# External Mid-Term Evaluation of Water and Sanitation Program (WSP) for FY11-12

Final Report

By:
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# Executive Summary

## Introduction

The Universalia Management Group Limited (Universalia) is pleased to submit to the Water and Sanitation Program (WSP) Council and Program Management the final report of the mid-term evaluation of the WSP FY11-15 Business Plan. This Business Plan reflects the Program's aspirations over a five-year period in its support to governments and other actors with scaling up improved water supply and sanitation services and hygiene programs for poor people.

The FY11-15 Business Plan brought clarification on how to implement WSP's FY09-18 Global Strategy[1], by focusing on six core Global Business Areas: i) scaling up rural sanitation and hygiene; ii) creating sustainable services through domestic private sector participation; iii) support poor-inclusive WSS sector reform; iv) targeting the urban poor and improving services in small towns; v) mitigating and adapting service delivery to climate change impacts; and vi) delivering WSS services in fragile states. The five-year anticipated resource envelope for the Business Plan was USD 200 million, and it has since been revised to about USD 203 million. By early 2013, the Business Plan had already been totally funded.

The WSP Council commissioned this external, formative evaluation to assess the mid-term outcomes and achievements of WSP in its implementation of the Business Plan in FY11-12. The evaluation's main objective is to provide feedback to WSP Program Management and Council to improve or strengthen the implementation of the Business Plan. Specific objectives include i) assessing implementation progress for the first two years of the five-year Business Plan; ii) assessing the major factors, internal and external, that influence results; iii) drawing lessons learned; and iv) recommending specific ways to help WSP better achieve the intended outcome of each Business Area and the overall objectives of the Business Plan. The evaluation is also expected to provide insights for WSP's next business planning cycle.

## Methodology

A mixed-methods approach was taken to data collection and analysis, combining qualitative and quantitative elements. The evaluation was guided by the evaluation matrix, which is based on the main questions identified in the Terms of Reference. The evaluation process began in January 2013. A preliminary draft report was shared with WSP Program Management in mid-May 2013 and subsequently revised to produce the draft report that will be presented by Universalia at the WSP Council's annual meeting on June 12, 2013. The evaluation report will be finalized by end of June 2013.

Data collection methods for the evaluation included field visits in eight countries (Bangladesh, Cambodia, India, Indonesia, Kenya, Lao PDR, Peru and Uganda) in April 2013, where interviews and focus groups were held with 222 in-country stakeholders (staff, partners, beneficiaries, etc.). Interviews were also held with 16 stakeholders in Liberia and Honduras, as well as with 47 stakeholders outside of the ten countries visited and reviewed. These interviews provided an external perspective on the effectiveness and relevance of WSP's work to date. In addition, the evaluation team conducted a survey of WSP staff and reviewed WSP documentation and global/national literature and policy documents.

Notable limitations in the evaluation included i) a lack of baseline data and limited documentary evidence on progress; ii) a limited timeframe for collecting data at the country level, making it sometimes hard to appreciate the entirety of WSP's work in-country; and iii) incomplete documentation for some countries.

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[1] WSP. *FY2009-2018 Global Strategy: Scaling Up Sustainable Services*. July 2008.

## Findings

WSP's performance in delivering on the FY11-15 Business Plan was assessed based on the evaluation criteria of relevance, effectiveness, and efficiency. Key internal and external factors affecting WSP's performance were also identified.

### Relevance

Evidence suggests that, at the global and regional levels, WSP's Business Plan is aligned with the major sector challenges. There is also recognition that greater efforts need to be made in the face of urbanization and climate change and with regard to hygiene promotion. At the national level, WSP's Business Plan is considered relevant, notably due to staff credibility and the ability to adapt to local needs. Relevance is further reinforced by the Program's comparative advantage - WSP is considered to be a knowledge broker, policy advisor, convenor, and facilitator in the WASH sector.

### Effectiveness

WSP's effectiveness was mainly assessed in terms of the extent to which the Program is achieving its Global Outputs as identified in the FY11-15 Business Plan and how its Business Areas are contributing to these results. Evidence shows that WSP contributes to improved policies and regulatory frameworks and capacity building for national and sub-national governments and service providers. WSP is increasingly managing towards results at the outcome level (with a focus on results for beneficiaries). Knowledge products were seen by key informants at the country level as useful for advocacy and informing policy change. A few informants from donors and peer organizations in the sector identified the quantity, quality and dissemination of these products as areas for improvement. WSP's performance in integrating the cross-cutting issues of gender equality, environmental sustainability, and vulnerable groups is uneven across regions. Finally, WSP effectively establishes partnerships and leverages investments, though its influence on World Bank operations is unclear.

### Efficiency

WSP's efficiency in delivering on the Business Plan was measured in terms of its impact and benefits in relation to effort and resources expended, as well as its ability to minimize transaction costs and deliver value for money. Early achievements at the mid-point of the current business cycle points to the Program's ability to generate results in support of improved water, sanitation, and hygiene services for the poor. WSP influences local and national sector dialogue and builds partnerships for long-term change, which increases its leverage and helps make WSP a cost-effective program. WSP also follows strict resource- and risk-management procedures, though transaction costs are hard to determine at present due to recent migration to World Bank systems.

### Factors Affecting Performance

The context surrounding WSP, its institutional arrangements with the World Bank and its planning, staffing and monitoring procedures were also analyzed. In terms of context, two main areas of challenge were identified: implementation in poor urban areas and ability to scale-up across settings. In FY11-12, WSP has integrated with World Bank business systems and processes, including quality assurance processes. In general, this has had positive effects on WSP. However, World Bank policies, especially related to human resources and procurement, provide some on-going challenges in delivering the Business Plan. Overall, WSP management supports country/regional teams, and the matrix management approach is generally perceived as facilitating the delivery of the Business Plan. The new results monitoring and reporting system represents an important cultural shift for WSP and the system is seen to give more strategic focus to the Program's initiatives at the country-level. The Business Plan is well-aligned with WSP's overall goal. Further definition of delivery "at scale" and "scaling up," clarity on the nature of WSP's target group, and a more focused definition of Business Areas can further help to strengthen the Program's focus on results.

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## Conclusions

Based on evidence and findings, seven main conclusions can be drawn at the midway point of WSP's implementation of the FY11-15 Business Plan:

1) WSP is progressing towards objectives, and results achieved suggest that the FY11-15 Business Plan can contribute to the goal of helping scale up WASH services. However, evidence indicates that numerical targets with regard to this expansion, in some countries, may be too ambitious for a five-year period, given current partner capacities and the time required for them to be able to implement programs on a broader scale.

2) The breadth and depth of progress is uneven within and across WSP areas of work, and there is a need to strengthen certain components, define approaches or revise expectations at this midway point (e.g. in climate change adaptation). Though the initial focus on rural sanitation is justified, the next two years of the Business Plan require a greater emphasis on the urban sanitation agenda.

3) WSP considers to different degrees certain "cross-cutting" themes (e.g. gender equality, environmental sustainability, and vulnerable groups). During the first two years of the Business Plan, WSP has focused on establishing Business Areas, which entailed a considerable amount of work with regard to strategic thinking, theories of change and results monitoring, among other areas. In these last years of implementation, it can benefit from defining its strategy for addressing cross-cutting themes.

4) WSP's new approach to reporting on results has encouraged an important cultural shift and focus on results. The focus on numbers of end beneficiaries has been both a source of motivation and concern, while targets set for beneficiaries with service access may be unrealistic, given the five-year timeframe for this Business Plan and the time it may realistically take partners - with various levels of capacities - to "scale up" services.

5) WSP continues to produce high quality publications that package learning from the field into useable tools for advocacy and programming in order to scale up services. However, evidence suggests that the number of publications is large, that some publications from outside core competency areas are less useful to some of its audiences, and that it is difficult to identify the key publications within the overall body of work.

6) WSP has gradually become more fully integrated with World Bank business processes. Evidence illustrates that this has been largely beneficial for WSP in terms of the additional peer feedback and visibility that comes with being a part of the World Bank's formal quality assurance mechanisms. New partnerships and a growing diversity of operations demonstrate potential for influence on World Bank investments, but there are still many challenges in achieving the desired degree of influence.

7) The evaluation team feels confident in WSP's ability to deliver on the FY11-15 Business Plan, provided that the focus of remaining activities is on scaling up.

## Recommendations

As a mid-term review, most recommendations to WSP Council and program management address the areas to strengthen in the last two years of implementation of the FY11-15 Business Plan in order to achieve desired results. Recognizing that there may be limited flexibility to make significant changes to the current plan, and that preparations for the next Business Plan cycle are already underway, we have also included suggestions that may be relevant primarily in the context of the future Business Plan.

**Recommendation 1:** **As part of a longer-term vision of sustainable water supply and sanitation services, WSP Program Management should define how it will approach climate change, environmental sustainability, gender equality, and vulnerable groups and articulate its commitments in these areas in the next Business Plan.**

**Climate change and environmental sustainability**

The Business Area of climate change has been largely focused on disaster risk management activities and sanitation solutions for challenging environments. Its current approach – defining it as a Business Area – may not be the most effective way of moving forward. In addition, the evaluation data identifies growing concerns about environmental issues in general and notes that while WSP has carried out some activities, there is no coherent approach to addressing the environmental concerns associated with increased access to WASH.

Over the next two years, there is a need for WSP Program Management to refine:

- The theory of change for climate change and the environment more broadly, and consider how these concerns can be better integrated to support the overall results of the Program, particularly if the notion of "sustained" access to services or behavior changes is incorporated in the proposed results;

- The types of partnerships required to work effectively on climate change and environmental sustainability. WSP may not be the most obvious or suitable actor for leading the work in these related areas. For example, WSP Business Plan noted the work on climate change adaptation for utilities, but such contributions may be better handled by other entities. There may be ways to have a clearer partnership and division of labor between WSP and the Water and Energy Sector in the World Bank, or with the Energy Sector Management Advisory Program. Other development partners, such as AusAID, GTZ/KfW, SDC and DFID also have stated commitments and dedicated resources for addressing these issues.

For the next Business Plan cycle, WSP Program Management should consider integrating climate change as a cross-cutting issue instead of as a specific Business Area.

**Gender equality and vulnerable groups**

WSP should further define how it will address gender equality and vulnerable groups in its work. However, given the other demands of implementation in FY14-15, in the upcoming years WSP may want to focus on: i) outlining its approach to integrating gender equality as a cross-cutting area in its work on water, sanitation, and hygiene; and ii) defining what the Program understands by "vulnerable groups".

Finally, if these areas are important for achieving results, then WSP should to consider how they can be reflected in the next results framework (FY16-20), and at multiple levels, to ensure that such concerns are fully integrated in the work of WSP (i.e., gender is currently only identified at the outcome level of the current Business Plan).

**Recommendation 2:** **WSP Program Management should strengthen the Program's approaches for improving WSS services in urban areas and mainstreaming hygiene promotion**.

In its work on targeting the urban poor and improving services in small towns, WSP Program Management should increase its focus on identifying successful and potentially scalable approaches with regard to urban sanitation, with a view towards developing more focused efforts in this area for the next business planning cycle. The challenges of increasing access to sanitation for the urban poor are daunting. Issues surrounding land tenure and the illegal nature of most slum areas will not dissipate over time. As a "thought leader" in the sector, it is appropriate for WSP to begin to lead the way in this area, recognizing that this should be considered as an important objective of its work in the next business planning cycle.

In revising the Business Areas for the next planning cycle, WSP should refine and better articulate its approach to urban sanitation, taking into consideration its unit of intervention (e.g. town, peri-urban areas), the thematic emphasis of its work in urban sanitation (e.g. wastewater management), and its interface/partnership strategy with partners and donors already involved in urban areas (such as Cities Alliance) in order to ensure a systems approach that encompasses issues of land tenure and land use planning, for example. Further action on urban sanitation could be taken in the context of an existing Business Area, such as "Targeting the Urban Poor and Improving Services in Small Towns" or by developing a specific Business Area (however, as noted below, WSP needs to reduce the overall number of Business Areas).

With regard to hygiene, WSP Program Management should further mainstream its promotion within the interventions carried out under the current Business Plan. Since the end of the Global Scaling Up Handwashing Project, it is less clear how and to what extent WSP is engaging in the area of hygiene promotion. There is scope within the current Business Plan to apply lessons from the Handwashing Project to mainstream hygiene promotion within the Program, and to collaborate with partners on ongoing efforts to link sanitation and hygiene behavior change within "total sanitation" programming efforts. Like for urban sanitation, WSP's role as a thought leader in the sector makes it appropriate for the Program to contribute to improving methodologies for hygiene behavior change promotion without necessarily making the large investment associated with a stand-alone global project.

**Recommendation 3:** **As WSP rolls out its results monitoring and reporting tool, Program Management should pay special attention to monitoring and to better reporting on its progress in implementing its Business Plan, especially on how its products and services are influencing the enabling environment.**

Over the past two years, WSP has given significant effort to the design of an innovative system to track and report its contributions to results for beneficiaries. The important thinking around theories of change is a critical step forward and will be the key to helping WSP tell the story of its contribution to service delivery for the beneficiaries. There is also a need to present systematic evidence of the contributions made by WSP's products and services to the enabling environment in the end-of-year reports. This should be done by having a strong narrative including evidence of effects and results achieved compared to what was planned. The narrative should help to explain changes in the ratings on enabling environment that can be attributed to WSP's work. In addition, reporting on the Program's performance relative to the extent to which it is able to engage country clients, influence public policy, and influence public (government) spending and other sources of investment in water and sanitation issues (i.e., the areas that represent WSP's core business) will be key to demonstrate its contributions to end results for beneficiaries.

One of the most challenging areas to appropriately report on concerns the extent to which WSP is able to leverage or influence World Bank operations. There is a need for WSP to provide clear definitions of leverage and influence, develop a key performance indicator, and systematically report on this to the Program's key stakeholders.

**Recommendation 4:** **WSP Program Management should follow through with its plan to commission a special review of its work in Fragile States to ascertain the Program's comparative advantage in delivering TA in fragile states.**

Fragile states are faring even more poorly on the Millennium Development Goal targets than any other country, especially on target 7 on water and sanitation. The draft concept note for the Fragile States Business Area includes a projected mid-term evaluation to assess WSP position and performance in delivering technical assistance in these countries, and considers the necessity of substituting some countries for others. The Evaluation Team supports this plan and recommends that WSP Program

Management carry out the review and include, among the areas requiring special attention and potential areas for recommendations, the staffing capacity, the sustainability of the results achieved, the sharing of experiences among fragile states and between fragile states and ex-fragile states, and systems for sharing lessons learned with other agencies who have field presence in a number of fragile countries.

**Recommendation 5:** **WSP Program Management should continue efforts to adequately staff the Program for delivery of the Business Plan, in the context of WB guidelines and constraints.**

WSP staff has most of the competencies for ensuring the delivery of the Business Plan, but it also faces some challenges with regard to finding the appropriate human resources for some Business Areas (namely DPSP and Fragile States) and for certain types of specialized positions. There is also a need for strengthening staff capacities in knowledge production and in evaluation. WSP Program Management should continue efforts to adequately staff the Program for delivery of the Business Plan (i.e., make sure it has individuals with the right skills in key positions).

**Recommendation 6:** **WSP Program Management, in close collaboration with the Communications and Knowledge Management Team, should continue to pay attention to the area of generation and dissemination of knowledge both within WSP and externally for its clients and development partners.**

Overall, WSP is generating knowledge products and sharing experiences and best practices that are relevant for its clients and development partners as well as for WSP staff. Many of its knowledge products/experiences/best practices are being used by these stakeholders to develop policies, programs, and so forth. At the same time, the evaluation indicates some areas for improvement related to the generation and dissemination of knowledge products/experiences/best practices. The WSP Communications and Knowledge Management Team has recently developed a strategy for communications and knowledge management that is expected to support a closer alignment between knowledge generation/dissemination and WSP initiatives. The WSP matrix management structure is also expected to facilitate the scaling up or replication of best/good practices. Program Management should continue to pay attention to this area.

**Recommendation 7:** **In the next business planning cycle, WSP should reduce the overall number of Business Areas and seek ways of minimizing overlap across Business Areas.**

The evaluation found that there is overlap across Business Areas and that it takes time to fully develop a theory of change, a strategy, and an approach to measuring and reporting on results. Given the existing capacity of WSP, there is a need to reduce the number of Business Areas, re-assess the way that these are defined, identify or distinguish their respective contributions, and clarify complementarities. For example, poor inclusive sector reform is currently a separate Business Area, but may also be seen as an integral part of achieving the results under rural sanitation and hygiene or in expanding services for the poor in urban areas, or to small towns. Further exploration of the potential role of Business Areas (i.e. means) in achieving stated results (i.e. ends) should be undertaken to develop programmatic sector-wide approaches or strategies.

**Recommendation 8:** **In order to strengthen the country/client focus, it is suggested that Program Management consider developing "light" country planning/monitoring frameworks that can be discussed with clients and development partners.**

WSP's Program Management has made commendable progress in developing and fostering a results-based culture and practices within the Program. However, even with the tools available, it is difficult to get a snapshot of the progress against the different level of results identified in the Business Plan in each country. At this stage, monitoring and reporting frameworks are thematically driven by Business Areas.

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The current country-level results framework (in the country monitoring tool) is not designed for sharing with partners and it does not clearly outline WSP priorities, expected results, and the baseline and targets. It is therefore difficult to assess progress in WSP focus countries.

## Acronyms

| | |
|---|---|
| AMCOW | African Ministerial Council on Water |
| APWF | Asia-Pacific Water Forum |
| CLTS | Community Led Total Sanitation |
| DPSP | Domestic Private Sector Participation |
| EAWAG/ SANDEC | Department of Water and Sanitation in Developing Countries at the Swiss Federal Institute of Aquatic Science and Technology |
| FY | Fiscal Year |
| GLAAS | Global Analysis and Assessment of Sanitation and Drinking-Water |
| GRPP | Global and Regional Programs and Partnerships |
| HDN | Human Development Network |
| ICT | information communication technology |
| JMP | WHO/UNICEF Joint Monitoring Program for Water Supply and Sanitation |
| LAC | Latin America and the Caribbean |
| MDG | Millennium Development Goal |
| ODF | Open Defecation Free |
| SDN | Sustainable Development Network |
| STC | Short-Term Consultant |
| SURS | Scaling Up Rural Sanitation |
| SWA | Sanitation and Water for All |
| ToR | Terms of Reference |
| UMG | Universalia Management Group |
| WASH | Water, Sanitation and Hygiene |
| WSP | Water and Sanitation Program |
| WSS | Water Supply and Sanitation |

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# 1. Introduction

## 1.1 Background

The Universalia Management Group Limited (Universalia) is pleased to submit to the Water and Sanitation Program (WSP) Council and program management the final report on the mid-term evaluation of the WSP FY11-15 Business Plan.

The Water and Sanitation Program, which began in 1978 as a cooperative effort between the World Bank and the UN Development Program, is one of the longest running Global Programs and Partnerships administered by the World Bank. The objective of the program is to support governments scale up improved water supply and sanitation (WSS) services and hygiene programs for poor people. WSP achieves this by providing technical assistance, capacity building, and leveraging knowledge and partnerships through its network of technical staff in 24 countries across Africa, East Asia and the Pacific, Latin American and the Caribbean, and South Asia.

The FY11-15 Business Plan reflects the program's aspirations over a five-year period in its support to governments and other actors in order to scale up improved water supply and sanitation services and hygiene programs for poor people.

The WSP Council commissioned this external evaluation to assess the mid-term outcomes and achievements of WSP in its implementation of the Business Plan in FY11 and FY12.

## 1.2 Evaluation Objectives, Scope, Audience

The mid-term evaluation is considered a formative evaluation, intended to provide feedback that can improve or strengthen the Program. As presented in the ToR, the objectives of the evaluation were to:

1) Assess the implementation progress of the first two years of WSP's five-year Business Plan;

2) Assess the major factors, internal and external, which are influencing results either positively or negatively;

3) Draw key lessons learned;

4) Recommend specific ways to help WSP better achieve the intended outcome of each Business Area and hence the overall objectives of its Business Plan.

The evaluation will be used to inform the Council and WSP management on the progress made over the first two years of implementation, identify areas for improvement that can enhance the Program's effectiveness in the remaining period of the Business Plan, and provide insights for WSP's next business planning cycle. The findings and recommendations will be presented to the WSP Council at its annual meeting scheduled for June 2013 and once finalized, the report will be disseminated to partners, operational staff, and other stakeholders.

## 1.3 Methodology

The evaluation was based on a mixed-methods approach to data collection and analysis, combining qualitative and quantitative elements. It was guided by the main evaluation questions and data collection methods outlined in the evaluation matrix (see Volume II, Appendix II), which are based on the main questions identified in the Terms of Reference (see Volume II, Appendix I).

Exhibit 1.1 summarizes the main evaluation methods, as well as the number of stakeholders reached during data collection at a global level and in the field visit and desk review countries: Kenya, Uganda, Liberia Bangladesh, India, Cambodia, Indonesia, Lao PDR, Honduras and Peru. The complete evaluation methodology is presented in Volume II, Appendix III.

**Exhibit 1.1    Summary of Evaluation Methodology**

| Method of data collection | Target stakeholders/ documents | Quantitative reach | Purpose of activity |
|---|---|---|---|
| Document Review | • WSP documents (strategies, Business Plan, reports, project documents, etc.)<br>• National documents in the site-visit and desk reviewed countries<br>• Global policy documents and literature | Not applicable | To understand:<br>– WSP objectives and design<br>– WSP progress to date<br>– WSP M&E tools/framework<br>– WSP efficiency<br>– Knowledge products being produced |
| Interviews with stakeholders outside countries visited/reviewed | • WSP Council members<br>• WSP staff at headquarters<br>• World Bank staff<br>• Other actors in the sector (donors, NGOs, private sector, academic community, regional partners) | 47 stakeholders | Data collection on:<br>– WSP progress to date<br>– Factors & perspectives – relevance, effectiveness, efficiency, administration |
| Country field visits (interviews and focus groups) | • In-country WSP staff<br>• Government representatives<br>• In-country development partners<br>• In-country private sector representatives<br>• Academia and think tanks<br>• Members of civil society organizations<br>• Beneficiaries | 222 in-country stakeholders in Kenya, Uganda, Peru, Bangladesh, India, Cambodia, Indonesia, and Lao PDR | Review of WSP progress:<br>– relevance<br>– effectiveness<br>– efficiency<br>– administration |
| Country desk reviews (interviews) | • In-country WSP staff<br>• Government representatives<br>• In-country development partners<br>• Members of civil society organizations | 16 in-country stakeholders in Liberia and Honduras | Review of WSP progress:<br>– relevance<br>– effectiveness<br>– efficiency<br>– administration |
| Staff survey | • WSP staff | 98 stakeholders | Data collection on:<br>– Integration of considerations related to gender, vulnerable groups, and environmental issues<br>– Usefulness of the new monitoring and reporting system<br>– Factors affecting performance in the implementation of WSP FY11-15 Business Plan<br>– Business Plan's design<br>– Management approaches |

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## 1.4 Limitations

The evaluation team faced a few limitations in conducting this evaluation:

- The lack of baseline data and limited number of monitoring and evaluation reports provided scarce documentary evidence on progress made by WSP overall and in its different Business Areas during a relatively short period of time (2 years); in addition, the work over these two years often builds on previous efforts, making it difficult to isolate the contributions of WSP activities in FY11-12.

- The limited time available for collecting data at the country-level, meant that in some cases, it was challenging to appreciate the entirety of WSP's work in country and corroborate all of the data through additional interviews or document review; nonetheless, the evaluation team continued to engage with WSP staff after the field visits to make any necessary clarifications.

- In some cases, the team had incomplete documentation from countries (e.g., no project concept documents or country monitoring tools)

## 1.5 Structure of Report

The report is divided into two volumes. This document constitutes Volume I. Following this introduction, it is organized as follows:

- Section 2 – WSP Profile

- Section 3 – Context for WSP's work during the years FY11-12, including the global sector challenges, and the World Bank and WSP context

- Section 4 – Evaluation findings (relevance, effectiveness, efficiency and factors affecting performance)

- Section 5– Conclusions

- Section 6– Recommendations

Volume II of the report includes all the supporting documents to the mid-term evaluation, including: Terms of Reference; evaluation matrix; evaluation methodology; list of documents reviewed; list of stakeholders interviewed; interview protocols; and survey results.

