commence behavior-change activities in line with strategy to address open defecation and hygiene, consulting with women, youth, and persons with disabilities and leveraging existing research on WASH SBC from Globalwaters.org and other platforms	February–March 2023	October-December 2023	<p>Affected by failed completion of SaniFOAM study by consultant. The consultancy has since been terminated and a sanitation behavior change strategy developed using alternative resources.</p>

TABLE 7. SCHEDULES				
2.1.3	Reinforce public platforms to monitor performance and service quality	January – October 2023	October – December 2023	Delay in implementing this activity was due to delayed training of CSOs and awarding of grants. The CSOs and grantees are intended to offer consistent reinforcement of these public platforms.
2.2.2	Support CUs to use appropriate billing and planning tools, with socially inclusive customer tracking tools	January – March, 2023	September – December 2023	Rescheduled to align with capacity-building activities under Objective 1 (Task 1.2.4)
	Support technical assistance to CUs for improved operating efficiencies	January – February, 2023	September - December 2023	Rescheduled to align with capacity-building activities under Objective 1

CHALLENGES

In FY23 Q4, USAID Expanding WASH continued to evaluate long-term challenges as project implementation progressed. These potential challenges include:

- Delays in receiving data on proposed project sites, and other information required to optimize models for pipeline projects earmarked for PSP. In some cases, CU district managers do not have laptops, and have also complained that some of the proposed sites are far from the office, and they do not always have transport. The project engaged data collectors to address this challenge,
- Under an uncertain policy framework, businesses risk losing their investments and ultimately not meeting expected standards for 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 levels of O&M cost coverage from revenues of CUs, mainly because of low tariffs, may affect CUs’ sustainability and their capacity to take on additional responsibilities. None of the 11 CUs in the country has been allowed a tariff adjustment over the past three years, despite the increased cost of inputs such as electricity, fuel, and water-treatment chemicals.

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 identified. A summary of the risks and challenges identified this quarter is included in Table 5 below.

RISK / CHALLENGE	MITIGATION MEASURES
<p>Schedule Risk: Delayed commencement of construction activities may lead to underperformance of targets due to decreased time in which to complete works. Significant preparatory work and necessary approvals from USAID must be undertaken well in advance.</p>	<ul style="list-style-type: none"> Timely engagement of A&E firm to support infrastructure design and engagement of construction sub-contractors. The project aims to have all preparatory measures completed by April 2024 to maximize the time during the dry season.
<p>Technical Risk: Construction budget may not be adequate to support attainment of project indicator targets as Government policy shift requires waterborne toilets and piped water for institutional water and sanitation services.</p>	<ul style="list-style-type: none"> Prioritize construction activities that optimize attainment of project indicator targets. Discussions with USAID on prioritization of project construction activities.
<p>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.</p>	<ul style="list-style-type: none"> Leverage influence of other key partners, such as MWDS, to engage unresponsive stakeholders
<p>Technical Risk: Low levels of O&M cost coverage from CU revenue, mainly as a result of low tariffs, may affect CU sustainability and capacity to take on additional responsibilities. None of the 11 CUs in the country has been allowed a tariff adjustment over the past three years, despite the increased cost of inputs such as electricity, fuel, and water treatment chemicals</p>	<ul style="list-style-type: none"> Project team to engage regulator and MWDS on the need for consistency with respect to tariff reviews.

