

Final evaluation of Unicef's programme "making PPP work for rural water supply in Somalia"



Final Evaluation Report

19 November 2012

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LIST OF ACRONYMS

Acronym	Description
CE	Cedric Estienne
CN	Christophe Nouvet
DSA	Daily Subsistence Allowance
EC	European Commission
EU	European Union
EUR	Euro
EUWF	European Union Water Facility
HODMAN	Private water company serving Gardho town in Puntland
ILO	International Labour Office
INGO	International Non-Governmental Organisation
JPLG	Joint Programme for Local Governance
ME	Maurice Ekomoloh
MICS	Multi-Indicator Cluster Surveys
MMEWR	Ministry of Mines, Energy and Water Resources
MPTCA	Ministry of Public Works, Transportation and Civil Aviation
MWMR	Ministry of Water and Mineral Resources (now MMEWR)
NGO	Non-Governmental Organisation
PPP	Public-Private Partnership
PSAWEN	Puntland State Authority for Water, Energy and Natural resources
SHABA	Private water company serving Borama town in Somaliland
SL	Somaliland
UN	United Nations
UNHAS	United Nations Humanitarian Air Service
UNICEF	United Nations International Children's Emergency Fund
USSC	Unicef Somalia Support Centre
WASH	Water and Sanitation and Hygiene
WDA	Water Development Authority
WEDC	Water, Engineering and Development Centre
WES	Water, Environment and Sanitation
WSC	Water Sector Co-ordination committee

A. Preamble

A.1. Brief description of the assignment

The Unicef implemented a project called “making PPP work for rural communities” in Somalia from August 2007 to October 2012 and funded under the European Water Facility.

The ex-post evaluation of this project was commissioned by the Unicef to **HYDROCONSEIL** who mobilised two experts (Cedric Estienne, PPP specialist, Maurice Ekomoloh, water and sanitation expert and Christophe Nouvet, PPP specialist) from beginning of September until end of October 2012.

Table 1 : timeline of the evaluation

Date	Location	Activities	Staff
1 st -5 th September	Home office	Desk review	Cedric Estienne, Maurice Ekomoloh
6 th -10 th September	Nairobi	Briefing with Unicef, Stakeholder meetings	CE, ME
11 th September	Nairobi - Bossaso	Inception report, travel to Puntland	CE, ME
12 th -15 th September	Puntland, Bossaso	Stakeholder interviews	CE, ME
16 th September	Puntland, field	Field visit to Waaciye and Jurile water supplies	CE, ME
17 th September	Puntland, Bossaso	Debriefing with stakeholders	CE, ME
18 th September	Bossaso-Nairobi	Travel to Nairobi	CE, ME
19 th September	Nairobi	Debriefing with Unicef	CE, ME
20 th September to 10 th October	Home office	Preliminary Report drafting	CE, ME
9 th – 10 th October	Nairobi	Briefing with Unicef	ME, Christophe Nouvet
11 th October	Nairobi – Hargeisa	Travel to Hargeisa	ME, CN
12 th -14 th October	Somaliland, Hargeisa	Stakeholder interviews	ME, CN
15 th -20 th October	Somaliland, field	Field visits in Boroma, Lowya’ado, Lughahaye	ME, CN
21 st -24 th October	Somaliland, Hargeisa	Report drafting	CE, ME
25 th October	Travel to Nairobi	Travel to Nairobi	CE, ME
26 th	Nairobi	Debriefing with Unicef	CE, ME

The Terms of Reference for the assignment are included in Appendix 1, page 45.

This report is the final evaluation report released on 26th of October 2012.

B. Executive summary

B.1. Overview of the evaluation object

This evaluation report concerns Unicef's project "making Public-Private Partnerships work for rural water supply in Somalia", a project financed under the European Union Water Facility and implemented from August 2007 until October 2012 in north-eastern and north-western zones of Somalia.

Since 1997, Unicef has been supporting, along with the national government, several successful experiences of public-private partnerships for water supply in the major towns of the same zones. Meanwhile, the rural water supply operations repeatedly request rehabilitations and further periodic support for even minor repair or replacement of facilities. It was identified by Unicef as a failure of community management to maintain water facilities, caused by "a lack of availability of spare parts and insufficient training, worsened by the increasing rural-urban divide where many of the trained people leave the villages for better economic prospects in the larger towns".

Both success of Urban PPPs and failure of rural community management led Unicef, in agreement with the Ministry of Mining, Energy And Water Resources (in Somaliland), the Puntland State Agency for Water Authority for Water, Energy and Natural resources (in Puntland) to submit a project proposal to the European Union Water Facility.

Unicef developed the proposal around three strategic objectives:

1. Having one successful urban private utility in each zone expanding their services to selected rural water facilities.
2. Reaching sound and sustainable agreements (for service delivery, tariff and management) between these utilities and the targeted communities.
3. Documenting the experience for future replication or extension to other areas.

Once the proposal approved in 2007, Unicef involved two implementation partners:

- WEDC (Water, Engineering and Development Centre in Loughborough University, UK) as a specialist of PPPs in the water sector, for developing the appropriate options for rural water supply in the Somalia context and documenting the experience
- Horn Relief, a Somali NGO, for community mobilization and liaison with national authorities in charge of water.

After a very slow start-up during 2007 and 2008, the target communities were assessed and selected, and the PPP options were established. It then became clear that the initial concept of having urban utilities taking over the operation of formerly community managed systems was confronting the reluctance of rural communities.

The implementation of the project was then re-orientated, from providing support to urban utilities for extension to creating smaller local private companies in each community. From the initial objective of covering 10 locations in each zone, the project logframe was revised to target only 7 communities in Puntland and 8 in Somaliland.

Later on, in 2010, the number of target locations was further reduced to 2 in Somaliland to allow for concentration of efforts (community mobilisation, rehabilitation works) to complete the PPP establishment.

The project came to an end in October 2010, with 7 PPP companies established in Puntland (and some rehabilitation works still going on for completion under another financing) and 1

PPP company established in Somaliland (the entire process was completed with the other location, but local stakeholders did not reach an agreement on the creation of the company).

B.2. Scope of the evaluation

The present document is the final evaluation report of this project, with following objectives assigned:

“The final evaluation study will provide UNICEF and the EC with sufficient information as to the final impact of the programme, and make recommendations for future needs and support that may be required for interventions undertaken within the programme and to the rural water sector. A particular focus of the study will be an evaluation of the application and suitability of the public private partnership approach for the management of rural water services, which was applied through the programme, and recommendations on how this could be strengthened, supported in the future.”

“The scope of the assignment covers all stages and aspects of the project including Project preparation and design, Relevance to the problems of the project area and beneficiaries, efficiency and effectiveness of implementation, actual and potential impacts with special emphasis to women and children, Factors affecting sustainability and replicability, economic and financial analyses.”

The assignment has been carried out in September and October 2012, mostly through desk review of existing documents, interviews with stakeholders and field visits to selected accessible communities.

Owing to logistic and security considerations, field visits could only be made to very few accessible locations, which limited the number of field-based evidences to support the findings. However, the stakeholder interviews gave the opportunity to build and support the consultant’s assessment through discussions.

B.3. Findings and conclusions

B.3.1. Relevance

The initial concept of the project gave interesting prospects for addressing the issue of the community management shortcomings, with the evidence of success in urban utilities. Moreover, the use of PPP arrangements was in line with the sector policy in both Puntland and Somaliland (and even with the Water Act for the latter).

However:

- the initial design for the PPP option, set as a result of the logframe (urban utility expansion) proved to be inapplicable,
- the shortcomings of the community management is not the only reason for the poor functioning of rural facilities.

Hence, the overall objective set in the logframe (improving livelihood through better access to water) is only partially addressed by the PPP approach (rehabilitations works were needed as well, and were added during implementation), and the PPP approach had to be re-oriented to be relevant for the Somali context.

The relevance of the project design is that of a pilot project, to test and adjust the PPP approach, but the initial concept of extending urban PPPs should not have been set as a result in the logframe, as it was the way to be tested and not the goal itself.

B.3.2. Effectiveness

The expansion of urban PPPs to rural water systems is not effective, because of the significant change in the project implementation (local private companies instead of extension of urban utilities). In spite of this, the number of beneficiaries reaches 64% of the initial target, and some of the expected benefits from urban PPP extensions are at least partially retained:

- Trainings have developed some level of technical skills available for rural water supply,
- The commercial operation yields first signs of improved management in some localities,
- The contractual relationships between all the communities and the private companies have been soundly defined in elaborated documents,
- The project developed a wider acceptance of the PPP concept by communities and central government,
- The involvement of national authorities in the process developed a nascent capacity for replication at national level.
- An effective improvement of service delivery quality can be observed in the field, but is mostly a result of rehabilitation works, which do not appear as planned activities in the logframe (but proved to be relevant)
- Although not much documented yet, the experiment of PPP settings in the rural areas of Somalia yields some interesting lessons learnt.

B.3.3. Efficiency

The start-up of the project has been very slow before any concrete activities were implemented in the field, most of the progress towards operational PPPs in the selected locations was achieved after 2010 (year 4 and 5 of the project).

The initial partners (WEDC and Horn Relief) were less involved than expected and Unicef did not, at that time, manage to make up for that.

Unicef was not being comprehensive enough and relied on the inputs of the partners to start the project, while the main capacity to drive the project should have been within Unicef and partners could have acted as contractors.

B.3.4. Impact

Considering the difficulties of access in the field and the small number of field visits, it is difficult to draw an objective and evidence-based assessment of the project impact. However, some facts are worth mentioning as they indicate the prospects for positive impacts:

- The first impacts in target villages in terms of autonomy are encouraging: Unicef and national authorities responsible for water no longer receive support requests from the target communities, which deal with their company on their own.
- More and more stakeholders have a clearer understanding of PPPs and the benefit they can bring for public service delivery.
- The project enabled some communities to build up confidence in undertaking other projects and considering private management/investment as a relevant option.
- Children and women directly benefit from the improved service delivery, thanks to the works component of the project.

B.3.5. Sustainability

The project interventions are still in their infancy. The first PPP companies are just over a year old, have not yet established a firm record of performance and cannot be judged to have passed the test of sustainability. However some points are encouraging:

- Agreements signed between the communities, the companies and validated by the central government and the mayor are good assets for regulation at local level and sustainability
- The private companies are created with local investors and are well accepted by the user communities
- The tariff setting mechanisms are documented and managed at local level (with the mayor's oversight), making acceptance more likely and viability more sustainable (possible tariff adjustments)
- The critical mass for sustainability is uncertain, but along the willingness of users to have companies created out of their own community, there is a concern for economies of scale and capacity consolidation (two consortiums of PPP companies were spontaneously created)

But the current sustainability of the rural water operations does not compare to what has been achieved in urban areas:

- Most of the companies are nothing more than the former community managers having secured some local investors to create the company, and volunteering replaced by small salaries.
- The economic viability of the operations is not ascertained yet.
- Challenging technical breakdowns have not been encountered yet (no evidence of sufficient technical skills at local level)
- Challenging regulatory issues have not been encountered yet (no evidence of sufficient regulatory capacity at local level)

B.4. Recommendations

B.4.1. Short term

a) Knowledge capitalisation

The project achieved some results in the field, but a lot of the activities carried out for that purpose were implemented by partners of Unicef and their methodology is not documented yet.

The project has planned to prepare a "lessons learnt" document, but beyond the lessons learnt, some significant know-how is retained neither in Unicef nor at central government level. Complementary to the "lessons learnt" document, Unicef should involve the project partners into the simple drafting of the implementation methodology used (mostly community mobilisation and negotiations with the company, company creation and capacity building), before project memory vanishes.

b) Test open bidding process

A particular situation in Lowya'addo, the second location in Somaliland, keeps the project from completing the process. One solution that could both be tested for this specific context and for future replication would be to tender out the operation of the system, instead of having the local community trying to create an ad-hoc company (to no avail so far).

B.4.2. Mid-term

a) Mentoring

A significant mentoring effort is still needed to ensure the PPP are viable. Particularly, the private companies do not have the experience that was initially expected from the urban utilities. This has been partially compensated by some training, but the need for training and mentoring is still strong.

There is also a need for mentoring towards the central government, which is already taken into account by Unicef. But a simple support to provide would be to draft a short document on “how to establish a PPP for rural water supply”, listing all the key ingredients, steps to be taken and “no to do” list.

b) Preparing the central government to monitor the PPPs

The second most important support to the central government should focus on reinforcing their ability to monitor the rural PPPs to keep learning from them, improving next batches and anticipate possible failures.

B.4.3. Longer term

a) Technical support centre

Given the distances of the locations and the size of the companies, it is very unlikely for them to face any technical breakdown on their own. Other countries such as Mauritania and Mali have developed experience in building up a national or regional technical support centre for rural water supplies. A similar concept could be tested (with a significant external support at first) to provide services like remote diagnosis, spare part procurement or even risk sharing on equipment, through a subscription of each company.

b) Careful use of external funding

It would be very risky to continue funding investment in the systems run by PPP companies on the same basis as when they were community managed. The financial autonomy is one of the key results expected from PPPs and private companies have to develop a commercial strategy regarding investment, in order to maintain the assets rather than “consuming” them (trade-off between immediate profitability and sustainability of operation).

If companies continue to expect rehabilitation funding from external agencies or donors, they will not include sufficient maintenance budget in their provisional operating accounts.

c) Fostering local government into rural water supply

Local governments are supposed to play an important role in rural water supply (according to the law of decentralisation). The current status of Local Governments is far from this ideal situation and requires a lot of progress of the decentralisation reform. But the first step will be to progressively involve the local governments, as owners of the facilities, thus responsible for the procurement of a company to operate them.

C. The evaluated project

C.1. Project description

After years of civil war, the government bodies of Somalia have no longer the capacity to run satisfactory public services, such as water supply. Private operators have had room to provide service to the population, and proved to deliver a more sustainable service, being able to retain professional skills, access supply chains for maintenance and develop sufficient ownership to reduce infrastructure depreciation.

In a combined goal of improving water supply services and making it affordable to the poor, Unicef assisted the relevant authorities to develop Public-Private Partnerships in main urban cities in Somalia. As this urban PPP experience brought a significant improvement and was considered as an interesting experiment by the European Commission, Unicef made a proposal to the EC Water Facility fund for testing a similar approach in rural areas of Somalia. Approved by the EUWF and co-financed by the Swiss Committee and the Danish cooperation, the project was named “Making Public-Private Partnership Work for Rural Committees in Somalia”.