# 2. Profile of WSP

## Mission and Long-term Strategy

As defined in its FY2009-2018 Global Strategy, WSP's mission is 'to support the poor in obtaining sustainable access to water and sanitation services.'[2] To fulfill its mission, WSP: i) provides advice to help countries adopt improved policies and strategies and undertake institutional reforms; ii) provides advice to strengthen the investment programs and projects of its clients and partners; and iii) generates, validates, and communicates innovative water supply and sanitation solutions.[3] The strategy outlines the roadmap that will guide WSP's work and identifies global trends, as well as the activities and programmatic approaches to address them.

## FY11-15 Business Plan

The FY11-15 Business Plan brought further clarification on how to implement the global strategy, by focusing on the six core Global Business Areas shown in the exhibit below. Each Business Area responds to global challenges facing the WASH sector and is focused on helping governments to monitor improvements, ensure sustainability, maximize the use of resources and inform sector planning.

**Exhibit 2.1    Objectives of the Six Global Business Areas of WSP's FY11-15 Business Plan**

| | |
|---|---|
| Scaling up rural sanitation and hygiene | • In FY11-15, WSP will work with partners and stakeholders to scale up rural sanitation to help up to 50 million people gain access to improved sanitation and leverage approximately US $200 million from governments, private sector, and household over five years |
| Creating sustainable services through domestic private sector participation | • WSP will support client governments scale up the technical and financial capacity of the domestic private sector to help 2.5 million poor people gain sustained access to improved water supply and sanitation services and leverage over US $100 million in investments by donors, governments and the private sector |
| Support poor-inclusive WSS sector reform | • WSP will support poor-inclusive sector reform by working with national and sub-national governments to develop pro-poor policies, strategies, and plans as well as define institutional arrangements, design, and implement investment programs by providing evidence-based knowledge for reforming outdated strategies and policies |
| Targeting the urban poor and improving services in small towns | • WSP will support national and sub-national governments and public and private service providers target the urban poor and improve services in small towns by developing pro-poor policies, guidelines, and models for improved water supply in dense urban and peri-urban areas and small towns |
| Mitigating and adapting service delivery to climate change impacts | • WSP will concentrate its efforts to help governments mainstream climate change impacts into ongoing programs by developing and implementing climate change adaptation and disaster risk management approaches for the water and sanitation sector |
| Delivering WSS services in fragile states | • WSP will expand its work to fragile states –countries with deteriorating governance or prolonged political crisis, post-conflict transition countries and countries in gradual but still fragile reform processes |

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[2] WSP (2008). *FY2009-2018 Global Strategy: Scaling Up Sustainable Services*.

[3] WSP. Council Charter. Adopted March 21, 2001.

## Resources

The five-year anticipated resource envelope for the Business Plan was USD 200 million, and it has since been revised to about USD 203 million. By early 2013, the Business Plan had already been totally funded by its 24 donors that include public, private, and non-governmental agencies in the WASH sector. The chart below illustrates the budget allocation by Business Area.

**Exhibit 2.2    Budget Allocation per Business Area - FY11-15**
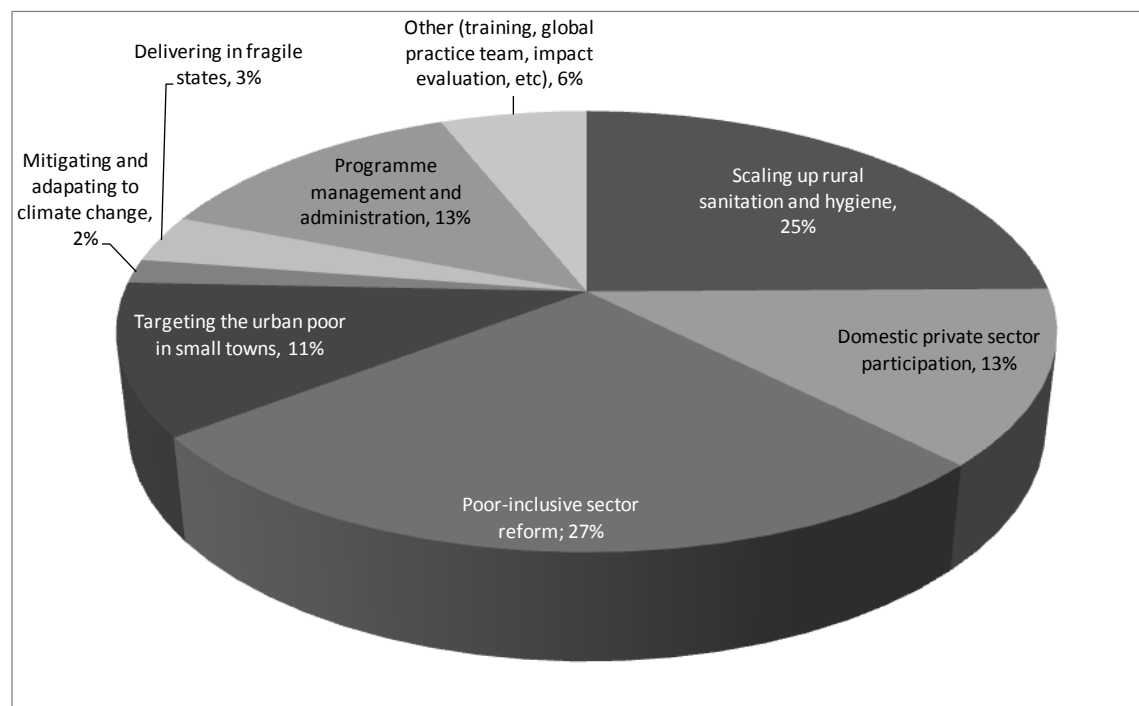


Source: WSP. *FY13-15 Budgets*, and WSP. *FY11 and FY12 Budgets and Actuals (with Business Areas)*

## Countries of Operation

The FY11-15 Business Plan is implemented in 24 countries across four regions (Africa, Latin America and the Caribbean, South Asia, and East Asia and Pacific). However, activities in these six areas are not all applied in every WSP focus country (see Exhibit 2.3), as they depend on the demand of client governments, WSP's country strategy, the World Bank's Country Assistance Strategy/Country Partnership Strategy, and the activities of other sectoral support agencies.

**Exhibit 2.3    WSP's Six Core Global Business Areas by Region and Country**

| Business Areas | LAC | | | | EAP | | | | | AFR | | | | | | | | | | SAR | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bolivia | Honduras | Nicaragua | Peru | Cambodia | Indonesia | Lao PDR | Philippines | Vietnam | Benin | Burkina Faso | DRC | Ethiopia | Kenya | Mozambique | Niger | Senegal | Tanzania | Uganda | Zambia | Bangladesh | India | Pakistan |
| Scaling up rural sanitation and hygiene | | | | X | X | X | X | X | X | | | | X | | X | X | X | X | X | | | X | X |
| Creating sustainable services through domestic private sector participation | | | X | X | X | X | | X | | X | X | | | X | X | X | X | | X | | | X | X |

| Business Areas | LAC | | | | EAP | | | | | AFR | | | | | | | | | | | SAR | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bolivia | Honduras | Nicaragua | Peru | Cambodia | Indonesia | Lao PDR | Philippines | Vietnam | Benin | Burkina Faso | DRC | Ethiopia | Kenya | Mozambique | Niger | Senegal | Tanzania | Uganda | Zambia | Bangladesh | India | Pakistan |
| Support poor-inclusive WSS sector reform | X | X | X | X | X | X | X | | X | X | X | X | | X | X | X | | | | | X | X | X |
| Targeting the urban poor and improving services in small towns | X | X | | | | X | | X | | | | | X | X | X | | | X | | X | X | X | X |
| Mitigating and adapting service delivery to climate change impacts | X | | | X | | | | | X | | | | | | | | | | | | | | |
| Delivering WSS services in fragile states[4] | Haiti | | | | Timor, Papua N. Guinea | | | | | Congo Braz., Guinea Conakry, Liberia, South Sudan, Serra Leone, Zimbabwe | | | | | | | | | | | Afghan-istan | | |

Source: WSP. *FY11-15 Business Plan*

Africa is the region receiving the highest budget allocation, consistently with WSP's global strategy and with international data showing that this region is furthest behind in making progress towards the MDG targets in the sector.

**Exhibit 2.4    Budget Allocation by Region – FY11-15**
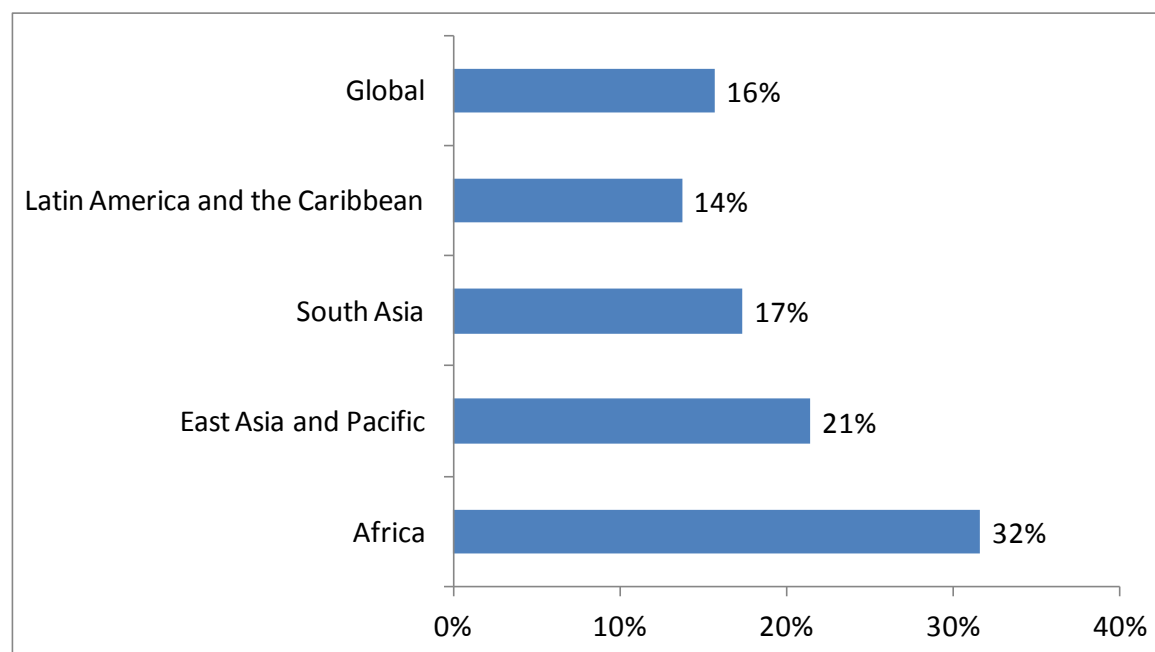


Source: Data provided by WSP program management

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[4] WSP has noted that the work in this area is highly contingent on additional funding commitments. Countries listed are for indicative purposes.

## WSP Governance, Staffing, and Structure

WSP is a trust-funded program administered by the Transport, Water and ICT Department (TWI) in the Sustainable Development Network Vice-Presidency of The World Bank on behalf of the WSP Council. The Council is made up of representatives of the donors, client countries, strategic partners, and the World Bank, who also serves as the chair of the Council.

As of 2013, the Program draws on 141 staff members, comprising of international and local staff based either at headquarters or in one of the 24 focus countries.

To accompany the introduction of thematic Business Areas in the current Business Plan, WSP implemented a matrix management approach based on the World Bank's structure. Matrix management is a type of organizational structure and management that blends functional with operational units. In WSP, the Business Areas and the regional/country-level units correspond, respectively, to the two dimensions of functions and operations. Within the organization, matrix management serves the primary purpose of facilitating and ensuring the implementation of the Business Areas by having various levels of management authorities: Business Area leaders (functions-level), regional team leaders and the country coordinators (operational regional/country-level), and Global Program Manager (global-level). The latter is responsible for overseeing the implementation of the entire Business Plan.

# 3. Context for WSP's work in FY11-12

## 3.1 Global Sector Challenges

While the world has met the MDG water target, it is still far from meeting the sanitation target, and thus sanitation remains the greatest challenge in the WASH sector (see Exhibit 3.1 for progress in the global MDG sanitation target).

**Exhibit 3.1    Progress on the global MDG sanitation target**



*Source:* UNICEF and World Health Organization (2012). *Progress on Drinking Water and Sanitation: 2012* Update, New York and Geneva, p.15

This challenge has two components: creating demand for sanitation, and then ensuring an adequate supply of sanitation services and products. There are now hopeful signs, however, that demand has finally begun to accelerate in countries where community-led total sanitation (CLTS) and similar models are being expanded, mainly in rural areas. As this trend grows, attention must shift to the supply side challenges of developing local markets for an affordable and appropriate range of products and services that will help households move up the 'sanitation ladder.'

Nevertheless, the evidence is clear in that health benefits do not automatically accrue from improved sanitation (or water) services alone; they must be accompanied by improvements in hygiene practices, especially hand-washing with soap at critical times. Like the development of sanitation demand and the elimination of open defecation, the promotion of positive hygiene behavior change is a long-term and complex process and thus a major challenge in its own right.

In the area of water supply there are still a number of problems to address, even though the MDG target has been met. Drinking water quality is sub-standard in many water points and systems, even those used by people who are considered to have access to water (the current MDG standard for water does not include specific water quality criteria). Similarly, service levels are often quite low, with water points still too far from homes to ensure that enough water is available for hygiene as well as for drinking and cooking (or for productive purposes like gardening). But perhaps the greatest water challenge is ensuring the technical, financial and environmental sustainability of water systems: in a world where climate change and pollution threaten water resources and where reliability rates are often very low, the threats to long-term sustainability are becoming alarmingly important.

Another key challenge is how to ensure WASH coverage in slums and other poor urban areas. Programming techniques that are successful in rural areas (such as CLTS) or in more well-off urban areas do not necessarily translate well into the poor urban context, where issues such as land tenure problems, population density, environmental degradation and low community cohesiveness demand new strategic approaches. This is particularly the case for sanitation. Indeed, there is a need to develop robust urban-specific alternatives to the CLTS model, as well as better systems to safely dispose of fecal sludge in low-income high-density communities.

Overarching these challenges is the issue of coverage disparities. Current global monitoring systems clearly show the significant disparities among countries: in general, low-income and fragile countries have lower levels of access to water and sanitation than other countries.[5] There is also sufficient evidence from studies to show disparities within countries: people who are disadvantaged due to poverty, isolation, ethnicity, instability or other reasons have much less access to WASH services than their compatriots. Reaching these un-served populations is a significant challenge. Related to this is the ongoing challenge of ensuring that women participate meaningfully in sector planning and management structures at all levels, from local to global, and that gains in water and sanitation coverage contribute to broader developmental efforts related to the empowerment of women.

Many of these challenges are under discussion within the ongoing consultative process for the post 2015 development agenda. New goals and targets have not yet been finalized, but a set of WASH "aspirational" targets have been released by the Joint Monitoring Program for Water Supply and Sanitation (JMP).[6] These proposed targets include a greater focus on the equity of water and sanitation coverage, an increase in service levels for water supply (along with water quality and sustainability indicators) and the inclusion of a hygiene indicator. They also include a more nuanced measure of sanitation coverage, including the use of indicators to assess progress on eliminating open defecation. The new targets also recognize the importance of WASH in institutions by setting specific targets for schools and health centers.

The sectoral landscape is more complex in 2013 than it was in the late 1990s when the original MDG development agenda was formulated. Support agencies working in the sector, even the largest ones, are not likely to be effective in meeting the entire range of these challenges. Thus, effective collaborative frameworks, in which each agency brings its core competencies to the table, will become even more important.

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[5] UNICEF and World Health Organization (2012). *Progress on Drinking Water and Sanitation: 2012 Update*, New York and Geneva, 59 p.

[6] WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply and Sanitation. "Goals, targets, indicators: Post-2015 global monitoring", *JMP website*, http://www.wssinfo.org/post-2015-monitoring/overview/ (Consulted in May 2013)

## 3.2 World Bank and WSP Context

During FY11-12, the World Bank continued its Trust Fund reform process that includes four pillars of reform that affect the way Global and Regional Programs and Partnerships (GRPP), like WSP, are now integrated in the Bank. These reforms address the areas of:

- Strategic alignment, which focuses on aligning GRPP with country strategies and corporate strategy and results;

- Integration with budget and business processes (including the migration of GRPP products into the World Bank product lines and the integration of GRPP into Bank quality assurance processes);

- Cost recovery and efficiency, with focus on costs and administrative fees; and

- Oversight by Senior Management and the Board, reflecting efforts to enhance World Bank accountability for the GRPP.

The Sustainable Development Network (SDN) has been proactive in anticipating and responding to the changes introduced by this reform process. Within SDN, WSP is considered to be at the forefront in this regard. Besides having developed a Results Framework, monitoring tools and measurement methodologies, it has more recently migrated its projects and initiatives into the Bank's systems. This means that WSP activities are now classified under the Bank's product lines (such as ESW, TA, etc.) and are formally accounted for as part of SDN's contributions to the Bank's corporate results. The migration, finalized in the first half of FY13, has also meant that WSP is part of the Bank's quality assurance processes. WSP concept notes are now formally peer reviewed by sector colleagues in Bank operations and peer review meetings are chaired by World Bank Country Directors, Country Managers or Sector Managers.

### WSP Results Focus

During the period under review, WSP has embarked on a significant effort to increase its focus on results and be able to monitor and report on its contributions to the scaling up of improved water and sanitation services for the poor and the expansion in numbers of poor people using improved water supply and sanitation services and hygiene practices, through a system to derive the number of beneficiaries reached by its upstream activities.[7]

The WSP efforts to systematically measure progress and attribute beneficiaries to activities designed to strengthen enabling environments is unique in the sector and among global programs and partnerships. The effort began with the development of WSP's Global Results Framework (illustrated in Exhibit 3.2), which illustrates the strategic directions that support the current Business Plan. In this results framework, WSP is accountable for delivering measurable results in each of the Global Output areas. The progress beyond the Global Outputs is considered to be a result that is shared with other partners, particularly government partners.

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[7] An IOD PARC consultancy is currently underway to determine if the methodology to quantify number of beneficiaries at the outcome level accurately reflects program activities and the intended chain of results, whether improvements are needed, and actions required to refine the methodology.

**Exhibit 3.2   WSP's Global Results Framework FY11-15**
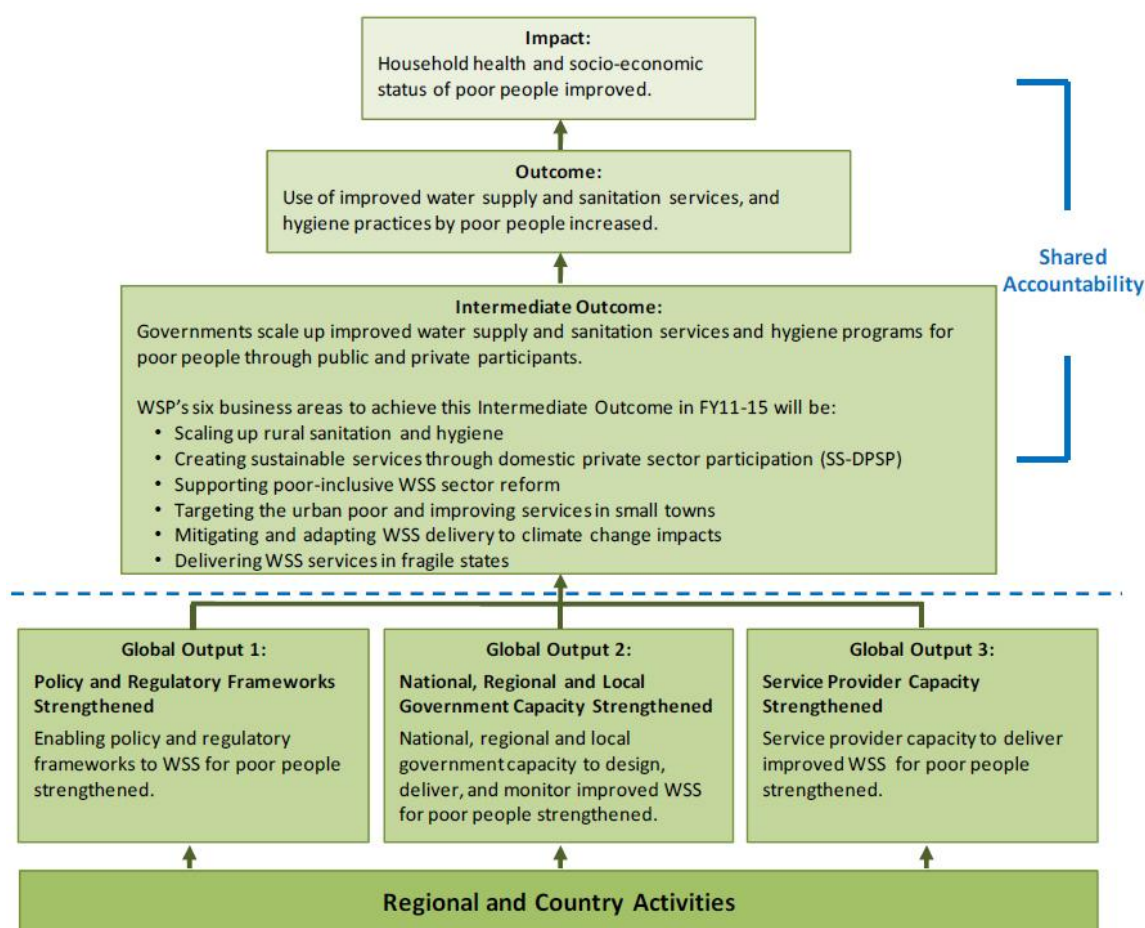


The monitoring and reporting system integrates both the thematic (i.e. Business Areas) and the geographic (i.e. country) dimensions of its operations. The results framework is one of the components that constitute WSP's monitoring and reporting system, which has been rolled out to its 24 country offices. Its objectives are fourfold: to demonstrate WSP theory of change for reaching scaled-up improved services, to support a shift in staff thinking from inputs to results, to enable WSP to change or modify course quickly, and to make programming more strategic. In addition to the results framework, the other components of the system are:

- A country monitoring tool (CMT), which is developed on the basis of the results of the global results framework. The CMT is updated every six months;

- For two of the six core Business Areas, a monitoring tool with specific indicators based on 'enabling environment indicators' and/or 'critical success factors indicators,' which are used to systematically measure progress contributing to the scaling up of improved services and to quantify results in terms of the number of people who benefit from those improved services. These indicators help to make the link between WSP's products and services and the intermediate outcome. Ultimately, WSP is expected to develop such indicators for all the six Business Areas;

- The monitoring of project activities and work plans through the use of the World Bank's monitoring and evaluation system for the project concept notes;

- Results agreements with staff, which are linked to the country-specific results in the CMT and to the WSP-supported initiatives agreed upon with the clients. The staff results agreements are part of the World Bank staff performance evaluation system.

# 4. Evaluation Findings

## 4.1 Overview

The performance of WSP was assessed on the bases of the following OECD-DAC criteria: relevance, effectiveness, and efficiency. The factors affecting performance were addressed separately and include perspectives on management, institutional arrangements, monitoring and evaluation, and programmatic structures, among other issues. The results discussed herein constitute a synthesis of data from documents and from eight (8) country visits in four (4) different regions, two (2) desk studies, one (1) of a fragile state, 47 interviews with Council members and key informants, and 98 completed WSP staff survey responses, from a total population of n=141.

## 4.2 Relevance

Relevance is defined as "the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities, and partners' and donors' policies."[8]

This section examines the relevance of the WSP's 2011-15 Business Plan. We use concepts such as stakeholder perceptions, relevance to context, and adaptability in order to assess the relevance of WSP's current Business Plan. The specific issues considered in this section are as follows:

1) The extent to which WSP's Business Plan is adequately addressing the key global challenges in the WASH sector;

2) The extent to which WSP has on-going relevance at the country level;

3) The extent to which WSP is maintaining its comparative advantage.

