

# **Bosnia and Herzegovina**

## **Mid-Term Evaluation**

**Thematic window: Democratic Economic Governance**

**Programme Title: Securing Access to Water through  
Institutional Development and  
Infrastructure**

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## **Prologue**

The current mid-term evaluation report is part of the efforts being implemented by the Millennium Development Goal Secretariat (MDG-F), as part of its monitoring and evaluation strategy, to promote learning and to improve the quality of the 128 joint programs in 8 development thematic windows according to the basic evaluation criteria inherent to evaluation; relevance, efficiency, effectiveness and sustainability.

The aforementioned mid-term evaluations have been carried out amidst the backdrop of an institutional context that is both rich and varied, and where several UN organizations, working hand in hand with governmental agencies and civil society, cooperate in an attempt to achieve priority development objectives at the local, regional, and national levels. Thus the mid-term evaluations have been conducted in line with the principles outlined in the Evaluation network of the Development Assistant Committee (DAC) - as well as those of the United Nations Evaluation Group (UNEG). In this respect, the evaluation process included a reference group comprising the main stakeholders involved in the joint programme, who were active participants in decisions making during all stages of the evaluation; design, implementation, dissemination and improvement phase.

The analysis contained in the mid-term evaluation focuses on the joint program at its mid-term point of implementation- approximately 18 months after it was launched. Bearing in mind the limited time period for implementation of the programs (3 years at most), the mid-term evaluations have been devised to serve as short-term evaluation exercises. This has limited the scope and depth of the evaluation in comparison to a more standard evaluation exercise that would take much longer time and resources to be conducted. Yet it is clearly focusing on the utility and use of the evaluation as a learning tool to improve the joint programs and widely disseminating lessons learnt.

This exercise is both a first opportunity to constitute an independent "snapshot" of progress made and the challenges posed by initiatives of this nature as regards the 3 objectives being pursued by the MDG-F; the change in living conditions for the various populations vis-à-vis the Millennium Development Goals, the improved quality in terms of assistance provided in line with the terms and conditions outlined by the Declaration of Paris as well as progress made regarding the reform of the United Nations system following the "Delivering as One" initiative.

As a direct result of such mid-term evaluation processes, plans aimed at improving each joint program have been drafted and as such, the recommendations contained in the report have now become specific initiatives, seeking to improve upon implementation of all joint programs evaluated, which are closely monitored by the MDG-F Secretariat.

Conscious of the individual and collective efforts deployed to successfully perform this mid-term evaluation, we would like to thank all partners involved and to dedicate this current document to all those who have contributed to the drafting of the same and who have helped it become a reality (members of the reference group, the teams comprising the governmental agencies, the joint program team, consultants, beneficiaries, local authorities, the team from the Secretariat as well as a wide range of institutions and individuals from the public and private sectors). Once again, our heartfelt thanks.

The analysis and recommendations of this evaluation report do not necessarily reflect the views of the MDG-F Secretariat.

Lilit V. Melikyan

UN MDGF: Mid-term evaluation “Securing  
Access to Water through Institutional  
Development and Infrastructure” joint UNDP  
and UNICEF project in Bosnia and Herzegovina

**Final report**

## Contents

Acknowledgements .....	3
ABBREVIATIONS .....	4
EXECUTIVE SUMMARY .....	5
1. INTRODUCTION .....	12
1.1 BACKGROUND .....	12
1.1.1. MDGF and UNDP/UNICEF JP on Securing Access to Water through Institutional Development and Infrastructure” in BiH.....	12
1.2 OBJETIVES OF THE JOINT PROGRAM .....	18
1.3 PURPOSE OF THE EVALUATION.....	18
1.4 METHODOLOGY USED IN THE EVALUATION.....	19
1.5 CONSTRAINTS AND LIMITATIONS ON THE STUDY CONDUCTED.....	21
2. DESCRIPTION OF INTERVENTIONS CARRIED OUT .....	21
2.1 INITIAL CONCEPT .....	21
2.2 HYPOTHESIS OF CHANGE IN THE PROGRAMME .....	24
3. LEVELS OF ANALYSIS: EVALUATION CRITERIA AND QUESTIONS .....	26
3.1. DESIGN LEVEL .....	26
3.1.1. Relevance .....	26
3.1.2. Innovations .....	30
3.1.3. Role of MDF_F Secretariat.....	31
3.1.4. National Ownership at the design stage of the JP .....	31
3.2. PROCESS LEVEL.....	32
3.2.1. Efficiency of the JP .....	32
3.2.3. The Role of UN Coordination and MDGF Secretariat.....	36
3.2.4. Ownership in the process .....	36
3.3 RESULTS LEVEL .....	38
3.3.1. Program beneficiaries in figures .....	38
3.3.2. Effectiveness: Outputs and Outcomes .....	38
3.3.3. Factors contributing to progress or delay in the achievement of the outputs and outcomes .....	50
3.3.4. M&E and Learning .....	50
3.3.5. Sustainability and potential for replication .....	52
3.3.6. Potential for Impact.....	54
4. CONCLUSIONS AND LESSONS LEARNED .....	54
5. RECOMMENDATIONS .....	58
5.1. CURRENT PROGRAMME .....	58
5.2. RECOMMENDATIONS FOR THE FUTURE PROGRAMMES.....	59
ANNEXES .....	61
Annex 1. Meetings.....	61
Annex 2: Interview guide .....	62

## **Acknowledgements**

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Opinions expressed in this report not reflect the official position of UNDP, UNICEF or MDGF.

## ABBREVIATIONS

BiH	Bosnia and Herzegovina
CSO	Civil society organization
CCA	Common Country Assessment
CPAP	Country Programme Action Plan
CPD	Country Program Document
DEG	Democratic Economic Governance
EIB	European Investment Bank
EU	European Union
ECA	Europe and Central Asia
EBRD	European Bank for Reconstruction and Development
FBiH	Federation of Bosnia and Herzegovina
FGD	Focus Group Discussion
GDP	Gross Domestic Product
HRBA	Human Rights Based Approaches
HBS	Household Budget Survey
HOA	Homeowners Association
IBHI	Institute for Better Humane Development
IMF	International Monetary Fund
IPF	Infrastructure Project Facility
IDP	Internally Displaces People
JP	Joint Programme
KII	Key Informant Interview
MMB	Municipal Management Board
MDG	Millennium Development Goal
MDGF	Millennium Development Goals Achievement Fund
MTDS	Medium Term Development Strategy
MTR	Medium term Review
M&E	Monitoring and Evaluation
MOFTER	Ministry of Foreign Trade and Economic Relationship.
MAFWM	Ministry of Agriculture, Forestry, and Water Management
MCA	Ministry of Civil Affairs
NHDR	National Human Development Report
NSC	National Steering Committee
OECD	Organization for Economic Cooperation and Development
PMC	Programme Management Committee
PAG	Participatory Action Group
PAR	Participatory Action Research
TOR	Terms of Reference
PD	Project Document
RS	Republic of Srpska
SAP	Stabilization and Association Process
SFP	Special Focus Projects
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children Fund
UNESCO	United Nations Education and Scientific Organization....
UN	United Nations
VAT	Value Added Tax
WASH	Water, Sanitation and Hygiene
WBIF	Western Balkans Investment Facility
WU	Water utility
WB	World Bank

## EXECUTIVE SUMMARY

In December 2006, the UNDP and the Government of Spain signed a major partnership agreement for the amount of 528 million Euro with the aim of contributing to the progress on the MDGs and other development goals through the United Nations (UN) system by funding innovative programmes that have an impact on the population and potential for replication. The Millennium Development Goals Achievement Fund (MDGF) uses a *joint* programme (JP) mode of intervention: the programs are viewed as a step towards UN reform and UN One and are also to contribute to enhanced national ownership of the MDGs achievement. The project “Securing Access to Water through Institutional Development and Infrastructure in Bosnia and Herzegovina” is a joint UNDP and UNICEF project funded under the MDGF programmatic window of *Democratic Economic Governance (DEG)*. The programmes in this window are geared towards reducing the proportion of people without sustainable access to drinking water (MDG 7). The project started in November 2009 with a total budget of US\$ 4.600 million, and a planned duration of 3 years. The national partners include: Bosnia and Herzegovina (BiH) Ministry of Foreign Trade and Economic Relations (MOFTER); BiH Ministry of Civil Affairs (MCA); Federation of Bosnia and Herzegovina (FBiH) Ministry of Labour and Social Policy; FBiH Ministry of Agriculture, Water Management and Forestry; Ministry of Agriculture, Forestry and Water Management of the Republika Srpska (RS); RS Ministry of Health and Social Welfare; civil society organisations (CSOs); 13 participating municipalities and 11 associated with these water utility (WU) companies. The participating municipalities are: in FBiH - municipalities of Stolac, Neum, Gračanica, Kladanj, Bihać, Bosanski Petrovac; and in RS - the town Grad Istočno Sarajevo (municipalities Istočna Ilidža, Trnovo, Istočno Novo Sarajevo), and municipalities of Rudo, Višegrad, Petrovo and Petrovac-Drinić. The objectives of this JP are to contribute to the:

1. Strengthening of inclusion of citizens in the participative municipal governance of water access;
2. Improving economic governance in water utility companies for better services to citizens in targeted municipalities;
3. Strengthening capacity of government for evidence-based policy making and resource planning for equitable water related service provision.

The project addresses a very relevant problem for BiH. The issues that preclude duty-bearers and service providers from delivering water services to rights holders in a satisfactory manner include:

- inadequate economic governance and institutional deficiencies in the water sector and complicated political dynamics in the country;
- poor state of infrastructure with high level of losses and insufficient coverage;
- lack of quality participation of citizens in the decision-making processes for water sector, with this also deeply affecting local communities and local development;
- lack of sufficient capacities of municipal water utility companies in financial management and analysis, and strategic planning, and persistent difficulties they face with increasing revenue generation. These result in the lack of financial sustainability of the water utilities manifested in financial losses and little or no investment in capital investment and expenditure on maintenance. This places the sustainability of the entire water supply system in jeopardy;
- the fact the municipalities, which have a duty not only to provide acceptable water services to the citizens through their water utility agents - the service providers, but also to support these utility companies both financially and through the policy framework, often have neither the capacity nor sufficient information to deliver the required support;

- lack of support to the municipalities from higher level governments in the form of relevant, evidence-based policy and guidelines with service delivery standards and benchmarks: the higher levels of government also suffer from capacity deficiencies and lack of informational inputs.

In line with the MDGF Monitoring and Evaluation (M&E) Strategy and the Implementation Guide for Joint Programmes the current mid-term review (MTR) is a requirement for all joint programmes lasting longer than two years. The evaluation is aimed to be highly formative in nature and seeks to: (a) improve implementation of the JP during the second phase of implementation; and (b) generate knowledge, identifying best practices and lessons learned that could be transferred to other programmes. It is expected that the conclusions and recommendations generated by this evaluation will be addressed to its main users: the Programme Management Committee (PMC), the National Steering Committee (NSC) and the Secretariat of the Fund.

As stipulated in the TOR, the MTR was based on an expedited process of a fast-paced but systematic analysis of the design, process, results and trends of the JP, in line with the questions identified in the TOR. This MTR has the following specific objectives:

- To discover the programme’s design quality and internal coherence (needs and problems it seeks to solve) and its external coherence with the UNDAF, the National Development Strategies and the MDGs, and find out the degree of national ownership as defined by the Paris Declaration and the Accra Agenda for Action;
- To understand how the JP operates and assess the efficiency of its management model in planning, coordinating, managing and executing resources allocated for its implementation, through an analysis of its procedures and institutional mechanisms, and with that, to uncover the factors for success and limitations in inter-agency tasks within the One UN framework.
- To identify the programme’s degree of effectiveness among its participants, its contribution to the objectives of the Economic Governance thematic window, and the MDGs at the local and country level.

The context in which the JP was designed has not changed much since the start of the project in the sense that the major challenge in BiH remains constitutional reform, without which further progress towards a more efficient implementation of a comprehensive reform and growth agenda and EU approximation will be difficult to achieve: according to the EU Progress Report 2009, policy reform efforts have been negligible and structural rigidities continue to hamper the investment and business climate. The country’s complicated political and constitutional structure is a major hindrance to reform and good governance. In addition, all infrastructure sectors are hampered by the extremely limited role for commercially oriented players and the resulting lack of cost-effectiveness. On the other hand, during the period between the design of the project and the MTR, the world was affected by the global financial crisis, which had negative impact on the livelihoods of people, as well as financial standing of many countries, including BiH at central and local levels.

The project design is adequate in that it aims to bring together the two buildings blocks necessary for achieving sustainable, affordable, effective and accountable service delivery: capacity building for water utilities and improving the accountability mechanisms for the operation of water utilities and municipalities. One aspect where the project design could have been better elaborated relates to the role of Municipal Management Boards (MMBs)/Commissions as it pertains to the water sector as opposed to other issues having social significance – in the context of the overall scope of work of municipalities. Another aspect where the program design could have been better elaborated relates to the (implicit) assumption that the water tariffs will be increased by partner municipalities rather quickly, which was unrealistic: this had affected other components, e.g. the household impact



assessment component (of the to-be-increased water tariffs), which was supposed to be carried out before and after tariff increases.

