

## Summary of Terminal Evaluation

<b>1. Project Overview</b>	
Country: Peru	Project Title: “Project for Institutional Reinforcement of Water Supply and Sanitation in North Area of Peru”
Issue/Sector: Water/Disaster Management	Cooperation scheme : Technical Cooperation
Issue/Sector: Water Resources Group, Global Environment Department	Total cost (as of December 2012) : Total cost: 436 million yen
Period of Cooperation	July 2009 to March 2013.
	Partner Country’s Implementing Organization : Ministry of Housing, Construction and Sanitation Supporting Organization in Japan : Joint venture of UNICO International Co., Ltd. and Earth System Science Co., Ltd
<p><b>1-1. Background of the Project</b></p> <p>“National Plan of Sanitation (2006 – 2015)” of Government of Peru aims to halve the population without access to potable water and sanitation by 2015. Key challenge in realizing this goal is to improve water supply coverage in rural areas whose access to water is limited to average 65% as compared to average 83% in urban areas and 89% in Lima (UNICEF, 2007). There has been progress in increasing access to water through Government programmes and assistance from donors, mainly through infrastructure development. The challenges nevertheless remained, particularly in strengthening the capacity of regional governments to supervise the installation of water supply facilities, and of municipalities and water and sanitation committees (JASS) to administer, operate and maintain these facilities and to deliver water supply services to community. This Project was proposed to reinforce the capacity of these organizations to provide improved water supply and sanitation services in the rural areas of Piura and Lambayeque. The Project was commenced in June 2009 for the duration of 4 years till March 2013. The overall management of the Project is the responsibility of National Programme for Rural Sanitation (PNSR) of MVCS, while the supervision and implementation on-site is ensured by Regional Governments of Piura and Lambayeque.</p>	
<p><b>1-2. Outline of the Project</b></p> <p>(1) <u>Overall Goal</u>: The water supply and sanitation conditions are improved in rural villages and small cities in the Piura and Lambayeque Regions</p> <p>(2) <u>Project Purpose</u>: The capacity to implement water supply and sanitation services in rural villages and small city authorities in Piura and Lambayeque Regions is improved.</p> <p>(3) <u>Outputs</u>:</p> <ol style="list-style-type: none"> <li>1. The capacity and issues for rural village and small city authorities to implement water supply and sanitation services are identified in the Piura and Lambayeque Regions</li> <li>2. The capacity of DRVSSs in Piura and Lambayeque Regions is strengthened, to undertake the construction of water supply facilities and to supervise water supply and sanitation services in rural villages and small cities</li> <li>3. The capacity is strengthened for water and sanitation committee or district office participated in pilot activities to operate and maintain water supply facilities and to educate people on sanitation</li> <li>4. A system is developed in the Piura and Lambayeque Regions, to disseminate the contents of the manuals for operation and maintenance and for sanitation education to district offices and the JASS.</li> </ol> <p>(4) <u>Inputs</u> (as of December 2012)</p> <p>【Japanese side】  Experts: 7 experts for 4 fields (71.96 P/M)  Equipment: 9,800 US Dollar  Operation cost: 54.44 Million Japanese yen  Training in Japan: 2 counterparts</p> <p>【Peruvian side】  Assignment of Counterparts: 15 staff  Facilities provided: Project offices in Piura and Lambayeque  Local expenses: 955 thousand Nuevo Soles</p>	