**Finding 1:   Overall, evidence suggests that WSP's Business Plan FY11-15 is aligned with the most important global and regional challenges in the WASH sector.**

Broadly considered, WSP's current Business Plan is aligned with the major issues that affect the WASH sector across the globe. With near unanimity, both WSP's external and internal stakeholders believe that the Business Areas expressed in the FY11-15 Business Plan are relevant to key sectoral challenges, including the need:

- To boost efforts to achieve the target of the Millennium Development Goal (MDG) 7 related to **improved basic sanitation**, cited as the number one challenge by most sector stakeholders because progress towards the MDG sanitation target is lagging badly. The access to basic sanitation is essential for health, for the environment, for poverty alleviation and for the dignity and safety of women. The FY11-15 Business Plan has a dedicated Business Area for sanitation (the Business Area of "scaling-up rural sanitation and hygiene"), in addition to having a sanitation component integrated throughout the other Business Areas. For example, in the Business Area focused on private sector partnerships, WSP set goals with regards to promoting sanitation markets, thus working on the supply-side of sanitation services.

- To provide **WSS services to urban and small-towns** in the context of worldwide trends towards urbanization and the development of urban slums. Stakeholders interviewed acknowledged the need to develop, pilot and scale up new viable WASH programming strategies in poor urban areas, recognizing that: 1) successful rural strategies are often not applicable in urban areas; 2) the urban poor is the fastest growing segment of the global population; and 3) the negative impacts of inadequate WASH services (and especially inadequate sanitation) on health and the environment are greatest in dense urban neighborhoods. In Africa, the urban population is predicted to grow at

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[8] OECD-DAC (2002). *Glossary of Key Terms in Evaluation and Results Based Management*.

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least twice as fast as the rural population in the next two decades. Similarly, in Asia a marked urban growth is forecasted (with an annual growth rate of 1.46% or above), while the rural population is predicted to shrink for the same period (with an annual negative growth rate of 0.29% or above).[9] Development in this respect requires cross-sectoral reforms to address problems of land tenure security (i.e. property rights), access to safe water supplies, and the provision of sanitation services. The Business Plan recognizes the importance of this trend and the need to address WSS delivery gaps, which more strongly affect the poor, in its Business Area "targeting the urban poor and improving services in small

> **Progress in achieving the Millennium Development Goal – Target 7.C - *Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation***
>
> **Water**
>
> Between 1990 and 2010, more than two billion people gained access to improved drinking water sources. The proportion of people using an improved water source in developing regions rose from 70% in 1990 to 86% in 2010.
>
> Over 40% of all people without improved drinking water live in sub-Saharan Africa. In 2010, 61% of the population in Sub-Saharan Africa had access to improved drinking water sources, against the MDG target of 75%. In Oceania, this percentage was 54% against the target of 78%.
>
> **Sanitation**
>
> Access to improved sanitation facilities increased from 36% in 1990 to 56% in 2010 in the developing regions as a whole. The greatest progress was achieved in Eastern and Southern Asia.
>
> Despite progress, 2.5 billion in developing countries still lack access to improved sanitation facilities.
>
> Source: United Nations (2012). The Millennium Development Goals Report 2012. New York.

town." However, WSP is generally much more active in rural sanitation than in urban sanitation.

- To dramatically **scale-up access to WSS in rural areas**, especially in Africa. Although the trend is toward urbanization, there is still an important gap in access to basic services in rural areas, where most of the African population still lives (60.4% in 2011)[10] and where coverage is still lowest, especially for sanitation (in 2010, 73% of the urban population of the developing world used improved sanitation, compared to just 43% for the rural population[11]). This challenge is addressed across multiple Business Areas, for instance through "scaling-up of rural sanitation and hygiene", but also through the "development of private sector partnership". Among other things, the latter seeks to engage the private sector to deliver services in remote areas.

- To improve the **sustainability of water and sanitation services and systems**, including: the financial and operational sustainability of systems (especially of rural water supply systems in Sub-Saharan Africa, which have high breakdown rates), the need to ensure that sanitation demand creation leads to sustained toilet use, and that water and sanitation systems are resilient in the face of climate change. To this effect, WSP seeks to find new and innovative ways of ensuring the delivery of sustainable low-cost water and sanitation services to the poor, including the development of favorable institutional conditions for domestic private-sector participation and community-led initiatives.

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[9] United Nations, Department of Economic and Social Affairs, Population Division, Population Estimates and Projections Section. "On-line Data: Urban and rural Population", *United Nations, Department of Economic and Social Affairs, Population Division website*, Available at: http://esa.un.org/unup/unup/index_panel1.html

[10] Ibid.

[11] UNICEF and World Health Organization (2012). *Progress on Drinking Water and Sanitation: 2012* Update, New York and Geneva.

- To address the **rising social inequality in accessing WSS**. Ensuring that WASH services reach poor and otherwise marginalized communities is a strong underlying principle in the policies and strategies of most agencies working in the sector[12] in response to increasing evidence showing that current coverage patterns are inequitable within and amongst countries. While the whole Business Plan is "poor sensitive," the "supporting poor-inclusive WSS sector reform" Business Area particularly reflects this challenge, by fostering poor-inclusive reforms and stimulating efficiency gains in the water and sanitation sectors, including greater local/regional autonomy and capacity to implement reforms, more open (i.e. democratic) decision-making arenas, and improved accountability for service delivery.

**Finding 2:   Stakeholders express some concerns that WSP's current efforts and commitments are insufficient relative to the growing problems of urbanization, climate change and diarrheal morbidity linked to poor hygiene.**

## Urban WSS Provision

As emphasized above, urban sanitation is a key challenge in the WASH sector and the problems associated with urbanization and the spread of urban slums in particular, will only worsen in the near to mid-term future. According to the UN, the number of people living in urban areas in developing countries is expected to rise from 2.67 billion (2011) to 3.92 billion in 2030 and 5.12 billion in 2050, while during the same period, rural population growth should remain relatively stable, moving from 3.07 to 3.11 billion between 2011-2030 and down to 2.87 by 2050.[13] What these numbers imply in terms of policy and service delivery innovation is that the time to act is now if we are to find workable and durable solutions to the massive problems that confront the urban poor.

As development partners, clients and even WSP staff admitted, the need for investment and corrective measures in urban WSS provision is known and shared, but reluctance to take action in this arena has much to do with the legal quagmire of urban slum development. With no recognizable nor enforceable rights to land, resources or benefits, most slum dwellers occupy a sort of no-man's land in the periphery and interstice of increasing urbanization. Recognizing rights for slum dwellers would impose undue obligations to public duty-bearers, which few if any appear willing to assume at the moment. Yet, a credible argument could be made that solving these issues sooner rather than later, will not only generate immediate returns to society – in the form of improved livelihoods for the poor – it will also cost less as a whole than the current alternative.

## Climate Change

Though climate change is considered a distinct Business Area of the Business Plan, evidence suggests that efforts in this regard are too limited to justify claims of relevance to the broader context and too insufficiently integrated in the general scope of WSP's work to reflect the cross-cutting nature of global warming. How will a rise in global temperatures affect hydrological cycles and the already scarce supply of water in the drought prone areas of Africa and South Asia? How will it affect service delivery in places like Bangladesh? What are countries doing to mitigate anticipated risks? These and many other questions are but some of the issues that are not yet being adequately addressed in the current Business Plan. However, while climate change and environmental issues[14] have a low profile in the work of WSP, this also appears to be indicative of the overall state of reflection in the sector as whole. For instance, since

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[12] See Volume II, Appendix IV for consulted reports and strategies from SWA, UNICEF, WaterAid, and the World Bank.

[13] U N, Department of Economic and Social Affairs, Population Division (2012), *World Urbanization Prospects, the 2011 Revision: Highlights*. New York. Available at: http://esa.un.org/unup/Documentation/highlights.htm

[14] Environmental issues include the pollution of water sources, the contamination of exiting supplies through, watershed management, and the availability/predictability of underground sources.

access to water in the poorest regions of the world is largely being met (as per the MDGs), the major challenge of the sector identified by internal (WSP staff and council members) and external (clients and development partners) stakeholders was by far that of sanitation. While this may be true to a large extent, such an appreciation does not take into account the fact that in many regions of the world, current rates of consumption (agriculture, industrial, and human use combined) are already outpacing natural rates of replenishment and that climate change only stands to accentuate these problems even further.[15] The provision of water and sanitation services entails both economic and environmental costs and benefits. Such considerations should be recognized, integrated, and pursued as part of the overall scope of WSP in order to increase its relevance.

## Hygiene

Improved hygiene practice is a key desired outcome for WSP[16] and many other sectoral agencies because of its link to health generally and to diarrhea specifically, which is a leading cause of death among children under five years old in many developing countries. Recent evidence underlines the importance of hygiene: meta-studies conducted since 2005 typically show that interventions to improve handwashing with soap practices in households reduce diarrhea morbidity in under-fives by over 40%, often higher than the reductions from sanitation or water interventions.[17] Yet, though hygiene is articulated in the Business Area "Scaling up Rural Sanitation and Hygiene" and was the central focus of the Global Scaling Up Handwashing Project, which ended in 2012, WSP's engagement in this sub-sector during the first two years of its current business cycle is less apparent than in other sub-sectors. In part this is due to the impact evaluation results from projects in Vietnam and Peru, which indicated the challenges of (a) achieving behavior change at a large scale and (b) demonstrating contributions to improved child health.[18] In some cases, hygiene has been embedded in the "scaled-up" national programs in rural sanitation, such as the national CLTS program in Indonesia, which includes handwashing with soap in its definition of total sanitation. However, the field visits and desk reviews suggest that WSP's approach to working in hygiene is not always clearly articulated. In several country monitoring tools, (Bangladesh, India and Kenya, for example), there are no baseline or targets for rural hygiene, either for the Business Plan as a whole or each year of activity. In Kenya, hygiene is now being addressed by the IFC/WSP project "Selling Sanitation Program", a project that began in mid-2012.

At the same time, the importance of hygiene awareness and related practices extend beyond the scope of rural communities and households. Though hygiene is being discussed at varying degrees in other Business Areas, there are no clear results associated with hygiene in the other areas of WSP's work.

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[15] UN-Water (2012). *Managing Water under Uncertainty and Risk: The United Nations World Water Development Report 4*. UNESCO, Paris. Available at: http://www.unesco.org/new/en/natural-sciences/environment/water/wwap/wwdr/wwdr4-2012/

[16] Hygiene is a central part of the Business Plan's outcome and intermediate outcome statements, and part of the Business Area "Scaling up Rural Sanitation and Hygiene".

[17] Cairncross S, *et al.* (2010). *Water, sanitation and hygiene for the prevention of diarrhoea*. Int J Epidemiol 39(1): 193-205; Ejemot RI, *et al.* (2008). *Hand washing for preventing diarrhoea*. Cochrane Database of Systematic Reviews 2008, Issue 1. Art. No.: CD004265; Fewtrell L, *et al.* (2005) *Water, sanitation, and hygiene interventions to reduce diarrhoea in less developed countries: a systematic review and meta-analysis*. Lancet Infect Dis 5(1): 42-52; Waddington H, *et al.* (2009) *Water, sanitation and hygiene interventions to combat childhood diarrhoea in developing countries*. Synthetic review 1. New Delhi: 3ie

[18] For Peru, see for example, Galiani, Peter, *et al.* (2012). *Promoting Handwashing Behavior in Peru: The Effect of Large-Scale Mass-Media and Community Level Interventions,* World Bank Policy Research Working Paper 6257, The World Bank/Sustainable Development Network/WSP

In order to align current investments with the most pressing needs, the salient nature of hygiene as an adaptive measure for reducing incidences of fecal-borne contamination suggests the need for more prominent contributions in this general area.

**Finding 3:  At the country level, clients and partners consider WSP's work program to be relevant to the needs and priorities of both national and sub-national governments. The ability of country staff to respond to client demands and adapt Business Area interventions to suit the needs of local stakeholders are viewed as critical elements of WSP's success.**

WSP staff in the field has aligned the priorities of the FY11-15 Business Plan with the needs and interests of client countries. Even though country offices are institutionally committed to achieving a common set of global results and rely on a central planning instrument to do so, staff members have the possibility of testing out novel ideas and methods, and adapting the experiences of others to suit local needs. This has given continuity to a demand-driven programming approach, seen as crucial to WSP's relevance to local and regional contexts.

At the country level, WSP's activities are informed by several factors, including (i) the differential capacity of government stakeholders (from local to national); (ii) achieved and projected reforms in the water and sanitation sectors; (iii) the skills, knowledge and capacity of WSP staff; (iv) the social, political and institutional settings within which WSP operates, and the cultural norms, values and beliefs of country-level stakeholders; and (v) the respective jurisdictional authority of the different levels of government.

WSP interventions are also informed, in some regions and countries, by the Program's proactive stance in coordinating technical and financial assistance towards WSS reform. Noted by partners and government stakeholders alike for its unique ability to develop and nurture strong relationships with the senior-most echelons of public decision-makers and administrators, WSP's ability to bring together development partners and country-level clients to identify potential gaps, strengthen linkages, and improve aid effectiveness has likewise been instrumental in furthering the program's relevance at the national and sub-national levels. By fulfilling this coordination role, WSP is helping to improve synergies between the donor community and client countries, which in turn, help country staff focus their work in areas where they have a comparative advantage.

To this end, WSP country teams have been successful in responding to the needs of their clients and the broader WASH agenda by supporting national and sub-national governments to:

- **Comply with their respective commitments to improve access to WSS services**, such as the MDGs, the eThekwini commitments on sanitation for African countries, Sanitation and Water for All (SWA) national commitments, or in Kenya, article 43 of the 2010 Constitution recognizing the right to reasonable standards of sanitation and to clean and safe water in adequate quantities. WSP has financially supported the participation of government representatives in international/regional conferences; it has technically supported them in the monitoring of their commitments; and helped to strengthen national WASH-related legislation.

- **Fulfill their institutional mandate**, relative to institutional and public accountability mechanisms, monitoring requirements of service delivery and performance benchmarking of WSS services. In Kenya, for instance, WSP is working to strengthen accountability and social inclusion to support the Water Services Regulatory Board in executing its mandate of protecting customers; in Indonesia, the national government is now using an SMS monitoring system to track progress towards ODF status in the communities participating in its national CLTS program; the system was originally tested with the province of East Java with the support of WSP. The information on community progress towards ODF status is publicly available on the website of the government's CLTS Secretariat.

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- **Advocate for increased resources to deliver WSS services at the national and local levels**: in Cambodia, India, Kenya, Laos, and Uganda, the Economics of Sanitation Initiative is being used by the respective ministries of water and sanitation to advocate within the sector and with the Ministries of Finance for increasing their ministerial budget allocations, while in some other countries, the Country Status Overview (CSO) processes are helping to define and highlight funding needs.

- **Ensure the delivery of WSS services and their sustainability**, by experimenting with low-cost delivery models such as water point mapping using FLOW (Field Level Operations Watch) technology (e.g. in Liberia), tippy taps for hand-washing[19] or self-financed service-level benchmarking cell-phone apps in India; assisting governments in developing capacity to design and implement CLTS programs, and by working on the supply side of sanitation through attention to local markets supply chains in private sector training, and by conveying the idea of sanitation as a business by encouraging and facilitating involvement of the private sector and financial institutions in the WASH sector (e.g. rural sanitation market in Bangladesh, Cambodia, and Indonesia).

- **Ensure the effective coordination of initiatives among the various WASH-related actors**, thus avoiding the duplication of efforts. In Kenya and Uganda, WSP is playing a key role in supporting coordination mechanisms, such as the Interagency Coordination Committee in Kenya and the National Sanitation Working Group in Uganda; in Cambodia, Laos, and Indonesia WSP supports governments in their coordination of development partners, in some cases co-chairing sector coordination groups with UNICEF.

When asked to assess the extent to which WSP is relevant to the needs and interests of local government stakeholders, the answer was invariably the same: "*WSP is highly relevant to the local context and needs*," and "*in [this country], no other organization is able to, or capable of, fulfilling the many different roles that WSP plays in the water and sanitation sectors.*"

Such a perspective is also reflected among WSP staff.  However, only 65% of staff surveyed agrees that WSP's results framework allows the teams to adapt planned results at the country/regional level to address the evolving context within which they operate. In interviews, staff noted that the nature of approval processes limit the potential to step outside the results framework. In addition, the regional or country-level strategies included in the global Business Plan are brief overviews, and do not seem  to serve as core guiding documents for implementation . This makes it difficult for development partners, for example, to gauge the direction, purpose, and intended results of WSP at the country level.

**Finding 4:** **WSP's comparative advantages are well integrated in the Business Plan FY11-15 and illustrate its roles as knowledge broker, trusted policy advisor to government, convenor of key actors in the sector, key advocate and facilitator. The Program's comparative advantages build on the credibility of its staff.**

WSP's comparative advantages were consistent across the regions visited and clearly aligned with strengths underscored in the Business Plan FY11-15, which include the Program's ability to: i) integrate global

> **External Stakeholders Interview quotes that reflect WSP's Comparative Advantage**
>
> *"WSP is recognized for its excellent research and dissemination capacity."*
>
> *"WSP is a convenor of best practice."*
>
> *"WSP is ahead of the game. It assumes a key leadership role in knowledge production and provides an open data platform that is accessible to all."*

---

[19] Tippy-taps consist of a jerry can filled with water hung by a rope next to a container of soap. The tippy-tap is a hands free way to wash hands that is especially appropriate for rural areas where there is no running water. It is operated by a foot lever and thus reduces the chance for bacteria transmission as the user touches only the soap. It is used in Uganda, among others.

reach and generate local impacts, ii) build effective partnerships; and iii) leverage knowledge to shape dialogue and policy in the sector. As perceived by clients, development partners and Council members, WSP carries several distinctive attributes. It is recognized as:

- **A knowledge broker.** WSP is recognized for its ability to develop relevant knowledge products, test or pilot innovative solutions, and disseminate best practice on a global scale, which is greatly facilitated by WSP's decentralized presence in various countries. WSP is recognized for its ability to push the boundaries of conventional approaches, transform the development agenda through citizen engagement, and open source collective problem solving efforts via the use of ICTs (e.g. Water and Sanitation Hackathons) and community-led learning experiments (e.g. Horizontal Learning Program), among other things.

- **A policy advisor**. WSP is widely regarded as being unique in its ability to engage public administrators and affect public policy outcomes. WSP is respected for its ability to translate complex ideas into clear policy advice, and then follow through with targeted technical assistance, designed to support implementation. As one RTL put it, "*WSP has a genuine symbiotic relationship [with government] that makes it easier to achieve tractable changes in government policy; and to test out what works and what doesn't.*" For government, the arrangement works well since "*failures belong to WSP, but successes belong to government.*" Further, given the notoriously high turnover rates of senior public servants in many developing countries, WSP also plays a critical role of providing continuity during periods of change, serving as an institutional memory for past achievements and future commitments. Finally, WSP's ability to understand the strengths and weaknesses of alternatives, and then pitch these at sufficiently high levels to generate leverage and scale effects are regarded as unique attributes by many. Its ability to draw on, and expose government officials to best practice (e.g. exposure visits) is well appreciated.

- **A powerful advocate.** As part of the World Bank, WSP benefits from added political and technical legitimacy to its work, which in turn enhances its credibility in the water and sanitation sector and ability to engage public administrators on matters of public policy. On the one hand, the fact that WSP is not a lender but is integrated in the most powerful institutions in the developing world reinforces its technical capacity and ability to build a strong rapport with senior public officials. On the other hand, WSP is also seen by governments and development partners as having the potential to influence Bank priorities at the national and global levels.[20]

- **A convenor**. In several of the countries visited, WSP plays a critical role in bilateral and multilateral discussions with government stakeholders. It has assumed, in recent years, a key leadership function within the development community to improve coordination within the water and sanitation sectors through more effective partnerships. By actively mapping out service delivery at local and national scales and formalizing the analysis of related gaps, it is helping to identify priority areas for future action while improving aid effectiveness and responsiveness by defining the very nature of these gaps.

- **A facilitator**. Over and above its capacity to produce innovative ideas and sound policy prescriptions, WSP is first and foremost known for its ability to facilitate capacity strengthening of its clients through the delivery of technical assistance and the transfer of knowledge on complex issues. Using a wide range of tools, such as workshops and training events, regular support to clients for developing documents and implementing initiatives, exposure visits, pilot

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[20] A minority of respondents saw a potential downside to WSP's relationship with World Bank, fearing that it could compromise its autonomy or ability to engage with clients or other development partners. The field work conducted did not give any indication that this was the case. To the contrary, in countries where World Bank government relations are strained, WSP has been able to continue its work and engagement with the government.

projects, as well as South-South learning opportunities and knowledge sharing fora, WSP is helping governments to "*translate resources into outcomes,*" as one TTL put it. Effectively, the Program is helping to foster a culture of learning and sharing within government and across civil society as whole, including the development community.

- **A well-resourced partner.** WSP is recognized as having the ability to leverage financial and technical support to strengthen WSS interventions. The fact that the Business Plan FY11-15 is itself fully financed (with the exception of the Business Area on delivering services in fragile states) is testimony of the Program's unique character and a strong statement of the trust it has earned. Being well-resourced financially means that WSP is able to do preparatory work in the countries in which it intervenes, such as supporting national data collection and planning, which other donors do not usually do. And through its ability to convene others, gain the confidence of partners and clients, and build strong partnerships, WSP is known for its ability to generate commitments and leverage support for continued investments in the WASH sector.

- **A dedicated team of professionals**. WSP's comparative advantage builds on its dedicated teams of professionals and specialists who take their work seriously and who are committed to making change in the water and sanitation sectors possible. Recognized and respected by development partners and country clients alike, the credibility of WSP staff is crucial to its efforts to engage governments and foster policy changes. Staff are usually aware of their strengths and limitations and are able to harness the strength of others (communities, government, civil society or development partners) to complement their own work, thus leveraging the full potential of available competencies in the sector.

## 4.3 Effectiveness

Effectiveness relates to the extent to which a "development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance."[21]

Our assessment of WSP's effectiveness was guided by the following considerations. As emphasized in the FY11-15 Business Plan, WSP is ultimately accountable for its contributions to three main outputs, namely: i) strengthening policy and regulatory frameworks; ii) strengthening national, regional and local government capacity; and iii) strengthening service provider capacity (see Exhibit 3.2). Together, these results provide the focal point of the work accomplished at the country-level, which is structured along six core Business Areas that aim to support government efforts to "scale-up improved water supply and sanitation services and hygiene programs for poor people through public and private participants." Our assessment of progress made in the implementation of the current Business Plan focuses on:

1) The extent to which Global Outputs for 2011-15 are being reached;

2) The extent to which each of the Business Areas are helping to move towards objectives - contributing equally and effectively to the achievement of Global Outputs;

3) The degree to which WSP is effective in terms building and strengthening partnerships and is able to leverage knowledge to influence sector dialogue and policy; and

4) The extent to which gender, vulnerable groups, and the environment are adequately integrated, as cross-cutting issues, in the work of WSP.

Drawing on evidence from the field and other documented sources of data, the evaluation finds that WSP is achieving results in all three Global Outputs, though specific Business Area contributions vary due to the stages of development of each of these areas (i.e., the extent to which they have a team leader and

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[21] OECD-DAC (2002). *Glossary of Key Terms in Evaluation and Results Based Management*.

have developed and tested theory of change, etc.). It is also difficult to judge relative effectiveness of the various Business Areas because there is a certain amount of overlap between them.