Additionally, a stronger evaluation/learning component would have benefitted the program to result in recommendations and concrete actions to enhance the potential for replication. It is recommended that such a plan is developed and funded. Well designed case studies could be useful around carefully selected topics [e.g. intermunicipal cooperation (IMC) for water service delivery; villages-city connections; performance of varieties of governance structures at water utilities (e.g. the effects of PSP); WU and small scale water suppliers: cooperation vs. competition; effects of political dynamics on water tariff policies; water quality monitoring systems- what works; successful modalities of assisting the poor (related to increasing water tariffs), success factors for MMBs, etc].

Also, it is important to ensure that monitoring mechanisms are developed at the municipality/MMB (Commissions) level and the capacities of the MMBs, and various levels of governments strengthened to assess the changes that take place at water utilities as a result of the program: this will help to assess later the effectiveness of the multisector approach to resolving the problems of water supply, i.e. with MMB oversight.

So it is recommended to develop a well-designed plan for the evaluation of the program outcomes and impact to generate valuable learning, which in turn should feed into the plans of various levels of government.

The project is mid-way of its planned lifetime and is progressing well overall. The project is on track of securing effective collaboration between institutional building, infrastructure works and social protection components, which would enable local ownership the project and its sustainability.

At the process level, the program management initiated and succeeded in some advancement related to bringing the third building block into the picture: engagement with entity and state level government bodies, resulting in the establishment of the Department for Water in key stakeholder Ministry of Foreign Trade and Economic Relationship (MOFTER), which is remarkable given the short time frame of the project until the point of this MTR. This Department will need further support to be effective, but if this is achieved, and the Department achieves its set goals, it will bring tangible benefits in terms of achieving financial sustainability of water companies. Like in a number of countries in the region, the Department could issue national guidelines for tariffs setting that would be mandatory for municipalities (e.g. Croatia, Montenegro) as well as coordinate with the relevant ministries the extent and financing principles of capital expenditures from the central budget.

Cooperation between UNDP and UNICEF is good and the joint modality of program management has helped to bring to the table the specialized knowledge of the two UN agencies: however a more detailed information sharing is advised at the planning stage of specific initiatives. During the course of the project another UN agency has joined in- UNESCO implements a small component with Goal WASH funding working with schoolchildren.

Another area for improvement and future work is ensuring a closer link between the JP/pilot municipalities and other projects in support of developing local governance implemented by UNDP and others, aimed at improved strategic planning and program/performance based budgeting in municipalities in particular. For example, ensuring embedding of the Masterplans and MMB/Commission Action Plans with the strategy formulation by the municipalities (based on program based budgeting) is recommended. This is already happening in many of the partner municipalities, but needs a more structured and systematic approach.

The JP has achieved important milestones, which have a good potential to improve the water supply for the residents of the selected municipalities.

The water supply masterplans developed within the JP have been very useful for the various levels of the government. For example, in FBiH a Water Management Strategy, has been elaborated, which has benefited from these studies: it has now passed a public hearing stage, has been endorsed by the Government of the Federation and the House of Representatives of the FBiH, and is expected to be adopted by the House of Peoples of FBiH. The strategy was prepared for a period of 12 years and includes planned institutional reforms, legal and regulatory measures, evaluation of investments for the water supply necessary to achieve planned objectives.

The Masterplans and water sector studies, based on comprehensive assessments that were carried out in each municipality have the potential to unlock the funding from IFIs for the pilot municipalities. Already, the program has managed to broker a number of potentially promising investment/loan projects (from EIB in particular). It is recommended to investigate cooperation opportunities with the regional development agencies (e.g. in terms of attracting funding)

In most of the partner municipalities water tariffs are still at below cost recovery level. They are proving to be reluctant to increase the tariffs drastically. The political contexts and populist/election related issues are indeed one of the reasons behind the fact that many of the municipalities do not pursue an elaborated plan of achieving cost recovery, including through setting tariffs at appropriate levels. Objectively however, this has to go hand-in hand with measures to reduce losses and attract investments, which take time. It is important the Joint Programme continues to advise the municipalities as well as works with the Water Department at MOFTER and other Government level institutions to develop guidelines for tariff setting and adopting benchmarks.

An area where the program could be improved is a more strategic and clear approach towards training of the water utility staff. In addition to experience sharing between the water utilities, which in itself is an innovative approach, but, potentially not sufficient, it is recommended that the need for a more systematic training is assessed and a training program developed based on this and desires of the potential trainees.

A Communication Strategy has been developed by the JP and will be implemented in the second phase. So far only a few activities related to public awareness campaigns have been implemented. In the Program Document stronger public awareness campaign were planned for an earlier stage, which had its rationale: to run in parallel with the activities under Outcome 1 on the inclusion of marginalized groups in participatory processes and mechanisms, so that to ensure that citizens' input is included in the decision-making process by water utilities and municipalities. In relation to the planned implementation of the mentioned Communications Strategy is recommended that an assessment of the impact that these measures have on the target population is carried out.

The program ensured active engagement of the residents in forming Participatory Action Groups (PAG), and establishing the Municipal Management Boards (MMBs), in identifying the vulnerable households in the respective communities as well as training of the MMBs to continue the work in the future.

MMBs are established in all target municipalities. In 6 out of 13 municipalities they are formalized by municipally decrees as formal Commissions as part of municipal governance. Despite the short time for preparation and realization of activities in the JP, most of the MMBs successfully realized planned tasks and embraced the concept of HRBAP methodology with the purpose of achieving best interests for children and adults. Assessments and situation analyses made in area of social and child protection, in many municipalities enable them to conduct qualitative and quantitative analysis about

the current situation in institutions and organizations which implement activities in the area of social protection of children and adults in local communities;

These MMBs/Commissions help to bring the voice of the residents and especially the poor and vulnerable into decision making with regards to both municipalities and water utilities. They are also important platforms to promote the accountability of operations of both municipalities and water utilities. One potential area for the improvement and future work is bringing in more clarity in terms of the role and status of MMBs. Since these were envisioned to be multisector bodies, it is recommended that the names of the Commissions reflect their multisector nature (rather than explicitly, in the names, link these to water sector): the same applies to the Action plans developed by the MMBs.

It will be important to support these Commissions in the work further. Also, there are municipalities which perform better than some others in terms of PAG activity: the latter need a more targeted support to catch up. It is recommended that the JP reviews the role of the MMBs/Commissions in each municipality helping to clarify their mandate vis-a-vis other potentially existing consultative platforms. This needs to be coordinated with various projects (including those of UNDP, but not only) on local governance development.

MMBs in all partner municipalities have already developed Action Plans, adopted by municipal councils, reflecting the needs of the vulnerable residents in the respective communities. Some priority activities were funded from the project budgets with small grants. MMBs have started developing strategies on how to assist the vulnerable with water sector issues (e.g. subventions from the municipality budgets, social tariffs by water utilities, etc). It is important to continue monitoring these developments.

Participatory Action Research Groups (PAR) were formed as part of UNICEF component: these involve schoolchildren in action research related to water supply. This was built upon with the UNESCO component, whereby they fundraise for small scale water projects, thereby also contributing to public awareness raising.

The concept of MMBs should ideally be imbedded in the laws. This is already happening in the Republic of Srpska, which is an important achievement: this should be followed through with for FBiH in cooperation with the UN and other initiatives in support of local governance development.

It is important to support also municipal councils (along with MMBs) to achieve improved oversight of service providers, as well as support increased vertical and horizontal accountability, through, for example a framework for service delivery standards. In this regard as a next step, the work with higher level of government could be deepened and intensified, e.g. it is recommended to work with sectoral (water) ministries to support their work with municipalities to develop/implement policies and strategies and set up/implement frameworks for sectoral standards and benchmarks and institutional arrangements to monitor, evaluate, and enforce these sector performance standards for municipal service delivery. And more work is needed at the higher government to lead to the replication of the project ideas by the governments- something that is considered as important also by the Spanish Government<sup>1</sup>.

Partner municipalities are better equipped now with a knowledge of the vulnerable households in their communities. This is a good start for the upcoming reform of the social assistance system in BiH: JP successfully cooperates with the World Bank, which is leading these efforts. Municipalities are also better equipped with the information databases (DevInfo) which help them in better decision making

<sup>1</sup> Based on the interview with the representative of the Embassy of Spain in BiH (member of PCM)

especially in the areas, which are of direct relevance to the poor and vulnerable. Information flows to the state bodies in charge of social assistance is taking place already in many of the target municipalities.

The JP contributed to the ongoing work by the Association of Municipalities, aimed at developing laws on communal services in the two entities. This needs to be continued, ensuring that the findings from the project are fed into the process. While the cooperation with the Association of Municipalities and the Association of Water Utilities has started, a more targeted and specific capacity building assistance/cooperation programme could be needed, for them to become effective vehicles for this and other efforts, and in particular for the replication of the successful management models developed under the JP.

The Program ensured active participation of women in the MMBs, along with addressing the problems which are of acute importance for women. Youth are being actively involved in forming PAG and PAR groups, promoting their engagement in solving of the community problems from an early age. This is a good investment to secure their future engagement as well.

The hands-on approach to project management was an essential part of the successes of the project so far. One potential area for improvement is developing a time bound planning tool for the project management with clear deadlines for each activity.

The JP is on the track of securing effective collaboration between institutional building, infrastructure works and social protection components, which would enable local ownership the project and its sustainability.

The program is in its mid way, and it effectively started with a 6 months lag as compared to its initial plan, since 6 months were needed for identification process of the partner municipalities- something not envisioned in the Project Document. Hence one can only speak about some tentative emerging best practices. Also, the MTR, as mentioned, and stipulated by the TOR was a fast pace exercise, while to make a convincing case of a best practice, one needs to conduct a thorough assessment – at least good case studies on specific issues. Learning, through, at least case studies was not part of the project design, as was mentioned, and this is another factor that makes making judgments about best practices brought about by the project at this stage is challenging and premature. Several elements of the project point to having a good potential to becoming emerging best practices, e.g.

- MMBs as consultative platforms at the municipalities, help to tackle identification and support of vulnerable in their communities, including with water supply while also bringing in accountability/information element to the operation of municipal water utilities. Whether this is sufficient to bring up lasting change at the water utilities needs to be seen;
- Water sector masterplans of the municipalities help to unlock funding sources for capital investment, as well as informing sectoral policy making for higher level governments;
- Equipping the municipalities with the tools and knowledge on the vulnerable households supports evidence based decision making at higher government levels and also serves as a good basis to start reforming the social assistance system in the country

The project highlighted the need of combining work with the municipalities with the support and advocacy at the higher levels of the government, to put the requirement for improved service delivery based on financial sustainability of municipal water utilities on a more sustainable footing

The JP is on track of contributing to the Millennium Development Goals (access to quality water supply, reducing, poverty, etc) at the local and national levels. However there is no sufficient

information as yet to make any judgement of the extent of this contribution of the JP to this goal: this will need to be a part of the end of the project evaluation.

The duration of the Programme is hardly sufficient to ensure a cycle that will support the sustainability of the interventions. In particular, close involvement with entity level sector ministries, and further support to the Water Department of Water at MOFTER, in line with the potential activities described above, will be needed to assure the long-term sustainability of project outcomes: this will require additional time and funding.

## 1. INTRODUCTION

### 1.1 BACKGROUND

#### *1.1.1. MDGF and UNDP/UNICEF JP on Securing Access to Water through Institutional Development and Infrastructure” in BiH*

In December 2006, the UNDP and the Government of Spain signed a major partnership agreement for the amount of €528 million with the aim of contributing to progress on the MDGs and other development goals through the United Nations System by funding innovative programmes that have an impact on the population and potential for replication. The Millennium Development Goals Achievement Fund (MDGF) operates through the UN teams in 49 countries, promoting increased coherence and effectiveness in development interventions through collaboration among UN agencies. The Fund uses a *joint* programme (JP) mode of intervention: the programs are viewed as a step towards UN reform and UN One and are also to contribute to enhanced national ownership of the MDGs achievement.

The “Securing Access to Water through Institutional Development and Infrastructure” joint UNDP and UNICEF project in Bosnia and Herzegovina (BiH hereafter) falls under the programmatic window of *Democratic Economic Governance (DEG)*. The programmes in this window are geared towards contributing to achieving Goal 7 of the MDGs, particularly the challenge of reducing the proportion of people without sustainable access to drinking water, with a primary focus on strengthening government capacity to handle water supply and quality, including poor population, in water planning and policy, and increasing financial investments in the water supply sector, while also supporting the governments at the national and local levels, civil society and community organizations and leaders.

The project in BiH was approved on November 18, 2008 with an initial budget of US\$ 4,450,000, which was revised later up to US\$4,600,000. The actual project start dates to 25 November 2009. The planned duration of the project is 3 years. The national partners include:

- BiH Ministry of Foreign Trade and Economic Relations (MOFTER);
- BiH Ministry of Civil Affairs (MCA);
- FBiH Ministry of Agriculture, Water Management and Forestry;
- Ministry of Agriculture, Forestry and Water Management of the Republic of Srpska;
- FBiH Ministry of Labor and Social Policy;
- Ministry of Health and Social Welfare of the Republic of Srpska;
- Civil society organisations (CSOs);
- 13 participating municipalities and 11 associated with these water utility (WU) companies. The participating municipalities in FBiH are: municipalities of Stolac, Neum, Gračanica, Kladanj, Bihać, Bosanski Petrovac. The participating municipalities in the RS are: the town Grad Istočno Sarajevo (municipalities Istočna Ilidža, Trnovo, Istočno Novo Sarajevo), and municipalities of Rudo, Višegrad, Petrovo and Petrovac-Drinić.

The Ministries of Social Welfare of RS and FBiH were included in the Project Management Committee (PMC) during the first phase of the implementation when it was realized that this would help to maximise the impact of the project.