<b>2. Evaluation Team</b>		
Members of Evaluation Team	1) Mr. Hideo Miyamoto, Team Leader/Senior Advisor to Director General on Water Resources and Disaster Management, Global Environment Department- JICA 2) Mr. Masahito Miyagawa, Evaluation Planning, Disaster Management Division 2, Water Resources and Disaster Management Group, Global Environment Department- JICA 3) Mr. Yosuke Sasaki, Water Supply and Sanitation /In-house Consultant, Water Resources and Disaster Management Group, Global Environment Department- JICA 4) Emi Yoshinaga, Evaluation Consultant, Japan Development Service Co., Ltd. 5) Sachiyo Sakurai, Interpreter, Japan International Cooperation Center (JICE) 6) Gabriela Dolorier, Evaluation Member, Programa Nacional de Sanitamiento Rural	
Period of Evaluation	November 18 <sup>th</sup> -December 11 <sup>th</sup> , 2012	Type of Evaluation: Terminal Evaluation
<b>3. Results of Evaluation</b>		
<b>3-1. Project Performance</b>		
<b>Output 1:</b> <i>“The capacity and challenges for rural village and small city authorities to implement water supply and sanitation services are identified in the Piura and Lambayeque Regions” (achieved)</i>		
<ul style="list-style-type: none"> <li>• (1-1) A baseline survey was conducted between July and December 2009, in total 48 villages in the two regions (20 in Lambayeque and 28 in Piura).</li> <li>• (1-2) In the same 48 villages, another technical survey was also conducted to confirm the condition of water supply facilities and their maintenance. Based on the survey results, inventories were prepared for each 48 site.</li> </ul>		
<b>Output 2:</b> <i>“The capacity of DRVSS in Piura and Lambayeque Regions is strengthened, to undertake the construction of water supply facilities and to supervise water supply and sanitation services in rural villages and small cities” (achieved)</i>		
<ul style="list-style-type: none"> <li>• (2-1) Based on the rules and criteria specified in the Public Investment System (Sistema Nacional de Inveersión Publica: SNIP), the preparation for tender, selection of contractors, management of construction process, and the handover of the completed facilities to districts and to JASS, were all completed. The process was monitored by MVCS every three months.</li> <li>• (2-2) 10 villages were selected as pilot sites, and a package of activities were undertaken to establish a framework to implement water supply services through JASS. At the same time, the water supply facilities administration, operation and maintenance (AOM) manuals were created by DRVS/DVS, based on which pilot activities on water supply are implemented in 10 sites. The pilot activities included the foundation of JASS, the development of rules and regulations, the creation of water utility ledgers, and the development of tariff system, among others.</li> <li>• (2-3) A manual on sanitation was created by DVS/DVS in the two provinces, based on which pilot activities on sanitation are implemented in 10 sites. The activities included the sanitation training for JASS by DRVS/DVS, and the training for the community by JASS, and the monitoring of sanitation practices of communities through household visits.</li> </ul>		
<b>Output 3 :</b> <i>“The capacity is strengthened for water and sanitation committee or district office participated in pilot activities to operate and maintain water supply facilities and to educate people on sanitation ” (met only in part)</i>		
<ul style="list-style-type: none"> <li>• (3-1) Of four pilot sites whose operations started earlier than other 6 sites, three district offices but for Malacasí submit the monthly report. JASS in other six pilot sites, where the installation of water meters was completed only in August-September 2012, are expected to start the submission once the testing of tariff system is complete in end 2012.</li> <li>• (3-2) Commitment by district offices has been reported as limited except for some. The written agreement between DRVS/DVS and target district offices made at the beginning of pilot activities stipulates the need to set up water and sanitation department within the pilot district offices, which however has not fully been followed. As a result, the skills transfer from DRVS/DVS to district municipalities has not been sufficient. The general lack of interest that the district municipalities have shown in water supply services can be attributed to the lack of budget and technical personnel, as well as to the lack of understanding on the importance of AOM and of interest by some district directors.</li> <li>• (3-3) In both Piura and Lambayeque, the monitoring on sanitation practice of the household has been</li> </ul>		

undertaken several times, as part of the activities under Output 2-3. The monitoring results in Lambayeque shows that more people start washing hand and chlorinating water, and know how the water-borne diseases are transmitted. Although the same dataset could not be obtained for Piura, improvements were confirmed through the interviews and site visits during the Terminal Evaluation.