## Global Output 1: Policy and Regulatory Frameworks Strengthened

**Finding 5:    At the country level, evidence suggests that WSP has made notable contributions to improve water and sanitation policies and regulatory structures in the first years of implementing the Business Plan.**

Efforts to strengthen policy and regulatory instruments in favor of pro-poor and poor-inclusive arrangements are context specific. In places where existing arrangements are visibly weak (e.g. fragile states), the work of WSP tends to centre on institutional reform, whereas in more developed countries (e.g. India, Indonesia, and Peru), programming efforts may either focus on improving institutional

> **External Stakeholders Interview quotes on why WSP is effective in strengthening policies and institutional arrangements**
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> *"WSP is considered neutral by the state."*
>
> *"It has the trust of government."*
>
> *"As an international body, WSP has more objectivity and clout with government."*

structures at national or sub-national levels of government or strengthening the capacity of governmental bodies to scale-up the provision of services or monitor the performance of programs or revised regulatory frameworks through benchmarking indices.

Fieldwork confirmed WSP contributions to the following types of government policies and strategies:

- With National governments:
  - Development of national strategies or roadmaps on rural water supply and sanitation or on WASH more generally, and support for disseminating the strategies;
  - Design of national programs in community led total sanitation (CLTS) or other areas;
  - Implementation of national programs or initiatives that were designed through WSP-supported demonstration or pilot projects (such as the Government of Indonesia's programs to expand the development of urban sanitation strategies or CLTS);
  - Regulatory revisions with regard to private sector involvement in water services; and
  - Sector investment plans.

- With Sub-National governments:
  - Design of provincial programs such as CLTS; and
  - Sector investment plans.

Contributions to this Global Output carry several distinctive features. First, as in other global output areas, achievements made in the last two years build on WSP's core competencies: technical assistance, capacity building, knowledge production and dissemination, and partnership building, to name but a few. Second, contributions mostly stem from Business Areas 1 (rural sanitation), 3 (WSS sector reform), and 6 (Fragile States). In spite of the need to develop enabling policy environments in other Business Areas, comparatively fewer examples were noted in relation to DPSP (BA2), and service delivery to the urban poor (BA4). Efforts to redress institutional weaknesses relative to climate change (BA5) were noted in less than a handful of projects. Third, achievements noted in this area do not always do justice to the level of effort, commitment and specialization required to achieve even minor changes in the arrangements that structure the incentives duty-bearers face, relative to the delivery of WSS services to the poor. Fourth, evidence suggests that contributions to this global output have mostly centered on national governments, with notable exceptions (such as Indonesia). While there is strategic value in focusing attention at the apex of political decision-making structures, given the staffing constraints of most country offices, the

fact is that legal authority to act on water and sanitation issues often rests with sub-national levels of government. Moreover, as evaluation respondents repeatedly emphasized, the weakest link in the global effort to scale up improved WASH conditions lies at the local level.

Drawing on evidence from the past two years, the following table (see Exhibit 4.1) provides primarily externally-validated examples of relevant contributions to Global Output 1.

**Exhibit 4.1    Examples of Contributions to Global Output 1**

| Policy and Regulatory Framework Strengthened FY11-12 |
|---|
| ***Peru – Handwashing mainstreamed in school curricula and c*ross-sector policy dialogue promoted**: WSP's technical assistance contributed to these results. which laid the groundwork for the integration of the behavioral change methodology developed by the Handwashing Initiative (HWI) in Peru's national education policy. |
| **Uganda – Sector strategy development**: WSP's technical assistance supported the government in spearheading the development of the Integrated Sanitation and Hygiene Strategy, and WSP played a key leadership role in the National Sanitation Working Group. WSP also played a similar role with respect to the Handwashing with Soap (HWWS) Initiative and its National Steering Committee. |
| ***East Asia – Revised Rural Water Supply and Sanitation strategies approved in 2012 in Cambodia and Lao PDR:*** WSP assisted these two countries in reforming their respective strategy. Results of community-led TSSM pilots conducted by WSP and background information derived from WSP sanitation financing studies were included in the revised strategies. Important language concerning the government preference for a "no subsidy" approach was included in these strategies. WSP is now working with these governments to disseminate and implement the strategies. |
| ***India – 12-Year Strategic Plan (2010-22) for India's USD 4 billion Rural Drinking Water Program developed***: WSP assisted the Ministry of Drinking Water and Sanitation in developing this strategic plan, mainly by supporting consultations at national and state levels, shaping the incentive structure and guiding resource allocation. |
| ***Liberia – WASH sector reforms initiated:*** As a result of a study tour to Uganda in April 2011, the government initiated WASH sector reforms to i) decentralize public management to the country's 50 counties, ii) allow more private sector involvement, and iii) develop a sector investment plan to strengthen private sector capacity. Incentives to invest in rural areas remain weak however, due to lower profit margins (poorer households) and higher operating costs. |
| ***India – Policy on PPP developed in Maraasthra:*** The publication "Trends in Private Sector Participation in the Indian Water Sector: A Critical Review" (2011) was cited by both clients and partners as having had a decisive influence in the policy that was developed in Maraasthra for PPP. |
| ***Honduras – National Sanitation Plan developed:*** WSP inputs supported the development of this Plan, which will guide programs, investments, and interventions for the next 20 years. Upon approval by the National Council of sanitation, this plan will help define institutional arrangements and provide guidance for improved planning, financing, and regulation. |

## Global Output 2: National, regional and local government capacity strengthened

**Finding 6:    Efforts to strengthen the capacity of national governments are progressing well, but there is an increasing and unmet need for support to sub-national governments that creates special challenges for a program like WSP.**

Arguably, strengthening the capacity of the public sector (and increasingly that of the private sector) to improve the delivery of WSS and hygiene services to the poor is the central pillar of WSP's operational model. Whether the activity relates to knowledge production, technical support or peer-led learning events, the aim of most WSP interventions ultimately rests on strengthening the

> **External Stakeholders Interview Quotes on Capacity Building**
>
> "*There is a huge capacity gap between national authorities and local governments. There needs to be increased knowledge sharing and more training outputs.*"
>
> "*Access to global best practice sets WSP apart.*"
>
> "*WSP fostered a culture of learning at the local government level that strengthened democratic processes and solidarity within communities.*"

capacity of duty-bearers to provide safe, reliable, affordable and sustainable access to water, sanitation and hygiene services. When asked to qualify the extent to which WSP is effective in this key role, the response received from all regions was invariably the same: "*WSP is successful because it does the right things right*." It tackles the issues that are relevant to country-level stakeholders and is able to draw on its cumulated wealth of knowledge to find the most innovative, effective, and efficient solutions.

National and sub-national government capacities have been developed through the design of new tools and methodologies to address gaps in data or in programming; enhancing technical capacity of government officials in specific areas (such as CLTS), and increase management capacity (through strategic planning, investment planning, etc.).

In a number of countries, stakeholders also point to the need to do more for weaker local or regional governments. This is especially the case when addressing regional disparities in access to services within countries. Whereas relationships with national governments tend to be fairly strong, due to historical and geographical reasons,[22] assistance to more local bodies and so-called lagging states has not been as consistent. WSP staff in the field recognizes the challenges that capacity limitations at the sub-national level represent for scaling-up access to improved WSS services. In decentralized countries, such as Indonesia, WSP has built up experience in working through the provincial governments in order to support the district-level government responsible for leading the process for achieving ODF villages. In East Java, where WSP has worked with provincial government since 2007 on TSSM, the government demonstrates full ownership of CLTS program and monitors the enabling environment (using a tool that is similar to what WSP uses in its Rural Sanitation program) and the status of each village, from triggering stage to ODF.

A variety of means are being used to build the capacity of government structures, including workshops, exposure visits, technical assistance, pilot projects, and the production and dissemination of salient knowledge products that capture lessons learned from past and current initiatives (see Exhibit 4.2).

As with other areas of its work, it is the ability of WSP to experiment, push the boundaries of conventional approaches and find innovative solutions that seems to set the Program apart and generate the respect and attention of its clients and development partners.

Finally, one unexpected observation of the WSP mid-term review was how many different development

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**Horizontal Learning Program**

One of the more interesting albeit somewhat controversial methods WSP has developed in recent years to strengthen government capacity to design, deliver and monitor improved WSS services for the poor is the horizontal learning program (HLP) that was first introduced in Bangladesh, but is increasingly drawing the attention of countries and development partners from across the region and beyond. Initiated in 2007 by the Government of Bangladesh with the support of WSP and other development partners, HLP is a peer-to-peer learning approach that turns the paradigm of development on its head by assuming that capacity to deal with such problems as WSS lies within the affected communities themselves. By enabling local governments to connect with each other to identify, share and replicate the good practices of their peers, HLP is contributing to poor inclusive WSS reforms by increasing the confidence of local stakeholders to assume ownership for the problems they face, and work proactively with the development community, instead of being driven by it. Scaled-up to more than 300 local government bodies, with agreements from the Swiss Agency for Development and Cooperation (SDC) and support from JICA and the Government of Bangladesh for replication across the 4000+ Union Parishads, HLP is now being exported throughout Asia and the greater Pacific region through the assistance of the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP).

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[22] For very practical reasons, WSP relationships with country clients tend to build from the top down, due to the need to engage with national or central governments before anything else may be accomplished. WSP country offices tend to be located in capitals cities, which creates a natural and immediate proximity with central authorities. However, in some countries such as India, WSP has deliberately placed staff in the lagging states (outside the capital) so that they are closer to the client.

partners openly discussed their own limited capacity to deal effectively with the demands of the WASH sector. As one representative of a bilateral agency put it, "*development assistance is in large part driven by the individuals who manage and direct the affairs of the agency at the country level. If we do not have the internal capacity to fully integrate water and sanitation in our country programs strategies or implementation plans, assistance on these issues will simply not happen.*" While WSP already provides technical input to partners who seek their advice on their development strategies and sector policies, and has been occasionally invited to provide capacity-building assistance such as to Finnada staff in India, the comments received during this review point to a greater need for collaboration and sector-wide approaches that build on the collective synergies of the development community. Strengthening the capacity of development partners could provide another point of entry for improving WSS service delivery to poor and vulnerable groups.

**Exhibit 4.2    Examples of Contributions to Global Output 2**

| National, Regional and Local Government Capacity Strengthened FY11-12 |
| --- |
| ***Uganda – Common understanding of sanitation marketing developed, and key principles and approaches for scaling-up service provision agreed upon:*** WSP contributed to achieving these results through a capacity-building workshop for government officials and development partners. Demand for such workshops has since increased. |
| ***Bangladesh – Increased ability to implement community-led approaches for collective behavior change and sanitation marketing:*** Lessons learned from a South-South dialog with officials from Bangladesh in order to learn from community-led approaches for collective behavior change and sanitation marketing are reflected in the increased number of ODF communities in the states participating in the exchange. |
| ***India – Increased knowledge of government officials on how to scale up strategies on water security:*** National-level workshops were held in September 2011 in Pune and in May 2012 in Bangalore to launch national pilots to demonstrate appropriate strategies to achieve drinking water security in varying geo-climatic zones in India. Lessons from the pilots are now being used to inform scale-up strategies to achieve the government's goal of providing water security to at least 85% of rural households by 2022. The WSP-led pilot is providing orientation to more than 1,000 officials to develop water security plans for more than two million people. |
| ***Fragile states – Increased understanding of government officials of how to resolve the capacity conundrum and transition WSS sector from emergency interventions to country-led development programs:*** A South-South conference has helped WSP and WSS sector actors from various fragile states fill knowledge gaps and improve upon capacity in fragile and conflict-affected situations. |
| ***Bangladesh – Increased local investments in water and sanitation following capacity building activities:*** Horizontal Learning Program initiated by WSP, facilitated by the GoB, and supported by over 30 partners is used to build the capacity of local governments through peer-based sharing, leading to local investments of USD 1.57 million to improve water and sanitation practices in the past two years. |

## Global Output 3: Service Provider Capacity Strengthened

**Finding 7:** **In the first two years of implementation of the Business Plan, there are immediate and tangible results that lend credibility and confidence in the work of WSP to strengthen service provider capacity.**

Instituting policy reforms and strengthening the capacity of governments to design pro-poor WASH programs and strategies are insufficient, in and of themselves, to improve access to water, sanitation and hygiene services. As in all development initiatives, the crux lies in implementation. Translating ideas, models, or theories into actionable and scalable results requires people and organizations with the tools, knowledge, and abilities to service the needs of the poor, along with the incentives to do so. By strengthening the capacity of service providers to deliver WSS and hygiene services to the poor, WSP is helping to address a fundamental challenge in achieving enduring development outcomes. As one senior government official put it, "*unless we improve the connection between policy and implementation, our problems will not be addressed.*"

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**Strengthening the Capacity of Service Providers – The Case of SLB Connect – India**

A particularly revealing example of the leverage that can be generated by strengthening the capacity of service providers is the SLB Connect Pilot. The purpose of the initiative was to develop a low-cost self-sustaining method to track urban service delivery (water and sewage) from the citizen's perspective using a mobile-based ICT application. Working in collaboration with a local NGO specialized in the use of ICTs to promote citizen engagement and outreach in poor communities, a pilot was initiated for the Pimpri Chinchwad Municipal Corporation. In all, more than 5000 households were surveyed and data fed into an open-database that yields a composite fine-grained picture of the municipality's performance relative to a number of criteria, which can then be used to improve planning and service delivery. The picture that emerged from this exercise radically changed the way the municipality now monitors its work but also the way it engages with citizens, as other applications for the approach are now used to promote direct democracy and open participatory approaches. On the day of our visit, the Municipal Corporation had just received a formal invitation from the Department of Water Supply and Sanitation of the State of Maharasthra to present their experience to a joint meeting of all municipalities in the state at the end of the month and following a request from the Bombay Municipal Corporation, the director of Pimpri Chinchwad was scheduled to make a similar presentation in Mumbai a week after our visit. Interestingly, none of these developments were known by WSP. As success breeds success, projects assume a life of their own once a model or tool is shown to be effective. The potential for leverage is immense.

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**Innovations in capacity development for Small-Scale Private Water Suppliers - Cambodia**

WSP worked with implementation partners experienced in capacity building and the water sector (VBNK and GRET)[23] in order to test a capacity-building approach to improve performance of nine private water suppliers. The field visit and review of documents demonstrate how WSP helped to enhance capacity of those suppliers and support their enabling environment. At the end of the three years, the capacity development model, which includes training, coaching, exposure visits, and peer-to-peer exchange, yielded desired improvements in the number of connections (which increased by 55%) and other performance measures. Those water suppliers are now continuing to develop business plans in order to access finance and continue expansion. At the same time, WSP supported early stages of the Cambodian Water Association, a network that aims to promote the interests of the water suppliers and seek necessary changes in government regulation on tariff structure, licensing, and other areas. WSP is also encouraging discussions between government and water suppliers with regard to regulatory reform.

Have these providers been able to expand water supply services to the poor? Reported data suggests that one fifth of the new connections are estimated to be poor households. Stakeholders noted that several of the water suppliers received funding from USAID and this allowed them to subsidize connection fees for poor households and expand their network to serve those households. This points to the importance of supplementary funding that may be required if private sector operators are to be actively involved in expanding services to the poor.

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[23] GRET is a French NGO that has worked in Cambodia for more than a decade on technical support to small-scale private water providers. VBNK is a Cambodian NGO that provides capacity building for businesses and NGOs.

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In terms of scaling-up service delivery to the poor, the key issue that WSP seeks to address in this current Business Plan is how to create self-sustaining water, sanitation and hygiene markets that support the needs of the poor without hindering the capacity of service providers to deliver such benefits over time. Addressing the immediate and long-term needs of the poor requires business models that are not only adapted to the social and economic context of these emerging water and sanitation markets, but are in fact adaptable to the needs, interests and preferences of the client base, whether served through public or private providers.

**Exhibit 4.3   Examples of Contributions to Global Output 3**

| Service Provider Capacity Strengthened FY11-12 |
|---|
| ***Kenya – Improved working conditions for utilities in 4 WAG pilot cities*** (Nairobi, Kisumu, Kakamega Town, and Mombasa). |
| ***Indonesia – Increased ability of community-based user groups managing water supply to access credit:*** WSP successfully linked micro-finance institutions to community-based user groups that manage water supply so that the groups can access credit required to expand their services. |
| ***Bangladesh – Increased capacity of 27 local sanitation entrepreneurs to invest and sell their products:*** These entrepreneurs were trained, which helped mobilizing USD 55,342 in sanitation investments in remote rural areas, and USD 28,395 in sales, which are expected to increase sharply in 2013. |
| ***Bangladesh – Performance benchmarking of water utilities expanded:*** This allowed including performance improvement planning in 33 towns and a simplified benchmarking process for 21 rural private operators. |
| ***Cambodia – Increased ability of sanitation entrepreneurs to supply products that meet client needs***. WSP support for IDE continues to scale up the provision of services through sanitation marketing and business development services for sanitation entrepreneurs. This is also being accompanied by the involvement of micro-finance institutions that help finance household purchase of latrines. |
| ***Laos – Expanding the number of actors engaged in CLTS***. WSP has been working to increase the capacity of NGOs and development partners to do CLTS in order to complement the government agency's (Nam Saat) effort to introduce CLTS to provincial government as part of its national strategy. |

**Finding 8:   WSP is actively managing towards outcome-level results that focus on the number of beneficiaries of "scaled-up improved water supply and sanitation services and hygiene programs" even though the assumptions about WSP contributions and methods used to monitor performance are still being worked out.**

The FY11-15 Business Plan is credited with having clarified the intended results of WSP as a global program. These changes are broadly commended by evaluation respondents who regard the shift towards a programmatic approach as a significant step in the right direction. Furthermore, this shift has led to program management decisions that clearly focus on *managing towards* outcomes, in other words being more selective about where and how to engage in countries in order to try to harness program activities towards the scaling up of services. However, the migration to, and integration of, the new performance monitoring system is not yet complete and important details regarding the assumptions that guide the program's overall theory of change are still being ironed out.

Specifically, the extent to which developmental results (i.e. beneficiary reach) can reasonably be attributed to WSP, the reliability of the approach used to quantify outreach, the causal assumptions that support such quantification, and the relationship between the actual targets of change (i.e. government, policies, frameworks and service providers) and the unit used to measure such change (i.e., number of people having access to water, sanitation and hygiene) all require further refinement and testing. WSP has commissioned a consultancy to help refine its results monitoring framework and develop methods that will increase the consistency of the approach used and the validity of the results reported.

The results framework and testing of the results measurement system have implied a sharp learning curve associated with having to adapt to a broad range of new tools and concepts. This has coincided with the introduction of matrix management structure and the integration of WB product lines and quality assurance procedures, which has increased the volume of internal processes over the two years. In

addition, the approach to reporting on results represents a certain disconnect between what WSP actually tries to do (i.e., "change the institutions that change the pipes") and what it is asked to measure (i.e., the number of people that have access to the water that now flows through those pipes). At the same time, WSP reporting does not provide a comprehensive picture of progress at a global level or along clearly defined priority areas. Currently, year-end reports present interesting examples of anecdotal evidence from each country office, but the significance of these achievements relative to result expectations is not defined.

**Finding 9:  Between FY11 and 12, WSP produced and disseminated knowledge products that are considered as relevant and useful by its clients and development partners, the majority of whom highly appreciated WSP's work in this area. Some concerns were raised regarding the quantity and quality of knowledge products and WSP's overall approach to dissemination.**

Knowledge production and sharing is one of the core strategies for WSP to deliver its Global Outputs and achieve the outcomes and impacts.

The Program generates and leverages knowledge with clients and partners at the national, regional and global level. WSP is known for its ability to produce evidence-based knowledge products on a global basis, and to use the good practices that emerge from a repertoire of experience to inform policy, support sector reform, and improve service delivery at the national, regional or local levels. This knowledge feeds back into WSP's strategy and also helps inform other sector actors in the country.

External stakeholders at the country-level considered the sharing of knowledge and development of knowledge products to be one of WSP's key strengths. Generally speaking, knowledge products seem to be relevant and useful to actors intervening in the WASH sector, especially at the country-level. When clients were asked to qualify their responses relative to why they

> **Examples of knowledge topics covered by WSP**
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> Sanitation and hand washing; scaling up domestic private sector participation; gender mainstreaming in water utilities; sludge management; client-based production and marketing approaches and management models for small towns; behavioral changes in hygiene; chains of suppliers/producers/builders in improved sanitation facilities for rural and peri-urban consumers; mainstreaming of disaster risk management in utilities' investment plans and public investment projects and programs; impact of disaster risk management/climate change in the Peruvian context.

considered WSP to be an effective agent of change in their country, answers invariably included the notion that the Program is able to move from "*global knowledge to local action,*" that it offers "*access to global best practice,*" or provides opportunities to "*learn from the experiences of other countries*" that have faced similar challenges. As a global effort, the very idea that WSP supports the weight of a worldwide community of practice gives the Program tremendous leverage.

The Economics of Sanitation Initiative (ESI) and, in the case of Africa, the Country Status Overview (CSO) were the knowledge products that were most noted by external key informants, both at country and global levels. A few WSP Council members also mentioned the publication "What does it take to scale up rural sanitation?" as one of WSP´s key knowledge products. Interviews revealed that there is no generalizable preference regarding the types of knowledge products stakeholders find more useful. Since needs and expectations vary, so do the views and interests of key stakeholders. For instance, while government officials mostly appreciate short and user-friendly documents that can provide practical information for the development of policies, and lessons learned from other countries, academics expressed an interest in more rigorous studies (e.g. sludge management), and development partners noted contributions that have sector-wide implications or help them coordinate their actions in the field (e.g., hard to reach area mapping).

## Uses of Knowledge Products

The knowledge produced and disseminated by WSP has been used by clients, development partners and WSP itself for various purposes, including:

- Advocacy for leveraging policy dialogue and resources for the WASH sector. Advocacy activity by public officials or NGOs has in particular been supported by notable publications such as the Economics of Sanitation Initiative (ESI) and, especially in Africa, the Country Status Overview (CSO). In Kenya, for instance, the ESI was used by the Ministry of Water and Environment to advocate for increased budget allocation with the Ministry of Finance. Other examples include the case studies of SPS in rural and urban environments, which are used in India to make the case for improved service delivery. Also, in Africa, CSOs are used as an advocacy tool when discussing WASH with governments and donors.

- Policy/regulatory change, as shown in Peru where, on the basis of WSP's risk profile assessment, the main water utility (SEDAPAL) developed a Risk Management Strategy, which means safer and more resilient services. The behavioral change methodology developed by the Handwashing Initiative was also integrated into Peru's national education policy with handwashing practices now being part of the school curricula.

- Monitoring of international, regional, and/or national commitments on water and sanitation. In Africa, WSP provided support to governments to follow up on the eThekwini commitments on sanitation and hygiene by preparing and updating action plans and leading the AfricaSan conferences. The Country Status Overviews are also deemed very relevant for monitoring. In Kenya, the Ministry of Water and Irrigation reported to making use of the CSO to monitor progress towards the achievement of the MDG targets. WSP also uses CSOs as a baseline for monitoring their work and progress made in the WASH sector in various countries, mainly fragile states, where often no other baseline data are available. Seeing the value of these documents, the African Development Bank has decided to extend the CSOs to North Africa, and WSP now leads a kind of contextually-adapted CSO process in Latin America (Monitoring Country Progress in Water Supply and Sanitation - MAPAS) (2011-2012) and in South and East Asia and the Pacific (2012-2013).

- Spurring innovation. Indeed, many stakeholders interviewed consider WSP as a risk taker because it develops and implements innovative pilot projects, which generate knowledge. The innovative knowledge thus created is disseminated by WSP and can be replicated/adapted by others to generate more innovation. Perhaps the clearest and most significant examples of WSP's global reach, capacity for innovation, and willingness to open source the search for viable solutions to water and sanitation problems were the Hackathon sessions held on water (2011) and on sanitation (2012). As one development partner summed up his experience and that of nearly everyone spoken to: "*I attended out of curiosity because I was highly skeptical. But I was blown away by its effectiveness. It has changed everything I thought about problem solving, about citizen engagement and of our capacity to do collective good*." In short, the Hackathon experiment is arguably the penultimate expression of "*integrating global reach [to] generate local impacts*."

- Learning and capacity strengthening. Many interviewed stakeholders indeed mentioned that they are using WSP products to improve their knowledge of activities conducted and good practices identified elsewhere. Academia uses WSP knowledge products to update their knowledge on issues such as Sanitation Marketing and CLTS.

