Report Number: ICRR0022175

## 1. Project Data

| Project ID | Project Name |
|---|---|
| P119063 | GH-GAMA Sanitation and Water Project |
| **Country** | **Practice Area(Lead)** |
| Ghana | Water |

| L/C/TF Number(s) | Closing Date (Original) | Total Project Cost (USD) |
|---|---|---|
| IDA-H8540 | 30-Nov-2018 | 134,594,626.32 |
| **Bank Approval Date** | **Closing Date (Actual)** | |
| 06-Jun-2013 | 31-Dec-2020 | |

| | IBRD/IDA (USD) | Grants (USD) |
|---|---|---|
| Original Commitment | 150,000,000.00 | 0.00 |
| Revised Commitment | 150,000,000.00 | 0.00 |
| Actual | 134,594,626.32 | 0.00 |

| Prepared by | Reviewed by | ICR Review Coordinator | Group |
|---|---|---|---|
| Kishore Laxmikant Nadkarni | Christopher David Nelson | Ramachandra Jammi | IEGSD (Unit 4) |

## 2. Project Objectives and Components

### a. Objectives

PDO: The development objective of the project is to increase access to improved sanitation and improved water supply in the Greater Accra Metropolitan Area (GAMA) with emphasis on low-income communities, and to strengthen management of environmental sanitation in the GAMA (Financing Agreement dated December 17, 2013, Schedule 1 and Project Appraisal Document para. 29).

The PDO was not revised. However, some of the outcome and intermediate result indicators were revised during a restructuring in June 2017.

For the ICRR, the PDO has been parsed into the following three objectives:

1. Increase in access to improved sanitation in the GAMA with emphasis on low-income communities

2. Increase in improved water supply in the GAMA with emphasis on low-income communities

3. Strengthen management of environmental sanitation in the GAMA

### b. Were the project objectives/key associated outcome targets revised during implementation?

No

### c. Will a split evaluation be undertaken?

No

### d. Components

Component 1 - Provision of environmental sanitation and water supply services: (appraisal cost USD 31.50 million; expected cost at completion USD 46.95 million)

With a strong focus on liquid sanitation (excreta disposal), the component included provision of infrastructure and services for (I) construction and/or rehabilitation of facilities including toilets, latrines, wastewater collection and disposal, and sludge treatment plants; (ii) development and implementation of a hygiene and sanitation behavior change campaign (BCC) with associated training and capacity-building; and (iii) development of a large-scale institutionalized approach to upgrading sanitation in low-income urban communities (LIUCs).

Component 2 – Improvement and expansion of the water distribution network: (appraisal cost USD 48.10 million; expected cost at completion USD 48.21 million)

The component included provision of infrastructure and services for (i) expansion of the water distribution network in the GAMA; (ii) provision of piped water to households through standpipes and community pipes; (iii) preparation of a Master Plan and hydraulic model as a basis for designing and construction of transmission mains and water distribution networks; and (iv) provision of water meters to the Ghana Water Company Ltd. (GWCL) to help it reduce non-revenue water.

Component 3 – Planning, improvement & expansion of Environmental Sanitation Services: (appraisal cost USD 34.0 million; expected cost at completion USD 21.31 million)

The component included (i) development of integrated GAMA-wide master plans for liquid waste, solid waste, and drainage; (ii) improved collection, treatment and disposal of wastewater and sludge; and (iii) creating a supportive environment for private sector engagement.

Component 4 – Institutional Strengthening: (appraisal cost USD 20.1 million; expected cost at completion USD 24.11 million)

This component included: (i) provision of technical assistance to the concerned Government ministries and local government agencies (Metropolitan Municipal Assemblies - MMAs); and (ii) development of social accountability mechanisms to ensure proper operations and maintenance of sanitation ad water supply facilities.

The components were not revised during implementation (ICR para 24).

### e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The estimated project cost at appraisal was USD 150 million. The ICR reports (para 26) that, early on, due to major changes in the exchange rate alignment between the SDR and USD, the amount was reduced to USD 136 million. The last ISR (March 2020) indicates that the amount disbursed was about USD 134.5 million.The total project cost at project completion (scheduled for December 31, 2020) is estimated at USD 140.6 million (information provided by the TTL).