NEXT-QUARTER ACTIVITIES AND MILESTONES

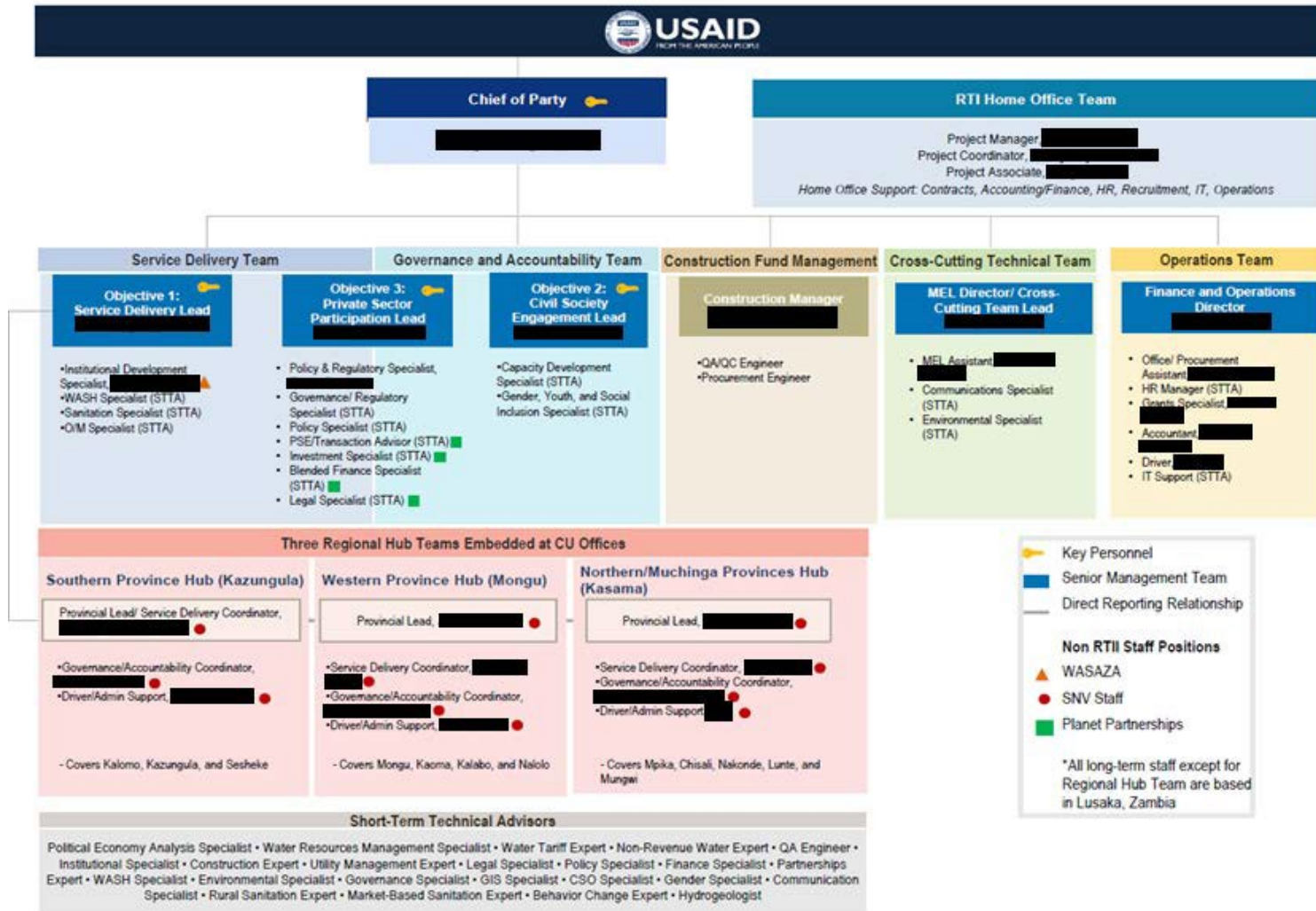
In Q4, the project will continue to work toward implementation of key tasks as outlined in the work plan. Table 6, below, includes expected project milestones and deliverable submissions in Q4.