## Challenges in Generating and Disseminating Relevant Knowledge

Beyond making available many of its knowledge products on its website, other main strategies used by WSP for dissemination are email blast to external contacts, the Water Blog, Twitter, national, regional or

international learning events, presentation in inter-agency coordination fora, horizontal learning opportunities, peer-to-peer knowledge exchanges, exposure visits, and south-south learning events.

Stakeholders identified some areas requiring further attention from WSP in order to make sure that knowledge products and exchange serves key purposes such as informing policy-related and investment-related decisions.

Knowledge generation: Concerns were raised regarding the volume of publications produced and whether all of these are useful and technically sound. Interview respondents, including stakeholders from peer organizations, WSP Council, and the World Bank, considered that WSP is probably producing too many publications. According to data provided by WSP Program Management, in FY11 WSP developed no less than 95 knowledge products comprising learning notes, technical papers, research studies, reports, field notes, newsletters, studies, articles, technical papers, handbooks, working papers, etc. Whether these represent too many products or not is arguable, but the issue to be considered here is that for some stakeholders (namely peer organizations), this represents a high volume that is making it more difficult for them to identify *key publications* within the overall body of work.

In addition, while the Evaluation Team did not undertake a scientific review of the studies produced, some key informants expressed doubts regarding the consistency of the quality of publications. Several stakeholders, both external and internal, noted the more limited value-added of publications outside of WSP core competency areas. Another point that was made, especially by clients, was the need to ensure that products intended to be used by decision-makers should be developed in a way that better suits their needs, i.e. more demand-driven and user-friendly (shorter, more strategic, etc.). Finally, there were some suggestions for WSP to build local-level capacities to develop knowledge products that are deemed important nationally, such as the CSOs and the ESI.

Knowledge dissemination strategies: The concerns expressed above on the quantity and quality of WSP's knowledge products may be in part explained by the use of dissemination strategies that have an insufficient degree of targeting of the different audiences. The heterogeneity of WSP's audience (which includes WSP's staff and Council, governments, development partners, peer organizations, private sector, CSOs, and academia) implies heterogeneity in the expectations and needs of such a broad audience. This explanation seems to be supported by interviews conducted with external stakeholders, who suggested some room for improvement in WSP's dissemination strategies externally.

In the dissemination of knowledge outside WSP, interviews suggested: i) the need for expanding its access beyond the WASH "fraternity" that is part of national coordinating bodies or mechanisms and to reach actors at the sub-national level as well; ii) the need to contribute more to the sharing of lessons learned between fragile states themselves and between fragile states/ex-fragile states; and iii) the ongoing challenge (common to other global organizations) of ensuring access to knowledge in languages other than English.

Staff in some regions also raised concerns about the extent to which exposure visits both within and across regions yield tangible benefits. While several examples of positive outcomes were noted during our field visits (see Exhibit 4.2), some openly challenged the benefits that can emerge from such exchanges and whether or not less costly alternatives would have yielded the same results. To this end, there is no apparent tracking of the mid- to long-term effects of exposure visits and whether or not these affect policy decisions, or the allocation of resources. Experiential learning effectively holds tremendous potential, but without a clearer understanding of the effectiveness of South-South exchanges, the value-added of such visits will likely continue to be questioned.

Internal knowledge sharing strategies: Internally, the matrix management approach and the *Global Communications and Knowledge Management Strategy FY12-15* have not yet led to consistent cross-fertilization and dissemination within and among regions. WSP staff from some regions or countries (e.g. South Asia, fragile states) expressed the need for increased sharing of WSP knowledge. Business Areas are still evolving however, and there are signs of emerging communities of practice within the current

framework of the Business Plan, with opportunities to share with others through webinars, the development of knowledge hubs and even the appointment of knowledge brokers at the regional level. These are all positive signs that WSP is working towards retaining the reputation of its global reach and local impacts. The practice of knowledge sharing, however, may still be limited by the time constraints faced by staff.

> **Guiding Principles of the WSP Communications and Knowledge Management Strategy FY12-15**
>
> - *Focus* support on specific Business Area objectives, answer critical questions, and satisfy clients' needs and values
>
> - Flourish in a *culture* where every staff member is a communicator and a knowledge manager
>
> - Leverage financial, human, and technology *resources*
>
> - Monitor and evaluate *impact*

WSP Program Management has been very proactive in the area of communications and knowledge management and, aware of the above-mentioned areas, has recently developed the *Global Communications and Knowledge Management Strategy FY12-15*. By defining specific guiding principles (see sidebar) and specific indicators measuring contribution to WSP's global results, the strategy aims to better integrate the activities of knowledge generation, dissemination, evaluation, and advocacy with WSP's operations, thus supporting the delivery of the FY11-15 Business Plan. It is therefore expected that the strategy will contribute by improving quality and selectivity with regard to producing knowledge products. In addition, the integration with World Bank's quality assurance processes means knowledge products will be subject to additional peer review, which should yield positive effects for the quality of WSP's knowledge products.

**Finding 10: Partnership building is another core strategy that lies at the heart of WSP's Business Plan. WSP has been effective in establishing partnerships for its capacity building/technical assistance, for sector dialogue, and for service delivery.**

Building and strengthening effective partnerships to support government- and community-led efforts to scale-up WSS services and hygiene practices constitute a core component of WSP's Business Plan. Based on feedback gathered from the field visits, desk reviews, and respondents at the global level, WSP's ability to build and strengthen effective partnerships refers to four distinct areas of contribution:

> **Quotes from interviewed external stakeholders on WSP's support to partnership building**
>
> *"Because it has the trust of government, WSP is in a unique position to convene and mobilize bilateral and multilateral agencies on major issues."*
>
> *"WSP create umbrellas for others to contribute."*

## Capacity Building and Technical Assistance

WSP regularly collaborates with local (community-based), governmental or private sector partners to assist in the delivery of training events, or technical assistance. WSP relies on partners to support community-led development (e.g., JICA, CIRDAP and the National Institute of Local Government in Bangladesh that collectively support the Horizontal Learning Program) and NGOs in Laos that implement the pilots on CLTS; it works with civil society organizations and the private sector to support capacity building with the domestic private sector, such as IDE for sanitation marketing and VBNK for business development services for private water suppliers; it also partners with organizations to launch innovative initiatives such as Hackathons that aim to identify ICT solutions to water and sanitation issues; or it links sector experts with national or sub-national level governments to advise them on the most cost-effective technologies or approaches to address challenges associated with the delivery of WSS services (e.g. KfW, BORDA, and Water for People in India).

## Sector Dialogue and Policy

As referenced in section 4.2 on relevance, WSP is globally known as a convenor and contributor in the WASH sector. For example, WSP is the Working Group Leader for sanitation for the JMP consultative process to define post-2015 targets and indicators, thus taking on a key role in defining future priorities for sanitation programming.

In support of sector-wide approaches, country-led development, and sector reforms, WSP regularly organizes local, regional or national-level stakeholder events with development partners and responsible government agencies to map out sector contributions, identify gaps, create linkages between clients and partners and support scale-up efforts more broadly. In other instances, TTLs or RTLs sit on or chair advisory boards of sector coordination groups or government-led technical bodies to support policy direction, provide technical advice, or help develop sector-wide approaches.[24]

## Service Delivery

A third area of partnership development that is central to the current Business Plan, especially with respect to private-sector participation and the recent push towards scaling-up improved WSS services to the poor, is the development of strong and effective relationships with service providers. This type of partnership is often designed to facilitate entry and expansion of businesses in the water and sanitation sector. In addition to working with large multilateral agencies (e.g. ADB, AfDB, IFC, PPIAF, and the World Bank), micro-finance institutions (e.g. ASA, BASA and others in Bangladesh, K-Rep in Kenya), and national and sub-national units of governments to support investments in service delivery, WSP is actively building and strengthening its relationships with an increasingly broad range of partners, including national and international non-governmental organizations (e.g., Water Aid; Water for People, which provided support in the water point mapping exercise in Liberia; SMSONE in India, which supports citizen engagement in service-level benchmarking; Health Poverty Action in Lao PDR, one of the implementing partners for CLTS pilots), intergovernmental organizations (e.g., CIRDAP, which is now implementing the concept of horizontal learning across the Asia-Pacific region), knowledge institutions (e.g. rice - online in India, Kenya Medical Research Institute, and Institut Teknologi Sepuluh Nopember in Indonesia) and the private sector (e.g., partnership with CDC Development Solutions in Peru to strengthen awareness of WSS in Small and Medium Enterprises; within the framework of an IFC project, SILAfrica in Kenya to develop economic sanitation facilities).

**Finding 11: WSP has effectively leveraged government and development partner investments in support of improved water and sanitation services and hygiene programs for poor people. There are mixed views with regard to its effectiveness in leveraging WB investments in these areas.**

We understand leveraging in simple terms: it is the investments made by others that support the shared outcome of "scaled-up" improved services primarily for the poor. An essential precondition to the implementation and scale-up of WSS results is the extent to which WSP is able to leverage financing for those services. It does this in two ways: i) it advises clients and partners on allocative priorities that are likely to support the scale-up of WSS services for the poor in such areas as lending, development assistance, infrastructure investments, and sectoral policy reforms, and ii) the Program supports government efforts to improve WSS services by linking them with potential funding partners.[25]

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[24] For example, WSP is co-chair of the Local Consultative Group on WSS in Bangladesh, co-chairs the coordination group in Cambodia with UNICEF, chairs the National Sanitation Working Group in Uganda, and coordinates Sanitation Partners in Indonesia).

[25] Nearly all survey respondents (i.e. 97%) believed that WSP was effective at building partnerships, and favourable opinions were likewise reiterated regarding the Program's ability to leverage WASH sector investments from donors (i.e. 85%) and governments (i.e. 84%).

## Government Investments

Governments are, in general, investing more and more resources into WSS. For instance, in Uganda, the Ministry of Water and Environment has allocated Uganda Shillings 2bn (approx. USD 800,000) to foster the use of improved sanitation over the last 2 years. The Government of Indonesia has invested USD 6 million in rural sanitation, as it rolls out its national program on CLTS (called National Sanitation Acceleration Program), and USD 25 million on urban sanitation programs (called Sanitation Solutions for Community Schemes or Sanimas Program). Both of these initiatives can be plausibly linked with completed WSP projects such as TSSM, for rural sanitation, and ISDP, for urban sanitation.

The question is whether government allocations can reasonably be attributed to WSP interventions. In any one country, the WASH sector is occupied by a broad range of actors, each vying for public influence and change in the distributional patterns of public spending. In the field-visit countries, WSP contributions to government investments can be backed up with sufficient evidence, as illustrated by the Uganda and Indonesia examples mentioned above.

## Development Partners

Development partners commented that the need to strengthen poor-inclusive WSS policies and regulatory measures should not be restricted to country clients, but should in fact embrace the development community as a whole. The extent to which WSP is able to influence and inform development assistance should also be considered. Influencing the investments of development partners, the evaluation team uncovered numerous references to investment decisions that were tied to WSP interventions. In Bangladesh for instance, the entire programming budget for WSP activities is more or less financed by two development agencies (SDC and SIDA).

> The Water, Sanitation and Hygiene Portfolio Review by DFID (2012) reports that in Himachel Pradesh (India), thanks to the WSP TSSM program - under the Global Scaling Up Project - one dollar of WSP spending had leveraged seven dollars from the State and almost 20 dollars from the population.

**Exhibit 4.4   Increased funding by development partners, World Bank, governments, and private sector for WSS**

| Select examples |
|---|
| **Government** |
| **Kenya:** The Ministry of Public Health and Sanitation allocated USD 49 million to implement the ODF roadmap (developed with WSP support) reaching 13 million Kenyans. |
| **Indonesia:** The Ministry of Public Works reports substantial increases in budget for sanitation since 2006. The Ministry of Finance data indicates that in 2012, sanitation comprised 4.61% of the MPW budget, compared to 2.29% in 2006. Total sanitation budget for the GoI increased from approximately USD 50 million in 2006 to approximately USD 400 million in 2012. |
| **Development partner** |
| **Latin America:** Technical documents produced by WSP are used by the IDB to support investments and lending priorities in the LAC region. |
| **Cambodia:** WSP and USAID-funded Sanitation Marketing Pilot leads to a second phase of WSP support, along with a USD 4.3 million additional funding commitments from the Bill & Melinda Gates Foundation and the Stone Family Foundation to scale the approach in five additional provinces, to reach 644,000 people in rural Cambodia by mid-2014. |
| **Private sector** |
| **Liberia & India:** Incentives to invest in rural areas remain weak, however, due to lower profit margins (poorer households) and higher operating costs. |
| **World Bank** |
| **Nicaragua:** WSP contributed to the design of the World Bank's Rural and Water Supply and Sanitation Project (PRASNICA) in Nicaragua, which represents a USD 0.6 million investment. |

| Select examples |
| --- |
| **Indonesia:** With total investment of USD 161.1 million, the Third Water Supply and Sanitation for Low Income Communities Project (PAMSIMAS) is the World Bank's largest rural water supply project in the world. WSP was involved in the design of the project and now in the supervision of the sanitation component. |

## Influencing World Bank Operations

In each of the regions, WSP teams reportedly collect data on the Program's leverage of projects funded through other agencies. A review of this data from EAP region indicates that as of December 2011, WSP was involved in about a dozen World Bank projects in the region. The extent of involvement in each project is very different – from providing inputs to the design and preparation phase, to taking lead roles in design and preparation, to playing lead roles in project supervision.

Although WSP is involved in Bank projects, it may not always have the desired influence on substantive aspects of project design or implementation. There are examples where, despite WSP's advocacy for not including a hardware subsidy for latrines, the Bank project went forward with a subsidy component because of the Task Team Leader's desire to respond to client country demands. This creates awkward situations for WSP in its relationships with government and other development partners. It also illustrates the complexity of influencing WB operations.

Not surprisingly, there are mixed views on WSP's effectiveness with regard to influencing WB operations. This is partly due to the high expectations that WSP can influence the lending of the World Bank because of its location within the Bank. Council members and peer organizations place great value on this "advocacy" dimension of WSP's comparative advantage. A number of consulted stakeholders (including Council members) suggested that there is insufficient evidence on the degree of influence on WB policies or the capacity to leverage its resources.

Stakeholders within the World Bank also suggested that more can be done. As one WB country director put it, *"WSP's ability to influence WB policies and other lending agencies should be used as a key performance indicator."* It may well be that notable contributions are being made, but this information is not being captured and/or shared in a convincing way. Bank Operations in India and in Uganda, for instance, did point to a strong technical relationship with WSP, indicating that both groups actively solicit each other's perspective on the design and implementation of relevant initiatives. Further, with WSP's dedicated Business Area on private sector involvement, the IFC has become a key technical and financial partner in all of the regions where WSP operates. While the mutually beneficial nature of these relationships was recognized by all those involved, Bank representatives emphasized the need to solidify linkages to WSP, build mutually beneficial synergies, and leverage the presence of the Bank to initiate pilots, and influence the direction and priorities of its lending priorities at the country level.

At the country level, several factors affect the extent of WSP engagement with World Bank operations. In most countries, WSP is increasingly profiled in the Country Partnership Strategy. The Indonesia CPS provides a good example, with multiple references to the way that WSP will support World Bank and GoI priorities in the coming years. In addition, WSP has to be a known and credible part of the World Bank in order to be able to influence. Some of the Task Managers interviewed still felt that the World Bank staff do not know WSP well enough, especially outside of Sustainable Development Network. However, this is starting to change with the integration of WSP into the Bank's business processes, in which WSP concept notes are subject to the same peer review process as any other economic and sector work of the Bank. By expanding the network of "peer reviewers", WSP will make itself more widely known. Even Country Managers and Directors have reported learning a lot about WSP's work from participating in those review meetings.

There is probably a need for WSP to provide clear definition around leverage and influence of the World Bank, and more systematic information on that to the Program's key stakeholders.

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## Community and Household Contributions

In order to scale up rural sanitation and hygiene, leveraging of communities' and households' resources to be invested in the corresponding services is seen by WSP as a crucial strategy. In order to do so, not only is it necessary to foster community and household demand for sanitation and hygiene services, but also to provide them with economic alternatives.

The main approaches identified in the FY11-15 Business Plan to this effect are CLTS and social marketing. Over the period FY11-12, WSP developed several initiatives under these two approaches. In Kenya, for instance, WSP is working in partnership with IFC and with a manufacturer of plastic to develop economic sanitation services. The project, which is still in its design phase, includes a component of market research and of marketing campaign to foster household demand for sanitation services. In Uganda, WSP trained masons on how to build dry latrines and promoted, through the Handwashing Initiative and the support of trained "community ambassadors," the demand from households for tippy-taps. These experiences are having some success, as the community visits allowed to observe, and in several instances households and communities are investing in those services. The amount so far invested from communities and households is not specifically tracked by WSP in every country, even though efforts are made as part of DPSP to track growth in sales from the private sector partners, which mostly reflects household contributions. Therefore, it is not always possible to assess what progress has been made. Community visits also helped identify the important challenges that remain to foster household demand and investment for sanitation services, including unwillingness to pay for these services, cultural factors, and limited capacity of community-based services providers to market sanitation services and products.

**Finding 12: Apart from gender equality, there are no specific guidelines or targets for the integration of cross-cutting issues in the work of WSP.**
**Anecdotal evidence suggests that the concerns of gender equality, vulnerable groups and the environment are being addressed to a limited extent and unevenly across regions/and countries.**

> **Gender Mainstreaming in the Kenyan WSS sector**
>
> In FY11, WSP supported the Water and Sanitation Service Improvement Project (WASSIP), funded by the World Bank, by developing a gender mainstreaming toolkit intended to guide management and staff working in the urban water and sanitation sector on how to address gender issues and ensure equity. In all, 24 water utilities and 35 gender desk officers from water governance structures were trained on gender mainstreaming. Data collected are inconclusive on the extent to which gender is actually mainstreamed in utilities and officers' activities.

While the Program does not specify it as such, gender is the only apparent cross-cutting issue that is discussed in the Business Plan and is addressed, though to a limited extent, in the work of WSP itself, either as a knowledge topic for evidence-based research, or as a point of discussion in the design and implementation of projects and activities. Further, gender is integrated in the Program's results framework (at the Intermediate Outcome level), which includes a specific indicator on the inclusion of gender-specific indicators in performance monitoring systems developed with WSP support. In 2010, WSP also developed the guidelines "Gender in Water and Sanitation", which highlights approaches to redressing gender-related inequality in the sector. Yet, the interviews conducted did not provide evidence of their application by their intended users (i.e. sector ministries, donors, citizens, development banks, NGOs, and water and sanitation service providers). Field visits identified a few initiatives implemented by WSP in Africa related to gender mainstreaming. For instance, WSP supported AMCOW in the development of the AMCOW Policy and Strategy for Mainstreaming Gender in the Water Sector in Africa (2011). Also, in Kenya, WSP developed a gender mainstreaming toolkit for a World Bank funded project (see textbox). In conclusion, with respect to gender inclusiveness, data collection suggests that mainstreaming of gender equality concerns is limited across the Program's work and uneven across the regions and countries where WSP operates.

In comparison, the Business Plan gives no specific attention to vulnerable groups or to the environment at large, though vulnerability appears to be associated with the broader concept of poverty, which is used to identify the primary beneficiaries of WSP interventions. Interestingly, however, WSP provides no clear definition of poverty and/or vulnerability. This makes it harder to assess whether the program is effectively addressing the needs of its intended beneficiaries. Anecdotal evidence however, suggests that WSP does appropriately include the concerns of vulnerable groups in its policy work with national governments, when required. Indeed, the process leading to the development of national WASH policies, strategies, or plans is often guided by a task force composed of representatives from the government, donors, and civil society organisations, which includes representatives from all stakeholder groups, including persons living with disabilities, youth, poor people, women, etc. This was the case in Liberia where WSP assisted the government in developing various documents such as a WASH Compact, a sector investment plan, and a capacity development plan. The issues of equity and inclusion are also included in all these plans and strategies.

Efforts to address environmental issues are likewise beginning to generate traction within WSP, though available sources of evidence remain limited relative to the rising tide of critical problems associated with environmental concerns (e.g. pollution, groundwater recharge and depletion, fecal contamination, watershed management, etc.). In addition to the fact that climate change is now considered a distinct Business Area, WSP took on an early leadership role in the area of arsenic contamination of well-water in Bangladesh and continues to work through community-led initiatives and private sector involvement to ensure safe drinking water. The Water Security Pilot initiative in India integrated resource management considerations, a study on Wastewater Re-use was produced in Bolivia, brown-water utilization schemes were developed in Nicaragua, and through WSP technical assistance, Peru has begun the ambitious project of recalibrating service delivery infrastructures to limit the risk of environmental and geological threats.

Nonetheless, staff survey results suggest that overall, cross-cutting issues are fairly well considered in the work of WSP. When asked whether cross-cutting factors are sufficiently integrated in the products and services of the Program, response rates are positive but subdued for gender and the environment (59% and 61% respectively), but relatively high for vulnerable groups (76%). Moreover, two-thirds or more of survey respondents believe that they have the requisite knowledge to mainstream gender issues into their work (64%), integrate the concerns of vulnerable groups (76%), and address environmental issues (63%). Interestingly, some country staff point out that their ability to integrate cross-cutting issues into their work is sometimes difficult because of the nature of WSP's interventions (e.g. TA, establishment of national baseline data, etc.). This might partly explain why WSP's work/contribution to gender equality, vulnerable groups, and environmental issues are difficult to decipher for those who are not intimately acquainted with their work.

## 4.4 Efficiency

Efficiency refers to how well WSP uses its resources to meet its objectives. Organizational efficiency is commonly defined in terms of cost per unit of output, and measurement is made in terms of whether aggregated outputs represent a reasonable return on investment.[26] Efficiency, or cost-effectiveness, focuses our attention on the means used to provide or achieve valued public goods.[27] Cost-benefit analysis and value for money involve the comparison of alternatives in view of determining which option or alternative generates the most benefits or more closely matches an aggregate value comparison using a qualitative criterion.

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[26] Lusthaus, Charles, *et al.* (2002). *Organizational Assessment: A Framework for Improving Performance*, IDRC/IADB, Ottawa/New York

[27] Stein, J. G. (2002). *The cult of efficiency*. Toronto: House of Anansi.

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In this section, we review WSP's efficiency as perceived by stakeholders and through an analysis of budget items. Specifically, the major issues addressed in this section are summarized as follows:

1) The extent to which the impact (at the outcome level) and benefits arising from activities are commensurate with the level of effort and resources expended; and

2) The extent to which WSP has been effective in minimizing transaction costs and delivering value for money.

**Finding 13: The evidence of early achievements at the mid-point of the current business cycle points to the Program's ability to generate results in support of improved water, sanitation, and hygiene services for the poor. WSP's ability to influence local and national sector dialogue and build partnerships for long-term change increases its leverage. These considerations help make WSP a cost-effective program.**

As presented in the previous section on effectiveness, the evaluation team uncovered a wealth of evidence to support the claim that WSP is effective in its capacity to achieve results at the output and outcome levels, and is on track to achieve planned objectives. Results achieved at the mid-point of the current Business Plan demonstrate the Program's effectiveness in terms of strengthening the capacity of public institutions, developing effective partnerships, strengthening regulatory measures and leveraging pro-poor investments in water, sanitation, and hygiene. Achieving such high-level results harbours tremendous potential for long-term change. By doing so at the local and national levels, while strengthening donor coordination and partnership building for improved delivery of WSS and hygiene services for the poor, WSP helps to forge sustainable investments. Together, these elements help make WSP a cost-effective program.

Our appreciation of the Program's overall cost- effectiveness is influenced by several considerations. First, achieving long-term results in developing economies that face comparatively greater challenges than most developed states can only be described as challenging. Even in the best of circumstances, achieving change in policies, regulatory reforms, shifts in funding priorities or the development of negotiated agreements can take years to unfold, if not a complete change of government. WSP's ability to spearhead such high-level changes in difficult settings and within a relatively short programming cycle is noteworthy.

Second, WSP's ability to achieve results at scale was noted by many clients, development partners, and council members. By intervening with governments and being linked to the World Bank, WSP's potential leverage is significant. Of particular significance to the work of WSP – noted by all interviewed stakeholders – are its ability to build partnerships, coordinate action, and leverage knowledge to affect decisions in terms of public policy and public spending. Together, these elements have the potential to yield the highest possible order of change. The cost-effectiveness of system-level change can be significant.