**Figure 1** Map of Bosnia and Herzegovina



### *1.1.2. The Sector Performance and Problem Definition*

In BiH access to safe drinking water is worse than one might expect from a country on its way to EU membership. Only sixty percent<sup>2</sup> of the population is connected to public/municipal water utilities, well below the EU ninety percent average. Drinking water supply in terms of quantity and quality is only satisfactory in large urban areas. The situation in many rural areas, as well as some small cities is much worse: in some areas residents have to pay for private vendors high prices for the water delivered with tankers<sup>3</sup>. There are a number of problems, behind this situation, including the ones listed below.

<sup>2</sup> Project data based on the information from the relevant ministries

<sup>3</sup> SNV Netherlands Development Organisation (2010): “Access to safe Drinking Water in Bosnia and Herzegovina”, , Case Study 25, by Olivera Tanackovic

*a) Institutional deficiencies*

According to the EU Progress Report 2009, policy reform efforts have been negligible and structural rigidities continue to hamper the investment and business climate in BiH. The country’s complicated political and constitutional structure is a major hindrance to reform and good governance<sup>4</sup>.

While the overarching framework for decentralized service delivery is in place<sup>5</sup>, municipal performance is in need of further commercialization of water utility companies, and strengthening municipal financial capabilities through appropriate tariff decisions made in the municipal councils. Other concerns include: financial and regulatory oversight of the public enterprises from the municipal councils and upper-level government agencies to ensure adequate access, quality, reliability, and affordability of public services and to mitigate contingent liabilities<sup>6</sup>. Also, the municipalities have been lacking national level champions to advance municipal sector<sup>7</sup>.

Figure 2 describes the governance structure in the water sector. The two entities (FBiH and RS) and Brčko District are responsible for water sector management within their administrative borders. However, there are certain state-level institutions that are engaged in water issues. In particular, the Ministry of Foreign Trade and Economic Relations (MOFTER) is, among other things, responsible for defining basic principles, developing policy, coordinating activities, and harmonizing plans of the entity authorities and institutions in the agriculture, energy, environmental protection and natural resource, and tourism sectors. At the entity level:

- a) In FBiH the institutional organization in water sector is defined by FBiH Water Law
  - the Federal Ministry of Agriculture, Water Management and Forestry executes the administrative and professional tasks set out by the Federation’s laws in the field of agriculture, water management, forestry and veterinary issues;
  - the Federal Ministry of Health is responsible for ensuring the quality of drinking water;
  - the Federation also has water agencies for the Sava River Basin and the Adriatic Sea Basin, with jurisdiction over preparation of strategic planning and decisions for their respective districts;
  - 10 Cantons, Municipalities and cities are responsible for infrastructure, including water supply services
- b) In the Republic of Srpska, the Ministry of Agriculture, Water Management and Forestry is in charge of water issues, and conducts administrative and other professional work according to the RS Water Law (2006) with the assistance of its Directorate for Water. While the RS has also established water agencies for the Sava River Basin district and Adriatic Sea Basin district, they are not yet operational.

<sup>4</sup> <http://www.ebrd.com/pages/country/bosniaandherzegovina.shtml>

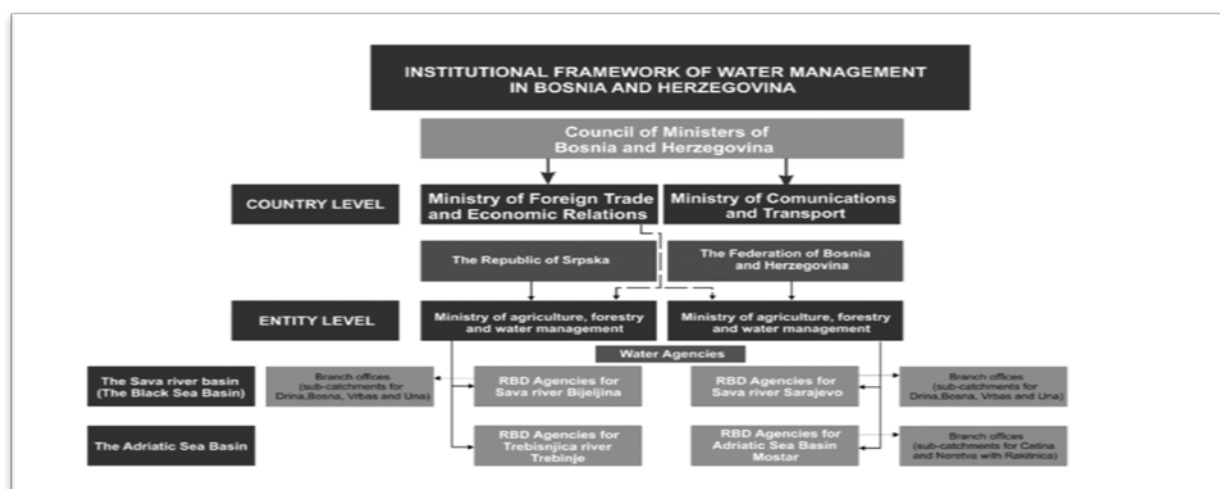
<sup>5</sup> The basic enabling environment for BH municipalities to provide better public services has been in place since the passage of a series of laws such as the Local Self-Governance law in both entities, the law on Revenue Allocations, the introduction of VAT, and the clarifications regarding rules for municipal borrowing. This has contributed to a more stable and autonomous source of revenues for municipalities. The recent Local Self-Governance Laws are a step toward strengthening local government discretionary space and accountability. But many challenges remain to fully implement the Local Self-Governance law and to harmonize sectoral legislation with the Local Self-Governance law

<sup>6</sup> WB (2009): “From Stability to Performance Local Governance and Service Delivery in Bosnia and Herzegovina”, Sustainable Development Department Europe and Central Asia Region (ECSSD)

<sup>7</sup> *ibid*



**Figure 2** Institutional Framework of Water Management in Bosnia And Herzegovina



Source: Country Sector Assessments, UNDP GoAL WaSH Programme. Governance, Advocacy and Leadership for Water, Sanitation and Hygiene Volume 1 Bosnia and Herzegovina, 2009

There are more than 130 water utilities in BiH. In medium and larger-sized municipalities, their responsibilities are often limited to water supply and sewerage service provision. In smaller municipalities, these companies are often responsible for a wider range of municipal services, including: solid waste management, water and sewerage, and other public services not necessarily related to the water sector.

All infrastructure sectors, including water supply, are hampered by the extremely limited role for commercially oriented players. The water utilities manage the physical assets on an agency basis on behalf of the owners and report to a management board appointed by the owners. While the utility companies are responsible for delivering water services, they act at the behest of their associated municipalities, who, along with government at higher-levels, are the duty-bearers.

- in the FBiH, the owners of the physical assets are the cantons and/or municipalities. Apart from a few cases where water utilities have undergone partial privatization, most are organized as public companies owned by municipalities, cantons (e.g. Sarajevo Water Utility – Federation of BiH) or cities (e.g. Mostar and Banja Luka);
- in the RS, the ownership structure is varied, with various stakes of the utilities held by the municipalities, the entity, and other investors, such as private stakeholders and pension funds.

Water tariffs in vast majority of cases are below cost recovery level and physical infrastructure is deteriorated. Although the water utility companies are subsidized by the municipalities, these subsidies are insufficient to cover losses and minimum maintenance capital expenditure requirements. The relationships between these two stakeholders are often strained, with the municipalities unsatisfied with the level of service delivery by the utilities, while the utilities feel that they do not receive the requisite support (financial and otherwise) from the municipalities. In most cases, tariff-setting is the jurisdiction of the municipality, thus there is a vested political interest in keeping rates low, which precludes the water utilities from charging an economically viable rate. Both utilities and municipalities face financial management and administrative capacity constraints:

- municipalities often lack the capacity to: (i) properly review water pricing proposals submitted by the utility companies; (ii) adequately target subsidies for water supply services, especially for vulnerable groups; and (iii) apply for financial support from higher level governments and donors for the reconstruction of the infrastructure.

- While most medium and large water utilities such as Sarajevo and Zenica have adequate levels of skilled employees and at least basic training and operational equipment, smaller water utilities are often faced with the weak organizational structure, lack of professional staff, low capacities in basic equipment for network mapping, accounting (hardware and software), as well as equipment for water systems (water meters at sources, water meters at end users, section valves, pumping stations, leak detection equipment).

#### *b) Local Governance and Service Delivery*

Municipal level is a promising platform to strengthen government responsiveness across a range of basic services that benefit both households and businesses because municipal governments enjoy strong political legitimacy among citizens<sup>8</sup>. Local service delivery outcomes are however currently extremely uneven across municipalities and sectors, access to services is poor, and overall user satisfaction is low.

- Municipalities lack resources to expand access to basic services. This is especially true for rural areas and among municipalities with low per capita revenues;
- Factors Influencing service delivery outcomes include<sup>9</sup> weak horizontal accountability<sup>10</sup>:
  - higher-governments’ monitoring and oversight roles are constrained by the lack of service performance standards and adequate systems for financial reporting, lack of monitoring and evaluation capacity, lack of adequate information on service delivery outcomes and effective channels for feedback. It is also difficult for the higher-level officials to generate evidence-based policy due to their own capacity deficiencies;
  - weak oversight on the part of municipal councils over service and public financial management (PFM) performance of the municipal administrations, including the governance and financial relationships between municipal companies and municipal government;
  - service providers lack incentives to improve their performance: they operate in an information vacuum, and despite operating under municipalities, are disconnected from the citizens. The current accountability structure isolates them from the feedback they need to improve performance, including feedback provided by an incentive system that rewards better performers. Municipalities, in turn, do not sufficiently involve representatives of the population in their decision making.
  - Residents do not have the necessary knowledge and information of the need to set a tariff which would cover companies’ costs, while at the same time assisting the poor and vulnerable to cope with the increasing costs. Given the lack of publicly available information on normative performance benchmarks, service users and citizens have limited ways to hold delivery providers accountable, and without channels to receive feedback, the delivery providers have scant information on what they need to do to improve user satisfaction (as above).
- The appropriate mechanisms of identifying and addressing the poor and vulnerable are lacking.

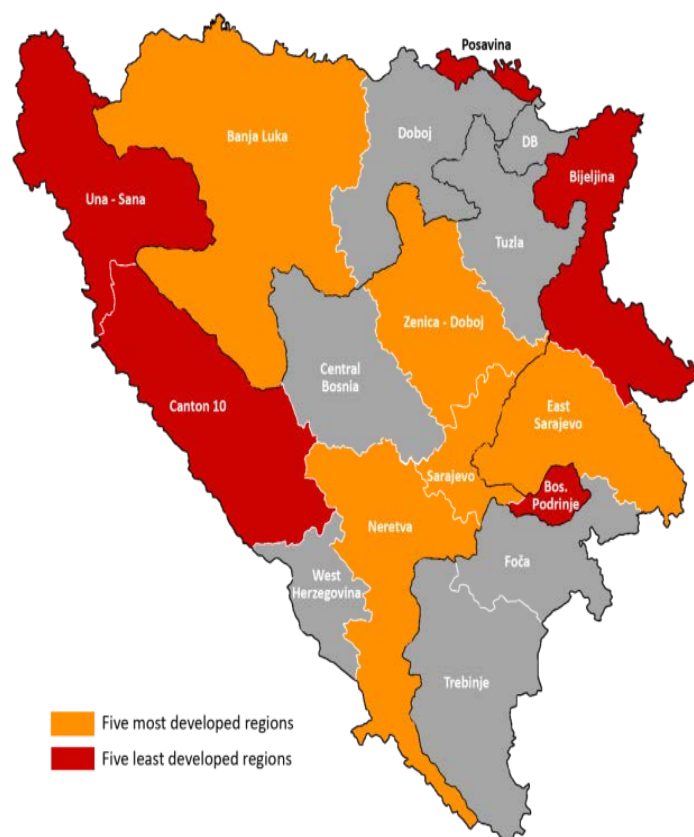
<sup>8</sup> WB (2009): “From Stability to Performance Local Governance and Service Delivery in Bosnia and Herzegovina”, Sustainable Development Department Europe and Central Asia Region (ECSSD)

<sup>9</sup> *ibid*

<sup>10</sup> Horizontal accountability includes state-to-state relationships either at the same level-municipal council and municipal administration-or across tiers of government

### c) Poverty and social exclusion

**Figure 3 Unequal regional development in BiH**



Source: UNDP BiH (2010): “Regional Disparities in BiH: Main Findings”.

The poverty headcount rate is estimated in the 2007 Household Budget Survey (HBS) at about 18 percent of the population (*with the transfers* counted in total consumption)<sup>11</sup>. Around 16 percent are below absolute poverty line (25 percent of children). Large proportion of the population subsists around the general poverty line, giving rise to a very sizeable proportion of the population who are constantly at risk. There are however, large regional differences in poverty<sup>12</sup>. Although in aggregate human development terms Bosnia and Herzegovina is progressing well, social exclusion and poverty are pressing problems, with increasing inequalities of income, education and health outcomes. Among the most vulnerable are the elderly, persons with disabilities, displaced persons, Roma, families with two or more children, unemployed and low-skilled youth. Women are at particular risk in all categories<sup>13</sup>.

With 4 percent of GDP allocated to non-insurance cash transfers, BiH is one of the highest spenders in the Europe and Central Asia (ECA) region in this sector<sup>14</sup>. Despite significant fiscal outlays on non-insurance cash transfers, their coverage of the poor is low; and, in aggregate, they tend to be regressive in nature<sup>15</sup>.