TABLE 5. ACTIVITIES AND MILESTONES		
MILESTONE/DELIVERABLE	RELATED ACTIVITY	DATE
Quarterly Notification of Changes Certification	Reporting Requirements	10 October 2023
Quarterly and Financial Report Submission	Reporting Requirements	15 October 2023
Engage A & E Firms to undertake to detailed designs and support procurement of construction subcontractors.	Objective 1	30 November, 2023
Establish 3 professionalised service devliery models in line with research findings and recommendations	Objective 1	30 December2023
Procure support equipment (bicycles, tool kits, smartphones) under grant for capacity building of Environmental Health Technicians, Community Champions and Area Pump Menders	Objective 1	30 December,2023
Award pro-poor grant for research that seek to generate evidence of the impact of pro poor social and economic programs and make a case for sustained financing of water and sanitation services	Objective 2	December 2023
Training of WDCs in the target districts	Objective 2	November 2023
Support commemoration of world toilet day	Objective 2	November 2023
Support CUs undertake a customer enumeration exercise, which will include activities such as consumer base audits (to clean up and update customer databases), universal metering (toaccurately measure consumed volumes of water and improve billing), and consistent monthly billing (for stablerevenue flows)	Objective 2	October 2023
Procurement Capacity Building Trainings with all 3 CUs to support PSP engagement on the proposed tenders	Objective 3	October, 2023
Co-Financing Sources and Engagement Plan i.e Identify potential co-financing sources i.e., domestic public resources (budget allocations, taxes), domestic public financing (bond issuance, user payments (tariffs, purchase of goods or services), private or commercial financing (e.g., via a commercial bank or microfinance institution), private financing through public-private partnerships or global development alliances, development partner or donor funding	Objective 3	November 2023

TABLE 5. ACTIVITIES AND MILESTONES

MILESTONE/DELIVERABLE	RELATED ACTIVITY	DATE
Targeted Co Financiar Engagement Assistance based on the financing sources identified	Objective 3	Novemeber 2023
Recommendations for the PSP Framework Reform Roadmap Existing laws such as the PPP Act do not provide for private sector participation at the small-scale level. The Act for instance, does not explicitly recognize CUs as a contracting authority and therefore is not suitable for WASH PSP. Historically, regulation and laws take a long time to be amended and the project recognizes that it will not be possible to do so in the project lifetime. However, the aim is to ensure that the lapses in exiting laws are identified and roadmap for improvement is developed.	Objective 3	November 2023

ANNEX I. ORGANIZATIONAL CHART



ANNEX 2. INDICATOR TABLE



USAID Expanding Water and Sanitation Project

PERFORMANCE INDICATOR TRACKING TABLE

#	Performance Indicator	Baseline	Year 1		Year 2		Year 3		Year 4		Year 5		Year 6		LOP Target	
			(Jan. 27, 2022–Sept. 2022)	(Oct. 2022–Sept. 2023)	(Oct. 2023–Sept. 2024)	(Oct. 2024–Sept. 2025)	(Oct. 2025–Sept. 2026)	(Oct. 2026–Jan. 2027)	Target	Actual	Target	Actual	Target	Actual		
Goal-Level Indicators																
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
G1	No. of people gaining access to basic drinking water services as a result of USG assistance (HL.8.1-1)	Minimum	685,496	-	13,924	0	55,697	83,545	125,317	-	278,483	0				
		Maximum		21,528	0	86,110	150,692	172,220	-	430,550	0					
G2	No. of people gaining access to safely managed drinking water services as a result of USG assistance (HL.8.1-2)	Minimum	85,687	-	12,853	0	12,853	8,569	8,569	-	42,844	0				
		Maximum		26,910	0	26,910	17,940	17,940	-	89,700	0					
G3	No. of institutional settings gaining access to basic drinking water services as a result of USG assistance (HL.8.1-4)		-	-	26	0	34	13	13	-	86	0				
Objective 1: Institutionalized market-based WASH service delivery, financially sustainable and inclusive management models																
1.1	No. of people receiving improved service quality from existing basic drinking or safely managed water service as a result of USG assistance (HL.8.1-3)		TBD		31,695	0	158,475	190,170	253,560	-	633,900	0				
1.3	No. of communities verified as ODF as a result of USG assistance (HL.8.2-1)		TBD	-	336	0	252	168	84	-	840	0				
2.1	(custom) No. of community-based WASH engagements targeting		0	-	106	0	53	53	53	-	50% (264)	0				