**Output 4:** “A system is developed in the Piura and Lambayeque Regions, to disseminate the contents of the manuals for operation and maintenance and for sanitation education to district offices and the JASS.”(expected to be met)

- (4-1) Training by 10 pilot district offices commenced in October 2012 and was complete by November 26<sup>th</sup>, 2012.
- (4-2) The training hosted by the DRVS/DVS in two regions from September to October 2012 received participation from total 97 district offices(62 in Piura and 35 in Lambayeque) presenting 96 % of all offices existent in Piura and Lambayeque.
- (4-3) The training programme was prepared by each participant from district office during the training mentioned (4-2) above.
- (4-4) Expected to take place in February 2013, in Tarapoto of San Martin Region where Japan currently provides assistance in water supply.

**Project Purpose:** “The capacity to implement water supply and sanitation services in rural villages and small city authorities in Piura and Lambayeque Regions is improved.”(met only in part)

- (Indicator 1) The guidance to 10 out of total 102 district offices (8% of the total) has been achieved through the pilot activities during the Project. The training and its follow-up continues for all the district offices are continued in both regions. Piura plans to disseminate the Project activities targeting particularly the 18 offices within the region which have water and sanitation departments, and Lambayeque has also incorporated in its plan of activities in 2013 the follow-up on the training for all the non-pilot districts conducted Output 4-2.
- (Indicator 2) The establishment of appropriate tariff system is complete, through the introduction of the usage-based tariff system and of the organizational structure to manage the system. As a result, the reduction of delinquency in the payment of water charges has been reported. The improvement in water supply services, such as the better water quality and more efficient management of JASS, was also visible in some pilot sites. In other sites, although the system of community-based water supply service is in place, they are still on their way to reach the expected level of improvement. First, for the six sites where the installation of water meters is just completed in August-September, it was too early to evaluate during the Terminal Evaluation whether the service is working. Second, in such sites as San Jorge and Malacasi where the service already started earlier, the activities has often been interrupted by social and interpersonal factors in the communities.

### **3-2. Evaluation Results**

#### **(1) Relevance**

The relevance of this Project is high. The Project’s intervention in rural water supply is found appropriate, in light of the need to secure safe water for rural communities, and is consistent with Peru’s national and regional development policies such as “Plan Nacional de Saneamiento 2006-2015”, “Plan de Desarrollo Regional Concertado de Lambayeque 2011-2021”, and “Plan de Desarrollo Regional Concertado de Piura 2007-2021”. JICA’s Country Assistance Policy for Peru likewise recognizes the improvement of water supply and sanitation as one of priorities of its assistance.

The approach of the Project to focus on three aspects of water supply (infrastructure, AOM, sanitation) is relevant also in light of the current social context. Amid a number of large-scale infrastructure projects to expand water supply, the Project brought into the limelight the better use of those facilities and appropriate management of water supply services.

The method of technical transfer adopted by the Project was also regarded as appropriate. The strengthening of vertical relationship between DRVS/DVS, district municipalities and JASS is in consistent with the need of target beneficiaries and with the national policies as expressed in the “Resolucion Ministerial No.269-2009”, and helped raise awareness of each stakeholders on the roles they should play in water and sanitation services.

## (2) *Effectiveness*

The effectiveness of the Project is evaluated as moderate, mainly because Project Purpose Indicators are not fully met. On positive site, the Project strengthened the capacity and involvement of stakeholders at regional, district and community level, and produced cases of successful communities where water service delivery, supported by an appropriate tariff system, is in place and functioning. On the other hand, in two of 4 pilot sites whose operation started earlier, the activities were often interrupted sometimes by the factors other than the Project intervention, and the improvements in other six sites were too early to evaluate the results.