The current system of social assistance is mostly “rights-

<sup>11</sup> Project Appraisal Document on a Proposed Credit in the amount of SDR 9.60 million (\$15.0 million equivalent) to Bosnia and Herzegovina for a Social Safety Nets and Employment Support Project, January 29, 2010,

<sup>12</sup> UNDP BiH (2010): “Regional Disparities in BiH: Main Findings”.

<sup>13</sup> <http://www.undp.ba/index.aspx?PID=25&RID=26>

<sup>14</sup> By comparison, the regional countries’ expenditure average is 1.6 percent of GDP, and the Organization for Economic Co-operation and Development (OECD) nations’ average is 2.5 percent.

<sup>15</sup> In terms of coverage, about 15 percent of those in the bottom quintile report receiving veteran or civilian benefits. In terms of targeting accuracy, benefits are generally regressive since those in the poorest quintile receive only 18 percent of total non-insurance social protection cash transfers in BiH - a smaller proportion than their share of the total population of BiH. In contrast, a higher share (over 23 percent) of these benefits goes to those in the richest quintile.

## 1.2 OBJETIVES OF THE JOINT PROGRAM

The objectives of this Joint Programme (JP) are to contribute to the:

- 1) strengthening inclusion of citizens in the participative municipal governance of water access;
- 2) improving economic governance in water utility companies for better services to citizens in targeted municipalities; and
- 3) strengthening the capacity of the government for evidence-based policy making and resource planning for equitable water related service provision.

While the JP aims to address these issues described above, by supporting the water utilities, municipalities, and higher level government, *another* major component of the programme is *a set of activities to ensure quality participation of citizens in the decision-making process for Water Sector issues affecting their communities*. This component was planned to serve three main purposes:

- a. to give citizens a forum through which they can directly influence decisions that affect their communities and their lives;
- b. to provide valuable information to duty-bearers and service providers regarding the needs and priorities of the rights-holders, contributing to the increased efficiency and efficacy of water sector interventions; and
- c. to provide a forum through which duty-bearers and service providers can deliver important information to citizens.

From the Project Document, the importance of engaging citizens in the decision-making process was seen in particular regarding:

- the feedback about the affordability of tariffs: input received by the municipalities from the engagement of citizens’ groups in the proposed participatory processes was expected to improve municipalities’ ability to target these vulnerable groups, and thereby improve the effectiveness of the social mitigation measures while reducing costs;
- the opportunity to educate the citizens about the importance of the proposed tariff restructuring, thereby increasing support for such measures at the grassroots level and improving the likelihood of acceptance.

## 1.3 PURPOSE OF THE EVALUATION

This mid-term review (MTR) is aimed to be highly formative in nature and was sought to:

- improve the implementation of the JP during their second phase of implementation;
- generate knowledge, identifying best practices and lessons learned that could be transferred to other programmes.

It is expected that the conclusions and recommendations generated by this evaluation will be addressed to its main users: the Programme Management Committee (PMC), the National Steering Committee (NSC) and the Secretariat of the Fund. As stipulated in the TOR (see Annex 4), the MTR is based on an expedited process of a fast-paced but systematic analysis of the design, process, results and trends of the JP, in line with the questions identified in the TOR. This MTR has the following *specific objectives*:

- to discover the programme’s *design quality, internal coherence* (needs and problems it seeks to solve) *and external coherence* with the UNDAF, the national development strategies and

the MDGs, and find out *the degree of national ownership as defined by the Paris Declaration and the Accra Agenda for Action*;

- to understand *how the JP operates* and *assess the efficiency of its management model in planning, coordinating, managing and executing resources allocated for its implementation*, through an analysis of its procedures and institutional mechanisms, and with that, to uncover the factors for success and limitations in inter-agency tasks within the *One UN framework*;
- to identify the programme’s *degree of effectiveness, its contribution to the objectives of the Economic Governance thematic window*, and the MDGs at the local and country levels.

## 1.4 METHODOLOGY USED IN THE EVALUATION

The unit of analysis (object of study) for this MTR is the joint programme (JP), understood to be the set of components, outcomes, outputs, activities and inputs that were detailed in the Project Document (PD hereafter) and in associated modifications made during implementation. The evaluation follows closely the questions identified in the TOR and is in line with OECD Development Assistance Committee (DAC) evaluation criteria of: relevance, effectiveness, efficiency, sustainability and impact. It also took into account the availability of resources and the priorities of stakeholders.

**Table 1** Evaluation Criteria and Methodology

Evaluation Criteria	Methodology/sources
<b>Relevance:</b>	
<b>relevance of the project idea</b>	Desk study of both project background documents, papers from UN agencies (UNDAF, NHDR, CCA) as well as third part reports. Interviews with the national stakeholders and IFIs
<b>relevance of the project design</b>	
<b>Outputs and Efficiency:</b>	
<b>Efficiency of the JP</b>	Comparative review of the results against the planned activities/timeframes and budgets. Assessment of the quality of the deliverables (e.g. reports, training, etc)
<b>Efficiency of the program management model (JP vs. single agency)</b>	Desk study of both project background documents Interviews and focus groups with project beneficiaries, as well as national stakeholders
<b>Outcomes</b>	Comparative review of the outcome indicators from the PD and assessment of the extent of their achievement based on interviews and focus groups with project beneficiaries, as well as national and international stakeholders
<b>Potential for Impact</b>	Too early to judge about the impact of the project, hence what would be assessed- is the potential for impact- based on a comparative review of the impact indicators from the PD and assessment of the extent/likelihood of their achievement using interviews and focus groups with project beneficiaries, as well as national and international stakeholders
<b>Sustainability</b>	
<b>Sustainability design</b>	Too early to just about the sustainability per se. The MTR addresses how well is the design of the project address the sustainability issues (programmatic, financial and technical sustainability, and at different levels of governance). Risk analysis with regards to sustainability. See Annex 2 for the framework for sustainability analysis, based on project documents’ review, interviews and focus groups with project beneficiaries, as well as national and international stakeholders
<b>Threats to sustainability/risk analysis</b>	
<b>Potential for replication</b>	Too early to just about the replication per se. The MTR addresses how

Evaluation Criteria	Methodology/sources
<b>Design for replication</b> <b>Risk analysis for replication</b>	well is the design of the project address the replication/scaling up issues Risk analysis with regards to the potential of replication. The analysis is based on Project documents’ review, interviews and focus groups with project beneficiaries, as well as national and international stakeholders

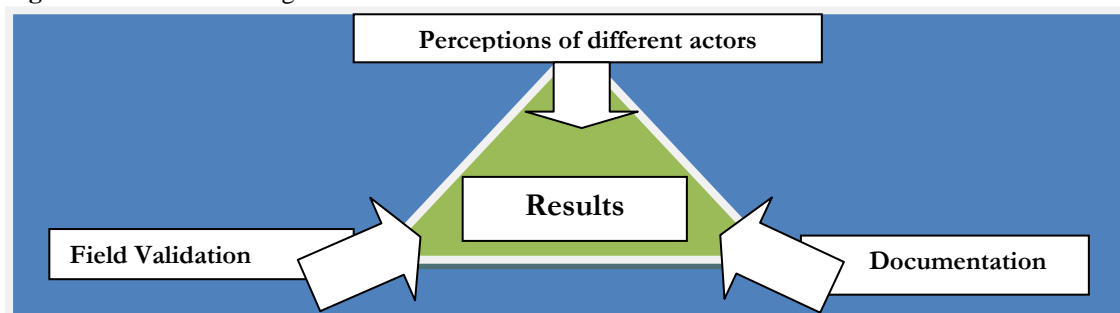
The methodology of the MTR comprised:

- **Desk review:** including, but not limited to annual reports, programme documents, internal review reports, programme files, strategic country development documents, third party documents, any other documents that provided evidence on which to form opinions;
- **Key Informant Interviews (KII):** see Annex 2 for the semi-structured interview guide;
- **Fogus Group Discussions (FGD):** with Municpal Managment Boards.

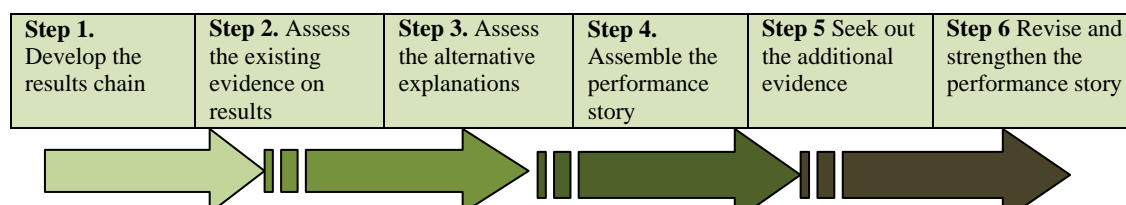
4 program sites were visted, namely: Gračanica, Istočno Sarajevo, Stolac, and Neum. During these site visits meetings were held with the representatives of municipalites, water companies, and Municipal Management Boards (MMBs). In Gračanica a FGD was condctued with MMB members. Mini-case studies for these 4 visits are presented in the Boxes in this report.

**Traingulation** was used to verify the information gathered from the docuemnt review, interviews and the site vists. It involves developing the reliability of the findings through multiple data sources of information (see Figure 4), bringing as much evidence as possible into play from different perspectives in the assessment of hypotheses and assumptions. In the assessments of the outcomes attempt was made to attribute the results to the project when feasible to the JP: when not feasible, **contribution analysis** was used, which is presented schematically below, in Figure 5

**Figure 4** Method of Triangulation



**Figure 5:** Steps in Contribution Analysis



Adapted from: John Mayne, “Addressing Attribution Through Contribution Analysis: Using Performance Measures Sensibly”, *The Canadian Journal of Program Evaluation* Vol. 16 No. 1 Canadian Evaluation Society, 2001

The report concludes with **Recommendations**, which could potentially be taken on board for the remaining duration of the project (as well as for the follow up project if such a project is to happen) to improve the performance along all the evaluation criteria.



## 1.5 CONSTRAINTS AND LIMITATIONS ON THE STUDY CONDUCTED

A comprehensive and independent survey and verification of the achievements of the project was not feasible across all the water utilities/municipalities-beneficiaries of the program. As a risk management strategy, it was ensured however that the site visits cover both the best performers and the weakest/problematic ones.

## 2. DESCRIPTION OF INTERVENTIONS CARRIED OUT

### 2.1 INITIAL CONCEPT

The strategies that, according to the PD were to achieve the JP’s three outcomes, are described below

*Outcome 1; Strengthened inclusion of citizens in the participative municipal governance of water access*

Outcome 1 has a Human Rights Based Approach (HRBA) at its center focusing on the access of the excluded and vulnerable to improved social and utility services<sup>16</sup>. Participation and influence in decision-making processes within local governance systems by the population in general, and vulnerable and excluded groups in particular, were expected to be improved. The application of participatory methods that have proven to be successful in other contexts were now to be applied to a new context (the water sector): this was considered to be the innovative aspect of the programme. A three-tiered approach was envisioned to this end.

- Strengthening citizens’ capacities and skills to influence decision-making processes as they relate to water supply regulation, coupled with: strengthening of corresponding mitigation measures; mapping and assessing the efficiency of the existing participatory mechanisms; organizing vulnerable communities and groups into permanent participatory action groups (PAGs); ensuring networking of the community PAGs in different municipalities via exchange of information and feedback presentations on community action plans and impact assessment research.
- To address weaknesses within the existing participatory mechanisms, the skills and capacities of the municipal administrations to support participation of citizens, particularly the vulnerable and excluded, was planned to be increased through training on a HRBA to policy and programme development via forums and interactive events, involving all stakeholders. This was ultimately to result in changing attitudes of municipal governments and citizens in relation to development and implementation of municipal programmes in the public interest, creation of standards and the formalisation of communication channels among municipalities, water companies, CSOs and citizens.
- Additional opportunities to ensure participation of larger numbers of vulnerable and excluded groups in planning of water regulation and social protection were to be ensured through action-research methodology applied within the Child Rights/Social Impact Assessment qualitative and quantitative methodologies - to solicit continued flow of information on coping mechanisms, impact of policy decisions and potential solutions, with a special focus on the inclusion of children and the social protection institutions servicing vulnerable populations. In particular, PAR (Participatory Action Research) groups of children were to be

<sup>16</sup> Social inclusion as a concept recognizes the multidimensional nature of poverty. A two sided, cause and effect relationship exists between exclusion and poverty. Within the human rights based approach, social exclusion represents a form of denial of human rights. In the context of this joint programme, the rights-holders are citizens, who all have a right to access quality-checked water on a continuous basis.

formed and strengthened. Municipal governance mechanisms were expected to be improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues effecting access to water: MMBs were to receive training and coaching by UNICEF.

***Outcome 2; Improved economic governance in water utility companies for better services to citizens in targeted municipalities***

This outcome was intended to improve the financial management capacities of water utilities to achieve financial sustainability, identify infrastructure investment priorities through participatory processes, develop and implement infrastructure investment plans, and improve capacities at the local level for stronger service delivery quality control. Through this programme, assistance was planned for improving (a) their accounting, budgeting, financial analysis, and strategic planning capacities; and (b) their fee collection capacities by development of a modern billing system based on consumption and an improved control system to identify and measure leakages in the network. Additionally, a comparative financial analysis of the participating water utilities was planned to identify their major financial problems, and inform policy-making.