Project Financing: The project was financed by an IDA Grant of USD 150 million equivalent. There was no co-financing from the Borrower or co-financiers.

Closing Date: The original closing date was November 30, 2018. It was extended twice under restructurings: first, to May 31, 2020 to allow for completion of project activities affected by delays in the earlier years of implementation; and second, to December 31, 2020 to allow for completion of two sanitation related activities. A request for Additional Financing is being planned to be submitted prior to the closing date.

Restructurings: There were three restructurings during project implementation. None of the restructurings involved submission to the Board (information from the TTL).

First restructuring: (September 19, 2014): This was to make reallocations between disbursement categories.

Second restructuring (June 2, 2017): This was a Level II restructuring. The PDO was not changed. However, changes were made to some PDO Outcome Indicators and Intermediate Results Indicators based on better information available during implementation. The responsible ministry overseeing the project was changed from the Ministry of Local Government and Rural Development (MLGRD) to a newly created Ministry for Sanitation and Water Resources (MSWR). Changes in project scope included: (i) in Part A, removal of some septage related activities; (ii) in Part C, removal of

assessment of gas potential in wastewater and septage treatment, and abandoned solid waste landfills and dumps; and (iii) in Part D, amendments to include provision of support to the newly established MSWR. The closing date was extended by 18 months from November 30, 2018 to May 31, 2020 to allow for sufficient time for completion of project activities after delays in the earlier years of project implementation, partly due to the political situation at the time.

Third restructuring (February 10, 2020): The closing date was further extended to December 31, 2020 to allow for completion of sanitation related activities, including construction/rehabilitation of two sewerage lines. Other changes included some adjustments in the Results Framework and in the implementation schedule.

## 3. Relevance of Objectives

### Rationale

Country and Sector Context: Aided by the discovery of oil, Ghana experienced strong economic growth in the period starting 2001. This was accompanied by rapid urbanization, particularly in the Greater Accra Metropolitan Area (GAMA). However, provision of basic services did not keep up with the rapid growth and this adversely affected, in particular, people living in low-income areas where an estimated 75 percent of the households were living in single room housing without access to household toilets and dependent on community or public toilets which themselves were often lacking adequate repair and maintenance. A lack of adequate human and financial capacity precluded the development of the necessary infrastructure and proper maintenance of existing facilities. Water supply in urban areas falls under the responsibility of the Ghana Water Company Ltd. (GWCL) which was not able to keep up with necessary expansion of services, particularly in the low-income areas. Overall responsibility for environmental sanitation and provision of other basis services (except water supply) falls under the local governments (MMAs) under a decentralization policy. A fragmented approach towards environmental sanitation in the GAMA led to poor levels of access to environmental services. Problems faced included: (i) limited access to toilet facilities; (ii) limited wastewater and septic sludge collection and transportation; (iii) lack of operational wastewater and sludge treatment facilities; (iv) inadequate solid waste collection, particularly in low-income areas; and (v) absence of adequate solid waste disposal facilities.

The effects are exacerbated in low-income areas due to household overcrowding, lack of space, and land tenure issues. As a result, they impose significant economic and social costs to the affected population, which tend to be inequitably distributed and regressive.

The infrastructure and capacity interventions under the GAMA SWP were targeted to address these issues, with a particular emphasis on low-income urban communities (LIUCs).

Alignment with Country Partnership Framework: The PDO was fully aligned with the Country Partnership Strategy Framework (CPS) for FY2013-FY2016 that was in place at the time of project appraisal and are expected to remain so under the new Country Partnership Framework (CPF) that is currently under preparation. The CPS was extended through a PLR up to 2018. Under the FY2013-FY2016 CPS, the project objectives were strongly reflected under Pillar 3 of the CPS: Protecting the Poor and Vulnerable

(CPS, para. 101). The CPS list of the planned measures included an increase in access to water and sanitation, and the GAMA SWP was specifically included in the CPS as.an instrument in this regard.

Alignment with the Government's Priorities: Ensuring access to improved water supply and sanitation services remains an important priority in the respective national strategy plans - National Water Policy (NWP) and Environmental Sanitation Policy (ESP) and under the infrastructure pillar of Ghana's national medium term development program (Ghana Shared Growth Development Agenda - GSGDA) (ICR, para. 29).