	vulnerable groups (women and youth)														
2.2	No. of people gaining access to a basic sanitation service as a result of USG assistance (HL.8.2-2)	192,796	-	53,554	0	107,109	160,663	214,218	-	535,544	0				
2.3	No. of basic sanitation facilities provided in institutional settings as a result of USG assistance (HL.8.2-4)	-	182	0	122	122	182	-	608	0					
Objective 3: Increased private sector participation															
3.1	(custom) Percentage of water utility consumers who pay according to consumption	-	0	-	80%	0									
3.2	Number of water and sanitation sector institutions strengthened to manage water resources or improve water supply and sanitation services as a result of USG assistance (HL.8.3-3).	TBD	-	30	0	45	45	30	-	150	0				
3.3	(custom) No. of WASH-related reforms introduced, adopted, repealed, changed, or implemented	0	-	4	0	4	2	2	-	12	0				
3.4	Value of new funding mobilized to the water and sanitation sectors as a result of USG assistance (HL.8.4-1)	TBD	-	\$200,000	0	\$800,000	\$500,000	\$500,000	-	\$2,000,000	0				
3.5	Percent of USG-assisted organizations with improved performance (CBLD-9).	-	0	-	85%	0									
3.6	Number of private sector enterprises that are engaged with the USG to support U.S. Foreign Assistance objectives (PSE-2)	-	2	0	4	2	2	2	-	10	0				
3.7	Number of private sector enterprises with improved participation in the local economy as a result of USG assistance	-	2	0	4	2	2	2	-	10	0				

ANNEX 3. SUMMARY OF SERVICE DELIVERY MODELS

S/N	TYPE OF MODEL	Typical Characteristic (With Advantages Disadvantages)	Examples
1	Cooperative Model	<ol style="list-style-type: none"> 1. Community establishes a cooperative that directly oversee operation and maintenance of small water piped schemes. 2. The Cooperative recruits one or two full time workers with basic technical and business skills to operate infrastructure and collect user fees. 3. The Cooperative owns the infrastructure on behalf of the community if initially financed by cooperative. 4. User fees to cover operation and maintenance costs are charged to users and collected on a monthly basis. 5. Regular data collection and monitoring done by the Cooperative that reports to CU as part of reporting requirements to NWASCO and MWDS 6. Easier to mobilize local communities especially in cases where the cooperative is multipurpose. 	<p>Gundu Water Scheme, Southern Province</p> <p>The Scheme has been able to mobilise its own capital to construct and gradually expand its network and infrastructure. The Cooperative model has been run as a small business and sustained operations since 2018.</p>
2	Private sector delegated Model	<ol style="list-style-type: none"> 1. Private partner operation under CU License 2. Contract between CU and Private player governs relationship. 3. CU ensures private entity complies with all regulations 4. There must be higher Population/ communities for profitability to attract external private sector 5. The Private partner finances model and recovers investment costs through appropriate tariff as approved by NWASCO 	<p>Access for Water, Luapula Province.</p> <p>Access Water enabled some parts of Luapula to achieve sustainable O&M of hand pumps and piped schemes through communities paying a monthly insurance fee to Access Water.</p>
3	CU Managed Model	<ol style="list-style-type: none"> 1. Typically in rural growth centers and peri-urban. The direct CU managed models might be more ideal for rural growth centres with large water schemes that were closer to urban and peri-urban areas 2. CU directly operates and manages water schemes. All aspects of technical maintenance, operation and repairs are done by qualified utility staff. 3. The CU retains ownership 4. Appropriate Tariff approved by NWASCO to cover recurrent O&M costs and generate surplus for capital repairs and replacement 5. Regular data collection and monitoring done by CU as part of reporting requirements to NWASCO and MWDS 	<p>Mambova water scheme in Kazungula district of southern province is one that has already been identified for support as CU managed model.</p>

ANNEX 4. IMPACT STORY I

USAID EXPANDING WASH PROJECT SUBMISSIONS CONSIDERED IN THE DRAFT NATIONAL WATER POLICY, WATER ACT AMENDMENT BILL

Despite various interventions, Zambia’s WASH sector continues to face challenges—key among them: how commercial utility companies (CUs) can sustainably provide WASH services to the public.