Table 2: project data sheet

Project name:	Making Public-Private Partnership Work for Rural Committees in Somalia (Financed under the EU Water Facility).	
Project overall objective	“The rural population of Somalia has increased sustainable access to water; Quality of life of the Rural Population in Somalia is improved”.	
Project duration	Commencement	Completion
Planned:	01/08/2007	31/07/2010
Actual:	01/08/2007	31/10/2012
Major components	<ol style="list-style-type: none"> 1. Design and establish Public-Private Partnerships for rural water supply. 2. Document the PPP experiences to allow replication or improvement in other rural areas in Somalia. 3. Improve the water supply infrastructure to make the private sector participation economically reasonable. 	
Unicef’s role in the project	Grant Recipient. Directly responsible for the oversight, management and co-ordination of the project.	
Project Counterparts	Somaliland (Awdal region)	Puntland (Karkaar Region)
Public counterparts	The Ministry of Mines, Energy and Water Resources (MMEWR)	The Puntland State Authority for Water, Energy and Natural Resources
Water Utilities	SHABA water company, serving Borama town, capital of Awdal region.	HODMAN water company, serving Gardho town, capital of Karkaar region.
Project partners:		
WEDC, Loughborough University	Development of the possible PPP options and knowledge management	2007-2009
Horn Relief	Baseline surveys. Support to MMEWR and PSAWEN for community development and PPP establishment (aborted)	2007-2010

Terre Solidali	Technical assistance for water system strengthening studies Works implementation, Support to MMEWR and PSAWEN for community development and PPP establishment		2010-2012	
Component		Implementation status narrative:		
1. Design and establish Public-Private Partnerships for rural water supply.		<p>At the end of the first year of the project, the desk review on PPP experiences was completed. Possible PPP options for the project were defined in March 2009. A community field assessment started in July 2009 allowing assessment of 14 localities in Puntland and 19 in Somaliland (Horn relief baseline survey/KAP completed in Aug 2009). The final list of communities selected was: 8 communities in Somaliland and 7 communities in Puntland.</p> <p>This selection (very spread out localities) and the autonomy claimed by the communities made impossible to pursue the initial plan to have urban utilities, namely SHABA and HODMAN companies, extend their PPP to surrounding rural localities. Hodman company is thus no longer playing an active role in the project, while Shaba's role was re-oriented towards supporting MMEWR in mobilizing communities for the PPP process.</p> <p>A mobilisation campaign has been undertaken – involving PSAWEN in Puntland and MMEWR in Somaliland – to introduce the PPP idea to communities, expose the communities to the practical requirements of water supply through PPP arrangements. This would eventually lead to the completion of PPP arrangements for the water supply in the target villages.</p> <p>In Somaliland, after the change of government in 2010, the new staffs of the MMEWR took some time to resume community mobilisation activities, on a slower pace. This process has been carried out for all 7 planned localities in Puntland (7 PPP companies established) and efforts were concentrated on 2 localities in Somaliland, one of which has established its PPP company.</p>		
2. Document the PPP experiences to allow replication or improvement in other rural areas in Somalia.		<p>The existing PPP environment, both in Somaliland and Puntland, as well as in other similar countries, was documented by WEDC in 2009. This international experience and the assessment of the national environment were analysed to make proposals on the possible options for rural PPPs, presented in a stakeholder workshop in March 2009, for agreement.</p> <p>During the first and second year of the project, two documents were drafted (Project brief and Human interest story) and shared. A story of successful Garowe Urban PPP was published on the Unicef Website and a Puntland journalist is currently preparing a story on rural PPPs to be published.</p>		
3. Improve the water supply infrastructure to make the private sector participation economically reasonable.		<p>This component proved to be much more important than initially planned, as the proper functioning (particularly the production capacity) is central for the viability of a privately-managed system. The technical assessments carried out by Terre Solidali in 2010 and 2011 revealed necessary budgets that exceeded the available budget. It was then decided to concentrate the efforts on only 2 localities in Somaliland</p>		
Financial data:	Total budget	EC Water Facility	Swiss Committee for UNICEF	Royal Danish Government
	€ 2,217,428	€ 1,337,428 (60.3%)	€ 320,000 (14.4%)	€ 560,000 (25.3%)
Disbursements (EUR)	Total	Studies, research¹	Works	
2007/8	218,836	nil	N/A	
2008/9	154,029	18,364	N/A	

¹ Including knowledge management component (WEDC), water utility engineering design, water utility assessment surveys and project output dissemination costs (Horn Relief/Terre Solidali), implemented by partners.

2009/10	187,986	125,234	N/A	
2010/11	309,310	70,558	N/A	

C.2. Logical framework of the project

The initial logframe submitted to the EUWF by Unicef in 2006 is in Appendix 2, page 48.

The global goal is that *the rural population of Somalia has increased sustainable access to water and the quality of life of the Rural Population in Somalia is improved.*

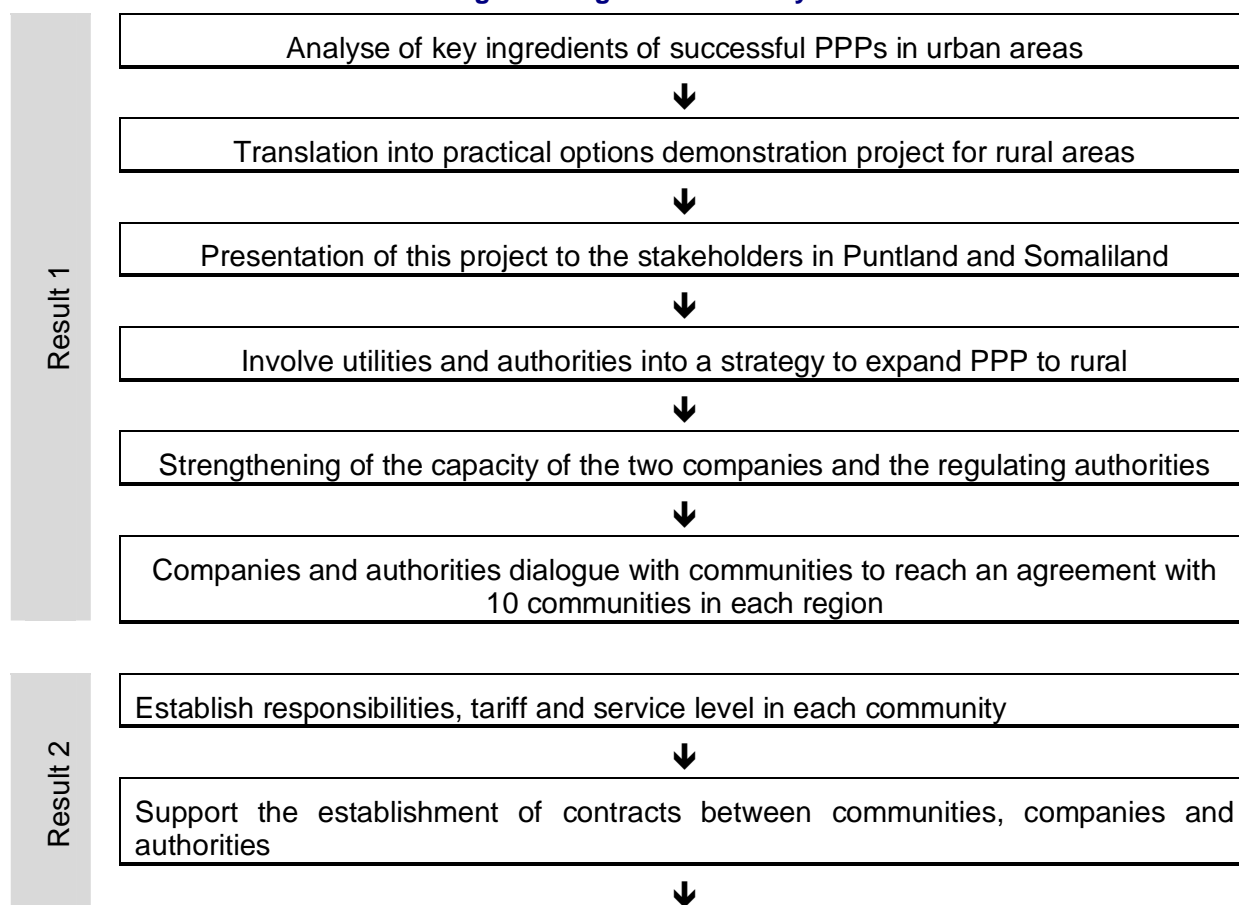
It defines only one specific objective: *The approach and implementation of the extension of public-private partnerships from urban into rural water supply management is demonstrated by Gardo and Erigavo Water Companies for replication in other regions of Somalia.*

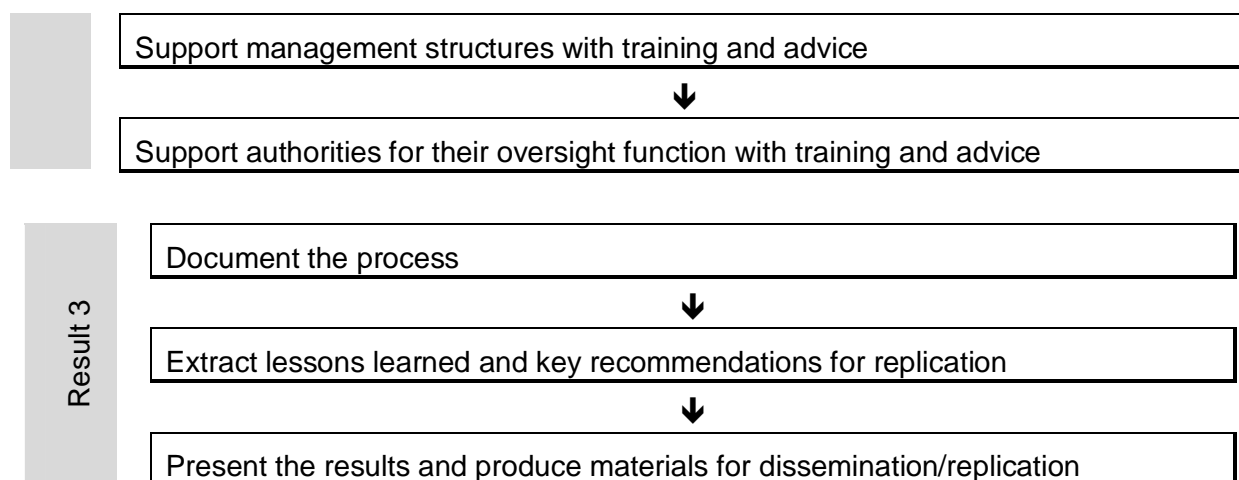
This specific objective is translated into three results:

4. [The existing private companies for urban water supply in Somaliland and Puntland] *have expanded to extend their services to 10 rural water systems each in their region.*
5. *A clear and accepted system of service delivery, tariffs and revenue collection has been established by [the private companies], and is operational for 10 rural water systems each in their region.*
6. *The approach and implementation of extending the services of urban utilities into rural areas is documented and the concept with all lessons learned is available in appropriate formats for replication in other regions of Somalia.*

Activities deriving from these expected results followed the schematic path:

Figure 1: logframe summary





C.3. Key changes

The project was conceived as a pilot project, to demonstrate the application of PPP to improving the performance of rural water supplies. The project relied heavily on the willingness of both the water utility companies and the beneficiaries to embrace change in the sector that would allow more efficient and continuous service provision only. Two major changes have had to be undertaken to re-align the project with realities on the ground:

1. During the review of the selected villages (August 2009²), it became clear that the systems in the target communities had deteriorated such that facilities would first have to be rehabilitated before handing over to new management, if they were to be successful.

The project plan has therefore been amended in subsequent years to make this possible. This has included the reduction in numbers of villages where the pilot is implemented, undertaking more studies, engineering design and even construction works to achieve this. These however have had to be funded through other budget lines.

2. It had also been assumed that the regional water utility companies would readily accept to take over the “nearby” community projects, and that communities would welcome the partnership with reliable companies. This did not prove to be the case, as the companies feared the probable losses arising from these small scale operations; and communities refused to hand over management to outsiders.
3. The project has had to be tweaked to allow creation of home grown companies to take over the management. This has had to involve more massive mobilization campaigns, trainings etc.

C.4. Context of implementation

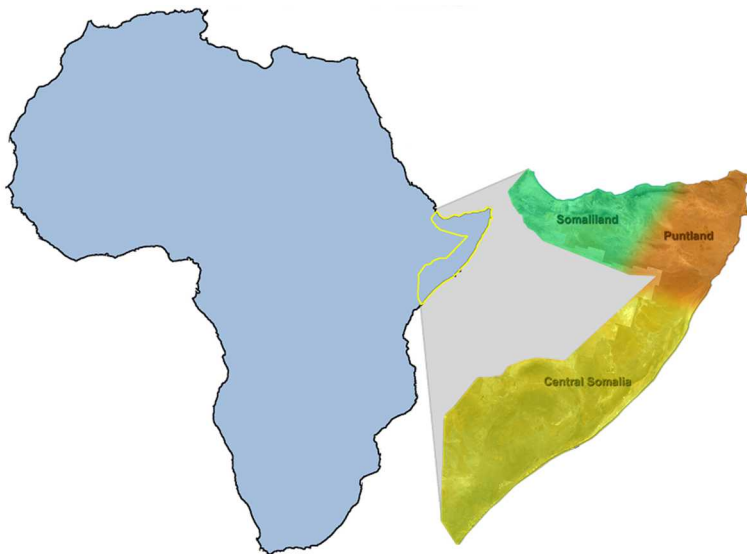
C.4.1. Locations

The project was implemented in the following villages:

- **In Puntland:** Waa'iye, Juurile and Addinzone in Karkaar region; and Dhuudo, Bender Bayla, Durdura and Dharnibar in Bari region.
- **In Somaliland:** Kalawle/Lugahaye and Lowya'addo in Awdal region.

² 3rd interim report, section 3, subsection 1.1/iv

Figure 2: regions concerned by the project



All the project locations are in water scarce or water stressed areas. All of the communities are isolated settlements located where there are limited alternatives for water supply – either boreholes or springs – for both humans and livestock. Travel to alternative water points is both lengthy and arduous.

Figure 3: project locations in Puntland

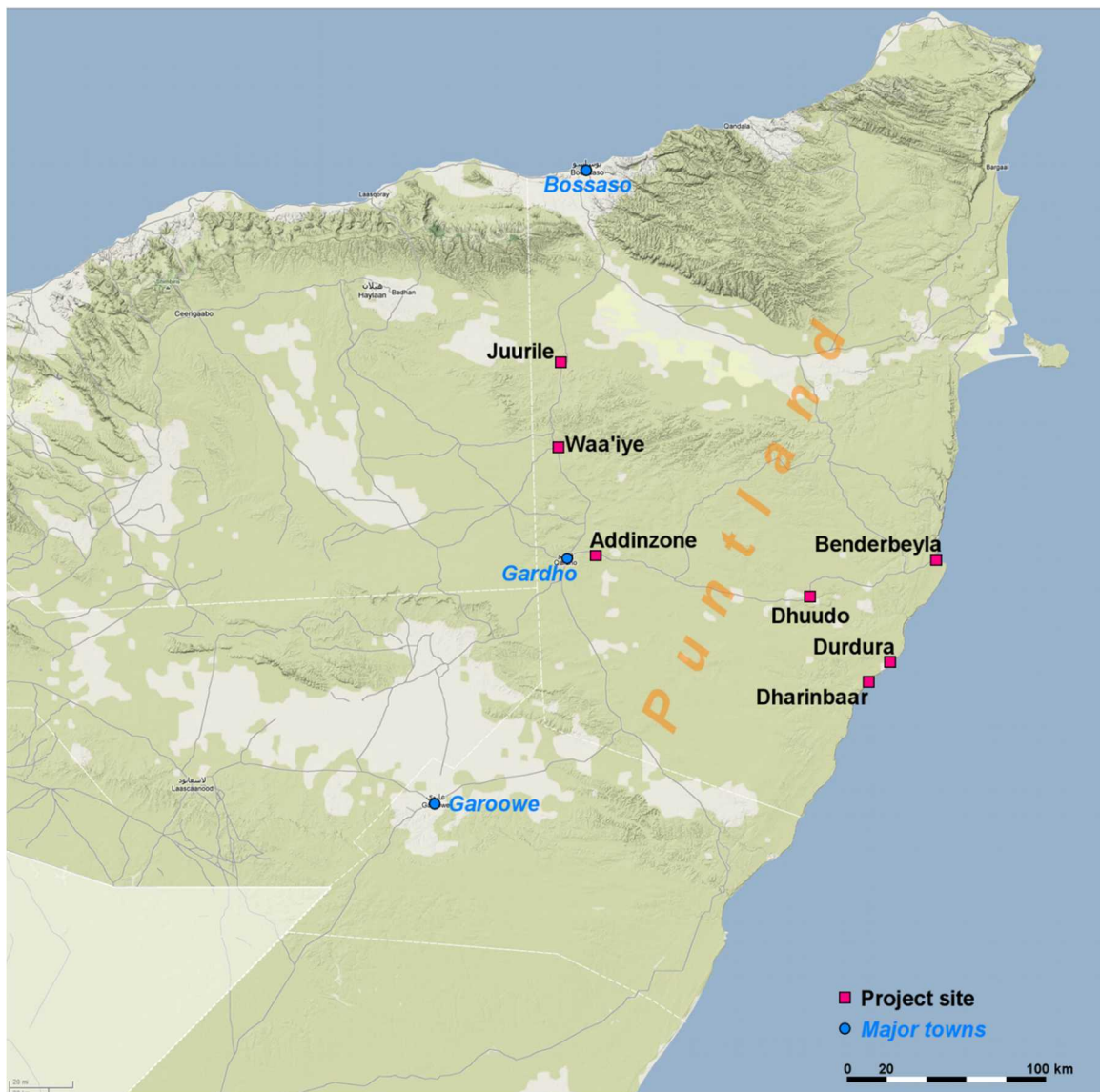
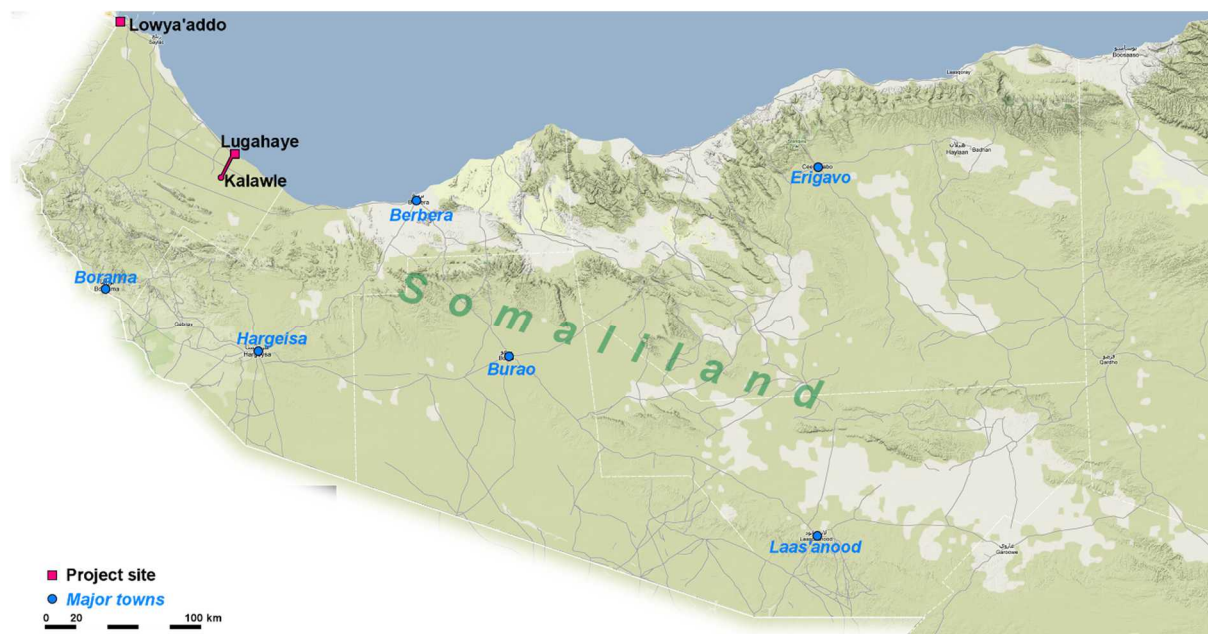