Prior Bank experience in the sector: The Bank, through IDA, has supported a number of investment projects in the urban and rural water supply and sanitation sectors including the Urban Water Project, Second Urban Environmental Project, and Sustainable Rural Water Supply Project. The GAMA SWP builds on the experience under these projects and includes a special focus on low-income urban communities in the GAMA.

**Rating**
High

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

**Objective**
To increase access to improved sanitation in the GAMA with emphasis on low-income communities

**Rationale**
Overall Theory of Change and Results Chain: The ICR (para 8) provides a Theory of Change (TOC) and Results Chain (RC) which can be summarized as follows: Rapid urbanization, particularly in the GAMA, stressed the GAMA's financial, technical and institutional capacities to deliver adequate sanitation and water supply services to the population, particularly those living in low-income communities. To address the issues, construction and/or rehabilitation of the necessary sanitation and water supply and the proposed infrastructure and services needs to be accompanied by institutional strengthening and capacity-building in the relevant national and local government agencies to improve the situation. In regard to sanitation, the physical infrastructure improvements required include household toilets, community/public toilets, latrines, sewerage lines for wastewater collection, septage facilities, and facilities for sludge collection and treatment. In regard to water supply, the physical infrastructure improvements required include construction and/or rehabilitation of water supply mains and distribution networks, including piped supply to households; standpipes and community water points. The improvements in physical infrastructure would be accompanied by relevant training and support targeted to ensuring behavior change to achieve improved hygiene practices among the beneficiaries including households, schools and markets. To ensure proper design and implementation of the interventions, relevant institutional strengthening and capacity-building support would

be provided to the concerned government agencies. The outcomes would be improved access to sanitation and water supply particularly in low-income communities and strengthening of the environmental sanitation services. The longer term outcomes would be the benefits in regard to protecting and increasing the health and well-being of the population,

Outputs: included the following:

- improved latrines (original target 12,500; revised target 12,500; reported actual 27,242 including 6,900 under GPOBA which is a separately funded intervention - excluding GPOBA, the number attributable to the project is 20,342; achievement 163%)
- improved latrines in rental accommodations (original target 5,000; revised target 5,000; reported actual 19,614 - excluding those under GPOBA, it is 14,646; achievement 293%)
- improved latrines in schools and other institutions (original target 50; revised target 200; actual 339; achievement 170%)
- people provided with access to septage or sewerage services (original target 225,000; revised target 225,000; actual 205,000; achievement 91%)
- people (total number) trained in improved hygiene behavior and practices (original target 250,000; revised target 250,000; actual 298,712; achievement 119%)
- people (female) trained in improved hygiene behavior and practices (original target 127,000; revised target 127,000; actual 155,330; achievement 122%)
- Inter-MMA coordination mechanisms established (included in original and revised targets, achieved)
- number of MMAs scoring at least 75% of maximum on DDF sanitation indicators (original target 11; revised target 11; actual 11; achievement 100%)
- microenterprises set up in providing sanitation services (original target 12; revised target 12; actual 12; achievement 100%)

Outcomes: The relevant outcome indicators were:

- people provided with improved access to sanitation (original target 75,000; revised target 75,000; actual 217,936; achievement 290%)
- pupils in schools provided with improved sanitation services (original target 200,000; revised target 200,000; actual 231,872; achievement 116%).

Rating: Most targets were substantially overachieved. However, the indicators are largely output measures, and therefore, the project requires an increased focus on the transformation in the populations regarding sanitation and water quality outcomes. Based on the substantial overachievement, but taking on board the lack of an outcome focus, the ICRR efficacy rating for this objective is Substantial.