Commercial utilities have two sources of funding: government grants and tariffs. Of these, government grants are inadequate and tariffs are too low—having not been adjusted since 2018. These challenges have contributed to the commercial utility companies’ financial problems, making it difficult, if not impossible, for them to execute their mandate.

This problem is exacerbated by administrative and legal frameworks that don’t encourage commercial utility companies or local authorities to explore alternative funding sources that would allow them to become commercially viable.

Seeing this, USAID’s Expanding Water and Sanitation project worked with the Ministry of Water Development (MWDS) and Sanitation, the National Water and Sanitation Council (NWASCO), and other stakeholders, to improve the operational environment affecting CUs and the WASH sector by proposing amendments to the Water Act and the National Water Policy that would address aspects of these framework that prevent commercial utilities from becoming fully commercial and viable institutions.

Following meetings with the ministry and NWASCO over the revision of the Water Act and The National Water Policy, the project has made recommendations on key issues to include in the policy and the act, landing on three key submissions. The first was to propose that the law give NWASCO the authority to approve applications for the adjustment of water and sanitation tariffs from the commercial utility companies. This would

increase the regulator’s ability to approve (in a timely fashion) commercial utilities’ requests for tariff adjustments, this would allow full cost recovery by the commercial utilities, reducing their current financial losses and dependence on government grants.

The second submission was to propose increased stakeholder participation and buy-in in the process of developing and revising water and sanitation tariff setting guidelines. This would ensure that various interest groups were not only engaged but also had the opportunity to have their views considered, which would encourage stakeholder buy-in and a sense of shared ownership of the process.

The third submission was to recommend a clear distinction between the measures for urban water supply and sanitation and rural water supply and sanitation, given the differing contexts and thus differing interventions required in the two areas.



Photo Credit: 2 USAID Expanding WASH. Pictured: Technical team working on the Water Supply and Sanitation Bill.

The ministry accepted the submissions and included them in the draft policy and the Water Act amendment bill of 2023. Once these provisions are included in the final policy and legislative framework, the commercial utilities will have the tools they need to fully commercialize and become viable service providers—a crucial step in Zambia’s journey to sustainable water supply and provision of sanitation services.

“Our submission towards the policy and legislative improvement of the WASH sector, stems from our project’s desire to not only

improve the lives of the communities that we are working with, but also to create an enabling environment for both commercial utilities and communities to continue providing WASH services in Zambia sustainably,” said [REDACTED], COP of USAID Expanding WASH.

According to [REDACTED], former planner at the Ministry of Water Development and Sanitation and a member of the technical team reviewing the policy and water act bill, the proposed policy and legislative amendments will give much needed authority to NWASCO to approve water supply and sanitation tariff adjustments.

“This provision, if upheld, will allow NWASCO to timely approve applications for water supply and sanitation tariffs adjustments by water utility companies. This is expected to enable CUs charge tariffs that will allow them to first cover operation and

maintenance costs and in the long run attain full cost of service delivery. The timely adjustment of tariffs is expected to improve revenue collection, service delivery and ensure WASH service sustainability by CUs. This is key if CUs are to progressively achieve full cost coverage and stop depending on government grants which could be channeled to other needy areas,” said [REDACTED]



Photo Credit: [REDACTED]. Pictured: Ministry of Water Development and Sanitation staff and USAID Expanding WASH Project staff at a quarterly review meeting.

ANNEX 5. IMPACT STORY 2

KAUNGA LUWETI RESIDENTS CONSTRUCT MODEL SUSTAINABLE TOILET

Access to sustainable sanitation is still a challenge in many parts of rural Zambia.

Located in the Nalolo district of western province, Kaunga Luweti village is home to residents who have struggled to provide themselves with sustainable and safe sanitation facilities. In search of a permanent solution, the locals near the Kaunga Luweti health facility have tried many sanitation options. Each year, residents construct latrines, which inevitably collapse during the rainy season, forcing them to resort to open defecation.