Finally, all things considered, the fact remains that WSP is able to achieve results with very limited human resources. Most offices are run by a handful of passionate individuals who measure their progress in terms of achievements, not the hours spent trying to solve problems and challenges. The human factor is a crucial element for understanding and appreciating WSP's overall cost-effectiveness.

**Finding 14: WSP relies on strict management procedures to track the use of resources, minimize risks, and ensure administrative accountability. While rigorous, the transaction costs associated with these procedures have not been determined.**

Over the period FY11-12, WSP applied strict due diligence procedures to monitor and account for the use of financial resources, as shown by the following factors:

- According to available financial data, most of the planned sources of funding were effectively spent between FY10 to FY12, with continuous increases in the burn rates from FY11 to FY12, with the exception of South Asia, which seems to have experienced an overall drop in the levels of disbursements (see Exhibit 4.5). This also provides a good indicator of WSP's capacity to align actual expenditures with planned expenditures over the next three years. As confirmed by country staff, the system in place has increased WSP's overall rigor and capacity to monitor burn rates more effectively and usefully. As one RTL explained, "*if you are not spending, you are not delivering, and if you are not delivering then we need to figure out where are the bottlenecks and what we have to do to resolve these issues;*"

- WSP relies on a relatively lean organizational structure with a bare-minimum staffing arrangement consisting of TTLs and occasional consultants. As shown in Exhibit 4.6, the cost ratio for management and administration versus overall programming costs did not exceed 14.5% of total costs during FY11-12;

- WSP has maintained a constant ratio between fixed and variable expenses over FY10-12, with fixed expenses representing between 37% and 38% of the total annual budget (see Exhibit 4.7). The constant allocation to the different expenditure categories (shown in Exhibit 4.8) contributes to keeping a constant ratio between fixed and variable expenses. In Exhibit 4.8, the slight forecasted shift towards variable costs in FY13, i.e. a 5% increase, is attributable to the forecasted change in staffing arrangements, which will result in reduced expenditures for ETCs/ETTs and increased cost shares for STCs/STTs[28] appointments;

- As captured by the majority of views expressed in the staff survey, over 85% of respondents believed that financial resources were managed using sound principles and that programming and operating costs were diligently monitored, 67% of respondents considered that human resources were being used effectively to minimize costs, and 76% of respondents tended to agree that WSP was cost-effective in its overall approach.

Finally, country staff noted that the migration process of WSP to the World Bank product lines system has come with increased levels of administrative responsibilities (e.g. increased paperwork). Though applauded for its rigor and careful matching of disbursements to results, some thought that the Bank's reporting framework was somewhat excessive for WSP's needs, in spite of the fact that it is adapted to analytical and advisory services. Over time however, current increases in administration cost are expected to subside and even lead to reductions in overall costs. Moreover, there are reasons to believe that some upfront costs can eventually save resources. For instance, the Project Concept Note (PCN) process is credited with helping staff develop interventions with established value for money assessments, using a peer review process that helps to focus on what is really useful and important.

**Exhibit 4.5    Disbursement rates for FY11 and FY12**

| Region | Total FY11 MYR budget | FY11 Disbursements (Period 1-12) | FY11 Burn rate | Total FY12 budget | FY12 Disbursements (Period 1-12) | FY12 Burn rate |
|---|---|---|---|---|---|---|
| Africa | 14,544 | 11,979 | 82% | 12,811 | 11,072 | 86% |
| East Asia | 9,984 | 7,879 | 79% | 9,038 | 8,450 | 93% |
| Latin America | 5,092 | 4,706 | 92% | 4,016 | 3,684 | 92% |
| South Asia | 6,882 | 5,653 | 82% | 8,191 | 5,444 | 66% |

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[28] ETT stands for 'Extended Term Temporary'; ETC stands for 'Extended Term Consultant'; STC stands for 'Short Term Consultant'; and STT stands for 'Short Term Temporary'.

| Region | Total FY11 MYR budget | FY11 Disbursements (Period 1-12) | FY11 Burn rate | Total FY12 budget | FY12 Disbursements (Period 1-12) | FY12 Burn rate |
|---|---|---|---|---|---|---|
| HQ/Global | 9,962 | 6,641 | 67% | 8,810 | 6,560 | 74% |
| **Total** | 46,464 | 36,858 | 79% | 42,866 | 35,209 | 82% |

*Source: WSP (2012). Annual Financial Report: as of 30 June 2012, p.4*

**Exhibit 4.6   Cost breakdown by category of expenditure (USD 000) for FY11 and FY12**

|  | **FY11** | **%** | **FY12** | **%** |
|---|---|---|---|---|
| Operations | 31,746 | **85.7%** | 30,562 | **86.8%** |
| Internal Training | 114 | **0.3%** | 115 | **0.3%** |
| Program Management and Administration | 5,071 | **13.7%** | 5,092 | **14.5%** |
| Other | 95 | **0.3%** | (548) | **-1.6%** |
| **Total** | 37,026 | **100.0%** | 35,221 | **100.0%** |

*Source: WSP (2013). Annual Financial Report (interim draft): as of 30 April 2013, p.5*

**Exhibit 4.7   Fixed vs. Variable Expenses – FY10-13**
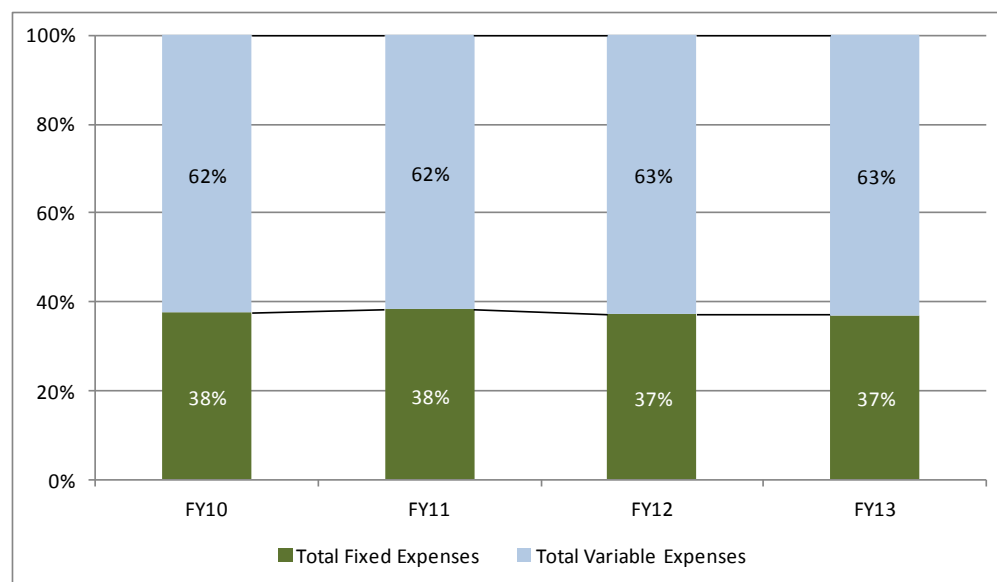


*Source: WSP. Sources and Use of resources FY10-13*

**Exhibit 4.8   Breakdown of expenditures by category – FY10-13**
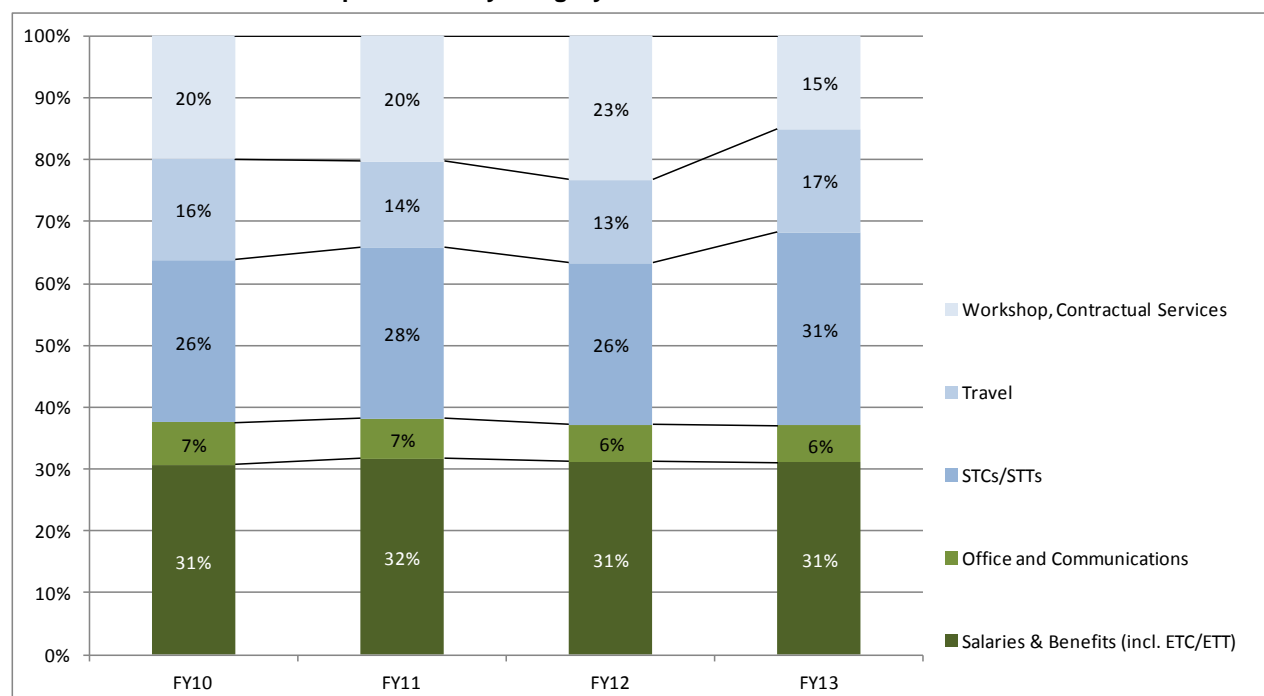


*Source: WSP. Sources and Use of resources FY10-13*

**Exhibit 4.9   Program Management and Administration as percentage of total disbursements[29]**
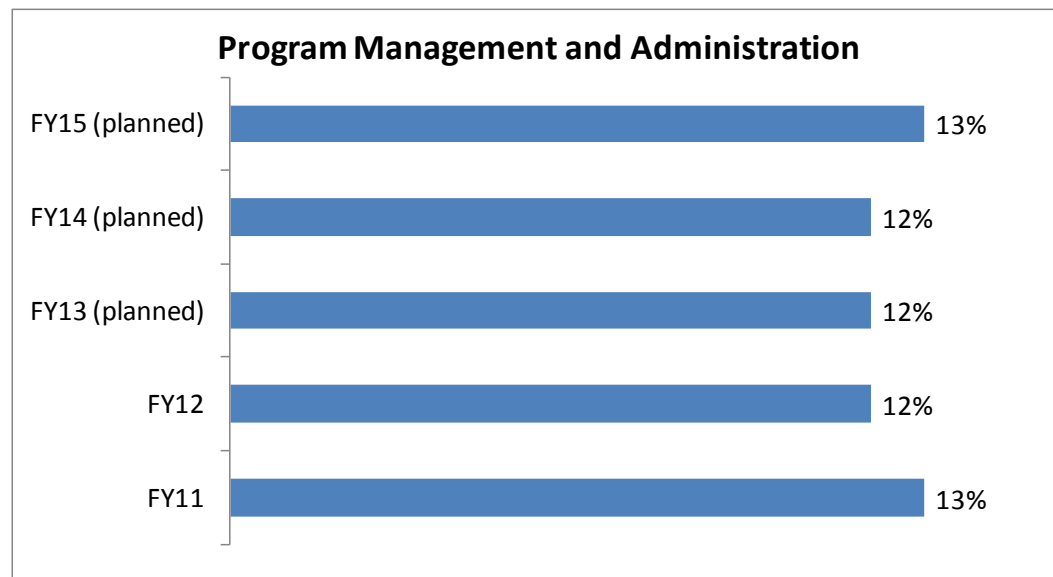


*Source: WSP data included in the Excel file "List of products_FY11-15 with Business Areas," revised by WSP (May 2013).*

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[29] Program Management and Administration includes direct and indirect costs of program oversight, human resource and financial management, shared administrative support, donor/partner relations, and the annual Council meeting paid from WSP Trust Funds.

**Finding 15: Although WSP is currently developing and refining tools to measure the cost-benefit ratio of specific programming interventions, the value for money of selected Business Areas and core programming activities has not been established.**

Cost benefit analyses or value for money propositions imply some form of comparison between different alternatives to select the option that will potentially yield the highest returns (i.e., greatest amount of benefit for the least amount of cost). As discussed in the recent "*Water, Sanitation and Hygiene Portfolio Review*" (March 2012) of DFID's investments in the sector, WSP is taking a lead role in terms of developing methods and tools for monitoring the results of policy dialogue and institutional development, and for assessing the value for money of research and policy support.[30] As noted above, WSP is also introducing new approaches, such as the Project Concept Note (PCN) process, to strengthen the potential impact of selected interventions. These developments are worthy of further attention and should be encouraged.

However, evidence gathered at the country level and interviews with key stakeholders also point to potential weaknesses in the current cost-allocation methods, which could become significant cost drivers in the mid- to long-term future, relative to available alternatives. Three areas for further inquiry were highlighted during this evaluation:

**South-South Exchanges:** Interviews conducted with staff during country visits and desk reviews highlighted the existence of mixed perspectives on the perceived benefits and costs of South-South learning exchanges. Some staff considered these exchanges as good and valuable learning opportunities for clients because international travel alone is a growing experience, and are thus worth the money. Others, however, put forth the argument that there is, as of yet, no conclusive evidence that South-South exposure visits produce, or have the potential of producing results. Though some changes have been attributed to such exchanges, no direct correlation has been established with desired results. It may be possible to find a more efficient alternative.

**Workshops and Meetings:** Similarly, the extent to which WSP staff workshops and meetings[31] yield value for money was another issue raised. Country staff from several regions pointed out that too much money was spent on travelling, especially on WSP workshops and meetings. Whether or not such meetings can be substituted by a viable alternative remains an open question. Face-to-face meetings are generally considered critical for establishing mutual trust and commitment, leading to cooperation and action. However, critical developments in ICTs point to a world of increasing possibilities, along with improved efficiency gains.

**Business Areas:** Finally, available evidence suggests the need to critically consider the value propositions that are built into the selected set of Business Areas. First, as discussed in Finding 19, there is a risk of overlap between the Business Areas, and specific line items or activities could be registered in two or three Business Areas. In this case, the value for money of a given area could become diluted in one case and inflated in another.

Another consequence of the approach used to define the Business Areas is in terms of assessing the efficiency of the overall program. According to the objectives set in the Business Plan, with an investment of approximately USD 52 million, WSP aims to reach out to 50 million people by working on scaling up rural sanitation and hygiene. By comparison, WSP aims to invest approximately USD 27 million to reach an estimated 2.5 million people through increased private sector participation (DPSP) in the delivery of

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[30] Available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/137384/DFID_20WASH_20Portfolio_20Review.pdf.pdf

[31] WSP staff meetings refer to the regional and global staff meetings taking place as part of the business planning cycle (planning, reporting, etc.).

WASH services.[32] While acknowledging that a straight-line calculation of dollars invested versus number of beneficiaries is not possible, due to the complex nature of the underlying causal relationships (e.g., no consideration given to the government and private sector investments), the appearance of higher costs per beneficiary does suggests the need for greater clarity relative to the value proposition of each Business Area. DPSP is a means to an end (i.e., to scale-up rural sanitation, improve WASH in urban/rural areas), and not a programmatic goal per se. The added value of DPSP (e.g., spread effects onto the local economy, skill and industry development, improved service delivery) relative to available alternatives should thus be strengthened, and measured, if possible. Knowing, for instance, that established targets in scaling-up rural sanitation and hygiene are contingent on additional government's expenditures (i.e., beyond the USD 52 million invested by WSP) helps to provide a more balanced view of the positive contributions of each Business Area. With respect to DPSP, the expectation is that future investment flows from accrued market opportunities will largely offset any initial costs of delivery.

In sum, the approaches WSP uses have embedded costs. Developing relatively robust metrics of the value derived from a given set of alternatives (e.g. Business Areas), could help highlight potential cost drivers, and strengthen WSP's value for money proposition.

## 4.5 Factors Affecting Performance

In the preceding sections, WSP's performance was assessed based on its relevance, effectiveness, and efficiency. Overall, the picture that emerges from this analysis is positive, with a few minor areas of concern that will require further action on the part of WSP in the near to mid-term future. This section reports on the factors that affect the implementation and delivery of the Business Plan. The issues addressed herein are linked to the following thematic areas: (i) the external context that has been affecting the delivery of WSP's Business Plan; (ii) WSP's institutional arrangements with the World Bank; and (iii) WSP's capacity in terms of strategic planning, operating structure, staffing, and monitoring and reporting.

### External Context

**Finding 16: The implementation of the Business Plan FY11-15 has not been unduly affected by external factors. However, two challenging areas were identified in the course of this evaluation: i) work in poor urban areas and ii) replication of results across countries and regions.**

In the FY11-15 Business Plan, WSP has identified 24 focus countries, concentrated in four (4) different regions of the world. This implies that WSP interventions take place in very distinct contexts, characterized by differences in terms of: country-specific institutional arrangements; political regimes; legal frameworks; opportunities for policy and institutional change; dynamics among development partners; relationship between the World Bank and client countries; levels of development assistance; as well as social, cultural and religious norms, values and habits. Frequent staff turnover within government and other institutions, changes in priorities, and weaknesses in the capacity of some ministries all add up to create the complex environments where WSP operates (see sidebar for examples of factors identified during the data collection).

The external factors do not appear to have translated into delayed activities or changes in the work program, but they pose constant challenges for staff in terms of sustaining momentum, ensuring cost-effective delivery of projects, and demonstrating the added value of initiatives that primarily focus on behavioural, political and institutional changes that take time to evolve.

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[32] To the knowledge of the Evaluation Team, no specific beneficiary targets have been set so far for the other Business Areas.

Contextual factors have limited WSP's contributions to scaling-up the delivery of improved WSS in urban areas, and its ability to promote replication and scale-up of successful initiatives or approaches.

With respect to urban issues, the illegal character of most informal settlements presents formidable legal and political challenges for programs such as WSP. Since slum dwellers seldom hold enforceable rights to the space they occupy, and that, from a legal standpoint, they are in fact trespassing on the property of another, urban slums tend to fall into a sort legal quagmire where no one wants to establish a precedent that would have legal repercussions. And without a legally sanctioned authority to act, public and private operators in the WASH sector are simply prevented from offering any form of services that would require permanent infrastructure. Moreover, because of the

| Examples of external factors defining the context in which WSP works |
| --- |
| - Institutional arrangements: in Uganda, the structure of the Ministry of Education and Sports does not favor implementing its sanitation mandate since the school sanitation desk is not reflected in the Ministry structure. Consequently, engagement of the Ministry in the national WASH sector is perceived by stakeholders as suboptimal. |
| - World Bank-client country relations: In Cambodia, there was a strained relationship between World Bank and the Government of Cambodia in FY11-12 which effectively froze any new World Bank activities (lending and TA). |
| - Social norms and cultural/religious practices continue to make some topics culturally taboo (e.g. open defecation in India) |
| - Ideological factors: in Latin America, there is less acceptance of the involvement of the private sector in the supply of WSS and hygiene services, while in East Asia public-private partnership is more common. |

precarious legal situation, households face constant insecurity, leading to unstable situations and communities that are in constant flux. This makes it difficult even for community-based approaches to flourish and take hold since individuals/households are constantly shifting from one place to another. Social tensions and security issues make it even more difficult for WSP or any public service provider to commit resources.

The other major challenge for WSP in the near to mid-term future is the issue of scale-up. There is no single way to scale-up promising models or approaches for the delivery of WSS and hygiene services in complex and diverse social, political, economic and biophysically distinct settings. Variability and flexibility are needed for adaptation to be possible. This requires a shift from the specifics, which seldom are exportable, to the principles that govern the ability of communities to develop durable solutions to the challenges they face. Moreover, since no two governments are alike, the fact that government efforts to scale-up WSP interventions appear to be working well in Indonesia (as our data shows), does not mean that the government in Lao PDR will achieve the same success, due to the specific institutional set-up and existing set of capacities. Data collection also showed that scaling-up is not only done by the government, but that there are other processes that can facilitate this outcome, such as horizontal learning in Bangladesh (see Finding 6). In addition, if adaptation of interventions is the responsibility of national/local actors, some clients felt that WSP had not provided them with sufficient guidance or support in the process of scaling-up. WSP's initiatives often remain in the category of pilot projects.

## WSP Institutional Arrangements

**Finding 17: The integration of WSP into the World Bank's quality assurance processes has brought several benefits for WSP including increased visibility in the World Bank and the potential to improve the quality of its products and services.**

WSP is in the process of migrating its projects into the World Bank's system. This means that WSP activities are now classified under the Bank's product lines (such as ESW, TA, etc.). Once the projects are part of the World Bank's system they are subject to a standard process of quality assurance, whereby the

project concept note and key deliverables are peer-reviewed in the same way as any other economic and sector work in the Bank. Thus far, the integration is seen to have positive effects in the form of:

- **Improved visibility within the World Bank:** WSP and other World Bank staff felt that the migration process had in fact helped to improve WSP's exposure within the Bank, thus creating opportunities to improve synergies with Bank operations; and

- **Improved quality of products and services:** The insights provided by peer reviewers are seen to strengthen the analytical rigor and strategic focus in WSP's initiatives.

In addition, there is a potential for the process to help reduce costs. Peer reviewers comment on the budget, propose contracting arrangements for the project, and make suggestions to reduce costs without compromising on quality, such as hiring one firm instead of three individual consultants or reducing the sample size without compromising on the data reliability and validity. In addition, the peer review process limits or avoids the duplication of efforts between the Bank and WSP.

The downside of this process is that it entails more paperwork and a longer approval process, which has increased staff workload over the current fiscal year. Some staff view it as an additional cost and potential source of inefficiency.

**Finding 18: World Bank policies or procedures on human resources, procurement, and administrative clearances continue to limit WSP's agility in the delivery of the Business Plan.**

The Bank's human resources policy, and in particular, the reliance on short-term and extended-term contracts limit WSP's ability to adequately staff its country and global teams (see further discussion in Finding 21, on staffing).

In addition, the Bank's procurement policy imposes limitations on the number of days consultants can be contracted per year, which makes it difficult to fulfill work obligations in the field (e.g. at the state-level) and limits the difficult task of building of trust and long-term commitments with clients and partners. In Kenya and Liberia, the procurement policy also caused some delays in terms of service procurement.

The Bank's process of clearances can generate numerous hurdles. Although checks and balances are valuable and enable the World Bank to fulfill its fiduciary responsibility, staff in the field consider that there is often too much detail and effort required in order to seek administrative clearances.

## WSP Capacity – Business Planning

**Finding 19: Overall, the Business Plan's objectives and design support the achievement of WSP's overall goal, but there are some areas of concern with regards to the definition and overlap of Business Areas, the concept of scaling up services in water and sanitation, and the definition of WSP's target group.**

Broadly considered, the Business Plan has helped WSP focus its interventions and develop a clearer sense of direction. As explained by some staff in the field, prior to the Business Plan, WSP tended to be all over the place and it was hard to identify a common thread at the country, let alone regional, level. The Business Plan has helped to improve this situation.

Staff survey respondents consider that the Business Areas and the overall design of the Business Plan FY11-15 has been beneficial in supporting WSP's efforts to scale up improved water supply and sanitation services and hygiene programs for poor people.[33] Moreover, according to interviews with staff

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[33] Most respondents agree that the mix of business areas (69% of surveyed staff), the activities supported (71% of surveyed staff), and the selection of countries (73% of the surveyed staff) are supporting elements of the delivery of the Business Plan's objectives.