### Rating
Substantial

## OBJECTIVE 2
### Objective

To increase access to improved water supply in the GAMA with emphasis on low-income communities

### Rationale
The theory of change rationale has been provided under Objective 1 above.

Outputs: included the following:

- new piped water connections (original target 3,500; revised target 3,500; actual 10,200; achievement 291%)
- piped household water connections rehabilitated (original target 50,000; revised target 50,000; actual 83,000; achievement 166%)
- improved community water points (original target 500; revised target 114; actual 114; achievement 100%)
- water distribution mains constructed/rehabilitated (original target 150 km; revised target 150km; actual 281 ; achievement 187%)
- number of water utilities supported (original target 1; revised target 1 ; actual 1; achievement 100%)
- GWCL low-income areas unit established (included in original and revised targets, achieved)
- water supply and sanitation data publicly available (included under original and revised targets, achieved)

Outcomes: The outcome indicator was, 'people with access to improved water supply' (original target 250,000; revised target 250,000; actual 368,000; achievement 147%). Though, like the limitation under Objective 1, simply counting the number of people does not sufficiently engage with the issues around water quality which is necessary to address the notion of what "improved" entails. Likewise, there is no information to sufficiently illustrate how the project has been able to address the challenge of reaching those most in need in the low-income communities. This confines the achievements to tracking output measures which does not help the reader understand the impact of the project and what transformation was expected.

Rating: Based on the achievement and the lack of outcome-based information and indicators, the ICRR rating of efficacy for this objective is Substantial.

### Rating
Substantial

## OBJECTIVE 3
### Objective
To strengthen management of environmental sanitation in the GAMA

### Rationale
The theory of change rationale is provided under Objective 1 above.

Outputs: included the following

- Capacity of sludge treatment plants (original target 50 m3; revised target 900 m3; actual 50 m3; achievement -94%)
- Drainage interventions in LIUCs (lined drains) (original target 20 kms; revised target 20 kms; actual 12 kms; achievement 60%)
- Drainage interventions in LIUCs (unlined drains) (original target 30 kms; revised target 30 kms; actual 32 kms; achievement 107%)

- Preparation of integrated Master Plan for liquid waste, solid waste, and drainage (included under original and revised targets; not achieved at the time of the ICR; it is not clear whether it would be achieved by the scheduled project completion in December 2020)
- Regulatory system for septage management established (included under original and revised targets, not achieved)

Outcomes: The outcome indicator was: volume of waste treated (original target 400 tons per year; revised target 400 tons per year; actual 114 tons per year; achievement -72%). It would be helpful if there was greater clarity on the various aspects of what "improved management" and "environmental sanitation" entails. The project makes a range of strong assumptions about these terms which restricts the ability to report on the range of ways the project seeks to make a contribution.

The ICR reports (para 26) that a key component of this objective was construction of a faecal sludge treatment plant estimated to cost USD 8 million. This had to be dropped because of a reduction in the available IDA grant financing due to realignments between the SDR and USD (this reduced the available amount by about USD 14 million). However, other treatment plants are being constructed, including for treating residual material from bio-digesters, so there is optimism that these shortcomings can be managed to some extent.

Rating: Based on the underachievement of most indicators, the ICRR rating of efficacy for this objective is Modest.

### Rating
Modest

## OVERALL EFFICACY
### Rationale
Based on the ratings of Substantial for Objectives 1 and 2 and Modest for Objective 3, the ICRR rating of the overall efficacy is Substantial.

### Overall Efficacy Rating

Substantial

## 5. Efficiency

Administrative and Operational Efficiency: With two extensions of the closing date, the project's implementation period will be seven years, 25 months longer that originally planned. Delays in the early years of implementation were due to (i) a delay in effectiveness caused, in part, by the time taken to complete the necessary approval processes within the Government and (ii) insufficient readiness in terms of designs and other necessary actions to start procurement. A further delay in implementation was caused by the time taken to install the necessary safeguard related requirements before implementation could proceed. Total project cost at completion is expected to be about USD 140.6 million - as of June 2015, the total cost was USD 134.59 million with two major sanitation related contracts still to be completed).

Cost-Effectiveness: Based on the actual outputs reported in the ICR, the project's cost-effectiveness in terms of outputs delivered per unit of cost (USD) incurred was substantially higher than originally estimated at appraisal. For an estimated total cost of USD 140.6 million at completion (compared to USD 150 million estimated at appraisal), the project was able to deliver significantly higher outputs benefiting a significantly higher number of beneficiaries. This is reflected in the output and outcome achievements reported under the achievement of objectives discussed above. Part of this improvement in cost-effectiveness was fortuitous; a major devaluation of over 50 percent in 2014-2015 reduced the costs of the project components in terms of USD equivalent.