## (3) *Efficiency*

Efficiency of this Project was not satisfactory. Although the pace of activity implementation caught up in the end and 3 of four Outputs were achieved in the end, the following factors negatively affected the efficiency in the implementation of activities:

- The delays in some activities, such as infrastructure development in Piura, due to the insufficient technical personnel at regional level and budget to finance those personnel; and in the installation of water meters in both regions, because of the difficulty in choosing the beneficiary household;
- Insufficient commitment from district municipalities, due to the lack of budget for appropriate staffing, and of interest in the AOM in general;
- Frequent and drastic changes in the Project counterparts at national (MVCS), regional (Piura) and community level (JASS), often resulting in re-doing the same capacity building activities and confusion of information;
- Limited inputs from regional government to finance day-to-day operation, such as gasoline and per diem;
- Insufficient information-sharing among different levels of Project stakeholders. Consequently, some activities are initiated but its outcome was not utilized, as in the case of the manual created under Activity 2-1

## (4) *Impact*

The Impact of this Project is moderate. On positive side, some good effects were produced through the Project and outside of Project Outputs, such as:

- Through the training for JASS, the learning opportunities was rendered also to the members with limited literacy;
- Some pilot JASS successfully improved the revenue, and gained the motivated to expand their service coverage and experience-sharing to other JASS;
- The increased awareness by DRVS/DVS staff, on the reality of rural areas and on the importance of combining the social assistance with infrastructure project;
- Wider participation of women by targeting mother groups for the education on sanitation.

For the Project to attain the Overall Goal Indicators, however, the external conditions provided in the PDM have to be sufficiently met. Efforts have been made by both national and regional government to secure budget and human resources for the continuation of the activities. At the time of this Evaluation, however, the prospect of whether enough financial and human resources are allocated to daily operation of Working Groups is still uncertain, resulting in the Team's conclusion that the Impact of this Project is moderate.

## (5) *Sustainability*

Sustainability of this Project is moderate, in light of the following factors:

- Policy and institutional support: national and regional policies mentioned in "4-1 Relevance" are likely to support future activities in water and sanitation. Within water and sanitation activities, however, how much priority will be given to the capacity building for AOM is uncertain
- Implementation framework: the regional counterparts of this Project plan to maintain the current implementation framework, that is, the activities of Working Groups and the training for JASS, and the further strengthening of vertical cooperation between DRVS/DVS, district municipalities and communities. For this framework to improve, more staff with expertise in water and sanitation and in the preparation of technical proposals may be necessary at regional level. Further awareness-raising is likewise necessary to remind the district municipalities of their roles in water supply services.
- Finance: To continue and disseminate the activities, the budget to cover the running cost such as gasoline and per diem is a key. Experience of the Project however suggests that the drastic increase in the budget is not easy.

- Sustainability of skills: in this Project, the community-based water service delivery system supported by usage-based tariff is well-received and accepted both by Project counterparts and communities, and the skills of DRVS/DVS staff to plan and supervise those activities are considered as sufficient.

### 3-3. Factors that contributed to achievements of goals

#### (1) Factors relating to Project Design

- Focus on AOM of water supply facilities, amid a number of large-scale infrastructure projects to expand water supply
- Clearer role and increased credibility of DRVS/DVS and JASS
- Introduction of usage-based water tariff, combined with awareness-raising on the quality and value of water

#### (2) Factors relating to Implementation Process

The commitment of DRVS/DVS staff and the credibility they gained from community

- Leadership of JASS president to facilitate the consensus-building in the communities
- Competence of JASS accountant, to administer JASS efficiently and increase transparency of its work
- Commitment from some district municipalities