Figure 4: project locations in Somaliland



C.4.2. Legal & Policy Framework

a) In Puntland

The Puntland Water Policy is the only published document governing the water and sanitation sector. There is neither water act nor regulations in place. The policy “*encourages further growth of [the private sector’s] role and presently does not intend to develop [the Government’s] own capacity in those areas [where private sector is already active]*”

b) In Somaliland

A National Water Policy and its translation into a national strategy were developed in 2004 and are currently into force.

A Water Act has recently been approved by the House of Representatives and is currently at signature stage. However, according to the MMEWR, there are “few” provisions that are to be reviewed by parliament and a revised version is due by December 2012. The necessary regulations to enforce the Water Act were also developed. All these sector documents explicitly encourage PPPs for the provision of water service delivery.

C.4.3. Traditional rights

In parallel to recent written laws, there exists in the Somali community a system of binding traditional norms which are not documented but have been followed to encourage, approve or sanction human activities. These norms are upheld by a system of elders and revolve around the clan as a unit for enforcement, and for the defence of a community interest. Many of these are concerning the right of access to water and the ownership of water sources.

Islamic practice and Sharia Law are also a factor in certain human endeavours. Religious (Islamic) leaders also play a key role in mobilising communities.

The community elders form a distinct power block to negotiate for and regulate communities including their relationships with “outsiders”. The title of chief/elder is a key position in the community and represents the real power behind the community.

These parallel laws/norms seem to have a profound influence on many project implementation decisions and operation of facilities

C.4.4. Institutional Framework

Both Puntland and Somaliland maintain serious attention to the situation of water supply and have directorates for water. Both are instituting governance reforms which are intended to devolution of decision making to lower levels of government. This devolution is being spearheaded by the JPLG.

But currently, local governments only have sufficient capacity in large towns (where urban PPPs can take place), but not in rural districts. For the latter, local governments are only present in the main town of the district, and given the difficulties for accessibility to smaller villages, it means they practically cannot be present at community level in most of the target villages of the project.

a) Puntland

In Puntland, PSAWEN (established in 2001) is the overall government agency for water, energy and minerals for the Puntland region. PSAWEN has representatives from all relevant departments/ministries and is supposed to represent ALL the national interest.

The current mandate of the agency is to report on the water situation, plan locations for service delivery in collaboration with implementing partners, and implement projects funded by partners through private companies or local NGOs.

PSAWEN has regional offices which act both as fee collectors for regional co-ordination for investments in the sector.

Decentralisation of these functions has not yet reached district levels let alone community level and all decisions are being taken by PSAWEN national or regional offices.

Local government institutions (districts, mayors) are appointed by the ministry of Interior.

b) Somaliland

In Somaliland, MMEWR is the ministry in charge of the water sector (Water is one of three directorates in the ministry, (the others being mining and energy).

Decentralisation has gone further in Somaliland than Puntland. The ministry has decentralised to the level of appointment of regional water officers and a few district water officers. There have not been enough qualified personnel to staff all districts with district water officers. Where decentralisation has not reached the district level, the ministry says it has delegated authority to lower local governments (districts, municipalities etc.) and to communities.

Following the presidential and parliamentary elections of 2010, there have been significant personnel changes introduced in MMEWR, that have affected project implementation: the former personnel have been replaced instantly by a largely new team. This has led to a loss of institutional memory and probably a cautious approach from the Ministry regarding PPPs.

At the village level, village committees exist as autonomous institutions mainly as negotiators for their beneficiary community.

In Somaliland, there is also a Water Sector co-ordination committee (WSC) that brings together all actors in the sector (Unicef is co-chair). The WSC allocates donor interventions to deserving communities and acts in an advisory role to the water sector. Supposed to meet monthly, it actually meets infrequently and needs a significant support to function properly.

C.4.5. Management of Water Supply Services³

Operation and management (O&M) of water sources in Somalia has evolved through 3 distinct phases:

1. As a centralized government operation, typified by the Water Development Authority (WDA) of the 1980s and 90s. The WDA employed operators for the water points, and a centralized technical team that regularly inspected and maintained water points. Revenue was collected from local users who contributed in a minor way to the operation and maintenance of the water sources, either in the form of labour or cash.
2. The WDA operation fell apart after the fall of the central government in 1991. Because of the ensuing anarchy, public wells were abandoned. The vacuum was filled by private sector who took up O&M of private sources for benefit.
3. As a mixture of community management and private operation, after communities started to recover. Local committees were formed whose role was largely limited to facilitating and monitoring projects funded by INGOs and UN agencies.
4. Subsequent years have seen the introduction of PPP in the urban centres. These include Jowhar in 1997, Bossaso in 2000, Galkayo in 2003, Borama in 2005 and Gardho. Unicef played a central role in the introduction of these PPPs, which have mostly proved successful.
5. In some other towns/villages, public water agencies provide the services and report to local authorities (districts, municipalities) or directly to the Ministry (Buraq for example).

C.4.6. PPP guidelines

The ILO has developed general PPP guides & toolkits, trained central and local government staff to implement PPPs accordingly (not only in water supply sector).

The guides⁴ provide useful general guidance on how the present PPP projects are structured and how to implement new PPP projects, on a step-by-step basis (inception, feasibility, procurement and contract management).

The training (and advocacy) for PPP is heavily informed by the successful PPP projects in the urban water sector – GUMCO water company in Bossaso and SHABA water company in Borama. Both have moved from operation by the State Water Agency to the private company operation, under leases from the government.

- SHABA water company which has improved its coverage from 130 households in 2002 to 7,000 households in 2011, maintained a billing efficiency of 100% (from the original 75% in 2002) and collection efficiency of 98% (from the original 80% in 2002)⁵.
- GUMCO water company which has installed 5,000 house connections by 2011, constructed over 50 water kiosks, and expanded the network by 500% since 2003 (from 25 km to 150 km⁶). The price of water for house connections has been reduced from \$8/m³ to \$1/m³ and for kiosk water to \$0.6/m³.

There are as yet no documented projects in the rural water sector and these will be the first to be documented.

³ SWALIM REPORT p. 21.

⁴ PPP guide for Somaliland and Puntland, dated January 2011

⁵ Recent company operational data during evaluation visit

⁶ PPP guide for Puntland, section 3.3 – leasing

C.5. Progress of each locality, from initial assessment to PPP signature

Region	Name of the Settlement	Population (households)	Selection		PPP progress		Company	Consortium	Technical outputs*		
			2010	2012	Mobilization	Signature			WR	ES	CW
Awdal, Somaliland	Abdi Kadir	150									
	Afraaga	620			██████████				■	■	
	Baki	400									
	Boon	370	■		██████████				■	■	
	Ceel-gaal	200									
	Dilla	380									
	Garbadadar	500	■		██████████						
	Geerisa	620									
	Habaas	500									
	Halimale	500									
	Hariirad	830	■		██████████				■		
	Jidhi	500									
	Kalawle	320	■	■	████████████████████		Tawakal		■	■	◆
	Lugahaye	600									
	Karuure	350			██████████				■		
	Laanta marrohda	100	■		██████████				■		
	Lowyacado	250	■	■	██████████████				■	■	■
Qulun-jeed	450	■		██████████				■			
Waraabaley	200										
Karkar, Puntland	Addinzone	263	■	■	████████████████████		Barkhadle	Danwadaag	■	□	◆
	Benderbeyla	1 470	■	■	████████████████████		Il Rahmo		□	■	◆
	Benderbeyla/Eildhidar	105	■		██████████						
	Beyla/Dhuudo	441	■	■	████████████████████		Dhuudo		□	■	◆
	Caris	179									
	Dharinbaar	158	■	■	████████████████████		Dharinbar	Marbixis	□	■	◆
	Dhuur	200									
	Durdura	368	■	■	████████████████████		Durdura	Marbixis	□	■	◆
	Hafun	704	■		██████████						
	Handha	315									
	Jeded	315									
	Juurile	221	■	■	████████████████████		Marmarsan	Danwadaag	■	■	■
	Kulule		■		██████████						
	Rako	578	■		██████████						
	Waaciye	893	■	■	████████████████████		Waa'iye	Danwadaag	■	■	■
		34	14 050	18	9	8	8	2	11	10	3
For the 9 selected villages:		4 734 households (approximately 45,000 persons, 64% of initial target)									

WR Water Resource assessment
 ES Engineering Studies
 CW Construction Works

■ completed
 □ not needed
 ◆ other fundin.

D. Evaluation description

D.1. Purpose, objectives and scope

According to the terms of reference section B (study objectives)⁷:

“The final evaluation study will provide UNICEF and the EC with sufficient information as to the final impact of the programme, and make recommendations for future needs and support that may be required for interventions undertaken within the programme and to the rural water sector. A particular focus of the study will be an evaluation of the application and suitability of the public private partnership approach for the management of rural water services, which was applied through the programme, and recommendations on how this could be strengthened, supported in the future.”

“The scope of the assignment covers all stages and aspects of the project including Project preparation and design, Relevance to the problems of the project area and beneficiaries, efficiency and effectiveness of implementation, actual and potential impacts with special emphasis to women and children, Factors affecting sustainability and replicability, Economic and financial analyses.”

D.2. Methodology

The assignment has been carried out mostly through desk review of existing documents, interviews with stakeholders and field visits to selected accessible communities.

Field visits were made mainly to assess the functionality of the facilities and more importantly management and acceptance of the rural PPP projects. Local elders and users of the water sources were interviewed.

Owing to logistic and security considerations, field visits could only be made to very few accessible locations, which limited the number of field-based evidences to support the findings. However, the stakeholder interviews gave the opportunity to build and support the consultant’s assessment through discussions.

All the information used in the study has been qualitative and therefore required a keen observation for what works, and why; and what doesn’t work and why.

D.2.1. Documentation reviewed

The documents that have been availed to the client are listed in Appendix 6, page 65. Documentation for the project from the period 2005-9 has been scarce to come by because of staff changes in Unicef. Documentation from relevant government agencies in both PSAWEN and MMEWR has been even scarcer because of staffing changes; much of the historical record has been obtained through individual memory.

D.2.2. Interviews

List of interviewees and interview guides are included in Appendix 4, page 59 and Appendix 5, page 63 .

⁷ Extracted from the Terms of Reference, see Appendix 1 Terms of Reference, page 18.

D.2.3. Field visits

The following PPP operated sites were visited by the Consultant's team:

- Waa'iye and Juurile in Puntland
- Kalawle/Lugahaye and Lowya'ado in Somaliland.

The team also visited Shaba water a company and Gabiley water company in Somaliland, to understand the typical operations of a PPP company.

Table 3 : field visits carried out in PPP villages

Locality	Visited facilities/persons met
Waa'iye	Tank, kiosks, house connections, works (infiltration berkad) Company manager and staff, village elder, users at kiosk, users at home
Juurile	Tank, kiosks, works (pipeline) Company manager, users at kiosk
Lowya'addo	Borehole, tank, kiosks, works (infiltration gallery) Company manager and staff, village elder, users at kiosk, Mayor.
Lugahaye/Kalwale	Borehole, tank, kiosks, works (pipeline) Company manager and staff, village elder, users at kiosk. Mayor and local government

E. Findings of the evaluation

E.1. Relevance

E.1.1. The project builds on a proven concept

Discussions with personnel involved in the earlier phases of project suggest the origin of the project as follows:

- Rural water supplies that had been rehabilitated were repeatedly requesting Unicef (and other agencies) for even minor repair or replacement of facilities. It was identified by Unicef as a failure of community management to maintain water facilities, caused by “a lack of availability of spare parts and insufficient training, worsened by the increasing rural-urban divide where many of the trained people leave the villages for better economic prospects in the larger towns”⁸.
- The implementation of urban PPPs by Unicef and the governments of Somaliland and Puntland, proved successful in that the companies are able to not only maintain the service provision but also improve and extend it, without any external funding.

The idea was that the introduction of private companies was supposed to:

- Bring higher **technical skills** that cannot sustain in small villages but are available from bigger towns.
- Shift the community management to a **commercial operation** that would aim to increase the service quality and the number of customers (thus improve sustainability).
- Bring external **private funding** for facility improvement to reach commercial viability.

In addition, it is widely known that the majority of water supply operations in rural settings are less profitable than urban facilities (cost per cubic meter is lower and willingness to pay higher in urban areas). The inclusion of rural areas in the perimeter of an urban company is generally subject to negotiation and compensation, as it is not attractive for the company⁹

Although it was not explicit in the project design¹⁰, a part of the rationale for extension of urban utilities to rural areas is to establish a **cross-subsidy mechanism** between profitable and non-profitable areas within the perimeter of the company, which is a very relevant way to address the rural water supply issue where public subsidies are not realistic.

In that sense, the initial concept of the project was relevantly addressing the identified issue of the community management shortcomings, with the evidence of success in urban utilities.

Moreover, the use of PPP arrangements was in line with the sector policy in both Puntland and Somaliland (and even with the Water Act for the latter)

⁸ ToR paragraph 1.

⁹ SHABA Water Company in Borama mentioned to the consultant that it had all along told MMEWR that the village supplies would be unviable to the company (except the nearby Boon and Quinjeed).

¹⁰ But suggested by “The utilities will so keep their core urban business which is not affected by the expected seasonal fluctuation of rural revenues”, Grant Application, 1-Concept note, section 1.1. paragraph 2.

E.1.2. The target group of the project doesn't include users

The target group of the activities, as mentioned in Grant Application, section 1.6 (d), comprises the urban water utilities and the regulatory authorities, rather than the users themselves.

At the time of project design (2006), the security situation in most of Somalia was poor. In particular consultations with all stakeholders may not have been possible (especially remote communities in rural areas).

Even the proposal (in the concept note) that Water and Sanitation committees would be trained to “become community oversight bodies that will be freed from daily operational issues to consider the wider effects of water usage”¹¹ was not clearly addressed in the training content or management set-up provided.