Attention was also to be placed on changing the attitude of citizens with regard to payment of water bills, through public campaigns - to inform citizens about the challenges faced by their water utility companies, the need to introduce new water pricing, the importance of fee collection and the potential measures that the municipal and entity authorities can introduce to support low income and vulnerable families.

To encourage participation in the capacity building activities, a Fund was to be set up to finance capital expenditures in network reconstruction for participating municipalities/utility companies<sup>17</sup> coupled with a training sessions were to be held to educate water utility and municipality representatives on the application procedures for this and other funds.

Many households that are not connected to the main water supply systems are supplied through small village water supply systems or individual wells/springs that do not use proper quality control mechanisms. In the interest of reducing this contamination/health risk, the programme plan was to educate residents of isolated communities about the importance of water quality testing and by expanding water testing service provision to cover such areas. To this end, respective local community councils were to be identified and supported with capacity development initiatives.

***Outcome 3: Strengthened capacity of governments for evidence-based policy making and resource planning for equitable water related service provision***

This outcome was to contribute to the increased capacities of policy and decision-makers at the municipal, cantonal, entity and state levels to develop evidence-based policies and resource plans for the development and regulation of the water supply, to enable the relevant government officials at different levels to select appropriate social protection and mitigation measures to respond to rights and needs of vulnerable populations, particularly in the context of anticipated increases in water tariffs. Three -pronged approach was planned:

- To increase the capacities of municipal authorities to apply HRB and evidence –based approaches to social protection and water supply regulation, also benefiting from the

<sup>17</sup> 1 million USD was projected, but the estimated needed amount is about 4.5 Million Euro



participation mechanisms established at municipal level. The municipalities were thus to be enabled to undertake research and needs assessments in order to take a systematic approach to long-term planning, budgeting and monitoring of water regulation and social protection measures and to be able to solicit support and funding from the accountable policy and budget institutions at higher levels.

- The members of the MMBs were expected to share lessons learned and know-how with peer municipalities, utility associations, social protection authorities, and advisory bodies in order to ensure a more unified system of water utility management and social protection targeting, and hence- to strengthen their partnerships with upper-level authorities.
- To improve the capacities of the entity and state-level policy makers to develop evidence-based policies by availability of analysis, qualitative and quantitative data on water utilities and social protection obtained through municipal mapping and the Child Rights/Social Impact Assessments and creation of a national database to begin the process of mapping available data on social and economic development indicators.

Outcome 3 was expected to directly contribute to the evaluation of the current BiH Medium Term Development Strategy (MTDS) measures and to provide evidence in support of development and monitoring of the National Development and Social Inclusion Strategies

### Cross cutting issues

#### *Gender*

To address this key development challenges, women’s representation in each community’s participatory mechanisms was to be made mandatory. Additionally, the research on the impact of the regulation of water utilities on households was to focus, among other variables, on the gender dimension of the economic burden on households, including the variations in coping strategies and their impact on both men and women so as to ensure that sufficient evidence is gathered to adequately plan programmes at the community and policy levels. The objectives were threefold:

- making a contribution to the empowerment of women, and therefore making progress toward the achievement of MDG #3,
- developing women’s understanding of how, and capacity to, impact political processes in general, and thus improving their lot and that of their families regarding other multi-dimensional poverty issues beyond the water sector, and
- increasing the ability of water utility companies and their associated municipalities to provide improved water services to the rights-holders and, for the latter, to design social protection and mitigation measures that can ensure the equal status of women and girls in households.

#### *Engaging Youth and better social protection of vulnerable young*

The JP planned to address the plight of young vulnerable adults in both direct and indirect ways:

- by including community youth group representatives in MMBs, thereby directly engaging them and giving them a voice in water sector decision-making processes;
- by addressing the needs of the vulnerable young people through the social protection component of the programme.

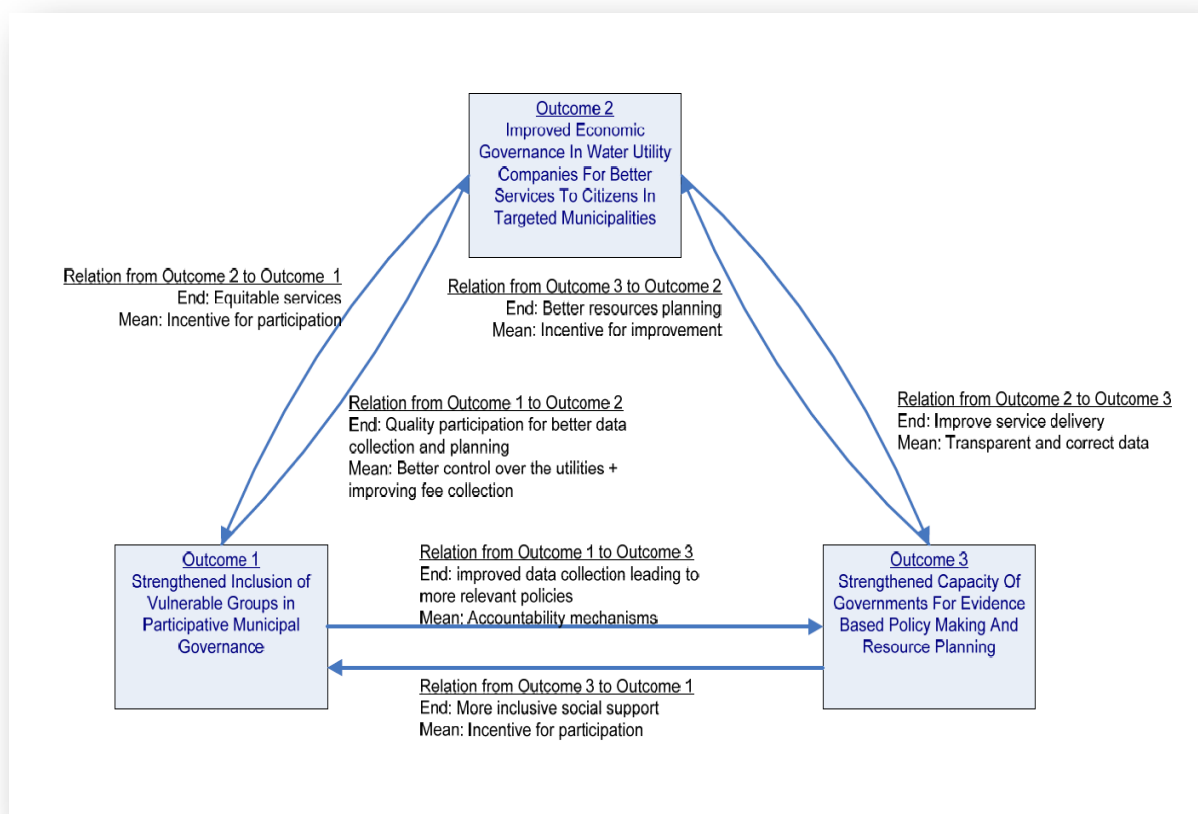
## Sustainability concept

Sustainability was to be ensured through a combination of several concepts in place, discussed in Section 3.3.5

## 2.2 HYPOTHESIS OF CHANGE IN THE PROGRAMME

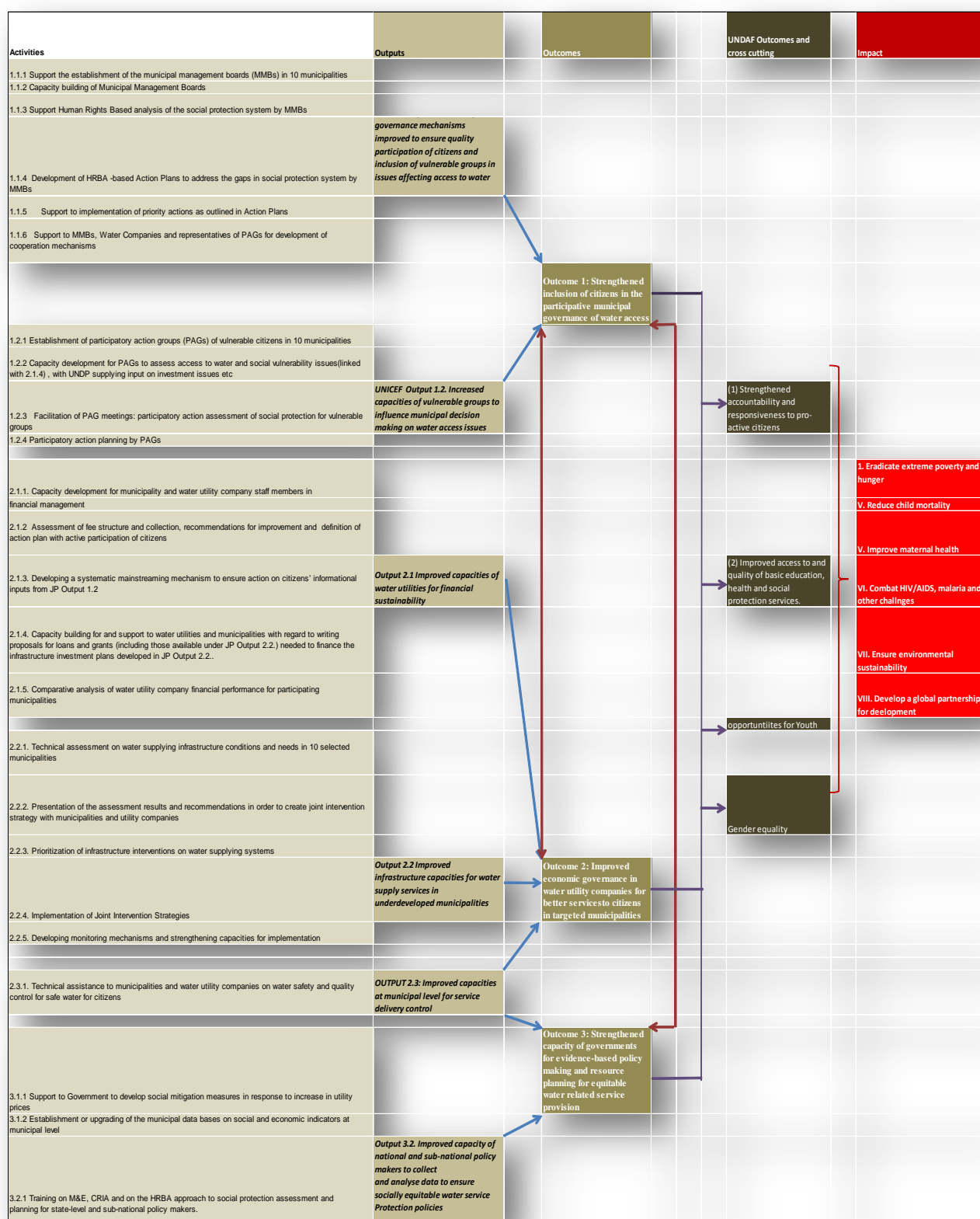
We start by understanding project's results chain. Figure 6 describes the vision of the Project related to Outcome Linkages (from the PD, Annex 3). Then in Figure 7, we present the (reconstructed) results chain for the project.

**Figure 6** Vision of the project of Outcome Linkages



Source: PD

Figure 7 Results chain



From here we derive the hypotheses which were tested through the interviews in the field:

- Communities respond actively towards forming PAGs, with wide representation;
- Municipalities embrace the MMB concept;
- MMBs are effective as vehicles for multisector approach for resolving problems of water supply;
- Municipalities, having more data and information about the vulnerable households, use it for analysis and in their day-to-day functions;
- Central government capacity for evidence based decision making improves;
- Utilities improve their knowledge and capacity and are better able to sustain infrastructure improvement by their own or other means;
- Utilities are open to receive feedback from the residents and willing to provide adequate information to them regarding service delivery with the aim to improve it;
- The municipalities are on track of gradually increasing water tariffs to reach cost recovery levels while implementing measures to reduce losses and support the vulnerable against increases expenses;
- The governance of municipalities improves as a result of having the MMBs;
- Improved multi sector governance of municipalities leads to improved water supply;
- Tariffs move towards costs recovery;
- Population is more informed about water safety issues;
- Water safety/quality issues are addressed more explicitly by water companies;
- Cooperation among MMBs and water utilities improves;
- Higher level governments (canton, entity, state) demonstrate interest and ownership in adopting measured and policies to sustain and scale up project outcomes;
- Residents are more informed about the need to pay higher tariffs for water supply and about the importance of regular payments of bills and this knowledge translates into behaviour change

### 3. LEVELS OF ANALYSIS: EVALUATION CRITERIA AND QUESTIONS

#### 3.1. DESIGN LEVEL

##### 3.1.1. *Relevance*

##### 3.1.1.1. *Relevance of the project*

The project addresses a very relevant problem for BiH, as described in Section 1.1.2. These problems are believed to be barriers for achieving several Millennium Development Goals<sup>18</sup> and represent an area in which the BiH Government is experiencing challenges in meeting its commitments under

<sup>18</sup> Specifically, MDGs 1,4,5,6 and 7

international conventions. The objectives and strategies of the JP respond to national and regional plans and programmes, identified needs, and to the operational context of national politics, and more specifically MTDS, the National Development and Social Inclusion Strategies and EU Stabilization and Association Process (SAP). By the very fact that the JP works at the municipality level, it addresses the local needs as pertinent to particular localities (e.g. through Masterplans, Action Plans of the MMBs, small scale projects, etc).