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in the field, the planning, monitoring, and management systems that were put in place with the current business cycle have been helpful for identifying and keeping the focus on common objectives, while providing the right degree of flexibility for staff to determine and modify, as required, the activities and initiatives to carry out. This view appears to be shared within WSP, since the staff survey shows that 89% of respondents recognize the possibility of adapting planned WSP activities to meet changing country/regional needs.

The relative flexibility that WSP staff has in carrying out activities in countries is confirmed by the interviews with WSP's clients, who recognized WSP's responsiveness to their needs and the Program's capacity to work without a predefined agenda.

The system has been particularly successful in fostering a culture that manages *for* results. The Business Plan is specific in terms of results, but provides little or no guidance on the activities and outputs that will be required to achieve the results. Though this could lead to a scattered approach to programming, the strategic directions set by the results framework have in fact helped to align individual initiatives to the results identified in the Business Plan. This has likewise helped to shift the accountability from the activities to the results themselves.

While the design of the Business Plan has given the Program a stronger sense of direction, without constraining its flexibility, some concerns have emerged from the document review and the interviews conducted with global- and country-level stakeholders regarding the Business Areas, the assumptions surrounding scale-up, and the target group for change.

## Business Areas

Business Areas are in various stages of development. Some, such as Scaling Up Rural Sanitation and Hygiene and DPSP, offer more guidance via full-fledged results frameworks. This in turn makes it easier for WSP to report on these two areas, while others currently lack clear indicators and targets.

Business Areas also tend to overlap, which may dilute and/or build up the results attributed to one Business Area. For example, a technical assistance intervention to help a government develop a national strategy on rural sanitation can be classified in two Business Areas (SURS and Sector reform). The classification that needs to be done when reporting on results can obviously cause confusion. There are also some issues with regard to how Business Areas are defined: some by sub-sectoral areas (e.g. SURS), some in terms of cross cutting-themes (e.g. Climate Change) and one on geo-political grounds (Fragile States). The current definition and overlap of the Business Areas also leads to some confusion among partners: for example, not a single Council member interviewed was able to remember all six Business Areas, unaided.

As noted in Finding 1, there are also concerns with the choice and level of implementation of some Business Areas. Efforts on climate change, for instance, do not seem to be commensurate with the nature of the challenges in the area. This Business Area could arguably be considered a cross-cutting issue. Similarly, despite its inclusion in SURS, less attention appears to have been given to hygiene, relative to its importance.

Finally, some staff interviewed believe that the emphasis put on Business Areas brought with it an important reduction in country- or client-focus. In the context of the Paris Declaration and the increasing importance of nationally driven development, the Business Plan and its thematic foci are centrally/HQ-driven and imply that all the countries where WSP is involved must reach the same outcomes and global outputs. Government demands must therefore fit within one of the Business Areas, if WSP is to respond to these demands. For the most part, the field visits suggest that WSP is managing to remain responsive to government, even though it has meant exiting from certain areas and stopping the work with certain ministries (exit strategies, however, have not always been clearly explained to all partners). In the next business cycle, WSP may consider adding greater balance between global interests and results and the country/client focus by introducing a country planning framework.

## Scaling Up

Data collection with WSP staff as well as with external stakeholders showed that there is no common understanding of what scaling-up implies, which creates confusion among some staff and external stakeholders.

The document review and interviews with WSP staff suggest that the term "scaling-up" may be used by WSP to refer to the: i) scaling-up of approaches or models to provide WSS and hygiene services (this seems also to encompass the concept of "replication" of approaches/models to other contexts and of "cross-fertilization" among countries/regions); and ii) scaling-up of WSS and hygiene services. In the case of the Business Area "Rural Sanitation and Hygiene", scaling up refers to the ability of "governments' to have a rural sanitation program that is at a sufficiently large scale to reach all geographical areas of the country and to provide sanitation services to all citizens, including those that are hardest to reach, the poor, ethnic minorities, etc."[34]

These different meanings raise some questions as to the concept of scaling-up within WSP as well as to the process leading to it. With regard to the first meaning (i) the question this raises is the extent to which approaches or models can be scaled-up within a country or replicated in other countries and what it is that is being "scaled-up". Data collection from the field suggests that a high level of adaptation of the approaches/models is often required to ensure their effectiveness in other contexts and that, in some instances, even principles upon which approaches/models were developed may not be transferable to other contexts. With regard to the second idea of "scaling-up" (ii) it is important to note the role of different actors in scaling-up of services at different points in time. In Kenya, for instance, WSP staff brought as example of scaling-up the case of K-Rep, a financial institution that has been successful in broadening its lending services to various poor communities, thus enabling them to access safe drinking water. In Laos, development partners and NGOs will be key in helping to scale up services in the next few years, while government continues to build its own capacity. It may be helpful for WSP, or for different Business Areas within WSP, to develop a working definition of the concept that will support its Business Plan in this period of transition between the MDGs and new post-2015 targets.

## Target Group

It is clear from the Business Plan and country visits that WSP's target group is the poor. WSP programming focuses on improving access to WSS services for the poor, mainly through reforms and pilot projects. However, there is no clear definition of the "poor" in the Business Plan or in any other documents. In the different countries visited, WSP staff indicate that the poor are usually identified and targeted using national definitions of poverty and poverty maps. In some cases, WSP may need to be poor-inclusive (rather than focus only on the poor) as in the case of sector reforms or urban water and sanitation systems. In this context, it may be difficult to know if WSP is reaching its targeted group.

As often recognized, it is usually easier to reach those groups who are close to the poverty line since these have more resources, may form part of more structured communities, and are closer to principal transportation routes. It is however more challenging to work with the poorest of the poor. The solutions developed for the poor may not apply for the poorest, as in the case of the K-Rep project in Kenya, which works well in relatively stable communities, but not in areas where there are no formal community organizations/associations (which are likely to be the areas with a higher incidence of poverty).[35] The same argument could be made relative to many of the targeted beneficiaries of private-sector participation schemes.

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[34] WSP definition, as provided in the comments on the preliminary draft of this report.

[35] Only private companies, cooperative, and associations/societies can apply for K-Rep loans.

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## WSP Capacity – Operating Structure

**Finding 20: Overall, WSP management supports country/regional teams, and the matrix management approach is generally perceived as facilitating the delivery of the Business Plan.**

WSP management is perceived as being effective in its ability to provide direction and support to country/regional teams, both in terms of the strategic direction that country/regional management provide to country teams, and the support global management provides to country/regional teams to implement and monitor their work. Specifically, 75% or more of surveyed staff reported that regional managers and senior managers in their Business Area provide clear strategic directions[36], while just over two-thirds (65%) of respondents felt the same way about country coordinators. Similarly, 71% considered that global management provides useful support to regional/country staff, including training and workshops.[37]

Interviews with WSP staff and global stakeholders confirmed the adequacy of WSP's management design. WSP's Manager is perceived by many as playing a key role in helping the Program to keep focused on and aligned with its Business Plan and its results framework. There also seems to be a good collegial relationship between the various Business Area Leaders, who keep one another informed about their work and try to coordinate whenever possible.

While surveyed staff generally agree (56%) that the matrix management approach facilitates the delivery of the Business Plan FY11-15, they more strongly agree (81%) with the idea that the lines of accountability in their office are well-defined. Yet, the feedback received in the field tells a slightly different story. Specifically, the matrix management approach has, according to staff in some of the regions, increased their administrative burden in terms of the number of meetings they now need to attend, and the problem and discomfort of sometimes having to reconcile the Business Area Leader's demands with the reporting process to the regional team leader. In addition, some WSP staff point out that the attention given to a Business Area in countries and regions is, to a certain extent, a function of the existence and "strength" of the Business Area Leader, rather than strictly of priorities or needs.

Furthermore, even though matrix approaches are designed to foster cross-regional, cross-country, and cross-Business Area learning, the evaluation team uncovered little evidence that this is in fact what is happening. WSP staff in some regions has only a vague idea of what their colleagues in the neighboring countries are doing and know even less about what staff are doing in other regions. While study tours and other formal or informal exchanges of knowledge products (e.g. the Country Status Overview and the Economic of Sanitation Initiative) and approaches have taken place over the period under review, the sharing of information and knowledge varies greatly depending on the personalities of staff. Interviews conducted with WSP staff, and in particular with WSP managers at global and regional levels, point to this as an area for improvement.

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[36] 63% of respondents believe that there are sufficient/adequate opportunities for global discussions regarding their Business Area.

[37] 71% of staff respondents agree that WSP provides ongoing support to country/regional staff through training opportunities, workshops or appropriate learning events.

## WSP Capacity – Staffing Human Resources

**Finding 21: Overall, the staff complement is adequate and competent for the delivery of the Business Plan. However, there are some issues regarding contract conditions, and staff profile and recruitment in the areas of DPSP and Fragile States, and for certain types of specialized positions.**

The commitment and expertise of WSP staff were noted by clients and partners in all countries visited. Country staff were commended not only for their commitment and expertise in WASH, but also for their unique ability to develop and nurture strong relationships with the senior-most echelons of public decision-makers and administrators, their ability to convene development partners and country-level clients to identify potential gaps, strengthen linkages, and improve aid effectiveness. All were regarded as being instrumental in furthering the Program's relevance at the national and sub-national levels.

Generally, WSP staff are also positive about their skills and those of their colleagues (see survey results in Appendix VII, Volume II), though some concerns were expressed regarding the appropriateness of the recruitment process to ensure that adequate capacities are available in WSP country/regional offices.

Despite these glowing reviews, interviews with staff also point to several key challenges in terms of human resource management, namely:

**Contract terms.** An important segment of WSP's staffing complement consists in short-term staff or consultants. Staff consider these arrangements to be inefficient and a negative influence on their respective commitments and on the Program as a whole, since it limits the ability to set more ambitious and long-term targets. In several WSP country offices visited, the shift to longer-term contracts for WSP staff was expressed unanimously by staff as a means of creating more stable conditions, commitments, and incentives to maintain performance levels. In turn, it also provides governments with stable counterparts from WSP to develop trust, reciprocity, and mutual commitments towards long-term change.

**Skill requirements to support Business Area development.** It is felt that DPSP and, to some extent, Fragile States do not have the required profile of staffing, which is different from the more "traditional" profile of development agents, though a similar argument could be made for Climate Change. In the case of DPSP, there is a need for more private sector specialists and team members who can think about the incentives and constraints that can affect private sector engagement in the delivery of WSS services. In the case of DPSP, so-called "traditional" technical assistance and policy engagement approaches are unlikely to work. Working with the private sector requires a different type of engagement and some stakeholders believe that WSP might not have the appropriate skill

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**Examples of skills needed in WSP staff complement**

The need for more capacity in linking program implementation skills and knowledge generation has been expressed in various countries. The implications are threefold: i) the need to have staff with sufficient evaluative capacity to be able to use results, and identify and understand lessons learned for decision-making purposes (monitoring and evaluation skills); ii) the continuing necessity to have staff with research skills and capacities to communicate the lessons learned and write high quality knowledge products based on those (communications skills); and iii) the need to have staff with capacity to ensure the link between lessons identification and knowledge generation and dissemination.

The increased need for technical editing, packaging, and communication support to Task team leaders, who are knowledge producers but might not be writers per se, was also noted during country visits.

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set to deliver the requisite assistance in every one of its country offices. In the case of Fragile States, staffing was mentioned as a major challenge because it is difficult to find the right people with both WASH and policy-related experience and expertise. This is particularly true for national staff who, for reasons of chronic political and economic instability, may not have been able to access higher level education. But it also applies to international staff candidates, who often lack experience in fragile states context and/or might be reluctant to establish themselves in such places. Moreover, country visits and

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desk reviews have highlighted difficulty in finding or retaining staff with specialized skill sets, such as disaster risk management, sludge management, and behavioural change communications. This is partly due to the limited pool of suitable candidates in some of the countries where WSP works. Country visits have also highlighted the need for improved monitoring and evaluation skills (i.e., to be able to conduct internal evaluations, and appropriately identify lessons learned from projects), and "knowledge broker" skills, that is, individuals with the capacity to make linkages between lessons learned from WSP's program implementation, policy and operational implications (knowledge generation), and dissemination (knowledge dissemination).

**Staff complement.** In some countries, there may be no permanent staff members, while in other instances, they may be overwhelmed by the sheer requirements of coordination that the work implies and the limited resources to support such needs. Moreover, there are indications that staff allocations between the different regions may not be well balanced. In Africa for instance, there is one communication officer for a region with 14 countries. The ratio in other regions is more balanced, although the challenges and geographic scope may be similar.
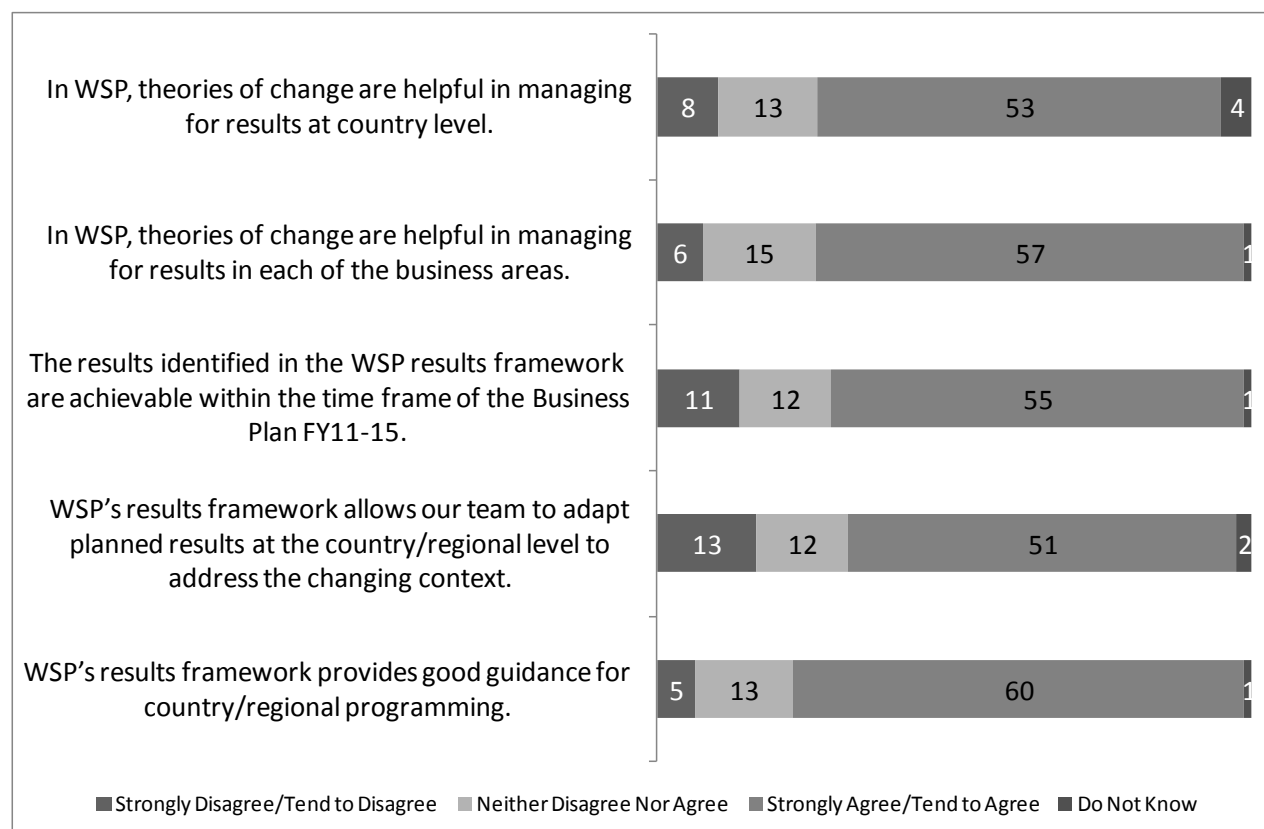
## WSP Capacity – Program Monitoring and Reporting

**Finding 22:** **The new monitoring and reporting system represents an important "cultural" shift for WSP. Overall, the system is considered useful for providing a strategic focus to country-level initiatives, in alignment with the FY11-15 Business Plan. Its effects on actual monitoring and reporting to Council is less clear at this stage.**

The monitoring and reporting system that WSP has developed and is now revising represents an important step towards a better understanding of how global programs such as WSP, which provide knowledge and policy advisory services, can contribute to development results on the ground. The establishment of such a system and its use by staff represents an important "cultural" shift for the Program, since it not only promotes the need to manage towards developmental results, but also requires that staff develop a better appreciation of their relative contribution to the overall objective of improving access to water, sanitation and hygiene services.

Staff interviews at the country-level and the results of the staff survey point to high levels of buy-in. The emerging consensus points to a Program-wide appreciation of the usefulness of the system and its flexibility to support planning and implementation purposes.

**Exhibit 4.10 Staff appreciation of WSP monitoring and reporting system for planning and implementation purposes – survey results**



| | Strongly Disagree/Tend to Disagree | Neither Disagree Nor Agree | Strongly Agree/Tend to Agree | Do Not Know |
|---|---|---|---|---|
| In WSP, theories of change are helpful in managing for results at country level. | 8 | 13 | 53 | 4 |
| In WSP, theories of change are helpful in managing for results in each of the business areas. | 6 | 15 | 57 | 1 |
| The results identified in the WSP results framework are achievable within the time frame of the Business Plan FY11-15. | 11 | 12 | 55 | 1 |
| WSP's results framework allows our team to adapt planned results at the country/regional level to address the changing context. | 13 | 12 | 51 | 2 |
| WSP's results framework provides good guidance for country/regional programming. | 5 | 13 | 60 | 1 |

On the other hand, a relatively[38] high percentage of surveyed staff (over 20%) indicated some level of dissatisfaction with regard to the usefulness of the system to support cross-regional/country and cross-thematic (i.e. Business Areas) learning. Similarly, the results of the survey show that the system is not yet being fully maximized in terms of its potential benefits as a tool to inform decision-making, as shown in the graph below.

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[38] Relative to the results obtained on the other topics covered by the staff survey, for which the percentage of responses "strongly disagree" and "tend to disagree" represent often 10% or lower of the responses provided.

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**Exhibit 4.11 Staff appreciation of WSP monitoring and reporting system for learning and decision-making purposes – survey results**
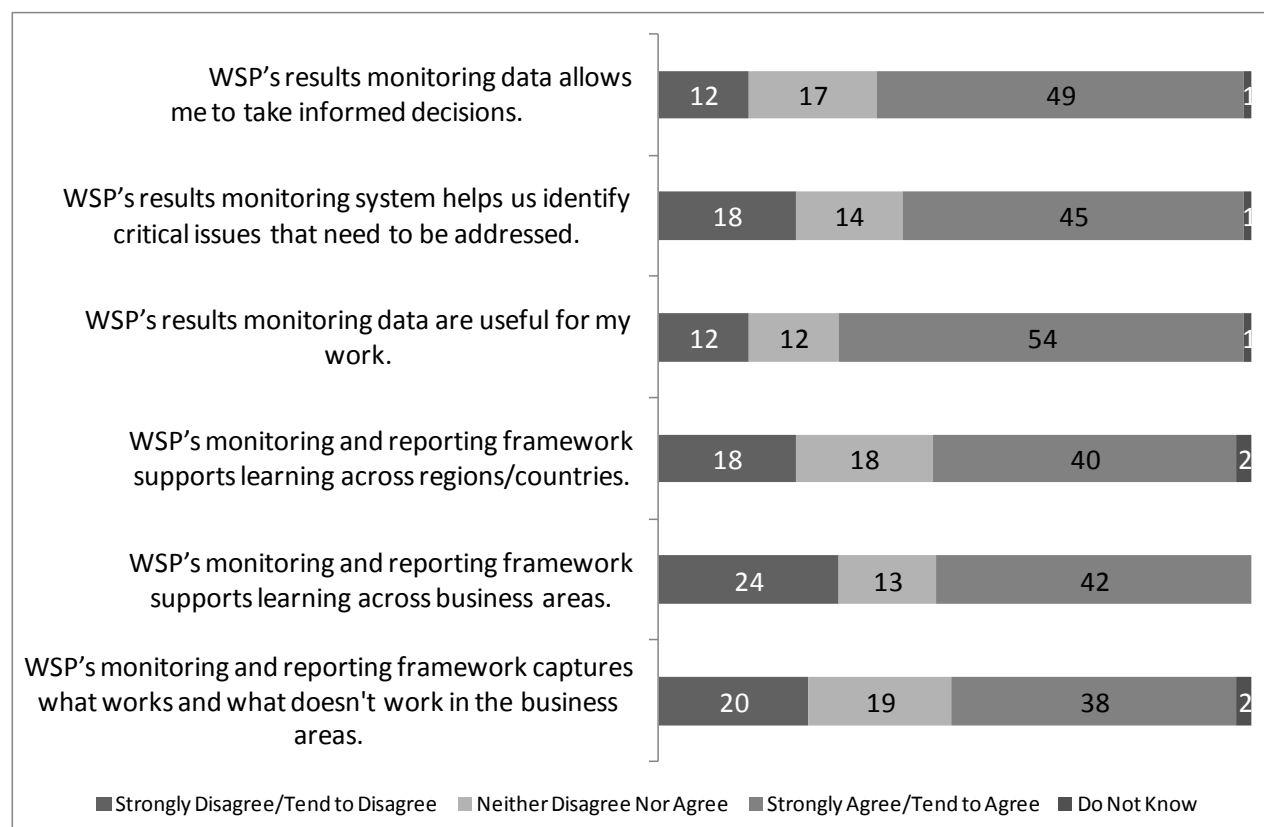


On the basis of the data collected from interviewed and surveyed staff, it appears that the monitoring system does not always allow for:

- Comprehensive monitoring: failures or critical issues to be addressed are not always captured; regional-level work and gender and vulnerability considerations are not (adequately) reflected; the time and effort required to build a relationship/partnership with stakeholders or support high-level changes in policy are not appropriately acknowledged and supported by relevant sets of indicators;

- Adaptation to country-specific contexts: the standardization of performance indicators does not always adapt to local reality/contexts, thus limiting the acknowledgement of the operating contexts;

- Flexibility in responding to unforeseen needs: because of the migration of WSP projects to the World Bank's product lines and systems, and the consequent use of the peer review, approval, and monitoring processes of the Bank, the monitoring system at the project/initiative level may not be as well suited to the technical assistance function played by WSP, which often requires a "just-in-time approach or window," as defined by one WSP staff member. The capacity of the current system to adapt to the emergence of unforeseen needs is therefore limited.

As previously mentioned, WSP is undertaking a consultancy with IOD PARC to revise the reporting system. Over the past two years, some of the challenges that staff were facing, such as the labor-intensive work related to the Excel-based platform CMT, have already been addressed. The revision process has required on-going efforts from the country offices to test and streamline the system and ensure consistent application of the monitoring tool, thus putting some additional burden on WSP staff (e.g. meetings, tests, changes in reporting practices, etc.). This is expected to be a temporary situation limited to the transition

phase. Yet, from the interviews conducted with both internal and external WSP stakeholders and the document review, some areas for improvement in WSP reporting system emerged, namely with regard to the following:

- This is the first year (FY13) in which WSP will report on results using its new results reporting system for scaling up rural sanitation and DPSP. The reports to Council for FY11 and FY12 followed completely different reporting structures, provided only highlights from some countries, and did not give a full picture of the progress made by WSP in achieving the objectives set in its FY11-15 Business Plan;

- The FY11 and FY12 end-of-year reports provide anecdotal evidence (instead of systematic evidence) of how WSP contributed to the enabling environment in some countries. For instance, in the FY12 end-of-year report, it is mentioned that WSP contributed to the development of enabling policies in Peru and Cambodia. Evidence collected during field visits also show that WSP Program has contributed to the development of an enabling environment in Bangladesh. The end-of-year reports also give little basis for judging overall progress – to what extent is the Program delivering according to plan?