Issue: *the problem identified during the project design was defined as the problem of failure of the community management services, while the problem for the users was rather irregular and inadequate supply of water. Concentration on only management meant other problem areas – community empowerment and improvement of production/distribution capacity for example – were not going to be included in the project design.*

Issue: *the project came with a solution (extension of urban PPP utilities) for the first identified problem but this confronted the reluctance of the communities to hand over the management to an external company.*

☞ *The problem seems to be much more complex, part of it being demonstrated by the unsuccessful attempt to expand urban PPP into rural areas, failure/reluctance of one community to come together to manage their facility. The problem statement needs to be refined to better capture the realities on the ground.*

E.1.3. The project was designed as a pilot project

The project was designed inter-alia:

- To take the successful concepts of public-private partnerships (i.e. institutional relationships, concession agreements, tariff settings etc.) and enable a suitable structure for serving rural areas.
- To facilitate the expansion of the two utilities into rural areas.
- To collate the experience of the demonstration project, apply analysis of lessons learned and propose a model for application elsewhere, inside and outside of Somalia.

Thus, the project was designed as a pilot project, to test the idea that urban PPP could be extended to the rural areas. But the project also aimed to deliver substantial improvement to the water service delivery (more reliable and cheaper compared to the level of service), thus enabling the target communities to improve their standard of living.

Issue: *the project is designed to be a pilot project but sets overall objectives that are not reachable for a pilot phase.*

¹¹ Grant Application, 1-Concept note, section 1.1. paragraph 3

E.1.4. The logframe aims at implementation

a) Initial log frame

The initial logframe submitted to the EUWF by Unicef in 2006 is in Appendix 2, page 48. Propositions of revision were made by Unicef during the first years of implementation. These changes to the log frame were adopted on 19th November 2010, and the revised edition of the log frame is attached in Appendix 3, page 53.

b) Analysis of the Logframe

The relationship between:

the overall objective “*the rural population of Somalia has increased sustainable access to water and the quality of life of the Rural Population in Somalia is improved*”

and

the specific objective “*the approach and implementation of the extension of public-private partnerships from urban into rural water supply management is demonstrated by Gardo and Erigavo Water Companies for replication in other regions of Somalia*”.

Is weak because:

- The PPP approach addresses only one of the factors identified as issues (a failure of community management to maintain water facilities, caused by “a lack of availability of spare parts and insufficient training, worsened by the increasing rural-urban divide where many of the trained people leave the villages for better economic prospects in the larger towns”). It will contribute towards the overall objective but will not in itself ensure that the overall objective is achieved.
- The result from testing an innovative approach is not necessarily a direct improvement of population’s quality of life, but a mere answer to the question “is this innovative approach working or not?” The lessons learnt are subsequently applied to improve the concept.

Issue: *in other terms, the initial project idea was to test an approach, but the logframe goes beyond this, setting an overall objective to which the initial project concept will give little contribution.*

Issue: *the logframe presents only one specific objective – demonstration of PPP in PL and SL – to achieve the overall objective of improving access to water in rural areas, while numbers of other specific objectives are necessary to pursue the overall objective (improvement of production capacity, extension of distribution facilities, affordability of the tariff, improvement of the maintenance, etc.)*

☞ *When compared to the overall objectives of the logframe, the relevance of the results and activities is not obvious, while results are well defined to pursue the project purpose (testing the PPP approach for rural water supply).*

☞ *The relevance of the project design can be qualified as good when considering the project as a pilot project (i.e. the concept of rural PPP was worth the experiment).*

E.1.5. The need for rehabilitation works was underestimated

The initial project concept relied on the fact that urban utilities were successful to improve the facilities they operated. This assumption had to be proved in the – quite different – situation of the companies taking over village facilities which condition was not assessed. Would urban utilities be willing to invest in such facilities?

Additionally, as the extension of urban utilities was not possible, the issue of investing into the systems to make them technically viable came out during the course of the project.

Issue: *how to make PPP work for rural water supply, and through local companies, if the technical conditions for a viable operation cannot be ensured during the project?*

☞ *Unicef made some budget amendments within the project and mobilised other funding (out of the water facility financing) to allow for more rehabilitation works, which is then recognised as another key ingredient not only to pursue the overall objective (improving the livelihood of the communities) but also to take the PPP test further. This was a relevant adjustment, but a missing point from the project design.*

E.1.6. Conclusions

The project shows promise to contribute to sustainable O&M of rural facilities through commercial operation, especially as it is implemented in a community that is already paying very highly for water. However some of the hypotheses supporting the development of the project and its logical framework were weak.

1. The acceptance by target communities to hand over the management of their facilities to an outsider company should have been tested before project implementation, because it had very substantial consequences on the implementation of the project to preserve the overall expected outcome.
2. On the other hand, it was expectable that the operation of rural water supplies would not be attractive for urban utilities, without any compensation (such as the provision of initial investment or the possibility to adjust the tariff in profitable areas)
3. Therefore, the failure of the urban utility expansion scheme probably came from both parties. Future project design should create a situation where both parties want a merger.
4. One of the benefit expected from involving urban companies was to make more technical skills available for the rural water supplies, but it seems far from obvious that urban companies would have fielded skilled technicians in the rural localities, due to accessibility issues (they would probably have trained and employed local staff, which is bound to face the same shortcoming as previously: skilled staff leaving for the cities)
5. The other benefit that is commonly expected from extending urban PPP perimeters is to include the rural water supply operations in a wider and more profitable customer base. However, PPP companies were not likely to accept to sacrifice the proven profitability of urban areas, unless the inclusion of rural localities was part of the deal from the beginning. The extension of PPP perimeters would have had more chances of success if introduced during the next round of negotiations or competition for the urban PPP contracts.
6. The project initially targeted to cover 10 rural communities in each region, which, in the context of Somaliland and Puntland, implies to reach villages that are 200 km away from each other. Given the road and security situation, it reduced the chances of successful

urban utility expansion that was the subject of the test. Restricting the pilot project to villages within an acceptable range from the urban company¹² would have had more chances to validate the initial concept, even though results would probably not have been valid for scaling up.

As one respondent put it, “the idea was tested using the most difficult communities as in the case of Lowya’addo, where the three clans have failed to agree to date how to form a PPP company to run the services”.

In conclusion, the project design was relevant as a pilot project, to test the PPP solution in rural areas. But the initial concept of extending urban PPPs with no compensation proved to be too ambitious considering SL & PL context, which could have been anticipated during the project design phase.

E.2. Effectiveness

E.2.1. Result 1 (extension of urban PPP companies to rural)





The expected result as defined in the initial (and even in the revised) logframe could not be reached because:

- while the risk of the governments not supporting the PPP approach was identified (assumptions/hypotheses stated in the logframe), the risk of reluctance from the communities was over-looked ;
- the attractiveness for such arrangements to urban utilities was over-estimated (none of them would struggle to take over the management of rural water supplies where return on investment are very uncertain).





Issue: *why a new logframe has not been developed to take into account the significant changes in project implementation? When assumptions made in a logframe do not happen, this usually justifies a revision of the expected results and activities (and the associated budget adjustments)*

Instead of having urban utilities expand their activities to 15 rural systems, the project achieved the creation of 8 local private companies.

Table 4 : changes in the way the project addressed result 1

Field	Initial expectations	Replaced by...
Technical skills	Brought by urban utilities through fielding trained staff according to the needs	Trainings provided by the Unicef to the newly created local companies 
		Will small villages retain these technical skills? 
Commercial management	Extension of service delivery by urban utilities as part of their commercial strategy	Trainings seem to have raised the awareness of managers about the importance of household connections for sustainability 
		But it is not yet effective in all the companies, and this cannot replace the field-based experience of a company (commercial strategy for expansion) 

¹² Such as Boon and Quinjeed, situated on a main road from Boroma, or Waa’iye and Addinzone near Gardho.

Field	Initial expectations	Replaced by...
Investment capacity	Urban utilities were expected to strategically invest into the rural system to progress toward a more viable operation	The investment capacity/willingness of the local companies is weak. 
		Unicef replaced this with external funding for rehabilitation works (production rather than distribution, left to the companies) 
Authorities involvement	Extension to rural communities was supposed to be jointly conducted by the authorities in charge of water and the urban utilities (i.e. the “coverage” of the central government oversight would improve)	The initial plan of involving Ministry of Mines, Energy and Water Resources (in Somaliland) and the Puntland State Authority for Water Energy and Natural resources was effectively carried out 
		But the government change in 2010 resulted in a very limited involvement of the MMEWR during a couple of years 

The cross-subsidy mechanism between profitable urban areas and rural areas was not explicitly mentioned in result 1, but it would have been an expected positive impact of the expansion of water utilities. **There is no replacement for that.**

Effectiveness of result 1 as formulated in the logframe (urban utility expansion) is not achieved as planned, but most of the expected benefits of the initial concept were safeguarded by adjustments in the project implementation and in the budget.

Acceptance of the interest of the PPP concept in rural water supply is established in Puntland and in Somaliland.¹³

E.2.2. Result 2 (agreement between the companies and the communities)

The result achieved instead of extension of the urban utilities is the creation of local PPP companies in seven localities in Puntland and in one¹⁴ in Somaliland (cf. C.5, page 19). These 8 PPP arrangements cover approximately a population of 45,000 (64% of the 70,000 targeted beneficiaries as mentioned in the grant application).

Issue: *compared to the initial PPP concept, do these small local companies provide the same service delivery and the same agreed tariff as expected with urban utilities?*

a) Improved service delivery?

In most cases, the managers of the local companies created are not more than the previous managers who used to operate the system before, under the community-based management setting. Thus, the new companies do not bring the same benefits expected from urban utilities (skilled staff, investment capacity, commercial management experience) but they benefited from the Unicef assistance in terms of training and advice (in Lughayay and Lowya’addo two or three people are being trained, to obviate the potential loss of skills if one or two trainees move on).

¹³ to a more limited extend after the change of government in 2010.

¹⁴ Only Kalawle/Lughayay community set up a PPP company, but the operation has not started yet, while in Lowya’addo, the system is operated, but not under a PPP company which failed to be created.

One result from this being the creation of household connections in Waa'iye for example or small extension works in Juurile, which are indicators of a more commercially-oriented management.

At least, the managers are now enabled to make decisions on the operation strategy (like providing household connections, spending money on particular equipment or maintenance) without having to go through a long and often vain decision process with the rest of the community.

For example, in Lughaye and Lowya'addo, the contractor has taken on some plumbers who will be trained in the process.

☞ *The introduction of local companies did not change the quality of service delivery, as expected from utilities, but there are prospects that the service will probably be more responsive to users demand.*

☞ *The quality of service delivery did improve after the intervention, but mostly as a result of rehabilitation works by Unicef (not part of result 2).*

b) Improved confidence in community

As these local companies mostly come from the community itself, a sound agreement on tariff and service levels is assumed.

All the users interviewed to say they expected better services now after a local company had been inaugurated to take over the services. They are confident that they would receive good quality services especially as it was being provided by one of their own (if the services were poor, they would simply accost the manager "who is nearby").

☞ *The management of the water facility remains at the lowest appropriate level (regarding governance) and allows a close client-provider relationship, which is in line with the Water Act in Somaliland and the Policy in Puntland.*

☞ *The fact that the management will account in public should make the management more transparent. The tariff has been negotiated in public, during a village meeting and thus should be more acceptable to users.*

c) Improved contractual arrangements

Another result lies in the considerable improvement of the PPP contracts, which were merely 2-page documents for urban utilities. The PPP arrangements developed for the rural systems now comprise two documents: a framework agreement, between the Community and the Central Government (formalising the acceptance of a PPP by both parties), a Utility Agreement, signed between the company and the community, comprising sound provisions on:

- tariff setting negotiation,
- user satisfaction monitoring,
- clear obligations for the operator,
- clear obligations for the community.

These contracts also build a context where the role of central government is clearer (oversight, regulation, arbitration)

Even with local companies instead of urban utilities, the existence of a contract sets a sound environment for accountability, tariff negotiation and the possibility for each party to have demands on the other one, which is far better than the usual community management where volunteering is often considered as an excuse against reproaches

d) Unintended results: enabling community projects

For some communities, the experience of setting up a company and have it operating a common asset, generated a positive outcome of improving community unity (where uniform communities exist). The achievement of putting together a company in Kalawle-Lugahaye has had a positive spin to the community ambitions: having managed to raise what they considered a large capital for their water operation, it would appear that the community is gaining confidence that they can contribute capital to start up the fish cooler (with some help).

In Puntland, the creation of umbrella companies (Danwadaag consortium for Addinzone, Waa'iye and Juurile, Marbixis consortium for Dharinbaar and Durdura) reveals the same movement towards autonomy through consolidated capacity and economies of scale.

E.2.3. Result 3 (documentation of the experiment)

As a project pilot, capitalisation of experience and documentation of lessons learnt are fully part of the project's activities (as provided in the logframe).

Although this result did not generate many activities, we can mention the following items as contributions to the result:

1. The initial study by WEDC on the possible PPP options in rural areas of Somalia gives a good understanding of the necessary conditions and the possible implications of PPP arrangements, but they do not vector the results of the experiment of the project.
2. Some lessons learnt have been documented and published in at least one international magazine for dissemination in addition to WEDC and UNICEF websites.
3. A story on PPP by a local journalist is in preparation in Puntland.
4. A study on the social impact of PPP is planned to be taken up later.
5. A paper on Borama urban PPP experience was written and presented at WEDC conference in UK in 2011.
6. A Master thesis on the rural PPP experience was also completed and shared with a wider audience via WEDC.

Even for the evaluation team, it was difficult to find any analysis of the experience in reports and project documentation. Moreover, a lot of staff change has occurred between 2009 and the present, which hampered any project memory to build.

As a matter of fact, the terms of reference of this evaluation require a longer-lasting paper to document the lessons learnt through this experience, which will be released soon after the present evaluation report.

Knowledge capitalisation and documentation of the process were overlooked.

E.2.4. Conclusions on effectiveness

In spite of the significant change in the project implementation (local private companies instead of extension of urban utilities), the project managed to reach at least partially the expected results.

- ☞ *Considering the implementation results, the number of beneficiaries will only reach 64% of the initial target, but some of the expected benefits from urban PPP extensions are at least partially retained (partial improvement of technical skills, first signs of improved management in some localities, improved contractual relationships, and involvement of the central government).*
- ☞ *An effective improvement of service delivery quality can be observed in the field, but is mostly a result of rehabilitation works, which do not appear as planned activities in the logframe (but proved to be relevant)*
- ☞ *Even if result 1 is not achieved as formulated in the logframe, the project succeeded in implementing private companies for rural water supply operation.*
- ☞ *Considering the pilot aspect, the experiment of PPP settings in the rural areas of Somalia yields some interesting lessons learnt, that still need more efforts on documentation.*

E.3. Efficiency

E.3.1. The project had delays during start-up

Information about the project approval was available by December 2007 when the project partners held a meeting in Nairobi to plan the project. However it took up to May 2008 for Unicef to sign a co-operation agreement with the implementing partner Horn Relief and July 2008 to sign with WEDC. This represents an unnecessary time delay, as these are procedural issues that should have been concluded at the time of preparing the proposal, if WEDC and Horn Relief were to be considered as partners of the project.

Issue: *How to make sure project delays are minimised during start-up?*

- ☞ *The co-operation agreement should be agreed before the proposal is submitted, not negotiated after. This to avoid delays in agreements – even possible collapse of the co-operation.*

E.3.2. Some delays have negative impact on costs

After signing the co-operation agreement with Unicef, Horn Relief proceeded to set up an office in Borama (in Shaba offices) with effect from June 2008; and much later in Puntland. No outputs are recorded from Horn Relief until the March 2009 Nairobi conference, when they got instructions to start the Rural Assessment. Up to this period therefore, Unicef were paying both for its own staff and for consultants for time that was not being utilised optimally, which represents a waste in financial resources.

Horn Relief prepared the Rural Assessment from March to August 2009, when it was presented to stakeholders in Nairobi 3-6/08/2009. This is the only recorded output from Horn Relief, after more than 3 years association with the project (2006-2009).

Issue: How to make sure high intensity inputs such as studies or appraisal are deployed only when actually required?

☞ *The Horn Relief inputs should have been planned as a contract for when baseline survey/rural assessment is required, not a long term presence like partner which can increase costs.*

E.3.3. Mobilisation of communities took far too long

In March 2009, PSAWEN and MMEWR produced a long list of 19 communities in Awdal region and 14 in Karkaar region for consideration to be included in the project. Horn Relief made a baseline survey of the villages, from which the stakeholders meeting in Nairobi 3-6/08/2009 selected 8 villages in Somaliland and 7 in Puntland. At this time the water utility companies were not even involved in scoping the villages for inclusion in their plans.