The programme started during 2009 which was the year of the new UNDAF programming cycle for UN agencies in BiH. The project is directly contributing to the several UNDAF Outcomes:

1. By 2014, Government with participation of CSO implements practices for more transparent and accountable governances and meets the requirements of the EU accession process;
2. By 2014, Government develops and implements policies and practices to ensure inclusive and quality health, education, housing and social protection, and employment services;
3. By 2014, Governments meets requirements of EU accession process and multilateral environment agreements (MEA), adopts environments as a cross-cutting.

The JP is also in line with UNDP Country Strategy (relevant for all the pillars: under Democratic Governance, Social Inclusion, Human Security and Environment): CPAP 2010-2014, and CPD 2010-2014. It is also in line with UNICEF Country Programme 2010 – 2014.

### *3.1.1.2. Relevance of the Project design*

The design of the JP is overall clear and articulates well the problems that it aims to address with their respective causes. While a few issues are mentioned below, it should be remembered that the project document has been prepared three years ago and in the meantime, certain changes have taken place at the global level that influenced the project, e.g. global financial crisis, which affected social welfare of the population and the financial standing of municipalities. Some of the issues are however not time-sensitive.

#### *a) Selection of municipalities*

At the Inception stage of the project, it was decided to select more than 10 (initially planned) locations for JP implementation. The choice to propose 13 municipalities and 11 respective water utility companies was supported by government partners. With the PMC approval, it was decided to abandon the originally envisaged public call to municipalities to apply with expression of interest to participate in the project (to avoid self-selection) and to opt for a semi structured process where all stakeholders and PMC members would list existing priorities, verified during the last few years, as a basis for further evaluation (50 municipalities were long-listed at this stage) followed by an evaluation at the PMC meeting, along the following lines: comparison of the programme priorities with other similar existing programmes and initiatives from the past in the given municipalities; comparison of priorities against the socio-economic aspect of the programme, focusing on municipalities with documented record of socially excluded groups, returnees and IDPs, and with poverty data indicating general exclusion of the respective municipality. As a result a shortlist of 22 municipalities was formed followed by field visits and detailed assessments<sup>19</sup> in spring 2010 by the JP team (guided by a questionnaire) in the attendance of municipality and water utility representatives. Evaluation consisted of on the spot verification of candidate municipalities' fulfillment of the obligatory criteria, namely:

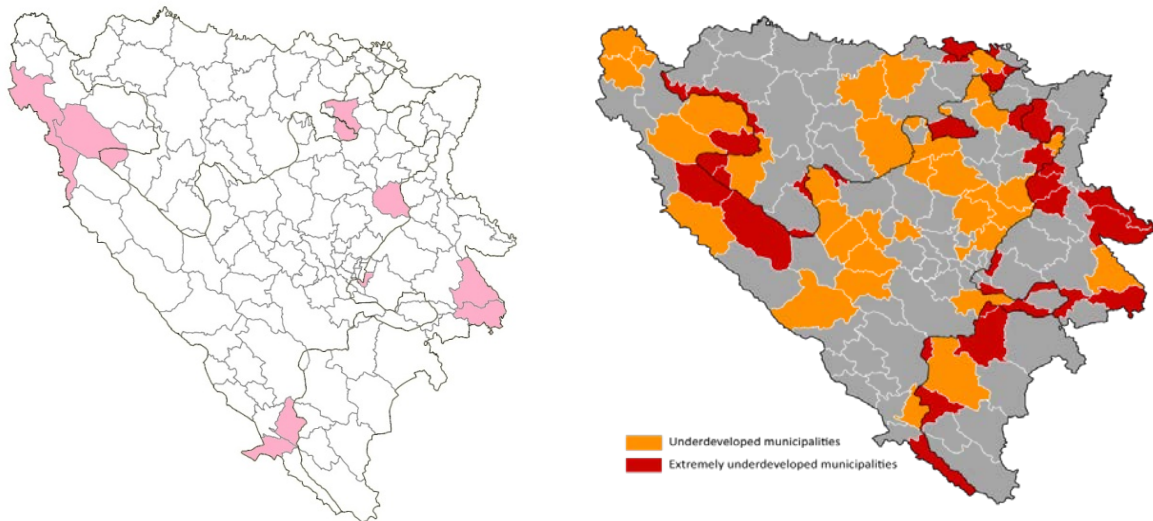
- Strong interest in the involvement in the programme;
- Commitment to co-finance programme activities;

<sup>19</sup>Bihać, Bosanski Petrovac, Čajniče, Goražde, Gračanica, Grude, Grad Istočno Sarajevo, Kladanj, Livno, Neum, Petrovac/Drinić, Petrovo, Prnjavor, Ribnik, Rudo, Srbac, Srebrenik, Stolac, Široki Brijeg, Trebinje, Višegrad i Zenica..

- Existence of priority projects within water supply sector;
- Socio-economic indicators.

The final selection of municipalities represents a mix of well developed ones and weaker ones, as shown in Figure 8. Given the “demonstrative” nature of the JP this approach seems to be justified.

**Figure 8** Partner municipalities and their development status



Source: PD (left) and UNDP BiH (2010): “Regional Disparities in BiH: Main Findings”.

The selection thus strived to ensure optimum project impact, territorial and entity balance among the municipalities by:

- Ensuring a mixture of municipalities of different size, type and capacities relevant for the delivery of programme objectives, taking into account geographical and demographic characteristics;
- Creating geographic units (clusters) of municipalities in preparation of inter-municipal, inter-entity and international cooperation;
- Possibility of building on the achievements of municipalities which participate in other three MDGF programmes in BiH;
- Participation of municipalities from both entities;
- Potential of a broader impact on improved social participation and inclusion of citizens.

#### *b) Tariff increases*

It could be inferred from the PD (although not stated explicitly) that it was expected that the municipalities will increase water tariffs rather quickly to reach cost –recovery levels. Obviously, this was not going to be the case, given the political realities, but also for objective reasons: this has to happen parallel to reducing losses, and other measures. [It is important to monitor the developments and work with municipalities in the regard, however].

#### *c) The vision for the role of the MMBs*



MMBs were supposed to be established to address water sector issues, but then to expand and serve other purposes as well, becoming formal structures of the municipalities with multisectoral mandate. As would be discussed in later in the report, a clearer vision of this transition in the PD could have potentially allowed avoiding some of the confusions that were present at the time of the MTR

Some of the interviewees were concerned that the project looks like a merger of 2 separate projects: one –for water supply and one- for social assistance. A clearer vision of the interlinkages between the two components in the PD could have helped at the design stage. .

Our interviews, including with UNDP staff indicate that creation of multiple “consultative” forums in a given municipality takes place sometimes in an uncoordinated manner and results in a loss of effectiveness of the assistance (this was an opinion about the efforts of international technical assistance projects in general, and not specifically related to this project). Of course it is up to a given municipality to decide whether it wants to have one formalized consultative forum/platform (possibly with various working groups including one on water supply), or various formalized consultative forums: however, a more structured approach to this would have benefited the project both in the sense of a better structural reform in a given municipality, and in the context of coordinating this activity with various projects (including those of UNDP, but not only) on local governance development.

#### *d) Monitoring, Evaluation and Learning*

The original M&E framework of the project was too extensive and, with the help of the M&E adviser (see Section 3.3.4) it was somewhat simplified. It is still extensive however, with a long list of output indicators, perhaps at the expense of indicators that would capture sustainability, replication, and longer term outcomes.

The household survey component (by UNICEF), was planned to, *inter alia*, capture the effects of the tariff increases on households. As a result, when it was realized that the original expectations are not going to be met, and tariffs are not going to be increased rapidly, the concept of the household survey had to change as well (and it took time).

Given the “demonstration/testing” nature of the JP, it would have benefitted from a more elaborate agenda for learning. Several Learning questions could have been identified and a learning program built around these emerging “water supply management models” and other issues (see Recommendations). For example, during the interview, the Program Manager (PM hereafter) listed several areas of emerging learning/important approaches that are being tested, including:

- 1) Inter municipal cooperation (IMC). While Istočno Sarajevo is not a true IMC, a case study here (where one WU serves 3 municipalities) could be useful to understand the factors which hinder the opportunities for a wider promotion of IMC concept with regards to water supply in BiH. This could be conducted with UNDP’s Integrated Local Development Project (ILDPP), especially given that ILDP has already looked at the constraints of IMC in BiH in general.
- 2) “Villages-city” connections case

Broader topics for capturing emergent learning could already be identified and probed into with case studies to generate valuable learning (see Recommendations)

No robust system was envisioned to be put place for monitoring changes at partner water utilities resulting from project assistance. Also lacking was a plan to assess the changes in knowledge, attitudes and practices (KAP) of residence as a result of the planned public awareness campaigns (see Section 3.2.4).

It would have been ideal if these learning needs were identified at the design stage and appropriately budgeted. However, even within the approved budget it could be well possible to allocate some resources for at least the case studies (see Recommendations).

*e) Timeline*

The PD has a quarterly plan of activities for the first year only, and not for the remaining 2 years. There was no timeline of activities as a program management tool either at the time when MTR was conducted, which made it difficult to objectively assess the exact type/specification of activities, and whether these have been implemented in time or not, or the extent of preparedness to do so in the coming years. It is suggested that such a management tool is developed.

During the development of the JP, in the Annual workplan for the first year, the process of selection of municipalities was not envisaged at all. This caused the programme to delay certain activities since the process of selection of municipalities had to be an initial activity and a precondition for any further engagement at the local level. The process lasted for almost 6 months.

*f) Gender*

Through its social component, the JP ensured mandatory inclusion of women in MMBs. Plus, SFPs and MMB Action Plans specifically address easing the burden on women through a variety of measures including those related to water supply.

### *3.1.2. Innovations*

The project has been innovative to handle and respond to the obstacles, arising from the political and socio-cultural background. A few examples are provided below:

- The programme advocated for more solid structure for water related policies at the central government level resulting in the establishment of the Department for Water in key stakeholder Ministry of Foreign Trade and Economic Relations (MOFTER). It is expected that Department for Water becomes a hub for the main directions of water supply sector reform in the country, setting up important guidelines and coordinating the support efforts of multilateral and bilateral technical assistance and funding related to water supply.
- During the implementation of the JP several new potential partnerships were identified with the aim to maximise its impact in the field.
  - **GoAL WaSH** activity is implemented in cooperation with UNESCO. The UNDP and UNESCO signed an agreement to jointly implement a small sub-project (150.000 USD as a grant from Goal WASH: no co-funding from UNESCO, but utilizing UNESCO material and methodology developed during the ‘Water for Life’ campaign). The Goal WaSH component was presented in each programme municipality targeting primary schools. The booklets from the campaign ‘Water for Life’ are adapted to the GoAL WaSH and MDGF DEG principles: the booklets are distributed widely in all schools in BiH, and are now officially recognised as part of the school curriculum by the entity level ministries of education. The small scale projects related to water supply are implemented with Participatory Action research (PAR) Groups which were formed and supported by UNICEF. Also UNICEF has (a) trained the PAR Group facilitators who prepared proposals for these small projects;



and (b) helped the PAR Groups to prepare Long term action plans which serve as basis for these small scale project proposals.

- **UNDP Regional programme – Ustikolina municipality:** during the development of the UNDP regional initiatives in BiH the Ustikolina municipality was identified as urgently needing improvement in its water supply, particularly in the settlements of Filipovici (70 households who stayed without water during the summer of 2010). The intervention was prompt resulting in cost sharing agreement with the municipality and procurement of the necessary equipment for reconstruction of the new water supply system.
- **Potential Cooperation with EIB (European Investment Bank).** The program management initiated cooperation with EIB. JP investments in technical documentation are an important step with a potential to unlock the credit potential from the EIB (€120 million) for partner municipalities: this is particularly important for the medium sized water utilities, for which access to this funding would have been more difficult without the JP support.
- **Inter municipal cooperation (IMC)/scaling up water supply systems.** The small size of many of the water utilities creates diseconomies of scale. Merging of several small water utilities in neighbouring municipalities or IMCs are a few of the potential ways to overcome the problem. This is rather complicated in BiH (as well as in most countries in the region), as noted during the interview with the Head of the Water Sector Management Department of the Ministry of Water and Forestry of the FBiH. The importance of this issue was recognized by the JP and reflected in the selection of municipalities (through the inclusion of Istočno Sarajevo). The idea was not taken to the next level as yet: it would be important to analyse the problems that hinder emergence of more of such cases (see Recommendations).
- **PMC membership:** during the first phase of the implementation of the programme it was realized that the PMC should be expanded to include Ministries of Social Welfare of RS and FBiH in order to maximise the impact of the programme on the poor and vulnerable and to ensure the alignment of the project activities with the social assistance reform process in the country. This was accordingly accomplished<sup>20</sup>.

### 3.1.3. Role of MDF\_F Secretariat

MDGF Secretariat contributed to the design of the JP, but not extensively, according to the interviews with the PM: the contribution was mostly in the form of consultations and clarifications.

### 3.1.4. National Ownership at the design stage of the JP

The social agents of the country in development interventions were well consulted during the project design stage: the opinions of the national and local authorities and social agents were sought and taken into consideration.

<sup>20</sup> Note however that the entity ministries for social affairs were partners to the project before they become involved in PMC membership.

## 3.2. PROCESS LEVEL

### 3.2.1. Efficiency of the JP

#### a) Complementarities

The Joint Programme is complementary to other initiatives involving infrastructural investment and assistance. Some of these complementary initiatives are described below.