Economic Analysis: At appraisal, the economic analysis was based on representative samples for two types of interventions: (I) latrine construction in LIUCs and (ii) water supply in LIUCs (ICR para 50). Key economic benefits associated with the interventions included:

- direct health expenditure avoided
- income gained due to avoided days lost from work
- convenience of time savings
- employment and income generation in businesses using water

Based on the same methodology as used at appraisal, the ICR (para 50) has re-estimated the costs and benefits for the same interventions (ICR para 53). Although the re-estimated net benefits (NPV and ERR) are lower than estimated at appraisal, they are still at satisfactory levels. The results are given in the table below. It is worth noting that the benefits identified in the efficiency analysis are useful indicators to be measured and recorded in the project's efficacy, and the assumptions would benefit from being explicitly recorded in the project's Results Framework.

| | Appraisal | ICR |
|---|---|---|
| Latrines in LIUCs | | |
| • ERR | 33% | 14% |

- NPV (USD million) 1.78 1.99

Water supply in LIUCs

- ERR 16% 15%
- NPV (USD million) 6.82 6.59

### Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

| | Rate Available? | Point value (%) | *Coverage/Scope (%) |
|---|---|---|---|
| Appraisal | ✓ | 33.00 | 0<br>☑ Not Applicable |
| ICR Estimate | ✓ | 14.00 | 0<br>☑ Not Applicable |

* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

Based on the ratings of High for Relevance, Substantial for Efficacy and Substantial for Efficiency, the ICRR rating for the project outcome is Satisfactory.

### a. Outcome Rating

Satisfactory

## 7. Risk to Development Outcome

Technical risks: The technical risks are rated low because the chosen technologies are not complex and there is sufficient technical capacity and experience in the implementing agencies to address any issues that may arise.

Financial risks: The financial risks are rated moderate. Sustainability of the project benefits will require the ability of the LIUCs and the households involved to continue to satisfactorily operate and maintain the constructed/rehabilitated facilities. This, in turn, will require the will and the ability of these entities to provide timely and in adequate amounts the necessary funds for the upkeep of the facilities. Experience under the project shows that affordability was a major impediment in delivering the services , particularly to the poorest

among those served. Despite a 70 percent subsidy given to the poorest, many households were not able to provide the balance of 30 percent. Given that these interventions are in LIUCs, there may be need for continued financial support from the MMAs and the central government through targeted subsidies and direct contributions as appropriate.

Institutional risks: These are rated moderate. The turn-around in project implementation performance was significantly aided by the establishment of a dedicated Ministry of Sanitation and Water Resources (MSWR) with a unit specifically dedicated to LIUCs. Continuation of these arrangements and continued coordination at the level of the central and local government agencies will be essential for sustaining the progress made and further strengthening the sanitation and water resources sectors.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

Quality at Entry: The project was preceded by other IDA-financed projects in the urban and rural sectors and the project team was able to draw on the experience from these projects. The project was prepared by the same team that earlier was providing implementation support for the Second Urban Environment Project (ICR para 95). Nevertheless, given that the GAMA SWP had a special focus on LIUCs, there was insufficient information available at the design stage and adjustments had to be made later to the appraisal estimates of component costs and targets set in terms of outputs and outcomes. Despite a 14 month delay in effectiveness, there was insufficient readiness for starting implementation due to the lack of adequate designs and other procurement related materials that delayed the placing of contracts (Restructuring Paper para 1). Required safeguards instruments were not in place and delayed implementation of the project in the early years (ICR para 79).

#### Quality-at-Entry Rating

Moderately Satisfactory

### b. Quality of supervision

Following the delay in effectiveness by 14 months, progress in implementation had continued to be slow and the project DO and IP ratings had been downgraded to Moderately Unsatisfactory (MU) in March 2016 (ICR para 83). The project team took the opportunity of the Mid-Term Review (MTR) in September 2016 to initiate required improvements in implementation arrangements. Output and outcome targets were adjusted to reflect better information available by the time of the MTR. The project team was proactive in mobilizing support from supplementary sources including the Collaborative Leadership for Development (CL4D) of the Bank. This helped in organizing leadership training and development of Rapid Result Initiatives (ICR para 82). These actions helped address issues related to the slow progress of important areas like the provision of household toilets which had been seriously behind schedule at the time. The project team provided regular support to the Project Coordination Unit (PCU) through bi-weekly meetings and provision of technical support from consultants who participated in PCU meetings.