Further assays into the communities were undertaken in 2010 involving the regulators PSAWEN, MMEWR through Shaba company (at a fee), and later Terre Solidali (who now replaced Horn Relief).

The revised implementation modalities adopted after Terre Solidali moved into the picture were that funds would be provided to PSAWEN and MMEWR to undertake community mobilisation. Terre Solidali would provide technical assistance to both of them for the exercise.

In the end, Terre Solidali complained that they had to do the exercise over again “because it had not been done thoroughly”. Instead of just providing a technical assistance to PSAWEN and MMEWR, Terre Solidali then implemented a re-designed “7-step process” to engage communities up to the completion of PPP agreements.

Eventually, the community mobilisation process made significant progress only after 2010, which is quite late in the project life. As a result, all of the seven communities targeted in Puntland and only two in Somaliland had progressed to a stage where water supply operations take place in a “PPP framework”.

Issue: How to make sure that community selection can be done expeditiously and to engage only willing communities?

☞ *The terms of reference for the mobilisation consultant should be prepared to ensure time-bound step-by-step outputs.*

☞ *The project should be demand-driven i.e. willing communities would apply and compete for an opportunity to participate. This would ensure that effort is not wasted on communities that are either unwilling or unable to participate.*

E.3.4. Capacity development of PPPs was partial

The project planned that vehicles, tools and computer equipment required for maintenance of the new village service areas, would be procured or installed for Hodman and Shaba companies (total budget € 117,318). The purchase order, placed during the first year of operation (2008), was largely cancelled except for a vehicle (for Borama) and some

computers. Even the vehicle eventually received has not been deployed to assist in the operations of the PPPs (Somaliland MMEWR says it did receive a vehicle, used centrally).

Supply of tools has not been included in even the existing construction contracts (Lowya'addo, Lughahaye).

Overall, PPP companies mostly received support through trainings and system rehabilitation, but the reinforcement of capacity initially intended for Shaba and Hodman was not transferred to the small PPP companies.

Issue: How to deploy project assets to ensure capacity building in nascent PPPs?

- ☞ **More practical site usable assets (tools and equipment) should be specified for the start-up companies.**
- ☞ **Vehicles (for monitoring) would be regional to have impact and should be reflected in the project objective for capacity building for the regulator.**

E.3.5. Capacity support for implementation

During 2008-2009, 2 national PPP consultants (read Technical Assistance) were recruited to work in SL & PL, under supervision of WEDC/UNICEF “to provide technical guidance to the establishment of rural PPP models”¹⁵. No terms of reference has been provided for this input, it is not clear how it complements the intermittent consultant input of Horn Relief and later on, Terre Solidali. But we understand they were supposed to prolong the work of WEDC on the PPP design, making up for the absence¹⁶ of WEDC consultant in the field.

Technical assistance is usually intended for building future capacity of institutions that need these skills in the long term. But this technical assistance was meant to improve PPP implementation in the project framework, while it could have been targeted to the ministries.

From Terre Solidali's statement, their role in supporting PSAWEN and MMEWR to undertake community mobilisation eventually turned into doing the job in lieu of them.

Overall, although acceptance of PPP concept by national authorities has been further established, the capacity for PPP implementation is still uncertain.

Issue: How to utilise technical assistance in a way that benefits the long-term PPP implementation in Somaliland and Puntland?

- ☞ **More technical assistance should be provided to the authorities in charge of water (MMEWR and PSAWEN).**

The fact that Unicef placed a technical assistant¹⁷ in MMEWR in 2011 and 2012 shows that this issue is already taken as a concern by Unicef.

E.3.6. Conclusions on efficiency

- ☞ **The start-up of the project has been very slow before any concrete activities were implemented in the field,**

¹⁵ Interim Report 2 page 15, under column key achievement 2007-9, Bullet 8.

¹⁶ Not authorised to travel to Somalia due to security issues.

¹⁷ Unfortunately not met by the evaluators. The TA supports the development of the project planning and management unit in the water department. A further TA is planned to support MMEWR in regulations of service delivery in 2013.

most of the progress towards operational PPPs in the selected locations was achieved after 2010 (year 4 and 5 of the project).

- ☞ *The initial partners (WEDC and Horn Relief) were less involved than expected and Unicef did not, at that time, manage to make up for that.*
- ☞ *Unicef was not being comprehensive enough and relied on the inputs of the partners to start the project, while the main capacity to drive the project should have been within Unicef and partners could have acted as contractors.*

E.4. Impact

E.4.1. Overall impact of the project

The overall objective of the project relates to the improvement of the quality of life of the rural population in Somalia through increased sustainable access to water.

It was not possible for the evaluation team to access recent data on water usage in the target communities, although MICS results for 2011 will probably be available soon. In addition, the access restrictions to the field (only 4 villages were visited) hamper the objective measurement of such impact in the framework of this evaluation. But the evaluation team took note of several observations or statement from users and operators that can contribute to identify possible impacts.

a) A wider acceptance of PPPs

Although the current PPP arrangements differ from the initial project concept and don't demonstrate yet as much success as the urban ones, the process used to mobilise communities and promote the PPPs was an opportunity for many stakeholders (including users) to be more familiar with the concept and its possible benefits.

In the urban areas, it took a longer time (approximately 3 years) for Unicef to convince stakeholders of the interest of PPP. Now that the PPP company in Gardho (Hodman) is successful, it took a much shorter time to introduce the concept of PPP to rural communities, thanks to the Hodman example. Similarly, the pilot project in rural areas can give some reference to explain PPPs.

It weighs on the good side of the scale for future PPP advocacy, while other PPP experience do not (for example the PPP arrangement for solid waste collection is often criticized by other municipalities and central government).

For the central governments, in Puntland as in Somaliland, villages where PPP arrangements were completed can be "crossed of the list" of the villages for which they have to provide assistance: "they are now managing on their own, we no longer have to think of them for works and maintenance".

- ☞ *More and more stakeholders have a clearer understanding of PPPs and the benefit they can bring for public service delivery.*

b) Community autonomy

Confirming the expectation of the central governments, the fact that communities became less dependent is evidenced in Puntland by Unicef local officers who were repeatedly solicited by some villages for repairs or replacements, and did not register any request from these same villages since the PPP is active.

☞ Even though it is too soon to ascertain sustainability, the first impacts in target villages in terms of autonomy are encouraging.

c) An enabling environment

As put by several users met, the existence of a contract between the community and the company allows for a better ability to negotiate the tariff on operational data and willingness to pay.

This contract also brings more security for private investments, as in Waa'iye, where the former caretaker now manager, takes good account of the investments he makes in the system with a view to get compensation in case of eviction.

The experience of Kalawle Lughaye (see E.2.2.d) Unintended results: enabling community projects, page 29) having more confidence in the possibility to make investment on a fish cooler facility is also a good indicator of an indirect impact on community capacity.

d) Possible mutual benefits

In Puntland, some rural PPP companies have decided to create a consortium:

- Waa'iye, Juurile and Addinzone jointed under the Danwaadag umbrella company, in order to mutualise efforts, procurements and technical skills,
- Dharinbaar and Dhuudo created Marbixis, probably for the same reasons.

These initiatives are a good indicator that companies already begin to look for solutions to overcome their difficulties, independently from the project itself. Danwanaag even considers a possible extension to Armo, the village on the road to Bossaso, which could be supplied by the Juurile system though a main line along the road.

When asked if Danwanaag could replace the three companies by one to manage the three systems, both managers of Waa'iye and Juurile answered "each village has its own problems, so each needs its own company", meaning the consortium will only deal with cross-cutting issues and not go into each village management.

E.4.2. Impact relating the children and women

The expected impact of an increased sustainable access to water on children and women is commonly accepted, and observations made around the water points provided evidence of it.

- The price of water of the system is significantly lower than that of water trucks that were used by users to certain extend (depending on the location).
- The house connections (in Waa'iye, Benderbayla for example) brought a significant improvement for women and children in charge of the water chore.
- The operation of kiosks generated some employment opportunities for women (in Juurile for example).

It is difficult to directly link these improvements to the new PPP arrangements, rather than to the rehabilitation works. The improvement of the service delivery is primarily a result of

technical improvements brought by rehabilitation, but its sustainability is more linked the quality of management expected from PPPs.

There is at least one evidence of service delivery improvement generated by the change of management, in Waa'iye where prior to the establishment of the PPP, no household connections were considered, while after the new management was in place, demands where addressed not waiting for the upgrade works to be completed.

The process of establishing a private company has had a direct effect on women empowerment in Lughahaye, where 3 women are part of the shareholders. Even though they do not seem to be on the board of directors, their investment in the company is a very good sign of recognition and it constitutes a formal way for them to have a say on the management of water, probably an even more effective power than being in the board of a community management committee.

E.5. Sustainability

E.5.1. Factors that encourage sustainability

The project interventions are still in their infancy. The first PPP companies are just over a year old, have not yet established a firm record of performance and cannot be judged to have passed the test of sustainability. This section presents the analyses of the characteristics of the project and environment that increase the chances of sustainability of the interventions.

a) The introduction of agreements helps to regularise the relationship

As mentioned in E.2.2.c) Improved contractual arrangements, page 28, the contractual documents developed by the project have ensured a more definitive agreement between the central government and the community, and between the community and the operator. These have been an improvement of the lease agreements signed with the urban utilities from 2000 to 2006. The current agreements provide a good tool for managing and regulation of services, as it is performance based.

As this is still a pilot project, it would be useful for the project managers to allow for re-negotiation (clause 24, framework agreement) to adjust the contracts to suit individual conditions.

b) The use of local entrepreneurs improves the chances of sustainability

The new managements of these PPP ventures have been formed *ad hoc*, consisting mostly of the rural elite – typically business men and opinion leaders within the community. All of them expressed a determination to run the services.

There will be pressure, as dictated by Somali tradition, for these entrepreneurs to succeed because they are serving their own kinsmen. The project therefore expects a fresh new crop of determined managers.

c) Tariff setting is communal, making acceptance more likely

The users interviewed said that they had participated in tariff setting, which has been done during a public meeting at the inception of the management team. In many cases (Juurile, Waa'iye and Lughahaye) there was a drop in tariff whereas in Lowya'addo the price remained the same.

The public accountability involved during public meetings discourages unjustified price hikes even before the ministry/regulator comes in.

d) The market is only opening up

In all the new service areas, water has been sold in kiosks. There is new awakening to serve water through house connections (higher consumptions expected) which moreover is charged at a higher rate. The market looks attractive to the incoming service providers; the water business is capable of attracting more investment.

E.5.2. Sustainability: factors that need to be improved***a) There is no competition for the services (yet)***

When the idea of a local entrepreneurial class to run the services was instituted, the response was lukewarm and few people subscribed to it. In villages like Waa'iye and Juurile, the organisers described how they made several trips to major towns (Bossaso and Gardho) to look for the investors. They located their village mates – who have moved to these towns for work and business – who were then convinced to invest in their village back home.

It will be important to ensure that there will be (at least) local competition to run the services if tariff are to be kept low. This can be done by allowing multiple groups or individuals within community to bid for the services.

This will also allow the Ministry to step aside and allow the market to determine the winners, instead of negotiating over clan representation.

b) Regulation and arbitration at lower levels

The ministries responsible for water supply are still centralised, with minimal presence at regional level and virtually no presence at lower levels. The village councils and the local elders are the only institutions of note that can help to ensure continued quality service on behalf of users.

Even though the number of rural water companies is still quite low, the distances and accessibility issues drastically restricts the possibility for the central government to follow up these contracts. An arbitration and regulatory entity will soon be needed at a lower level, to prolong the regulation already provided in the contract. According to the law and the principle of decentralisation, this should be the responsibility of local governments.

In the absence of the Ministry at those levels, village councils and local governments can be trained to fill the gap.

c) Back up technical services

The recent PPP water companies under this project are short of technical staff. Usually the only technical staff available is a “plumber” many of them trained on the job, who doubles as a repair man.

There is no indication that routine maintenance is carried or that there is available support to attend to any breakdown maintenance. It should be necessary to provide backup services to these start-up businesses otherwise their first failure could spell the end of their venture.

Some countries like Mali and Mauritania, which face the same problem a local unskilled operators in remote areas, have set up mechanisms to provide assistance to private operators, in terms of breakdown diagnosis, spare parts procurement and operation data monitoring. These assistance systems heavily rely on distant communications (by radio for Mali and mobile phone in Mauritania), mutualisation of efforts (common procurements, joint transportations) and the payment of a fee (by cubic meter) by the private operators.

E.6. Cross aspects

E.6.1. Key challenges faced by implementing partners and stakeholders

a) Accessibility

Most of the target communities are very far from capital cities and some are far from the main roads. As an example, our visits to only two communities in Somaliland took 5 days.

Adding to this, the security situation prevailing in Somaliland and Puntland throughout the project implementation was poor, especially after October 2008.

As a result it became increasingly difficult and costly for the project to maintain a good presence in the field.

And once again, providing support to urban utilities for their extension to rural would have required much less logistical efforts.

This factor also applies to the governmental partners (Ministry of Mines, Energy and Water Resources in Somaliland and PSAWEN in Puntland) – to a less extent concerning security – but even more for accessibility given the available vehicles.

b) Communities reluctance for external management

The main challenge faced by the project team was the impossibility to implement the project as it was designed, through urban utility expansion.

This induced a lot of changes and adjustments in the implementation methodology, which mainly came with the participation of Terre Solidali.

c) Internal context in some communities

Most of the projects targeting rural communities rely on the hypothesis that they will have sound and united respondents for each community. This allows for planning activities accordingly and focuses on implementation.

Once the PPP concept was adhered to, the project stakeholders expected that local PPP companies would be easily accepted by communities if they were created within the community itself. But it was not the case in Lowya'addo, where the community does not seem to have an inherent unity. Unicef, Terre Solidali or the MMEWR could not find a solution to this issue.

d) The market for service management is not open yet

In addition to the innovative aspect of the rural PPPs, the project partners faced another challenge: there was no existing private entity that could be appropriate for managing a water facility.

Such companies did not exist either in urban centres, but at least some companies from other sector could have competed for a PPP in water supply and could have found staff experienced in water service delivery (from previous water agencies, or from private providers such as the ones in Burao).

Given the local “market for companies”¹⁸ it was very unlikely that several companies would compete for the PPP contract.

¹⁸ This problem is also encountered in more developed commercial economies such as Kenya, and Uganda.

This is an inherent shortcoming of the process, which has to be overcome for the next round of renewing contracts. Without existing competition, a badly-performing company could not be dismissed and this would void one of the most interesting features of PPPs.

In that sense, the success of this first round of PPPs is crucial to attract more companies in the future and create the market of professional water supply management.

F. Recommendations

F.1. Short-term recommendations (project closure)

F.1.1. Knowledge capitalisation

As a pilot project, one of the major expected results was the field-based answer to the question “are PPPs workable for rural water supply in Somalia?” Major changes have occurred during the implementation of the project and the initial concept has not been applied as planned, which indicate that the methodology and even the results are not those defined in the initial project document.

Now, most of the implementation has been carried out by partners or contractors:

Table 5 : detail of knowledge components to document

Field	Main implementer	Knowledge value	Documented?
PPP options	WEDC	Medium ¹⁹	Yes (but would need an after-project update)
Community identification/selection	Horn Relief	Low	Results are, field methodology is not, but quite obvious
Authorities involvement/advocacy	Unicef	High	Not yet, but possibly retained by Unicef (although... staff changed a lot)
Community involvement/advocacy	Horn Relief, Terre Solidali	High	Not yet. At least authorities were involved, but retention is uncertain. Terre Solidali must have interesting knowledge to capitalise.
Company selection/creation	Terre Solidali	Very high	Not yet. Results only. Terre Solidali must have interesting knowledge to capitalise.
Company capacity building	Terre Solidali	Very high	Partially (trainings). Needs to be gathered.
Contractual arrangements	Terre Solidali/Unicef	Very high	Yes, framework agreement, utility agreement.
Community-company negotiations	Terre Solidali	Very high	No. Terre Solidali must have interesting knowledge to capitalise. National authorities were present too.
Rehabilitation studies	Terre Solidali	Low	Yes.
Technical assistance to authorities	Terre Solidali	High	No. Terre Solidali must have interesting knowledge to capitalise.
Coordination among partners and stakeholders	Unicef	Medium	Not yet.