### 3-4. Issues/factors that caused the issues

#### (1) Factors relating to Project Design: NA

#### (2) Factors relating to Implementation Process: Those described in “3-2 (3) Efficiency”.

### 3-5. Conclusion

After the general elections in Peru in January 2011, the drastic change in the personnel took place at all levels of Government of Peru, on which the Mid-term Review held in July 2011 expressed deep concerns. By the time of this Terminal Evaluation, the Project made a significant effort to catch up on the implementation, and all the activities are expected to be complete by end of the Project. Most of the Outputs were produced except for Output 3, although the frequent changes of personnel within Government, different level of commitment and capacity of JASS, and other social and political factors worked detrimental to the implementation. The commitment of district municipalities are still weak at this point, but the capacity of DRVS/DVS and some JASS has been strengthened and their cooperation, closer. Significant improvement was observed in reducing the delinquency in the payment of water charges by the communities and unnecessary use of water, and in increasing community’s awareness on the quality and value of water. These improvements were obvious in some pilot sites while the progress in other sites lagged behind, therefore the Project Purpose is met only in part. Evaluation by 5 criteria found that Relevance is high, Effectiveness moderate, Efficiency not satisfactory, Impact and Sustainability, moderate. Both the achievement of Overall Goal and the sustainability hinge critically upon the prospect of ensuring sufficient budget and staff to finance day-to-day operations, as well as the commitment of Government at all level to pay increased attention to the importance of AOM activities and the strengthening of JASS to deliver water supply services.

## 4. Recommendations

- (1) Implementation of Mid-term Activity Plan: Once the Mid-term Activity Plan mentioned in 4.1(2) is formulated, the Team strongly suggests that the DRVS/DVS ensure its implementation, by securing sufficient staff and budget.
- (2) Application of Usage-based Tariff System: One of the major outputs of the Project is the introduction and establishment of a tariff system. In disseminating this outcome, the trainings should be first applied to raise awareness on the value of potable water among the general public, and to contribute to increase the tariff (“family quota”). Then, micro- and macro meters should be implemented in the usage-based system, which allows the conservation of water resources. Such tariff system should be applied in Piura and Lambayeque, as well as in other relevant regions.
- (3) Awareness-Raising of District Municipalities: Although district municipalities are in charge for training and monitoring of the activities of JASS, the capacity of district municipalities is limited at this point. The Team appreciates DRVS/DVS’s continued efforts to encourage the district municipalities to actively participate in the water and sanitation projects. The Team also suggests that the DRVS/DVS continue to assist the district municipalities to establish a division which is in charge for the water and sanitation sector.
- (4) Utilization of Manuals: MVCS would utilize manuals prepared by PRISAS as an input for interventions

by central, regional and local governments. Piura and Lambayeque would put continuous effort on improvement of water supply and sanitation condition, by utilizing the three manuals produced by the Project, up to when MVCS completes a national training plan and its tools for application. MVCS is also encouraged to contribute to the improvement of water and sanitation conditions in other provinces, through the review/revision of these manuals which reflect the conditions and context of those regions.

- (5) Improvement of the Coordination Mechanism for Discussion: There is a board of donors specialized in water and rural sanitation. The meeting was held 7 times during 2012. In order to maximize the achievements of the Project, the Team expects that this coordination mechanism of international donors should be further strengthened not only at national level but also at regional level.
- (6) Sharing Good Practices of the Field: There are good practices and lessons learned from several project sites of the Project. For the capacity development of the stakeholders working in water and sanitation, it is recommended that DRVS/DVS, district municipalities, and JASS and relevant personnel visit those project sites to learn from the experiences that the Project has gathered.

## **5. Lessons learned**

- (1) Promotion of Integrated Approach for Water and Sanitation: MVCS policies are promoting integrated approach in water and sanitation sector. That means that water and sanitation should be considered as one set, and the activities in this field should be provided with the combination with the improvement of water and sanitation facilities, awareness, education and hygiene, among others. To realize such an integrated approach, the strengthening of the coordination between projects at different level of government and sectors is crucial.
- (2) Better Coordination of Activities by Donors: When several donors plan to provide assistance for projects implemented at local and regional government for similar activities, it is crucial that the donors (including JICA), as well as responsible government organization, coordinate well with each other, so that the outcome of their respective activities is enhanced.