- **EU:** The European Union (EU) provided a €5 million grant to support water and sanitation projects in seven municipalities of the FBiH. This grant from the Municipal Window of the Infrastructure Project Facility (IPF) is blended with a loan from the European Investment Bank (EIB) in the context of the Western Balkan Investment Framework (WBIF)<sup>21</sup> dedicated to construction and upgrading of water and wastewater infrastructure in these municipalities. Also the EU has been the lead donor in reform of the water sector since 1998, supporting, *inter alia*, integrated water resource management (IWRM) based on the river basin model and revision of water legislation based on the EU Water Framework Directive, which resulted in the new entity level Water Laws and adoption of GIS-based Water Information System. Ongoing assistance is currently focused on preparing the “BiH Water Management Quality Plan”, to address the urgent need to prioritize investment in municipal wastewater treatment infrastructure, necessary to improve the quality of surface water.
- **EIB:** EIB has allocated €120 million for BiH municipalities. “Water and Sanitation BiH Project” is part of this credit facility targeting 15 municipalities of the FBiH (mentioned also in the section 3.1.2).
- **EBRD:** EBRD is implementing two projects in the municipal sector, aiming to extend and upgrade the water supply and wastewater systems in two cities. These projects are also setting improved commercial and institutional standards.
- **WB:** the WB implements the “Urban Infrastructure and Service Delivery Project” with threefold objectives: (i) improving the availability, quality and reliability of basic municipal services and in particular, water supply and sanitation; (ii) strengthening the ability of cantonal and municipal governments to improve management and institutional capacity for infrastructure development through Urban Management Development Plans; and (iii) where possible, foster deeper social cohesion through improvements in overall living conditions of the population. Urban Management Plans were prepared in all participating regions
- **SECO:** SECO implements projects on technical improvements and organisational development of municipal authorities and utilities, covering: transfer of knowledge to local organisations; improvements of municipal water supply systems in both urban and rural areas.

MDGF DEG JP in BiH is complementary to all these efforts and thus has a potential to result in important synergies: it has already started to play a catalytic role with a potential to bring up spillover effects (e.g. in the case of EIB). The JP is also complementary to the projects aiming at improving local governance, implemented by UNDP and UNICEF. In particular:

- **UNDP**<sup>22</sup>

<sup>21</sup> The WBIF is an initiative by the European Commission, the EIB and International Financial Institutions to accelerate projects in the Western Balkans. To implement this grant, the European Investment Bank (EIB) and the Government of Bosnia and Herzegovina signed a EUR 5 million grant agreement on 22 September 2010 in Sarajevo.

<sup>22</sup> UNDP BiH website

- **Integrated Local Development Project (ILDLP):** Although generally stipulated within the relevant legal framework, local strategic planning in BiH is rather chaotic, with no harmonized approach to local strategies' creation, weak planning capacities of local governments and their local socio-economic partners, and lack of effective involvement of social society. Coupled with large gaps between the identified local needs and priorities in local strategies and available financial resources the result is a lack of effective implementation of local strategies, and consequently, this hampers the overall improvement of quality of life for the communities. Within this context, the ILDP tackles these challenges, bringing a new understanding, capacities and systematic approach to local development planning in BiH, in line with country development policies and towards integration to the European Union. The project works with 24 local governments and their socio-economic partners. The approach of the JP on Access to Water supply to capacity development for the water utilities is aligned with ILDP's Municipal Asset Management Methodology.
- **Local Democracy Project:** Reinforcement of Local Democracy (LOD) is a project funded by the EE with a goal to contribute to democratic stabilization, reconciliation and further development of BiH through the promotion of mutual cooperation between civil society organizations (CSO) and local administrations. The project supports 14 partner municipalities. The project activities lead to introduction of unified mechanisms for allocation of municipal budget funds designated to civil society organizations<sup>23</sup>, establishing permanent partnership mechanisms between CSOs and local authorities, and encouraging CSOs to specialize and professionalize their activities by adopting a longer-term planning perspective and becoming more responsive to local needs.
- **Municipal Training System Project (MTS):** Recognizing the importance of building professional municipal administrations and equipping them with the necessary skills to manage local development processes and deliver quality services to citizens, the project is helping to develop and institute a sustainable model for capacity development and training of local governments in BiH. The project identifies municipal capacity needs through an in-depth training needs assessment, and addresses those needs through training, strategy development and support to the setting up of necessary training infrastructure. Ultimately, the project aims to provide the environment for long-term, sustainable improvements in the capacity levels of local government personnel and to better equip local administrations to tackle the problems with improved service delivery.
- **Strengthening Capacities for Strategic Planning and Policy Development Project (SPPD):** The project assists selected ministries to develop the skills and procedures necessary to ensure the best use of public funds through support in strategic planning, policy development and public finance management. Using a mix of workshops and on-the-job mentoring, the project assists 13 ministries at the state and entity level to develop three-year strategic plans, including activity plans with indicators, deadlines and related budgets. The project supports the development of evidence based public policies using examples that are chosen by the participating ministries.
- **MDGF program on “Mainstreaming environmental governance: linking local and national action in BiH”.** The programme, jointly implemented by FAO, UNDP, UNEP, UNESCO and UNV addresses the barriers to delivering improved environmental services and management at the local level. Interventions centre around providing capacity for developing

<sup>23</sup> Following municipalities participated in implementation of first LOD project phase: Banja Luka, Bihac, Bugojno, Dobo, Gracanica, Laktasi, Maglaj, Mrkonjic Grad, Novi Grad Sarajevo, Siroki Brijeg, Travnik, Velika Kladusa, Visegrad and Zenica.

Local Environmental Action Plans (LEAPs) for 40 municipalities, providing seed funding for local service delivery priorities, raising the awareness and national level support for environmental action through an environmental innovation fund, and systems for capturing environmental data. The program aims at strengthening management of environmental resources and service delivery through improving local environmental governance and developing replicable models for local environmental planning. The programme works towards feeding in the generated knowledge into national planning and policy. In 7 municipalities the program overlaps with the JP on Access to water supply. The latter works well with the MDGF Environmental program, e.g.: (a) LEAPs are incorporating the Masterplans on water supply; and (b) in the implementation of infrastructural projects it targets the priorities from the Masterplans but also takes into account whether the problems were recognised in LEAPs. The two projects overlap however only in 7 municipalities

Thus the JP (Access to water supply) is complementary to the above programs and in a number of cases these complementarities were captured and built upon. There is also a regular information exchange between the programs. However, deeper synergies between these programs could be stronger, in particular<sup>24</sup>:

- ✓ Within LIDP:
  - Establishment of MMBs (as described in Section 3.2.2)
  - Plans for socioeconomic development (with program/performance based-budgeting);
  - IMC formation, etc
- ✓ Within LOD- working with CSOs which would specialize on the issues that the JP tackles;
- ✓ Within MTS- joint training programs for the municipalities
- ✓ Within SPPD- working with those entity level ministries, which are involved in the JP, etc

- **UNICEF**

UNICEF had/has projects on establishing MMBs since 2003. Currently it implements a similar (to UNICEF JP component) project with EU funding in 21 municipalities under *Enhancing Social Protection and Inclusion for Children in BiH* (SPIS) programme. The SPIS programme follows an inter-sectoral and integrated approach combining interventions in the areas of social protection and child protection, education, health, including children’s participation. The design of the SPIS programme is based on long term partnerships and cooperation between UNICEF, the government, civil society partners and public institutions. It is implemented at the municipal and national levels<sup>25</sup>. IBHI (Institute for Better Humane Development) is UNICEF partner for both JP and SPIS (and many other past) projects. This is an experienced NGO, and its continued involvement in similar projects brought their extensive knowledge and expertise to the table to ensure high quality training and facilitation of PAG concept and MMB formation<sup>26</sup>. UNICEF methodology applied in JP is based on the SPIS programme and UNICEF’s previous experience gained in the past through its work in around 40 municipalities in BiH, with an added focus on water sector.

<sup>24</sup> Also, it needs to be noted that only a few municipalities benefit from all the projects: more overlaps could be useful in achieving greater synergies among the projects

<sup>25</sup> At the municipal level, the programme focuses on the development of local-municipal SPIS implementation models (a) to enhance multi-sector response at the community level, (b) to improve the existing services and (c) to introduce innovative services to cover gaps at the local level. At the national level the programme focuses on developing policies and strategies, coordinating between various ministries and awareness-raising in the area of social protection and inclusion. So for UNICEF this was more like an extension of the activities to new municipalities, but with an added (as designed) focus on water sector.

<sup>26</sup> According to IBHI, in the vast majority of municipalities that they have worked with the MMBs continue to work sustainably

*b) Work with the established governance structures*

The JP works well at all levels of institutions/government whose mission includes water and sanitation and involves them in the program strategy and implementation, including:

- **Municipalities:** establishment and strengthening of MMBs, evidence-based decision making structures, assistance with identifying the vulnerable in the communities;
- **Canton level:** agreements on co financing and urban planning with regards to sources protection and concessions over few issues;
- **Entity level:** support to policy making with research;
- **State level:** establishment of the Department on Water within MOFTER.

*c) Localization*

At the process level too, as at the design level, the project takes into account the specific characteristics and interests of the population and institutions with jurisdiction in the areas of intervention. For example, the water sector Masterplans for the municipalities, and the MMB/Commission Action plans were developed in a fully inclusive manner, reflecting the priorities of the given communities and by the representatives of the communities.

*d) Accounting for lessons learned*

Lessons were learned from the previous interventions and incorporated into the programme to improve its efficacy. In particular, the program brings together the water sector development issues and the “accountability” aspects of the municipality operations - a gap that was identified in the whole spectrum of the existing projects in support of water sector development: post-war donor activities related to water supply initially focused mainly on desperately needed infrastructure reconstruction. More recently, the importance of capacity development for better economic governance and sustainability has been highlighted, but engaging citizens in decision-making processes in the water supply sector is a modality that has only been prioritised to a relatively small extent.

**3.2.2. Efficiency of the current management model**

The program management model, i.e. as a **Joint Program** between UNDP and UNICEF (vs. potentially a single-agency management model) has undoubtedly brought up synergistic effects. UNDP and UNICEF joined in with their specialized knowledge – a valued-added- bringing in the expertise in their respective fields. UNDP’s administrative capacity and the knowledge of local governments join UNICEF’s expertise of HRBA to combating social exclusion and experience of supporting municipalities with establishing and strengthening MMBs. This comes at some costs however, including for example the not-harmonized procedures between the two agencies, which results in using parallel funding instead of pooled funding modality: not the first best option of executing jointly funded and executed programs by the UN agencies. No specific inefficiencies were observed in this particular JP, however. Overall the balance is in the right, but certain improvement could be beneficial, e.g. in terms of closer information exchange at a more detailed level between the agencies, a stronger role for the Program Manager in coordinating both components; and better coordination among the two partners in their respective activities targeted to the same municipalities. With regards to the latter point, a recent IBHI report notes that, members of MMBs are somewhat confused when it comes to the realization of the activities and whose responsibility it is<sup>27</sup>: “[the MMBs expressed a desire to see a better] ...quality communication and exchange of the information

<sup>27</sup> Also noted by IBHI in its latest 2011 report



*among other UNICEF technical partners and MMBs, as well as between two implementing UN agencies”;*

### *3.2.3. The Role of UN Coordination and MDGF Secretariat*

In-house M&E of implementation progress is coordinated through the Resident Coordinator’s Office, and performed on the basis of the PD, which specifies the JP implementation milestones (see more in the Section 3.3.4).

### *3.2.4. Ownership in the process*

#### *a) Effective exercise of leadership by the country’s social agents in development interventions*

The program implementation so far has demonstrated several signs of strong national ownership at all levels of governance, e.g.:

- At the central level, the Government, with the JP support has established the Water Department within MOFTER: this is a remarkable achievement given the short time frame passed after the project start, and indicates a sense of ownership on behalf of the central government to address the bottlenecks in water sector governance;
- At the entity level several ministries are (a) represented at PMC; (b) took certain positive steps to scale up some of the project results: e.g. the Republic of Srpska already has a draft law on Social Protection which foresees that every municipality will establish Municipal Commission for Social Protection; FBiH is supportive of this approach as well, however, due to a complexity of the FBiH Government and shared responsibilities for Social Protection between the Entity and Cantons, its official endorsement will be slow; and (c) used the products generated under the JP as information base for their strategy making: e.g. the research and masterplans developed within the JP have been used by the FBiH Ministry of Agriculture, Water Management and Forestry in its draft Water Management Strategy (it has passed a public hearing, was adopted by the Government of the FBiH and the House of Representatives of the FBiH, and is expected to be adopted by the House of Peoples of FBiH).
- At the municipality level, partner municipalities (a) actively embraced the idea of the MMBs- with many of them turning MMBs into permanent commissions; (b) improved evidence based policy making related to water supply and social assistance, identifying the vulnerable households based on vulnerability assessments and assisting these households; (c) started reforming their water utilities, opening up their operations to community oversight; and (d) provided considerable cofunding for the infrastructure component (see point (b) below);.
- There is a good cooperation between the JP and all the partner utilities: they are now represented at the MMBs and actively participate in many of these; and changes have started taking place at the utility level. Additionally, the project sparked experience sharing among them.

At the municipal level, linking the Masterplans to the strategic development plans of the municipalities (with funding sources aligned) would help the latter to realize their ownership and responsibilities in relation to water supply to a greater extent. This is already happening. Establishment of the MMBs and their formalization is undoubtedly a very positive development that will support this process. It would be important however for the reforms to succeed to depoliticize the management of the water utilities. Here, while there are many issues beyond the scope of the JP, general guidance on tariff setting which would be mandatory for all municipalities (and here is a role for the Water Department at MOFTER) could assist in putting the water utility financing on a sustainable footing.