Currently, the most innovative and interesting knowledge of the methodology for working with rural communities and bringing them to an effective PPP operation is retained by Terre Solidali and local actors such as mayors and authorities responsible for water. This needs to

¹⁹ Theoretical knowledge, documented prior to the field experience, needs an update now.

be at least transferred to Unicef and, most desirably, properly documented for future dissemination.

From a theoretical point of view, should a pilot project fail to reach the expected results, one major output would still be to document this experience and the reasons of the failure.

In the particular case of the rural PPP project, it is clear that the approach for working with rural communities towards a PPP arrangement has been tailored throughout the implementation and is unique.

Unicef is aware of this needs for documentation and intended all along the project to do it, partially through a “Lessons Learnt” document at the end of the project, included in the terms of reference of the evaluation team.

But in addition to this process engaged by Unicef, there is a need for internal knowledge capitalisation. Obvious lessons learnt can be captured by the evaluation team, but there is a significant part of the knowledge developed during the project that has to be capitalised from partners, as Terre Solidali.

☞ **Complementary to the lessons learnt document, Unicef should involve the project partners into the simple drafting of the implementation methodology used (mostly community mobilisation and negotiations with the company, company creation and capacity building).**

F.1.2. Workaround the *status quo* in Lowya’addo

In Lowya’addo, the entire process to accompany the community towards a PPP arrangement has been completed, but the “investors” invited to create the company did not reach an agreement on the share allocation. This is a specific limitation of the *ad-hoc* company creation method.

Ideally, more benefits from the private sector participation would derive from competition and investment attraction (i.e. the interest of investors to develop the system to generate more revenue).

Lowya’addo would probably be the first one and most appropriate community where the management of the system could be tendered out and attract several “real” companies.

- The ad-hoc company creation has failed
- The prospect of commercial viability is high (even though some investments remain to be done)

In a community where unity is weak, the legitimacy of the company should be searched through a formal tender process and not through traditional arrangements.

Tendering out the management of the system also implies that candidates would have to carry out their own assessment of profitability and needs for investment. Interested companies should therefore compete at least on two criteria:

1. The tariff proposed

Box 1: the ad-hoc company creation method

The community actively searches for interested investors and, in the particular case of Lowya’addo, trying to bring together investors representing the major clans concerned. These are invited to invest in the company, while the management team often comprises the previous staff that used to manage the system under the community management. Such a process is more controllable and especially avoids the risk of no bidders (very likely in small rural communities). But there is no affectio societatis amongst the shareholders who are eventually involved neither in the management nor in the strategy of the company. They act as credit provider, interested only in the return on investment.

2. The amount they offer to invest in rehabilitation (for year 1 and 2 for example)

Such competitive process would yield a significant level of legitimacy for the selected company, as they made the most attractive offer regardless of any link with one clan or the other.

But, of course, such process would require an intensive support from external actors and central government to:

- give a comprehensive understanding of the competition rules through advertisement;
- and an active support to candidates to assist them in preparing their assessment (availability of operation data, rehabilitation status) and their bid (to detect unreasonable bids).

Such a formal process can not only be a solution for Lowya'addo, but should also be carried forward to set second-generation PPPs for the next round of negotiation where PPPs already exists or for company selection where sufficient data on profitability are available.

F.2. Mid-term (follow-up and opt out strategy)

F.2.1. Intensive mentoring is still needed

Initially, working with urban utilities would not have needed a very intensive mentoring after PPP completion. Their experience in urban PPPs would have been a sufficient asset.

Now, with small ad-hoc companies, the need for training and mentoring is stronger.

In addition to the trainings already offered during the company creation, Unicef should find a way to provide the following trainings and assistance:

Table 6 : mentoring and training needs

Field	Content	Target
Technical operation	Emphasis on house connection management (technical standards, metering, billing) and technical diagnosis (genset troubleshooting, etc.) ²⁰	Companies
Rehabilitation	Emphasis on the basics of network design (height of tanks, production needs calculation, diameters) ²¹	Companies
Maintenance	Emphasis on budget estimation for maintenance	Companies
Management	Emphasis on viability strategies (develop customer base, optimise tariff)	Companies
Contract management	Emphasis on contract understanding, provisions for negotiation, tariff setting and accountability requirements	Communities
Responsibilities	Emphasis on role sharing: the company runs the system, the community controls the "value for money" of the service, the central government controls if the community succeeds in obtaining a proper public service for water	Communities, companies, central government
Oversight	Emphasis on which indicators should be monitored by the central government	Central government

²⁰ Unicef already provided a training on submersible pump repair in Hargeisa in 2012 and plans it for PL as well.

²¹ PPP companies are about to take part in a training on Unicef standard designs for water supplies.

F.2.2. PPP key ingredients for central governments

Independently from any replication project, the knowledge derived from a pilot project should not only benefit to Unicef or implementing partners.

The effort to document the project should result in some form of knowledge capitalisation for the central governments involved, namely the MMEWR in Somaliland and PSAWEN in Puntland.

More precisely, Unicef should prepare a very simple document on “how to establish a PPP for rural water supply” including:

- a general “how-to-proceed” showing in a graphical form the major steps of the process ;
- for each step, short recommendations about “what to do” and “what not to do” ;
- the templates for framework agreement and utility agreement as annexes ;
- the summary of main pros & cons of PPP to be used with the communities.

F.2.3. Assistance to the central government in monitoring the PPPs

Most of the regulation needed is included in the provisions of the utility agreements and the framework agreements, which is very effective (most issues are supposed to be either prevented or dealt with at local level). But there is a risk of abandon of the central government, who will no longer see the point of intervening for rural PPPs, because, as PSAWEN put it: “we can get PPP communities out of our mind now, and focus on the other ones”.

A simple but necessary performance monitoring should however be carried on, to prevent PPP failure and have periodic data to assess their success (and possibly improve the knowledge on real rural PPPs).

The support of Unicef is needed to follow-up the central governments in their oversight responsibilities (obtain recognition from the authorities of their responsibilities, provide some guidance and tools, promote practical examples of use of monitoring data).

F.3. Longer term (expansion, replication)

F.3.1. Technical support

a) Technical support centre for companies

As mentioned in E.5.2.c), page 36, it is difficult to retain technical skills in small villages and there is no market for private technicians to provide expertise for small companies (the small number of rural water systems and the distances involved make it unrealistic).

The local PPP companies will necessarily face technical difficulties and lack those technical skills to:

- conduct a proper diagnosis of the breakdown and determine which parts should be changed or repaired;
- find the appropriate dealer for the needed spare parts;
- procure the appropriate goods (investment, replacement, repairs) at a decent price;
- have the goods shipped to location.

To make up for this lack of local technical skills, a central (or regional) technical centre could be created to provide services to local companies against a regular fee (on cubic meters produced for example). This type of service has been successfully experimented in Mali and Mauritania (see Box 2), either as a public service of the central government and, later on, as a private entity. The willingness of some companies to create “consortiums” (see E.4.1.d), page 34) reveals this need, but it should be carried forward to a more regional level.

The “market” for such a provider is currently insufficient, and it would require some form of subsidy to operate (from central government or external donor for a transitional phase).

It could provide distant technical assistance over the phone for diagnosis, spare parts orders or technical advice, and facilitate the procurement from the capital city (or harbour as in Berbera and Bossaso). Ideally, it would allow for risk sharing among the subscriber, or emergency mitigation (spare pumps or generators available in store for temporary replacement during procurement), or even provide credit facilities (for generator or pump replacement, or for extension investments).

Unicef intends to explore possible regional repair centres in Puntland. Firstly implemented through PSAWEN with a possible financial support from Unicef, they would ideally transform into private providers when the market is sufficient.

The number of water supply systems in Puntland (less than one hundred boreholes have been numbered) and the distances involved make sustainability uncertain, but the adjustment of the services provided and a possible subsidy from central state would probably be necessary;

b) Building the local technical expertise

The usual community management setting was heavily depending on donor assistance or funding. Any creation, rehabilitation or extension of a water supply system was, in a way or another, technically designed by external experts financed by donor’s funds. There was no market for national consultant engineers.

But there is still a need to build local technical expertise for the water supply, at least in the long term. The existence of local PPP companies opens a new market for rehabilitation and extension works, even though very small for the moment.

Unicef already contributed to build this local capacity when tendering out the assessment, design and construction of 17 simple water supplies in Somaliland (with a lot of coaching to national engineers and contractors). This effort should be pursued.

F.3.2. Careful use of external funding

The small local PPP companies must extend the service delivery to survive. Developing house connections is mandatory, and may require a reinforcement of the production capacity (as it is considered by Unicef in Waa’iye, Addinzone, Lowya’addo for example) or only network extensions. In both cases, it would be very risky to fund these works with external

Box 2: technical support in Mali and Mauritania

In Mauritania, the central government outsourced the technical assistance for which the water department was formerly in charge (and could no longer sustain). It was entrusted to a national association for water supply and sanitation (ANEPA), which collects revenue from each private operator against the number of cubic meters produced (0.04 to 0.08 \$/m³). In case of breakdown, ANEPA provides technical guidance and replacement pumps or generators (or spare parts) at no other cost except the payment of technicians for the installation. More than 90% of the private operators subscribed to this service.

In Mali, the formerly donor-subsidised central public service for rural water supply operators, the CCAEP, was privatised. The responsibility to provide technical assistance, management advice and audit was tendered out to regional private consultancy firms. The fee is included in the water price and gives right for numerous services (advice, monitoring, tariff setting, procurement facilitation, but not equipment replacement).

funding (donor's funds). This would undermine one of the expected benefits from PPP: leverage private money.

Private companies are meant to introduce a different commercial strategy from that of community-based managements. They are supposed to look for more profit through selling more water, and to be ready to invest for that purpose. This positive spiral will not be triggered as long as companies can hope for external funding to rehabilitate or extend the system. Opposite, this would encourage the companies to increase profitability in "consuming" the assets rather than maintaining them to prolong the profits.

At the latest, a judicious use of external funding can be made before the company takes over the management, in order to ascertain an attractive level of functionality of the facility.

But later on, if an external financial support is deemed necessary to enable the development of a water supply (which is likely in rural locations under a certain critical mass), it should only take the form of:

- Credit provision, allowing the private company to invest for extending the service and to reimburse thanks to the extra water sales.
- OBA (Output-Based Aid) disbursed only for verified outputs (such as a new house connection, a new borehole, etc.)

It must be made clear from the start that no donor should any longer fund rehabilitation or extension works in these villages, unless the funding leverages some investment by the company and goes through the company to develop its capacity to achieve works and projects. OBA mechanisms are appropriate for this.

F.3.3. Building the capacity of local governments

On a long-term basis, there is a need for a local actor between the village level (communities, companies) and the central level (government).

Local governments were not much involved²² during the project because of their lack of capacity. *Making decentralisation work for rural water supply* would have been a different pilot project.

But in the longer term, it is necessary to progressively lead the local governments to play an important role²³ as provided in the Water Act in Somaliland.

PPP agreements should be, in the end, signed between a company and the local government, which is entitled for this (rather than the "community" or the village committee), and should have more capacity for procurement (competitive process).

The local government is responsible for the public services what within its territory and must secure the appropriate arrangements to ensure that these services are delivered in an equitable manner. This can be achieved through a PPP and it is the duty of the local government to dismiss a company that would not perform satisfactorily and procure another.

The role of central government would then be to monitor local governments to ensure that they address their responsibilities in terms of results (the service delivery should meet the norms).

The current status of Local Governments is far from this ideal situation and requires a lot of progress of the decentralisation reform. But the first step will be to progressively involve the local governments, as owners of the facilities, thus responsible for the procurement of a company to operate them.

²² Concerned mayors have no active role regarding PPP operation, but at least, they were involved in community mobilisation/negotiation with the company, and validated the utility agreement.

²³ The Joint Programme for Local Governance plans a pilot project for this purpose. Unicef is part of the JPLG.

Appendix 1. Terms of Reference

The objective of the study is to provide Unicef and the EC with sufficient information as to the final impact of the PPP management principles to rural water supplies in Somalia. The consultant will thus be required to provide an overview of the implementation of the entire programme, based on a thorough in depth desk study, interviews/meeting with partners and stakeholders in Nairobi and accessible zones, and support this with more in-depth insight into/assessment of implementation in zones and sites to which field visits can be undertaken – Somaliland and Puntland. A particular focus of the study will be an evaluation of the application and suitability of the public private partnership approach for the management of rural water services, which was applied through the programme, and recommendations on how this could be strengthened, supported in the future.

The main issues to be studied are:

- Project preparation and design
- Relevance
- Efficiency
- Effectiveness
- Impact, in particular the impact on children & women
- Economic and financial analysis
- Factors affecting sustainability and replicability

SPECIFIC ASSIGNMENTS OF THE CONSULTANCY

- An overview of the principle features of the overall programme to include objectives, major components, locations, commitments/disbursements made, any significant changes to approach/activities and reasons why;
- An assessment of the quality of the planning and design of the programme and the relevance to the problems it was intended to address and any recommendations for improvements for future submissions. In particular this should look at the logical framework as the underlying structure, in particular:
 - The relationship between the activities and the results of the programme in the logical framework terminology;
 - The relationship between the results of the project and the project purpose referred to in the logical framework terminology;
 - The relationship between the project purpose and the overall objectives;
 - The validity of this logic and recommendations for modifications and/or amendments, with a particular focus on impact indicators
- An evaluation of the efficiency of the implementation of the programme
- An evaluation of the effectiveness of the implementation of the programme
- An assessment of impact so far and/or prospects for impact in the longer term
- An assessment of the potential sustainability of programme interventions
- An assessment of perceptions/acceptances of different stakeholders towards the PPP approach
- An assessment of key challenges faced by implementing partners and stakeholders to make PPP approach work
- An evaluation of the public private partnership approach established and supported by UNICEF under this programme, and under its broader, longer term interventions in the

urban and rural water sector for the management of the Water Supply System and specific recommendations for improvements and or/requirements for future support

- Compilation of lessons learnt in implementing PPP approach in Urban and Rural settings of Puntland and Somaliland
- An assessment of the achieved and expected impact on the core UNICEF target group, children, in particular under the aims of the “Young Child Survival and Development” focus area in the UNICEF 2011-2015 Country Programme Action Plan.

In all of these categories the assessment should make an analysis against the physical and policy environment; outline both strengths and weaknesses, present lessons learned and where possible and/or relevant, make and recommendations for improvements for future programmes

DELIVERABLES

1. The consultants will present an inception report of not more than 5 pages within 12 days of starting the contract. This should present the methodology and detailed work plan for the assignment
2. The consultants will present a final evaluation report of not more than 50 pages (excluding annexes), within four (4) weeks after any field work has been finalised. The final report will set out the findings and conclusions of the evaluation and shall be in English.
3. The consultant will present a final lessons learnt document, in a format agreed by stakeholders, comprising the lessons from Puntland and Somaliland specifics, within 4 weeks after completion of field works.

DOCUMENTS TO BE PROVIDED BY UNICEF

The following key documents shall be included in the evaluation and will be made available to the consultant by UNICEF:

- Project Proposal and Project Progress Reports (Financial and Technical), UNICEF Somalia, Nairobi
- Assessment of Rural PPP Options, WEDC 2010
- Rural PPP Baseline Assessment Report, Horn Relief, 2010
- “Findings from the Somali Multiple Indicator Cluster Survey 2011”, UNICEF Somalia, Nairobi
- Puntland Water Policy, Somaliland Water Policy, Water Act and Water Strategy
- Periodic progress reports prepared by Implementing Partner(s)
- Legal frameworks of PPP structured developed so far in Somaliland and Puntland during project interventions
- Relevant documents produced under the Joint Programme for Local Government (JPLG), including Final Report on Assessment of Functional Assignment in the Water Sector, Models for Water Service Deliver and ILO Strategy for PPPs

CONDITIONS OF WORK

The consultant team shall provide laptop computers for their work. General office facilities, including access to official communication facilities, will be provided by UNICEF in Nairobi and the Somalia field offices. Daily subsistence allowance (DSA) will be paid in Somalia and in Nairobi if the consultant is based outside this will be included in the contract sum.

In accordance with the rules governing the DSA payments, the consultants shall be responsible for accommodation and commute to the UNICEF office while in Nairobi. Transport to attend meetings in Nairobi will be provided by UNICEF. All ground transport in Somalia will be provided by UNICEF.

