



<b>1. Project Data :</b>
<b>OEDID:</b> C1783
<b>Project ID:</b> P002222
<b>Project Name:</b> Second Water Supply Project
<b>Country:</b> Rwanda
<b>Sector:</b> Rural Water Supply & Sanitation
<b>L/C Number:</b> Credit 1783-RW
<b>Partners involved :</b>
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<b>Date Posted:</b> 08/26/1999

**2. Project Objectives, Financing, Costs and Components :**

*Objectives:* (a) Improve the efficiency of rural water supplies through strengthening the operating capacity of the General Directorate of Water, now Directorate of Water and Sanitation (DEA), and the communes; (b) improve water quality and quantity through the establishment of a national rehabilitation and maintenance program; and (c) assist in financing and implementing the rehabilitation and expansion of five water systems in the Lava region in Northwest Rwanda.

*Components:* (a) Specific investments in the Lava region; (b) engineering services for construction supervision; (c) a national program developed by the communes with assistance from local NGOs for rehabilitation, operation and maintenance of existing rural water supply systems throughout the country; and (d) technical assistance and training to reinforce the capacity of the General Directorate of Water, communes and user associations .

*Costs:* The actual project costs are US\$ 51.1 million vs. US\$ 72.2 million estimated at appraisal.

*Financing:* The actual project costs were financed by Austria (US\$ 9.0 million), Banque Arabe pour le Developpement Economique en Afrique (BADEA) (US\$ 2.8 million), Agence Francaise de Developpement ( AFD)( US\$ 15.5 million), IDA (US\$ 15.4 million), Switzerland (US\$ 1.3 million), African Development Bank ( AfDB) (US\$ 4.1 million), Canada (US\$ 0.3 million) and by the Government of Rwanda (US\$ 2.8 million).

**3. Achievement of Relevant Objectives :**

(a) The critical objective of strengthening the capacity of DEA ( formerly GDW) and communes to function more efficiently and the objective of creating a National Fund for Rural Water Supply (NFRWS) to improve the efficiency of resource flows into the sector was not achieved . Most of the innovative features planned in the SAR did not materialize. (b) The objective of improving water quality and quantity through the establishment of a national rehabilitation and maintenance program was not achieved since the supporting institutional framework collapsed before the program could take off. (c) The objective of assisting in financing and implementing the rehabilitation and expansion of five water systems in the Lava region in Northwest Rwanda was only partially achieved . Part of the production and primary distribution systems with AFD, Austrian and IDA financing was completed before the 1994 civil war but only a limited amount of the IDA-financed secondary distribution systems ( and from which consumers could draw water) was completed.

**4. Significant Achievements :**

The Project did manage to complete a limited amount of investment under the extremely adverse conditions of the 1994 civil war. The objective of rehabilitating and expanding water supply systems in the Lava region was partially achieved. Four gravity-fed water supply systems were rehabilitated and about 280 protected springs were built. A number of user associations and water committees were established and a start was made in testing a cost recovery system and developing a demand-driven water and sanitation policy .

**5. Significant Shortcomings :**

As a result of the overly ambitious project design coupled with the disruptions from the 1994 civil war the project could serve only one sixth of the beneficiaries expected at the outset . The features of a National Fund for Rural Water Supply and a national rehabilitation and maintenance program remained largely aspirations on paper .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Unsatisfactory	Unsatisfactory	
<b>Institutional Dev .:</b>	Negligible	Negligible	
<b>Sustainability :</b>	Uncertain	Unlikely	It is conceivable that <i>if</i> there is continued support to user associations the simple systems could become sustainable . In contrast, the complex systems are unlikely to be sustainable for lack of adequate system management and institutional backing.
<b>Bank Performance :</b>	Satisfactory	Unsatisfactory	The Bank project design was overly ambitious for an executing agency that had only two years of existence prior to the project. The Bank was also slow in adjusting the project to the exceptionally serious consequences of the 1994 civil war. However, the unsatisfactory sector performance would have been even worse without the Bank's involvement in the face of the dire impact of the war .
<b>Borrower Perf .:</b>	Deficient	Unsatisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**7. Lessons of Broad Applicability :**

(a) Early operations with inexperienced executing agencies should be simple and offer hope of tangible progress in the form of better and extended service . (b) Cofinancing should be designed in such a way that the withdrawal of one or more co-financiers (as happened following the 1994 civil war) should not stop entirely components but at the most reduce their scope. (c) Project ownership and government commitment are key factors to make success possible and this is particularly true of innovative project components that represent a sharp break with the practice of the past.

**8. Audit Recommended?**  Yes  No

**9. Comments on Quality of ICR :**

The ICR is lucid and clearly identifies the reasons for unsatisfactory project outcome .