Implementation support missions were carried out on a semi-annual basis (ICR para 96). The project had three TTLs during the implementation period. Project teams were adequately staffed with safeguards and fiduciary specialists.

Organizing and executing beneficiary surveys would have helped to understand better the perceptions of the beneficiaries as to the benefits and shortcomings of the project outputs. The ICR reports that the beneficiary campaigns included visits and interviews with the beneficiaries but does not provide a consolidation of the findings. A synthesis of the findings would have enabled a better understanding of the actual impacts of the project outputs, including gender impacts, on key beneficiaries

### Quality of Supervision Rating
Satisfactory

### Overall Bank Performance Rating
Moderately Satisfactory

## 9. M&E Design, Implementation, & Utilization

### a. M&E Design
The design of the project's M & E system was based on the system that was used for the Second Urban Environmental Project (SUEP) which was ongoing at the time of project preparation (ICR para 86). Nevertheless, at entry, the M&E design was not able to provide fully for the special requirements under the GAMA SWP which had a special focus on LIUCs. Information in relation to costs of the appropriate sanitation and water supply facilities to be constructed/rehabilitated, and the setting of output and outcome targets, was based on that available at the time from experience under the earlier projects. Baseline values were missing in most cases in the Results Framework. During project implementation, significant adjustments had to be made to the initial values to reflect better information obtained during implementation. Importantly, the design did not sufficiently put in place mechanisms for better capturing the impacts of the project.

### b. M&E Implementation
During implementation, the M&E system was progressively strengthened, including by support provided by specialized consultants (ICR para 87). Although baseline values continued to be missing in most cases, other essential items of information, including those required for the Results Framework, were revised.

### c. M&E Utilization
The ICR (para 88) reports that the M&E system is closely monitored and its outputs are used for implementation purposes including performance reporting; identification of issues needing attention; and

implementation-related decision making. The quality of the M&E system has been recognized beyond the project and the MSWR has adopted it as a tool for use in other projects and activities (ICR para 88).

### M&E Quality Rating

Substantial

## 10. Other Issues

### a. Safeguards

The project was rated Category A (Full Assessment). Three safeguard policies were triggered: Environmental Assessment (OP/BP 4.01); Natural Habitats (OP/BP 4.04); and Involuntary Resettlement (OP/BP 4.12). The ICR reports (para 90) that there were no waivers of safeguards and fiduciary policies. Safeguard related risks during implementation included environmental pollution; occupational health and safety; and loss of livelihood associated with economic displacement during construction drains, pipelines and toilets. The ICR reports (para 79) that there were major challenges with safeguards at the beginning of the project in 2015. The project started implementation without developing the necessary safeguard instruments. Project activities had to be put on hold while the safeguard instruments were prepared and approved. The Restructuring Paper (para 1) reports that, during implementation, there was a temporary suspension of some contracts due to non-compliance with safeguard procedures, but these had been resolved at the time of the Mid-Term Review (MTR) in September 2016. The RP confirms that there was compliance with safeguard and fiduciary policies at the time of the MTR. The ICR reports (para 91) that ESIAs, ESMPs and RAPs were prepared for all subprojects. A GRM was put in place. No major complaints were received.

The ICR does not report the compliance ratings for each of the triggered safeguard policies. Ratings for safeguards in the last ISR (dated March 2020) were as follows:

- EA - satisfactory
- NH - Satisfactory
- IR - Moderately Satisfactory
- Overall Safeguards Rating: Moderately Satisfactory

The project team explained that the MS rating for IR is on account of some compensation-related issues that are still to be resolved in regard to some sanitation-related contracts.

### b. Fiduciary Compliance

Financial Management: The ICR reports (para 92) that FM compliance was generally rated satisfactory. There were minor delays, from time to time, in reporting and submission of audit reports. The latest audit report (for the year 2018) was submitted on time. The auditors expressed an unqualified opinion. The management letter from the auditors did not indicate any major internal control deficiencies

or general accountability issues (ICR para 93). The FM rating in the last ISR (dated March 2020) is Satisfactory.