One return ticket from the consultant team usual location to Nairobi will be provided by UNICEF, its class will be determined by the applicable UNICEF rules. UNICEF shall be responsible for the air transport of the consultant from Nairobi to Somalia and back via EC Flight and/or UNHAS. Travel to Somalia requires security clearance from the UN security office in Nairobi, and UNICEF office will facilitate the process for the consultant. The consultant is required to adhere by the UN security rules while in Somalia.

The consultant is responsible for his/her own insurance while under contract, in Somalia, Kenya and in transit. An entry visa to Kenya is issued on arrival and the cost will be reimbursed. Visas are required for some parts of Somalia. UNICEF Somalia will make arrangements to get visas for the consultant and the cost will be reimbursed.

The consultant is responsible for accommodation in the respective locations. However, security rules may require accommodation in UN guest houses or designated private accommodation. DSA will be paid to the consultant for this purpose. DSA rates for Somalia cover the usual cost for accommodation and food in either UN or private accommodation.

Changes in the security situation may require delaying assignments or evacuation of the consultant. If such situations significantly delay the contract either contract partner can request cancellation or postponement of the contract. In case of premature cancellation of the contract UNICEF reserves the right to hold payments for work assignments that have not been carried out.

EXPERTISE REQUIRED

1. A specialist in issues of sustainable development, with strong understanding of institutional and policy themes and the building of personal and institutional capacity
2. A water specialist with experience in both rural and urban water supply, preferably in Horn of Africa.

Both experts should preferably have

- Experience in planning and managing projects, including but not restricted to budget management
- Experience in the evaluation of projects
- Strong and proven facilitation skills to ensure participation in the evaluation process
- Experience in issues of water and sanitation, with a sound understanding of private sector participation and social aspects (in particular human rights aspects) of water and sanitation

Professional experience should be at least 10 years in fields relevant to the above, with a Master's Degree relevant to sustainable development.

CONTRACT DURATION: APPROX. 53 DAYS

PAYMENT TERMS (AS PER UNICEF TERMS AND CONDITIONS)

Will be tied to deliverables and upon satisfactory completion and acceptance by Unicef

Appendix 2. Project initial logframe

	Intervention Logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall Objectives	The rural population of Somalia has increased sustainable access to water Quality of life of the Rural Population in Somalia is improved	Reduced incidence of emergency water assistance in rural areas Reduced under 5 morbidity and mortality	Post-implementation surveys such as UNICEF Multi-Impact Cluster Survey (MICS)	
Purpose (Specific Objective)	The approach and implementation of the extension of public-private partnerships from urban into rural water supply management is demonstrated by Gardo and Erigavo Water Companies for replication in other regions of Somalia	<ul style="list-style-type: none"> – Less than 20 % of covered water systems are out of service for more than 5 days – Willingness to pay levels at the end of the project are equal to or higher than the baseline data 	<ul style="list-style-type: none"> – Monitoring visits and Final Evaluation – Successive reports by PSAWEN, MWMR, and other partners 	<p>Puntland State and Somaliland remain politically stable</p> <p>No conflict threatens consensus and tripartite agreements</p> <p>Water resources are sufficient to cover needs in severe droughts and acute water shortages</p>
Expected Results	Result 1: Gardo Water Company, together with the Puntland State Authority for Water, Energy and Natural Resources (PSAWEN), and Erigavo Water Company, together with the Ministry of Water and Mineral Resources (MWMR), have expanded to extend their services to 10 rural water systems each in their region.	<ul style="list-style-type: none"> – Utilities visit each covered location with one technical and one management staff at least once a month – The utilities respond to breakdowns within 3 days of receiving a report – Repairs of equipment in the company workshop are carried out within one week 	<ul style="list-style-type: none"> – Monitoring and Evaluation – Reports from partners working in the region 	The general support for public-private partnerships in urban water management carries into its application in rural areas

	Intervention Logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
	Result 2: A clear and accepted system of service delivery, tariffs and revenue collection has been established by Gardo Water Company and PSAWEN, and by Erigavo Water Company and MWMR, and is operational for 10 rural water systems each in their region	<ul style="list-style-type: none"> - Revenue = ((Production Volume Operational Losses) x Water Tariff) - Rural Water Tariff (averaged over seasonal variation) equal to or lower than Urban Water Tariff for metered connections - Rural revenue is reflected monthly in utility accounts 	<ul style="list-style-type: none"> - Company accounts - Monitoring and Evaluation 	Gardo Water Company and PSAWEN staff, as well as Erigavo Water Company and MWMR staff fully support the expansion plans
	Result 3: The approach and implementation of extending the services of urban utilities into rural areas is documented and the concept with all lessons learned is available in appropriate formats for replication in other regions of Somalia	<ul style="list-style-type: none"> - at least one other Somali utility has made a concrete proposal to replicate The model within six months after concept is presented - Paper with lessons learned is presented in at least one relevant international conference within one year after The concept is documented 	<ul style="list-style-type: none"> - Regional and National development plans - Conference Proceedings 	Other regions of Somalia support public-private partnerships in rural water services
Activities	Activities supporting Result 1 <i>Gardo Water Company, together with the Puntland State Authority for Water, Energy and Natural Resources (PSAWEN), and Erigavo Water Company, together with the Ministry of Water and Mineral Resources (MWMR), have expanded to extend their services to 10 rural water systems each in their region.</i>			

	Intervention Logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Activities	1.1. Analyse the approaches and structures that have made public-private partnerships in urban water management successful and sustainable and extract key recommendations for a replication in rural water management	Study	€ 1 050 971,00	Local governments in targeted regions continue to support public-private partnerships for rural water management The policy of public-private partnerships in water supply management continues to be supported by all stakeholders Gardo Water Company and Erigavo Water Company continue to meet the requirements of their concession agreement and remain financially stable PSAWEN remains the state agency in charge of water resources and public oversight over utilities or has a suitable successor (No similar assumption required for Somaliland)
	1.2. Together with both companies and the relevant authorities translate the recommendations into a practical demonstration project for the expansion of the two Water Companies	Consultants, staff time		
	1.3. Present the key recommendations and the demonstration project to a workshop for national and international stakeholders in Puntland State of Somalia and Somaliland and advocate for support	Consultants, Workshop		
	1.4. Agree between utilities and authorities on expansion strategy and produce practical and time-bound expansion plan	Consultants, Staff Time		
	1.5. Strengthen the necessary skills and build the managerial and operational capacity of the two water companies and their regulating authorities	Consultants, Training Courses, Staff time, vehicles, tools, computers, other equipment		
	1.6. Utilities and authorities to start dialogue with target communities to clearly communicate the objective of the project and the benefit for the communities and agree with 10 communities each on provision of water services	Target Groups staff time, Partner staff time		
Activities	Activities supporting Result 2 <i>A clear and accepted system of service delivery, tariffs and revenue collection has been established by Gardo Water Company and PSAWEN, and by Erigavo Water Company and MWMMR, and is operational for 10 rural water systems each in their region</i>			

	Intervention Logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Activities	2.1. Building on the basic consensus, establish willingness to pay, acceptable tariff and service levels, and respective responsibilities with each community	Staff time	€ 1 012 460,00	Community work will prevent or mitigate hostile reaction to change Gardo Water Company and Erigavo Water Company continue to meet the requirements of their concession agreement and remain financially stable PSAWEN remains the state agency in charge of water resources and public oversight over utilities or has a suitable successor (No similar assumption required for Somaliland)
	2.2. Support the establishment of concession agreements between the communities, the companies and the respective authorities with facilitation and advice	Staff time		
	2.3. Support the Water Companies in establishing the agreed management structures in each community with further training and advice	Consultants, Training Courses, Staff time		
	2.4. Support PSAWEN and MWMR in carrying out their oversight function as per the concession agreements with further training and advice	Consultants, Training Courses, Staff time		
Activities	<i>Activities supporting Result 3 The approach and implementation of extending the services of urban utilities into rural areas is documented and the concept with all lessons learned is available in appropriate formats for replication in other regions of Somalia</i>		€ 113 997,00	
	3.1. Document the process of urban utility Expansion	Study		
	3.2. Extract lessons learned and translate into key recommendations for replication in other regions of Somalia	Study		
	3.2. Present the results to all stakeholders in Puntland State and Somaliland and produce suitable materials for dissemination and replication of the demonstration project	Workshop, Document production		
	Monitoring and Evaluation Activities			

	Intervention Logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
	1. Establish baseline on water access and willingness to pay in the two regions	Consultants, staff time		
	2. At regular intervals monitor progress of activities	Staff time		
	3. Carry out mid-term implementation review to assess urban-rural transfer and identify required modifications to implementation, and do a full Mid-term Evaluation	Consultants, staff time	€ 20 000,00	
	4. Carry out an end-term sustainability assessment and management performance review for private sector rural water services in the two regions and do a full Final Evaluation	Consultants, staff time	€ 20 000,00	

Appendix 3. Revised logframe (21/09/2010)

	Intervention Logic	Objectively Verifiable Indicators of achievement	Sources and means of verification	Assumptions
Overall Objectives	The rural population of Somalia has increased sustainable access to water Quality of life of the Rural Population in Somalia is improved	Reduced incidence of emergency water assistance in rural areas Reduced under 5 morbidity and mortality	Post-implementation surveys such as UNICEF Multi-Impact Cluster Survey (MICS)	
Purpose (Specific Objective)	The approach and implementation of the extension of public-private partnerships from urban into rural water supply management is demonstrated by Hodman and Shaba Water Companies for replication in other regions of Somalia*	<ul style="list-style-type: none"> – 52,500-60,000 people have reliable access to safe water. – Average of 20l/p/d produced. 	<ul style="list-style-type: none"> – Monitoring visits and Final Evaluation – Successive reports by PSAWEN, MWMR, and other partners 	<p>Puntland State and Somaliland remain politically stable</p> <p>No conflict threatens consensus and tripartite agreements</p> <p>Water resources are sufficient to cover needs in severe droughts and acute water shortages</p>

	Intervention Logic	Objectively Verifiable Indicators of achievement	Sources and means of verification	Assumptions
Expected Results	Result 1: Hodman (in Gardo ²⁴) Water Company, together with the Puntland State Authority for Water, Energy and Natural Resources (PSAWEN), and Shaba (in Borama) Water Company, together with the Ministry of Water and Mineral Resources (MWMR), have expanded to extend their services to 15 rural water systems (8 in Somaliland and 7 in Puntland).	<ul style="list-style-type: none"> – Utilities undertake a monitoring visit at least once a month. – The utilities respond to breakdowns within 3 days of receiving a report – Not greater than 15% downtime of system by the end of the project period. – 100% of targeted rural water systems are operational by the end of the project period. 	<ul style="list-style-type: none"> – Monitoring and Evaluation – Reports from partners working in the region 	The general support for public-private partnerships in urban water management carries into its application in rural areas
	Result 2: A clear and accepted system of service delivery, tariffs and revenue collection has been established by Hodman Water Company and PSAWEN, and by Shaba Water Company and MWMR, and is operational for 15 rural water systems.	<ul style="list-style-type: none"> – 90% of targeted beneficiaries understand and accept the tariff and are paying for water by the end of the project period. 	<ul style="list-style-type: none"> – Company accounts – Monitoring and Evaluation 	Hodman Water Company and PSAWEN staff, as well as Shaba Water Company and MWMR staff fully support the expansion plans
	Result 3: The approach and implementation of extending the services of urban utilities into rural areas is documented and the concept with all lessons learned is available in appropriate formats for replication in other regions of Somalia	<ul style="list-style-type: none"> – Lessons learnt are documented and published in at least one international magazine for dissemination in addition to WEDC and UNICEF websites. 	<ul style="list-style-type: none"> – Regional and National development plans – Copy of Magazine and the links to UNICEF and WEDC websites 	Other regions of Somalia support public-private partnerships in rural water services

²⁴ The original proposal indicated that Erigavo would be the second location however; this was later changed to Borama, as it was considered that Erigavo was not adequately functioning

	Intervention Logic	Objectively Verifiable Indicators of achievement	Sources and means of verification	Assumptions
Activities	Activities supporting Result 1 <i>Hodman (in Gardo) Water Company, together with the Puntland State Authority for Water, Energy and Natural Resources (PSAWEN), and Shaba (in Borama) Water Company, together with the Ministry of Water and Mineral Resources (MWMR), have expanded to extend their services to 15 rural water systems.</i>			
	1.1. Analyse the approaches and structures that have made public-private partnerships in urban water management successful and sustainable and extract key recommendations for a replication in rural water management	Study		Local governments in targeted regions continue to support public-private partnerships for rural water management
	1.2 Based on review of project documentation from Urban Public Private Partnership (PPP) initiatives implemented in Somalia and international best practice on PPPs, a concept note on PPP options and introductory paper to highlight key issues for project assessment and development is developed.	Study, Partner (WEDC) staff time		The policy of public-private partnerships in water supply management continues to be supported by all stakeholders HodmanWater Company and ShabaWater Company continue to meet the requirements of their concession agreement and remain financially stable
	1.3. Together with both companies and the relevant authorities translate the recommendations into a practical demonstration project for the expansion of the two Water Companies	Consultants, staff time		PSAWEN remains the state agency in charge of water resources and public oversight over utilities or has a suitable successor (No similar assumption required for Somaliland)
	1.4. Present the key recommendations and the demonstration project to a workshop for national and international stakeholders in Puntland State of Somalia and Somaliland and advocate for support	Consultants, Workshop	€ 1,050,971.00	
	1.5. Agree between utilities and authorities on expansion strategy and produce practical and time-bound expansion plan	Consultants, Staff Time		

	Intervention Logic	Objectively Verifiable Indicators of achievement	Sources and means of verification	Assumptions
	1.6. Strengthen the necessary skills and build the managerial and operational capacity of the two water companies and their regulating authorities	Consultants, Training Courses, Staff time, vehicles, tools, computers, other equipment		
	1.7. Utilities and authorities to start dialogue with target communities to clearly communicate the objective of the project and the benefit for the communities and agree with 10 communities each on provision of water services	Target Groups staff time, Partner staff time		
	1.8 Fifteen (15) water systems are rehabilitated and fully functional	Staff time, supplies, partner staff time, rehabilitated water systems		
	Activities supporting Result 2 <i>A clear and accepted system of service delivery, tariffs and revenue collection has been established by Hodman Water Company and PSAWEN, and by Shaba Water Company and MWMR, and is operational for 15 rural water systems.</i>			
	2.1. Building on the basic consensus, establish willingness to pay, acceptable tariff and service levels, and respective responsibilities with each community	Staff time	€ 1,012,460.00	Community work will prevent or mitigate hostile reaction to change Hodman Water Company and ShabaWater Company continue to meet the requirements of their concession agreement and remain financially stable PSAWEN remains the state agency in charge of water resources and public oversight over utilities or has a suitable successor (No similar assumption required for
	2.2. Support the establishment of concession agreements between the communities, the companies and the respective authorities with facilitation and advice	Staff time		
	2.3. Support the Water Companies in establishing the agreed management structures in each community with further training and advice	Consultants, Training Courses, Staff time		
	2.4. Support PSAWEN and MWMR in carrying out their oversight function as per the concession agreements with further training and advice	Consultants, Training Courses, Staff time		

	Intervention Logic	Objectively Verifiable Indicators of achievement	Sources and means of verification	Assumptions
				Somaliland)
	<p>Activities supporting Result 3</p> <p><i>The approach and implementation of extending the services of urban utilities into rural areas is documented and the concept with all lessons learned is available in appropriate formats for replication in other regions of Somalia</i></p>			
	3.1. Document the process of urban utility Expansion	Study		
	3.2. Extract lessons learned and translate into key recommendations for replication in other regions of Somalia	Study	€ 113,997.00	
	3.2. Present the results to all stakeholders in Puntland State and Somaliland and produce suitable materials for dissemination and replication of the demonstration project	Workshop, Document production		
	Monitoring and Evaluation Activities			
	1. Establish baseline on water access and willingness to pay in the two regions	Consultants, staff time		
	2. At regular intervals monitor progress of activities	Staff time		
	3. Carry out mid-term implementation review to assess urban-rural transfer and identify required modifications to implementation, and do a full Mid-term Evaluation	Consultants, staff time	€ 20,000.00	
	4. Carry out an end-term sustainability assessment and management performance review for private sector rural water services in the two regions and do a full Final Evaluation	Consultants, staff time	€ 20,000.00	

Milestones

In addition there was also a suggestion to provide key project milestones or intermediate outputs to guide both the project assessment and the project development process, with the following five intermediate outputs (in part derived from the activities section in the logframe) proposed:

1. The design and implementation of the project assessments is completed to achieve the other project objectives, including a review of the urban PPPs by March 2009.
2. Baseline survey on water access and willingness to pay in the two regions is completed by August 2009
3. Community assessment on PPP options acceptance by May 2011
4. A PPP agreement between the water company and the state government has been drafted and agreed for managing rural water supplies for both Awdal Region (Borama District) and Karkar Region (Gardo District) by May 2011
5. A Mid-Term review by May 2011
6. Technical assistance for ground water sources and water engineering by June 2011
7. Capacities of the selected communities, water companies and state governments are developed to achieve their agreed roles in the rural water PPPs and associated monitoring and regulation by December 2011.
8. A rural water supply management agreement between the water company and each rural community has been drafted and agreed for both Awdal Region (Borama District) and Karkar Region (Gardo District). Arrangements and roles for the monitoring and regulation of the rural water PPPs are developed, agreed and implemented and linked with government policy by January 2012.
9. Rehabilitation of 15 rural water supply systems is completed by March 2012.
10. PPP Companies' operations started by April 2012
11. Evaluation of the rural PPPs and regulatory arrangements completed, with lessons documented and disseminated by the end of the project period (July 2012).