- There is limited reporting to the Council on financial data to show the efficiently of resources use, which was noted by several WSP Council members;

- Some staff regard reporting on beneficiary numbers as more relevant for internal (decision-making) rather than external (accountability) purposes. As expressed by one staff member: "*We should not focus too much on numbers of people reached since outcomes take longer time than the Business Area span. We should foster a system built on outputs which are pretty much within reach and get delivered in the assigned timeframe*". Moreover, beneficiary counts are challenging since attribution to any single operator is inherently difficult (if not controversial). As one country staff member adroitly pointed out, "*the very process of attributing development results to WSP (i.e. number of persons) undermines the end, i.e., WSP sets itself up in competition with its own supporting partners.*" Finally, although global beneficiary counts may in the end serve as a viable proxy of WSP's effectiveness in the delivery of its Business Plan, those numbers may also hide important variances across countries, and such variances in the levels of achievements also need to be tempered with country-specific context.

# 5. Conclusions

The WSP Council approved, and fully funded, an ambitious and relevant Business Plan for the program for the period of 2011-2015 in order to help governments scale up water and sanitation services and hygiene programs for the poor. Over USD 200 million are to be invested in five years in order to help ensure that more than 50 million people have access to improved water and sanitation services, and practice improved hygiene.

1) Mid-way through implementation of the Plan, the data collected suggests that WSP is making progress towards its objectives. The field data from this evaluation validates many of the results reported from WSP regions with regard to achievements in the output areas that the Program has defined in its global results framework: the strengthening of policy frameworks, the enhancement of government capacity, and the strengthening of the capacity of service providers. The results achieved thus far suggest that the Program can make plausible contributions to its overall goal of helping governments scale up WASH services to the poor. The evidence gathered also indicates that, in some countries, numerical targets with regard to this expansion of services may prove to be too ambitious for a 5-year period given the capacities of partners, especially government, to be able to expand new programs within that timeframe.

2) The breadth and depth of progress is uneven within and across WSP areas of work (rural sanitation, domestic private sector partnerships, poor-inclusive sector reform, services for cities and small towns, climate change and fragile states), and there is a need to strengthen certain components or revise expectations at this mid-way point. WSP has made limited progress in the area of climate change adaptation, for example, which has seen activities implemented in only a small number of countries. Moreover, it is an area where WSP has not yet defined its role or approach. The work on Fragile States has just begun and is still in the process of consolidation. Similarly, hygiene, which was specifically targeted through global handwashing projects until FY12, now has a lower profile in the program (varying considerably by country). The challenges in the sector have justified the initial focus on increasing access to rural sanitation, where WSP and its partners are seeing considerable success. However, these next two years of the Business Plan must also help to clarify theories of change, possible entry points, and strategies for WSP to work on the admittedly more complex urban sanitation agenda, which will be critical in a post-2015 environment.

3) At the same time, WSP is addressing to different degrees certain "cross-cutting" themes, such as gender equality, environmental sustainability, and vulnerable groups. These themes can be seen as both necessary conditions for and drivers of equitable and sustainable access to water, sanitation and hygiene services. In the first two years of the Business Plan, WSP has understandably focused on establishing Business Areas, securing sufficient progress towards the overall goals, and setting the foundations for a stronger focus on results. It has not yet defined its strategy for addressing these cross-cutting themes, and this is reflected in the more limited work in this area.

4) The Program has also introduced a bold and innovative approach to measure and report on its contribution to changes, including upstream programming inputs, in the lives of beneficiaries. This system is still being validated and adjusted. Interviews, survey data and observation in the field illustrate an important shift in the culture of WSP, with staff at HQ and in country offices being more acutely aware of an emphasis on results. More deliberate and focused choices are being made in country offices with regard to where and how to engage in the defined Business Areas. In addition, the development of theories of change and specific tools to facilitate managing towards development results is good practice, and at the forefront among the Global and Regional Partnership Programs at the World Bank and among key sector institutions. For staff, the focus on numbers of end beneficiaries has been both a source of motivation and concern. As some of the staff members interviewed note, the targets help to keep the end

beneficiaries in mind for any piece of work that is done, from training workshops to knowledge products. Their concerns, however, stem from the nature of calculating WSP contributions to the beneficiary numbers, the gap between WSP core upstream work and the ultimate beneficiaries, and worries about how to communicate this approach with their in-country partners in a way that maintains their strong relationships. Representatives from partner and peer organizations also express some concerns, but are generally supportive of WSP's attempts to reflect upstream inputs as quantifiable results in the field. In addition, the targets set for numbers of beneficiaries with access to services may sometimes be unrealistic given that the "scaling up" of actual services depends on partners, including governments, who may have difficulties reaching those numbers in such a short time period. WSP's Business Plan embraces a poor-inclusive approach. However, the monitoring and reporting system provides no way of verifying if the expansion of services is actually reaching those who can be considered "poor" in a given context.

5) Since its launch as the WB-UNDP Water and Sanitation Program in the 1980s, WSP has become one of the sector's most important knowledge producers and disseminators. WSP is known for its high quality publications that package lessons and learning from the field into useable tools for the scaling up of successful approaches. This continues into the current Business Plan, in particular through flagship knowledge products, the CSOs and the ESI publications, which continue to have a significant impact on advocacy efforts and program design. At the country level, key knowledge products are also influential. However, the evaluation team also found that some observers from peer and partner organizations feel that the number of publications is excessive, that some publications from outside WSP-perceived core competency areas are less useful, and that it is becoming more difficult to identify key publications within the overall body of work.

6) During these first years of the Business Plan, WSP has become more aligned with World Bank operations. WSP took a number of measures in order to respond to the Trust Fund reform process being implemented in the World Bank. This has entailed extra work for staff of the Program especially during FY13 due to the requirements of migrating the WSP project portfolio and integrating into WB business processes. Evidence shows that this process has been largely beneficial for WSP: there are additional quality-assurance mechanisms for all its initiatives due to the Bank peer review process, and these reviews give WSP greater visibility across different sectors of the World Bank. In addition, recent Country Partnership Strategies and a growing diversity of operations (also in the Human Development Area) demonstrate alignment and possibilities for influence on World Bank investments. However, there are still a number of challenges to achieving the degree of influence that is expected by stakeholders, particularly Council Members and development partners in focus countries.

7) All of these efforts give the evaluation team confidence in WSP's ability to deliver on the FY11-15 Business Plan, provided that the focus of remaining activities is on scaling up. Program Management is already aware of many of the factors that may limit progress and has been proactively managing to resolve and address these issues. The following recommendations provide elements to be considered as part of this process.

# 6. Recommendations

As a mid-term review, most recommendations to WSP Council and program management address the areas to strengthen in the last two years of implementation of the FY11-15 Business Plan in order to achieve desired results. Recognizing that there may be limited flexibility to make significant changes to the current plan, and that preparations for the next Business Plan cycle are already underway, we have also included suggestions that may be relevant primarily in the context of the future Business Plan.

**Recommendation 1:** **As part of a longer-term vision of sustainable water supply and sanitation services, WSP Program Management should define how it will approach climate change, environmental sustainability, gender equality, and vulnerable groups and articulate its commitments in these areas in the next business plan.**

## Climate change and environmental sustainability

As noted in Findings 2 and 12, the Business Area of climate change has been largely focused on disaster risk management activities and sanitation solutions for challenging environments, but has not yet developed a theory of change, for instance. While some WSP stakeholders are hopeful that the Program will be able to strengthen its contributions in this area, given the likely effects of global warming on water supply and sanitation, the current approach – defining it as a Business Area – may not be the most effective way of moving forward. In addition, the evaluation data identifies growing concerns about environmental issues in general and notes that while WSP has carried out some activities (such as a wastewater re-use study in Bolivia, the work on decentralized wastewater facilities in the Philippines, the Nicaragua study on brown water as a resource), there is no coherent approach to addressing the environmental concerns associated with increased access to WASH.

Over the next two years, there is a need for WSP Program Management to refine:

- The theory of change for climate change and the environment more broadly, and consider how these concerns can be better integrated to support the overall results of the Program, particularly if the notion of "sustained" access to services or behavior changes is incorporated in the proposed results;

- The types of partnerships required to work effectively on climate change and environmental sustainability; WSP may not be the most obvious or suitable actor for leading the work in these related areas. For example, the WSP Business Plan noted the work on climate change adaptation for utilities, but such contributions may be better handled by other entities. For example, there may be ways to have a clearer partnership and division of labor between WSP and the Water and Energy Sector in the World Bank, or with the Energy Sector Management Advisory Program. Other development partners, such as AusAID, GTZ/KfW, SDC and DFID also have stated commitments and dedicated resources for addressing these issues.

For the next Business Plan cycle, WSP Program Management should consider integrating climate change as a cross-cutting issue instead of as a specific Business Area.

## Gender equality and vulnerable groups

The TORs for this evaluation specifically requested an assessment of how WSP was integrating these dimensions even though these were not specifically addressed in the Business Plan. Finding 12 shows that there is potential to do more systematic work in this area. In this light, we recommend that:

WSP should further define how it will address gender equality and vulnerable groups in its work. However, given the other demands of implementation in FY14-15, in the upcoming years WSP may want to focus on:

- Outlining its approach to integrating gender equality as a cross-cutting area in its work on water, sanitation, and hygiene. This approach could largely be built on WSP's existing guidelines (i.e. Gender in Water and Sanitation, 2010) and, as required, could draw on the expertise of sector partners known for their strength in this area, such as Water Aid.

- Defining what the Program understands by "vulnerable groups" - current interpretations range from the poor who live in challenging or remote environments to people with disabilities. The Program has no consistent definitions or approaches to addressing their special needs.

Finally, if these areas are important for achieving results, then WSP should consider how they can be reflected in the next results framework (FY16-20), and at multiple levels, to ensure that such concerns are fully streamlined in the work of WSP (i.e., gender is currently identified only at the outcome level of the current Business Plan).

**Recommendation 2:** **WSP Program Management should strengthen the Program's approaches for improving WSS services in urban areas and mainstreaming hygiene promotion.**

In its work on targeting the urban poor and improving services in small towns, WSP Program Management should increase its focus on identifying successful and potentially scalable approaches with regard to urban sanitation, with a view towards developing more focused efforts in this area for the next business planning cycle. As shown in Findings 2 and 16, the challenges of increasing access to sanitation for the urban poor are daunting. As of yet, there are few examples of the kind of successful and scalable approaches that have become more widespread in rural areas, and this is due in part to the reluctance of most major sectoral stakeholders and governments to tackle urban sanitation in any significant way. Issues surrounding land tenure and the illegal nature of most slum areas will not dissipate over time. As a "thought leader" in the sector, it is appropriate for WSP to begin to lead the way in this area, recognizing that this should be considered as an important objective of its work in the next business planning cycle.

In revising the Business Areas for the next planning cycle, WSP should refine and better articulate its approach to urban sanitation, taking into consideration its unit of intervention (e.g. town, peri-urban areas, etc.), the thematic emphasis of its work in urban sanitation (e.g. wastewater management), and its interface/partnership strategy with partners and donors already involved in urban areas (such as Cities Alliance) in order to ensure a systems approach that encompasses issues of land tenure and land use planning, for example. Further action on urban sanitation could be taken in the context of an existing Business Area, such as "Targeting the Urban Poor and Improving Services in Small Towns," or by developing a specific Business Area (however, as noted below, WSP needs to reduce the overall number of Business Areas).

With regard to hygiene, WSP Program Management should further mainstream its promotion within the interventions carried out under the current Business Plan. Evidence from specialized studies from the health sector consistently show that interventions to improve hygiene practices, especially handwashing with soap, can reduce diarrheal morbidity in children by more than 40%, often higher than the potential gains from sanitation or water interventions. However, since the Global Scaling Up Handwashing Project has finished, WSP's efforts in this area are less visible, both within the Scaling Up Rural Sanitation and Hygiene Business Area and generally within the overall program. There is scope within the current Business Plan to apply lessons from the Handwashing Project to mainstream hygiene promotion within the Program, and to collaborate with partners on ongoing efforts to link sanitation and hygiene behavior change in "total sanitation" programming efforts. Like for urban sanitation, WSP's role as a thought leader in the sector makes it appropriate for the Program to contribute to improving methodologies for hygiene behavior change promotion without necessarily making the large investment associated with a stand-alone global project.

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**Recommendation 3:**   **As WSP rolls out its results monitoring and reporting tool, Program Management should pay special attention to monitoring and to better reporting on its progress in implementing its business plan, especially on how its products and services are influencing the enabling environment.**

Over the past two years, WSP has given significant effort to the design of an innovative system to track and report its contributions to results for beneficiaries. As shown in Findings 8 and 22, the system is not without its complexities. However, the important thinking around theories of change is a critical step forward and will be the key to helping WSP tell the story of its contribution to the desired changes for beneficiaries. Together with its expert advisors, the Program has taken positive steps in clarifying the variables in the enabling environment that are associated with the intermediate outcome and that its products and services aim to influence.

There is a need to present systematic evidence of contributions made by WSP's products and services to the enabling environment in the end-of-year reports. This should be done by having a strong narrative including evidence of effects and results achieved compared to what was planned. The narrative should help to explain changes in the ratings on enabling environment that can be attributed to WSP's work. As noted in the findings of this report, the WSP results framework does not help to measure the Program's performance relative to the extent to which it is able to engage country clients, influence public policy, and influence public (government) spending and other sources of investment in water and sanitation issues (i.e., the areas that represent WSP's core business). Its reporting on these areas will be key to demonstrate its contributions to end results for beneficiaries.

One of the most challenging areas to appropriately report on concerns the extent to which WSP is able to leverage or influence WB operations. As noted in Finding 11, there is a need for WSP to provide clear definitions of leverage and influence, develop a key performance indicator, and systematically report on this to the Program's key stakeholders.

**Recommendation 4:**   **WSP Program Management should follow through with its plan to commission a special review of its work in Fragile States to ascertain the Program's comparative advantage in delivering TA in fragile states.**

As shown in Finding 1, Africa is the region experiencing the most challenges in terms of making progress towards the MDGs. Fragile states, many of which are in Africa, are faring even more poorly on the MDG targets, especially MDG 7 on water and sanitation. The delivery of WSS services in these countries is particularly challenging because, among other things, of weak and unstable political and institutional systems, poor infrastructure, and few qualified human resources. Achieving sustainable results is difficult in these countries, where WSP's capacity is limited not only by the external context, but also, as shown in Finding 21, by the internal context characterized by limited field presence. The draft concept note for the Fragile States Business Area includes a projected mid-term evaluation to assess WSP position and performance in delivering technical assistance in these countries, and considers the necessity of substituting some countries for others. The Evaluation Team supports this plan and recommends that WSP Program Management carry out the review and include, among the areas requiring special attention and potential areas for recommendations, the staffing capacity, the sustainability of the results achieved, the sharing of experiences among fragile states and between fragile states and ex-fragile states, and systems for sharing lessons learned with other agencies who count on field presence in a number of fragile countries.

**Recommendation 5:**   **WSP Program Management should continue efforts to adequately staff the Program for delivery of the Business Plan, in the context of WB guidelines and constraints.**

Finding 21 indicates that WSP staff has most of the competencies for ensuring the delivery of the Business Plan, but it also highlights challenges with regard to finding the appropriate human resources for

some Business Areas (namely DPSP and Fragile States) and for certain types of specialized positions. It also points to the need for strengthening staff capacities in knowledge production and in evaluation. With regard to its staffing complement and management practices, the evaluation also presents, in Findings 18 and 21, some of the inefficiencies that are linked to World Bank policies and procedures, notably with regard to human resources. WSP Program Management should continue efforts to adequately staff the Program for delivery of the Business Plan (i.e., make sure it has individuals with the right skills in key positions).

**Recommendation 6:** **WSP Program Management, in close collaboration with the Communications and Knowledge Management Team, should continue to pay attention to the area of generation and dissemination of knowledge both within WSP and externally for its clients and development partners.**

Findings 4,5, 6 and 9 show that, overall, WSP is generating knowledge products and sharing experiences and best practices that are relevant for its clients and development partners as well as for WSP staff. These findings also provide evidence that many of the knowledge products/experiences/best practices are being used by these stakeholders to develop policies, programs, and so forth. Additionally, Finding 17 indicates that the migration to World Bank business processes can help to strengthen the link between its activities (technical assistance, capacity building, etc.) and knowledge generation. At the same time, the report indicates some areas for improvement related to the generation and dissemination of knowledge products/experiences/best practices (Finding 9). More specifically, stakeholders pointed to the large number of publications, to the generation of knowledge outside WSP's perceived core competency areas, and to the fact that it is becoming more difficult to identify key publications within the overall body of work. The Evaluation Team also found that WSP staff seemed unaware of the products or best practices developed in other regions, with sharing happening – in several instances – in a more anecdotal than systematic way. The WSP Communications and Knowledge Management Team has recently developed a strategy for communications and knowledge management that is expected to support a closer alignment between knowledge generation/dissemination and WSP initiatives. In doing so, WSP may want to consider: more demand-driven knowledge products; dissemination that is targeted to certain audiences and uses a personalized approach; further distinguishing between more rigorous research and action learning- type of publications; and highlighting the "key" publications that a critical mass of stakeholders should know. The WSP matrix management structure is also expected to facilitate the scaling up or replication of best/good practices. Program Management should continue to pay attention to this area.

**Recommendation 7:** **In the next business planning cycle, WSP should reduce the overall number of Business Areas and seek ways of minimizing overlap across Business Areas.**

Finding 19 indicates that there is overlap across Business Areas and that it takes time to fully develop a theory of change, a strategy, and an approach to measuring and reporting on results. Given the existing capacity of WSP, there is a need to reduce the number of Business Areas, re-assess the way that these are defined, identify or distinguish their respective contributions, and clarify complementarities. Business Areas are sometimes seen to operate independently, instead of leveraging and developing synergies. Further exploration of the potential role of Business Areas (i.e. means) in achieving stated results (i.e. ends) should be undertaken to develop programmatic sector-wide approaches or strategies.

**Recommendation 8:** **In order to strengthen the country/client focus, it is suggested that Program Management consider developing "light" country planning/monitoring frameworks that can be discussed with clients and development partners.**

WSP's Program Management has made commendable progress in developing and fostering a results-based culture and practices within the Program. However, even with the tools available, it is difficult to get a snapshot of the progress against the different level of results identified in the Business Plan in each

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country. At this stage, monitoring and reporting frameworks are thematically driven by Business Areas. The current country-level results framework (in the country monitoring tool) is not designed for sharing with partners and it does not clearly outline WSP priorities, expected results, and the baseline and targets. It is therefore difficult to assess progress in WSP focus countries.

# Appendix I  List of Findings

**Finding 1:** Overall, evidence suggests that WSP's Business Plan FY11-15 is aligned with the most important global and regional challenges in the WASH sector.

**Finding 2:** Stakeholders express some concerns that WSP's current efforts and commitments are insufficient relative to the growing problems of urbanization, climate change and diarrheal morbidity linked to poor hygiene.

**Finding 3:** At the country level, clients and partners consider WSP's work program to be relevant to the needs and priorities of both national and sub-national governments. The ability of country staff to respond to client demands and adapt Business Area interventions to suit the needs of local stakeholders are viewed as critical elements of WSP's success.

**Finding 4:** WSP's comparative advantages are well integrated in the Business Plan FY11-15 and illustrate its roles as knowledge broker, trusted policy advisor to government, convenor of key actors in the sector, key advocate and facilitator. The Program's comparative advantages build on the credibility of its staff.

**Finding 5:** At the country level, evidence suggests that WSP has made notable contributions to improve water and sanitation policies and regulatory structures in the first years of implementing the Business Plan.

**Finding 6:** Efforts to strengthen the capacity of national governments are progressing well, but there is an increasing and unmet need for support to sub-national governments that creates special challenges for a program like WSP.

**Finding 7:** In the first two years of implementation of the Business Plan, there are immediate and tangible results that lend credibility and confidence in the work of WSP to strengthen service provider capacity.

**Finding 8:** WSP is actively managing towards outcome-level results that focus on the number of beneficiaries of "scaled-up improved water supply and sanitation services and hygiene programs" even though the assumptions about WSP contributions and methods used to monitor performance are still being worked out.

**Finding 9:** Between FY11 and 12, WSP produced and disseminated knowledge products that are considered as relevant and useful by its clients and development partners, the majority of whom highly appreciated WSP's work in this area. Some concerns were raised regarding the quantity and quality of knowledge products and WSP's overall approach to dissemination.

**Finding 10:** Partnership building is another core strategy that lies at the heart of WSP's Business Plan. WSP has been effective in establishing partnerships for its capacity building/technical assistance, for sector dialogue, and for service delivery.

**Finding 11:** WSP has effectively leveraged government and development partner investments in support of improved water and sanitation services and hygiene programs for poor people. There are mixed views with regard to its effectiveness in leveraging WB investments in these areas.

Finding 12: Apart from gender equality, there are no specific guidelines or targets for the integration of cross-cutting issues in the work of WSP. Anecdotal evidence suggests that the concerns of gender equality, vulnerable groups and the environment are being addressed to a limited extent and unevenly across regions/and countries.

Finding 13: The evidence of early achievements at the mid-point of the current business cycle points to the Program's ability to generate results in support of improved water, sanitation, and hygiene services for the poor. WSP's ability to influence local and national sector dialogue and build partnerships for long-term change increases its leverage. These considerations help make WSP a cost-effective program.

Finding 14: WSP relies on strict management procedures to track the use of resources, minimize risks, and ensure administrative accountability. While rigorous, the transaction costs associated with these procedures have not been determined.

Finding 15: Although WSP is currently developing and refining tools to measure the cost-benefit ratio of specific programming interventions, the value for money of selected Business Areas and core programming activities has not been established.

Finding 16: The implementation of the Business Plan FY11-15 has not been unduly affected by external factors. However, two challenging areas were identified in the course of this evaluation: i) work in poor urban areas and ii) replication of results across countries and regions.

Finding 17: The integration of WSP into the World Bank's quality assurance processes has brought several benefits for WSP including increased visibility in the World Bank and the potential to improve the quality of its products and services.

Finding 18: World Bank policies or procedures on human resources, procurement, and administrative clearances continue to limit WSP's agility in the delivery of the Business Plan.

Finding 19: Overall, the Business Plan's objectives and design support the achievement of WSP's overall goal, but there are some areas of concern with regards to the definition and overlap of Business Areas, the concept of scaling up services in water and sanitation, and the definition of WSP's target group.

Finding 20: Overall, WSP management supports country/regional teams, and the matrix management approach is generally perceived as facilitating the delivery of the Business Plan.

Finding 21: Overall, the staff complement is adequate and competent for the delivery of the Business Plan. However, there are some issues regarding contract conditions, and staff profile and recruitment in the areas of DPSP and Fragile States, and for certain types of specialized positions.

Finding 22: The new monitoring and reporting system represents an important "cultural" shift for WSP. Overall, the system is considered useful for providing a strategic focus to country-level initiatives, in alignment with the FY11-15 Business Plan. Its effects on actual monitoring and reporting to Council is less clear at this stage.

# Appendix II   List of Recommendations

Recommendation 1:As part of a longer-term vision of sustainable water supply and sanitation services, WSP Program Management should define how it will approach climate change, environmental sustainability, gender equality, and vulnerable groups and articulate its commitments in these areas in the next Business Plan.

Recommendation 2:WSP Program Management should strengthen the Program's approaches for improving WSS services in urban areas and mainstreaming hygiene promotion.

Recommendation 3:As WSP rolls out its results monitoring and reporting tool, Program Management should pay special attention to monitoring and to better reporting on its progress in implementing its Business Plan, especially on how its products and services are influencing the enabling environment.

Recommendation 4:WSP Program Management should follow through with its plan to commission a special review of its work in Fragile States to ascertain the Program's comparative advantage in delivering TA in fragile states.

Recommendation 5:WSP Program Management should continue efforts to adequately staff the Program for delivery of the Business Plan, in the context of WB guidelines and constraints.

Recommendation 6:WSP Program Management, in close collaboration with the Communications and Knowledge Management Team, should continue to pay attention to the area of generation and dissemination of knowledge both within WSP and externally for its clients and development partners.

Recommendation 7:In the next business planning cycle, WSP should reduce the overall number of Business Areas and seek ways of minimizing overlap across Business Areas.

Recommendation 8:In order to strengthen the country/client focus, it is suggested that Program Management consider developing "light" country planning/monitoring frameworks that can be discussed with clients and development partners.