“I have struggled over the years to provide a sustainable sanitation solution to safely dispose of faeces. Every year we construct a toilet and when it collapses, we bury it and go and construct on another site but when it collapses during the rainy season we fail to reconstruct because the materials are difficult to find and it becomes difficult to construct the sub structure because the soils are wet. We resort to defecating in the bush,” said Kaunga Luweti resident Mrs. Sitali Nuanga.

And yet, change is on the horizon. Thanks to the USAID Expanding Water and Sanitation project’s proposed sanitation options, residents of rural areas such as Kaunga Luweti

ward now have a lasting solution to constructing sustainable sanitation facilities.

The project worked with local authorities to develop a sanitation catalogue that proposes different toilet designs, all carefully designed to suit the surrounding geography and conditions. Using these new designs, residents of Kaunga Luweti volunteered to construct Baruto toilet designs that address structural failures in the traditional latrines.

“The Baruto toilet is a good toilet design because its sub structure is made of basket liners and compacted clay making so strong not to collapse during the rainy season. We are grateful to the project and the government for helping us find a lasting solution to sanitation challenges. I have no doubt that this toilet will stand the pressure of the rainy season and floods. We will make sure that every resident uses this model when constructing their toilets” said Mrs. Sitali Nuanga.

Project staff and district WASH committee members worked with community members in Kaunga Luweti to construct the demo toilets for residents to use. Looking ahead, the project plans to continue working within the community to grow public demand for durable and sustainable toilets, understanding that only through mobilizing and uniting communities can we increase access to safe sanitation for all.



Photo Credit: Mutinta Nhandu. Pictured: Residents of Kaunga Luweti constructing model Baruto toilet.

ANNEX 6. IMPACT STORY 3

ZAMBIA'S MINISTRY OF WATER DEVELOPMENT APPLAUDS THE PRIVATE SECTOR ENGAGEMENT FORUM AND COMMITS TO ITS CONTINUATION

Zambia's Ministry of Water Development and Sanitation recently welcomed a proposal to establish the private sector engagement forum as a regular platform to accelerate private sector participation in achieving universal access to water and sanitation services in Zambia. In its 8th National Development Plan, the

government recognized that the primary barrier to universal access to clean water and safe sanitation is inadequate infrastructure, especially in rural areas. The urban explosion has only compounded this problem, the increase in unplanned settlements exacerbating the need for water and sanitation services. Finally, weak operation and maintenance of water infrastructure is placing further pressure on this already stressed system.

In addition to acknowledging the current challenges, the government recognized that the interventions needed to address these constraints include sector investment promotion and establishing a mechanism to mobilize financing through public private partnerships. Despite this consensus, there is no established platform where investment opportunities in the WASH sector can be promoted, and resources mobilized. Seeing this gap, the USAID Expanding Water and Sanitation project hosted a private sector engagement forum. The event brought together three commercial utilities and 39 private sector enterprises and provided an opportunity for private sector enterprises and commercial utilities to deliberate and share information on opportunities for investment and current barriers to increasing private sector participation.

In a letter addressed to the project, Permanent Secretary at the Ministry of Water Development and Sanitation Joe Kalusa said, "The ministry welcomes this approach to private sector engagement as it promotes investment in WASH sector as well as accelerate the attainment of the 2030 vision of universal access to safe and clean water and sanitation. In this regard we are requesting the USAID Expanding WASH project to support the ministry to develop a private sector engagement strategy that will guide the roll out of this approach to all the 11 commercial utilities in Zambia."

Following the event, the Ministry of Water Development formed a technical committee to develop a private sector engagement strategy to guide how commercial utilities and private sector enterprises will work together to expand water and sanitation services in rural and peri urban areas. Existing within the Ministry of Water Development, this new technical committee, along with the regular meeting of this forum, will promote further private sector participation and accelerate the provision of water and sanitation services throughout Zambia.



Photo Credit: [REDACTED] Creatives. Pictured: Ministry of Water Development and Sanitation Permanent Secretary Mr. Joe Kalusa speaking during the PSE forum.

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