These outputs would fall between the activities and the results in the proposed revised logframe. The intermediate outputs would be the project deliverables that would contribute to the three project results in the logframe. All the project activities would contribute to one or more of these outputs.

Appendix 4. Interview guides

F.3.4. Project staff and implementation partners

Date		Interviewer	
Interviewee		Office	
Years for USSC		Years for the PPP project	
Role in the office		Role on the project	

a) Did you participate in the formulation of the PPP project? If yes, in what role?

- Do you know the prescriptions in the project document? If yes ...
- Whom did the document identify as the target group or beneficiaries of the project? Are you satisfied that the target group was properly and exclusively identified?
- If so were all the problems of the target group covered in the problem analysis? If No, what specific problem had not been included?
- Was the overall objective as presented in the project document a realistic aspiration to the target beneficiaries? If no, what should have been the overall objective?
- Does the project specific purpose selected by the project express a direct benefit for the target group?
- Did the design of the project ensure equitable access to all including the disadvantaged? If No, how could it have been improved?

b) Did you participate in the implementation of the project? If yes ...

- How was the implementation team set up? What was your role in the team?
- What specific activities were you mandated?
- How much of your expected results did you achieve? Are there any particular challenges that may have led to unsatisfactory achievements? Specify.
- Did the project achieve the specific objective of piloting the PPP approach to Rural Water supply? If No, are there any specific reasons for this non-achievement?
- Were the community positive towards participation in the project?
- In your opinion, have the target communities benefited from the project? Explain.
- Has the water company benefited from the project? Explain.

c) What do you think should have been done to improve the project?

- What co-operation did you expect from other stakeholders?
- Did you get the co-operation you expected? If no...
- Did you get an explanation? explore
- Did you get an alternative? Explore.

F.3.5. Ministry/Local Government Staff

Date		Interviewer	
Interviewee		Office	
Years in the sector		Years with the PPP project	

Role in the office		Role on the project	
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a) Were you consulted/did you participate in the formulation of the PPP project?

- If yes, what was your input to the project formulation?
- Do you know the prescriptions in the project document? If yes ...
- Do you think the interests of your ministry/agency were taken into account in the project design? If No, what do you think was not included?
- Were the interests of all other stakeholders included? If no, which stakeholders and interests were not taken care of?
- Is there any particular group that might benefit (financially or otherwise) from the design of the project?
- Were the problems of the target community properly identified? If No, give examples and the remedial measures that could have been taken.
- Were the objectives specified in the document achievable in the circumstances the project is operating in? Explain.

b) Were you involved in the project implementation? If yes ...

- What was the nature of support you provided to the project during its implementation?
- Was the nature of support provided by you in your normal line of duty? If no, who should have provided the support and why?
- Did the project ask for support that you were unable to provide? If yes specify.
- Does the benefit to the target group justify the budget so far spent?

c) Are there similar projects that you may be providing support to, which the project designers can learn from? Specify.

- What are the significant differences shown by those (specified) projects?
- In your opinion, did the project achieve the specific purposes it set out to achieve?
- What reasons do you think, contributed to non- achievement?
- Is there any published data that supports your opinion?

d) Is PPP a viable approach to service delivery in the urban water sector? And in the rural water setting?

- If No, give reasons

In your opinion was the proposed implementation modality the best choice? If No, what procedure should have been used for implementation?

Do you think all stakeholders appreciate the support and direction you provided? For those stakeholders that did not:

- Did you get an explanation/ explore
- Did you get an alternative? Explore.

What is the current relationship between you and the beneficiaries?

Are there any changes in regulation/policy that should be undertaken based on the experiences from this project? Explain.

e) How could the project have been designed differently to achieve its objectives?

Whom did the document identify as the target group or beneficiaries of the project? Are you satisfied that the target group was properly and exclusively identified?

If so were all the problems of the target group covered in the problem analysis? If No, what specific problem had not been included?

F.3.6. Water companies

Date		Interviewer	
Interviewee		Position	
Years in the company		Work description	

a) Were you consulted/did you participate in the formulation of the PPP project?

If yes, what was your input to the project formulation?

Do you know the prescriptions in the project document? If Yes ...

- Do you think the interests of your company taken into account in the project design? If No, what do you think was not included?
- Was there a linkage between you and the potential beneficiaries during the preparation for expansion?
- Were the characteristics, potential and extent of the beneficiary population realistically analysed before the project was taken up?
- Did the analysis realistically reflect the (financial, technical and managerial) ability of your company to take on the project?
- Were there any other stakeholders that may have been ignored by the project design?
- Were the implementation activities/costs realistic? Explain.
- Were the objectives specified in the document achievable in the circumstances the project is operating in? Explain.

b) Were you involved in the project implementation?

- How was the project implementation team constituted?
- What were your tasks on the team? Were all the tasks in line with your training? Explain.
- Was the nature of additional work in your normal line of duty? If No, were you provided an incentive to do this extra work?
- How much (%) of your tasks have been achieved so far? reasons for non-achievement?

c) Did the project achieve the specific objective of piloting the PPP approach to rural water supply?

If No, are there any specific reasons for this non-achievement?

Were the community positive towards participation in the project?

In your opinion, have the target communities benefited from the project?

Has the water company benefited/lost from the project?

F.3.7. Potential partners/counterparts

Date		Interviewer	
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Interviewee		Position	
Years in the company		Work description	

- What is the mission of your organisation?
- What is the vision of your organisation?
- View organisation chart with job specifications to assess present capacities.
- What is your current portfolio in the sector?
- Can you provide experiential history of similar projects, proof of financial astuteness etc.
- What is your preferred input: project management, community mobilisation, engineering design & supervision, supply for spares, maintenance services etc.

F.3.8. Users

Date		Interviewer	
Interviewee		Resident or nomadic?	
Distance from the water point		Household head?	

- Who owns this water point?
- Have you witnessed other claims to ownership of this water source?
- How long have you used this water point?
- How long ago did the Water Company take over this water point?
- Do you know why the company took over the water point?
- Were members of your community consulted before the takeover?
- What were you promised would happen when the company took over? Has it happened?
- Before/without the water company, who would be running this water point?
- Would services be cheaper?
- Would services be more reliable (i.e. shorter breakdowns)?
- Are there any members of community who do not get equitable access to water at the present time? Explain.

Appendix 5. Persons met

Name	Organisation	Position
Kamal Bahadur Kunwar	Unicef Somalia Support Centre	WASH Officer
Sahr Kemoh	Unicef Somalia Support Centre	WASH Manager
Nancy Balfour	Unicef Somalia Support Centre	Chief WASH
Hasan Eagal	Unicef Somalia Support Centre	WASH Officer
Paul Smith	European Commission	Infrastructure specialist
Maurizio Gatti	Terre Solidali	Country representative
Shiva Narain Singh	Unicef Bossaso, Puntland	WASH coordinator
Mohamed Suleiman	Unicef Bossaso, Puntland	WASH officer
Mohamed Habdi Musse	PSAWEN	Water Director
Alkadir Ahmed Shire	PSAWEN	Vice-Director
Farah Mahamoud Haji	Terre Solidali Bossaso	Field Coordinator
Mohamed Said	Qardho Municipality	Mayor
Abdi Salam Bashir	Waa'iye Municipality	Mayor
Eng. Mustafa Khalif	Waa'iye PPP company	Manager
Man	Waa'iye PPP company	Cashier and accountant
Lady	Waa'iye PPP company	Kiosk manager
Man	Waa'iye PPP company	Collector
Ismail Yusuf Ali	Bender Beyla PPP company	Chairman
M. Ali	Juurile PPP Company	Chairman
Mohamed El Fatih	Unicef Hargeisa, Somaliland	Wash coordinator
Maureen Njoki	Unicef Hargeisa, Somaliland	Community Development Specialist, JPLG
Hussein S. H. Aden	Unicef Hargeisa, Somaliland	Engineer
Ahmed Ibrahim Sultan	Unicef Hargeisa, Somaliland	Consultant
Harsha Mamdapati	Hargeisa Water Agency/IMS	IT Consultant
Saed Ahmed Jibril	Ministry of Mines, Energy and Water Resources	Director General
Ahmed Dirir	Ministry of Mines, Energy and Water Resources	Director of Water
Abdirahman Abdisalam S. H. Ali	Ministry of Mines, Energy and Water Resources	Co-ordinator for water agencies and PPP management
Abdirahman Egeh Farah	Shaba PPP company (Borama)	Manager, Shaba WC
Abdirahman Mohamoud Muse	Shaba PPP company (Borama)	Member, BoD Shaba WC
Aden Mohamoud Hoore	Shaba PPP company (Borama)	Sales manager Shaba WC
	Borama	
Mohamed Yusuf Geclle	Lughahaye Municipality	Mayor
Bashe Haji Muse	Lughahaye Municipality	Accountant
Haruun Si'iid Ali	Tawakal Water Co. (Lughahaye)	Member

Name	Organisation	Position
Egeh Ali Hussein	Tawakal Water Co. (Lugahaye)	Chairman of BoD
Abdilaahi Haufi Boodle	Tawakal Water Co. (Lugahaye)	Member
Nuh Abaadi Guleed	Tawakal Water Co. (Lugahaye)	Member
Ahmed Dakir Hassan	District Court	
Abdi Hersi Muse	Local Government	District Executive Officer
Nur Osman Guleed	Selel Province	Governor
Muse Dahir Ahmed	Lowya'addo water supply	Manager (MMEWR appointee)
Jama Hussein Abdilaahi	Lowya'addo water supply	Head Technical MMEWR appointee)
Abdigani Ibrahim	Gabiley Water Supply	Manager, Sam sam company

Appendix 6. Documentation used

Topic	Organisation	Title	Date	Type of document	File name
Local Governance	UN Joint Programme on Local Governance	2011 progress report	31/12/2011	annexes	UNJPLG_Somalia_JP_Somalia_Consolidated_Annual_Report_2011_Annexes1.pdf
Rural PPP project	Unicef	1st financial report	31/07/2008		1st Financial report PPP Project.pdf
Rural PPP project	Unicef	1st technical interim report	31/07/2008		1st Interim Technical report.doc
Rural PPP project	Unicef	2nd financial report	31/07/2009		2nd Financial Report Final.xls
Rural PPP project	Unicef	2nd technical interim report	31/07/2009	Annex D	2nd Interim Report Annex D BCS 117344.01.xls
Rural PPP project	Unicef	2nd technical interim report	31/07/2009	Annex F	2nd Interim Report Annex F EC_waterfacility_somalia_brief.doc
Rural PPP project	Unicef	2nd technical interim report	31/07/2009	Annex G: Story on PPP expansion in Somalia	2nd Interim Report Annex G - Story on PPP expansion in Somalia.doc
Rural PPP project	Unicef	2nd technical interim report	31/07/2009	main report	2nd Interim Report final draft 30 July .doc
Rural PPP project	Unicef	3rd technical interim report	31/07/2010		3rd Interim Report.July 2010.docx
Rural PPP project	Unicef	3rd financial report	31/07/2010		9 ACP RPR 509 Financial Report for periodAug 09 to July 2010.xls
Rural PPP project	Unicef	4th technical interim report	31/07/2011	main report	4th Interim Report Aug 8.docx
Rural PPP project	Unicef	4th financial report	31/07/2011		9 ACP RPR 509 Financial Report for period July 2010 to July 2011.xls
Rural PPP project	EU M&E	Result-Oriented Monitoring report	21/09/2010	Annex A revised logframe	Annex A revised logframe 21st Sep 010 final.docx

Topic	Organisation	Title	Date	Type of document	File name
Rural PPP project	EU M&E	Result-Oriented Monitoring report	21/09/2010	Annex D Monitoring Report	Annex D MR 117344.01.pdf
Rural PPP project	EU M&E	Result-Oriented Monitoring report	21/09/2010	Annex D project synopsis	Annex D PS 117344.01.pdf
Rural PPP project	EU M&E	Result-Oriented Monitoring report	21/09/2010	Annex D Response Sheet	Annex D RS 117344.01.doc
Urban PPP project	EC	Final evaluation report	15/12/2012	main report	EC_Urban_Final_Eval FINAL Report 15Dec09 AW.doc
Rural PPP project	Unicef	Initial proposal to the EU Water Facility	30/06/2006	cover	EUWF - Somalia - 01 - Country Summary - Final 2906.doc
Rural PPP project	Unicef	Initial proposal to the EU Water Facility	30/06/2006	narrative document	EUWF - Somalia - 02 - Annex A Narrative - Final 2906.doc
Rural PPP project	Unicef	Initial proposal to the EU Water Facility	30/06/2006	Budget	EUWF - Somalia - 03 - Annex B1 Budget - Final 2906.xls
Rural PPP project	Unicef	Initial proposal to the EU Water Facility	30/06/2006	Logframe	EUWF - Somalia - 04 - Annex C Logframe - Final 2906.xls
Rural PPP project	Unicef	Initial proposal to the EU Water Facility	30/06/2006	Procurement plan	EUWF - Somalia - 05 - Annex D1 Procurement Plan - Final 2906.doc
Rural PPP project	Unicef	Initial proposal to the EU Water Facility	30/06/2006	Objectives	EUWF - Somalia - 06 - Annex E1 Objectives - Final 2906.xls
Rural PPP project	EU M&E	Result-Oriented Monitoring report	21/05/2010	main report	MR-Making Public-Private Partnerships work for rural communities-117344.02-.pdf
PPP general documentation	ILO	PP guide for Puntland	15/01/2011	short version	PPP Guide for Puntland-Jan2011-Short_Version.pdf
PPP general documentation	ILO	PP guide for Somaliland	15/01/2011	short version	PPP Guide for Somaliland-Jan2011-Short_Version.pdf
PPP general documentation	ILO	PP guide for Somaliland and Puntland	15/01/2011	long version	PPP Guide-SL&PL-Jan2011-Long_Version.pdf
Rural PPP project	WEDC	Proposal for Public Private Partnership Options and Assessment Approach	03/03/2009	presentation for the workshop	PPP options assessment approach_final draft.doc

Topic	Organisation	Title	Date	Type of document	File name
Rural PPP project	WEDC	Proposed Rural PPP Options	03/03/2009	options summary	Proposed Rural PPP Options.doc
Rural PPP project	Horn Relief	Baseline Assessment	07/09/2009	final report	Rural PPP Baseline Assessment final report 7th sept 09.pdf
Rural PPP project	WEDC	Progress report	15/12/2009		Somaila rural PPP project WEDC narrative report 09.doc
Rural PPP project	Terre Solidali	2nd progress report	04/06/2011	narrative report	TS2nd Narrative report PPP Rural Water_Final.pdf
Rural PPP project	Terre Solidali	3rd progress report	31/01/2012	narrative report	Terre Solidali 3rd Narrative report PPP Rural Water_Final.doc
Rural PPP project	Terre Solidali	4th progress report	30/06/2012	narrative report	paper copy
Somaliageneral documentation	PSAWEN	Puntland Water Policy	15/10/2007	brochure	paper copy

Appendix 7.