Procurement: The ICR reports (para 94) that periodic procurement audits are carried out at the PIUs, GWCL and participating MMAs, and there are no major compliance issues with procurement procedures. The rating for procurement in the last ISR (dated March 2020) was Moderately Satisfactory. The project team explained that this on account of contract related issues in two ongoing sanitation contracts.

### c. Unintended impacts (Positive or Negative)

The ICR (para 69) reports that an unintended positive impact was that the project interventions, including promotion of proper hygiene and sanitation, and provision of handwashing stalls, were particularly significant in helping manage to some extent the risks associated with the COVID-19 pandemic.

At the same time, the COVID-19 pandemic had a negative impact on project implementation in slowing implementation activities including the ongoing construction .of two major sewerage lines.

### d. Other

Gender: The ICR reports (para ---) that an estimated 52 percent of the beneficiaries are women. The benefits of the project are particularly significant for women in view of the role they play within the households in ensuring procurement of water and protecting the health and well-being of children.

Institutional strengthening: The ICR lists a number of outputs related to institutional strengthening:

- Development of ESICA (Expanded Sanitary Inspections Compliance Application): Benefits included enabling use of mobile devices for recording purposes which was more efficient than the practice of manual recording used earlier (ICR para 62).
- Study for setting up waste management departments for MMAs (local governments) based on categorization of MMAs according to size of populations (ICR para 64).
- Manual for providing technical guidance and standards for construction, operation and servicing of toilets (ICR para 65).
- Mobilizing private sector financing: construction of a co-composting plant under the Innovations Fund, joint ventured with a private firm (ICR para 66).
- Support for microenterprises dealing with septage related activities (ICR para ---).

## 11. Ratings

| Ratings | ICR | IEG | Reason for Disagreements/Comment |
|---|---|---|---|
| Outcome | Satisfactory | Satisfactory | |

| | | | |
|---|---|---|---|
| Bank Performance | Satisfactory | Moderately Satisfactory | The ICRR rates the Quality-at-Entry as Moderately Satisfactory given modest shortcomings. |
| Quality of M&E | Substantial | Substantial | |
| Quality of ICR | --- | Substantial | |

## 12. Lessons

The ICR (para 104) lists several relevant lessons and recommendations including:

- Effective design and implementation of a strategy for improvement in sanitation and water supply requires an integrated approach and coordination between the key agencies involved. The establishment of a dedicated central government Ministry of Sanitation and Water Resources (MSWR) with a dedicated unit for LIUCs was a key factor in turning around implementation progress under the project by helping provide direction, coordination and resources.

- Local governments have a key role to play in strengthening environmental sanitation and water supply services and mechanisms need to be provided for ensuring provision of the required technical assistance and advisory support. In the case of the project, the use of the CL4D services from the Bank proved to be effective in overcoming obstacles to implementation of some of the key components of the sanitation program, particularly household toilets. The employment of dedicated Environmental Health Officers (EHOs) in the MMAs was an important contributor to supporting project implementation.

- Affordability concerns can preclude the poorer households from participation. Despite levels of subsidies of up to 70 percent provided by the MMAs, the poorest households were often not able to participate. Appropriate funding mechanisms need to be established for providing adequate levels of targeted subsidies and direct contributions as warranted in the specific circumstances.

## 13. Assessment Recommended?

No

## 14. Comments on Quality of ICR

The current ICR is an interim desk review prior to the actual completion of the project scheduled for December 2020. It has been provided in anticipation of submitting a proposal for Additional Financing for the project. The ICR provides a theory of change and the associated results chain which is useful in informing the direction for the remainder of the project period. Generally, the analysis is good and evidence-based with the evidence sourced from well-established official databases. However, in reporting results, the focus is largely on achievement of outputs rather than on outcomes in terms of the impacts of the project interventions have had on the targeted beneficiaries. Significantly missing from the ICR is a discussion of the actual impact of the project outputs - which aimed at providing access to improved sanitation and water supply services - on the targeted population in the low-income areas. While a large number of beneficiary focused activities like training, visits, and behavior change campaigns were carried out under the project, it seems that the findings in regard to beneficiary perceptions of the benefits and costs have not yet been synthesized. This will need to be addressed in the final ICR.

**a. Quality of ICR Rating**
Substantial