The extent that the target population and participants made the programme their own, taking an active role in it is overall impressive in most of the municipalities, but, is somewhat weaker in some municipalities compared to the others. (See for example the box on the Municipality of Neum).

As discussed in Section 3.2.2. (Output 2.1) the implementation of the Communications Strategy is planned for the next phase of the Programme. If effective, the public awareness campaign would be a strong boost for the target population making the programme their own and changing their behaviour in terms of water use, bill payments, etc. It would be possible to judge whether people have changed their behavior or not only if resources are invested in assessing this behavior before and after. Behavior change could be assessed using KAP (Knowledge, attitudes, practices) surveys or in depth case studies<sup>28</sup>. It is recommended that if not survey, then at least in depth case studies, with FGDs are carried out at least now (mid-term) and at the end of the project.

The threats to sustainability lie more in the constitutional crisis that the country faces, which are reflected in the fragmented governance, unclear and overlapping institutional responsibilities, weak central governance, as well as weak sectoral governance at the entity level ministries, as described in the beginning of this report. These challenges hamper the effectiveness of the program and the opportunities for replication. In the remaining timeframe for the project the JP could enhance its work with the entity level ministries (see Recommendations): this will contribute to resolving some of these challenges.

#### *b) The extent of mobilization of public/private national resources and/or counterparts*

The extent of mobilization of public/private national resources and/or counterparts contributing to the programme’s objectives and produced results and impacts is impressive: contribution from municipality budgets- \$ 435.000 (see Figure 9); UNESCO – Goal Wash funding (see Section 3.1.2); and linking to funding available from the multilaterals, e.g. EIB

**Figure 9.** Program Funding Figures, June 2011

Amount in thousands of US\$					
Type	Donor	Total	For 2010	For 2011	For 2012
Parallel	KfW, GAP, EC Del, EIB	1130000	930000	200000	200000
Cost Share	Goal Wash, Coca Cola	200000	150000	50000	50000
Counterpart	Local Governments	435000	120000	315000	315000

**DEFINITIONS**

1) PARALLEL FINANCING – refers to financing activities related to or complementary to the programme but whose funds are NOT channeled through UN agencies. Example: IAICA decides to finance 10 additional seminars to disseminate the objectives of the programme in additional communities.

2) COST SHARING – refers to financing that is channeled through one or more of the UN agencies executing a particular programme. Example: The Government of Italy gives UNESCO the equivalent of US \$ 200,000 to be spent on activities that expand the reach of planned activities and these funds are channeled through UNESCO.

3) COUNTERPART FUNDS - refers to funds provided by one or several government agencies (in kind or in cash) to expand the reach of the programme. These funds may or may not be channeled through a UN agency. Example: The Ministry of Water donates land to build a pilot 'village water treatment plant'. The value of the contribution in kind or the amount of local currency contributed (if in cash) must be recalculated in US \$ and the resulting amount(s) is what is reported in the table above.

Source: Program report January – June 2011

It is recommended however, that the program:

<sup>28</sup> Certain small scale assessments are being carried out under the GOAL WASH, but that is centered around schoolchildren and does not explicitly capture the KAP of the general population.

- a. seeks to foster links with the EU regional Development agencies (currently not an option for the Republic of Srpska); and
- b. ensures that the investment plans/priorities for the water sector identified under the Masterplans, as well as Action Plans developed by MMBs form part of the strategic plans of the municipalities, and are based on program/performance based budgeting principle, in close cooperation with other programs currently underway by UNDP and other donor agencies in support of local governance development. This will then ensure a larger cofunding from the municipality budgets.

### 3.3 RESULTS LEVEL

#### 3.3.1. Program beneficiaries in figures

The program report from January – June 2011 reported the following results (see Figure 10)/ It is not clear however how were these figures counted and what exactly they represent. It is recommended that this is clarified in the reporting format.

**Figure 10.** Numbers of Program beneficiaries, as reported in Jan-June 2011 Report

<b>Direct Beneficiaries</b>								
	Men	Men from Ethnic Groups	Women	Women from Ethnic Groups	Boys	Girls	National Institutions	Local Institutions
Targeted Number	5000	200	5000	200	500	500	20	107
Reached Number	1186	32	1920	41	247	302	15	112
Targeted - Reached	3814	168	3080	159	253	198	5	-5

<b>Indirect Beneficiaries</b>								
	Men	Men from Ethnic Groups	Women	Women from Ethnic Groups	Boys	Girls	National Institutions	Local Institutions
Targeted Number	90000	400	90000	400	185000	176000	20	200
Reached Number	15000	40	15000	57	6500	6500	15	213
Targeted - Reached	75000	360	75000	343	178500	169500	5	-13
% difference	16.67	10.0	16.67	14.0	3.51	3.69	75.0	106.5

Source: Program report January – June 2011

#### 3.3.2. Effectiveness: Outputs and Outcomes

**Outcome 1; Strengthened inclusion of citizens in the participative municipal governance of water access**

##### Output 1.1. Municipal governance mechanisms improved to ensure quality participation of citizens and inclusion of vulnerable groups in issues affecting access to water

UNICEF, through IBHI has assisted the partner municipalities to establish MMBs in all 11 targeted municipalities and cities. Basic principles of MMBs are based on multi-sector and multidisciplinary approach using HRBAP (Human rights based approach to programming) methodology to address issues in the field of social protection regarding water supply at the local level. MMBs coordinated the activities of both components of the project (UNDP and UNICEF led) at the local level.

- MMBs are already effectively functioning in many municipalities- planning of social protection measures and the inclusion of socially excluded groups in decision-making



processes. 6 out of the 11 MMBs are now formalized as permanent municipal structures. Importance of such local structures has already been recognized by the entity level governments.

- Capacities and knowledge of 185 municipal officials<sup>29</sup> and service providers in the area of social protection and water supply are improved through training provided including around 70 MMB representatives<sup>30</sup>. They apply the knowledge gained in their work, which is based on cross-sector, multi-disciplinary, gender and partnership approach
- created and adopted 13 Protocols on Cooperation for the implementation of the developed referral model of social, family and child protection and inclusion in relation to the water supply that will be signed in targeted municipalities;
- developed 7 proposals of Documents on Criteria and Suggestion on Social Policy Measures in the Area of Water Supply in targeted communities;
- were part of developing subventions (from the municipalities) in the field of water supply for most vulnerable families in the municipality of Petrovac/Drinic, and subsidies (from WUs) – in Drinich and Kladanj. The municipalities of Petrovac-Drinić, Petrovo, Rudo and Višegrad accomplished significant results within the SFPs when it comes to launching activities of subventions for the most vulnerable families in the municipality. Besides this, the municipality of Petrovac-Drinić has achieved additional success in developing subventions in the field of water supply for 4 most vulnerable families, while the other 3 municipalities are in the process of it.
- MMBs developed and adopted 13 Action Plans of social inclusion in targeted municipalities and cities. They developed 13 referral models through provision of grants for Special Focus Projects (SFP). These grants were supported by contributions of local communities depending on their capabilities. SFPs are created in accordance with planned activities in enhancing the status of socially excluded groups previously identified in Action Plans. Members of PAG groups greatly contributed to the development of SFPs through guidelines and suggestions. Through the SFPs the following was accomplished:
  - Established and equipped two Counseling Centers within Centers for Social Work;
  - Equipped 24 institutions/organizations which provides services for socially excluded groups in 11 targeted municipalities and cities;
  - Held 63 workshops and 4 round tables which was attended by 907 representatives of socially excluded groups, institutions and organizations in area of social protection and water supply;
  - Established 7 electronic databases on socially excluded groups in 6 targeted municipalities;
  - Through SFPs activities, a total of 1,906 beneficiaries participated in 11 municipalities and cities.

The activities accomplished are contributing to the achievement of the expected results. Our site visits indicate that MMBs are more active in some municipalities and not so active in some other municipalities. There could be both objective and subjective reasons behind this. It would be good if an analysis of this is reflected in IBHI monitoring reports<sup>31</sup>, which does not seem to be the case

<sup>29</sup> IBHI report, June 2011

<sup>30</sup> *ibid*

<sup>31</sup> *ibid*

currently. This will help to understand the reasons, streamline the approaches and potentially target the weaker MMBs with a more specialized approach. Comparative analysis on implementation of the project in all municipalities would be good to implement in second phase.

A clearer role of the MMBs/Commissions within the municipal governance is needed (in line with its multisectoral role): it is recommended that this is accomplished as a next step, along with ensuring that the Action plans identified by the MMBs form part of local development plans and measures are taken for budgeting the funding for these measures through municipality budgets: donor assistance funds could only be an additional resource, and not to be relied on.

### Box 1. Meeting with MMB in Gracanica\*

MMB was established about 1 year ago. Now it is formalised according to a decree of the Municipality (as the name stands the Commission is called to assist with water supply issues). Has large membership, including representatives of NGOs, schools, health institutions and the WU (the latter was not present during the meeting of the MMB which the evaluation team attended).

A Rulebook for the MMB exists. Action Plan is developed and adopted by the municipal council.

MMB appreciates the Masterplan /water study, and the fact that with the project they identified the vulnerable households in their municipality. There are two lists for social assistance at the municipality – the formal one (rights based, only beneficiaries of social protection scheme) and the list of vulnerable, created within the project. They don't see a problem in having the 2 lists. They also appreciate the fact that for the first time they have information about the needs of the vulnerable households with regards to water supply. However, no assistance was provided to them as yet related to water issues. They plan to have a subvention scheme, funded by the municipality budget, providing not only financial support, but other type of assistance. There is a draft of “Suggestion of criteria and measures of social support in water supply in Gracanica”.

All 25 communities actively participated in data collection, and the schools played an important role. PAG and PAR groups are very active. MMB members stressed that the JP has triggered multisector cooperation. They think that signing of the MOU was an important step. They also think that the JP helps to break the stereotypes about the poor households and families and people with special needs. They appreciate very much the fact that they learned how to develop the Action Plan, and also value that the JP has brought about transparency in municipality decision making.

We were informed that the head of the canton administration visited the municipality the day before and water supply issues were prioritized. There is a Strategy of the Development for the Municipality: water sector priorities are included in it.

DEVINFO is installed and is in use. The municipality has designated a staff person to operate the system. The information collected is used both internally (e.g. cross checking with the information on vulnerable households, in planning) and is also sent to the Ministry of Social Affairs at the entity level.

With the SFP grant in municipality of Gračanica, a Center for speech therapy was established. The activities included also:

- filed visits and data collection of social excluded groups previously defined within Action plans and SFP; questionnaire established on special needs of social excluded groups;
- establishment of a database of social excluded groups related to water supply issues;
- development of the Document on Criteria and Suggestion on Social Policy Measures in the Area of Water Supply;
- development of the Protocol on Cooperation

*\*The meeting was facilitated by the IBHI representative.*

### **UNICEF Output 1.2. Increased capacities of vulnerable groups to influence municipal decision making on water access issues**

MMBs facilitated the participation of socially excluded groups in the processes of decision making at the municipality. Social inclusion was enhanced through the establishment of 13 PAG groups. This ensured the involvement of direct representatives of socially excluded groups into MMBs decision making processes:

- 13 Action plans of “*Social Inclusion in System of Social/Child Protection Regarding Water Supply for 2011-2012*”: these are adopted by Municipal Assemblies/Councils. Adopted Action Plans recognize the flaws in the system of social protection by MMBs at the local level.
- 7 Documents on Assessments of Situation in Social and Children Protection and Inclusion System in Regard to Water Access, etc

PAR (Participatory Action Research) groups of children were formed in cooperation with MMBs. MMBs also supported activities realized by PAR groups of children.

Supervisory boards were established to monitor development of Master plans at each municipality. These Boards are appointed by the mayors. Members of the Boards also are part of the MMBs/Commissions. The Masterplans, once produced, are presented to MMBs for review and later to Municipal council for final adoption. This arrangement seems to have worked well under the programme in most municipalities.

Thus to summarize, the document review, interviews and focus group discussion indicate that:

- Despite the short time for preparation and realization of activities in the JP, most of the MMBs successfully realized planned tasks and embraced the concept of HRBAP methodology with the purpose of achieving best interests for children and adults;
- Assessments and situation analyses made in area of social and child protection, in many municipalities enable them to conduct qualitative and quantitative analysis about the current situation in institutions and organizations which implement activities in the area of social protection of children and adults in local communities;
- There is some confusion (confirmed during the site visit to Gracanica and Neum) regarding the role and mandate of MMBs, which partly stems from the inconsistency between the multispectral nature of MMBs/Commissions and their names, which link these to water supply explicitly. The MMBs/Commissions should be multi-sectoral, as was envisioned in the PD, while also serving as platforms called in to be part of resolving water sector related accountability and assistance issues.
- Special Focus Projects (SFP) in thirteen targeted municipalities are successfully realized. Local authorities, public institutions partners and organizations in eleven demonstration sites provided support in the realization of SFPs, and the JP project in general. Support is visible through contributions in realization of activities by means of financial support and provision of material and human resources for implementation of different activities. The SFPs as they were funded represent a wide spectrum of activities, including establishing day care centers, centers of speech therapy, etc. While this indeed reflects the priorities as seen by the MMBs, given the topic of the current project it might have been better to still fund SFPs with water-orientation, while helping MMBs to find resources to fund other measures.
- It is noted however, that certain MMBs have made concrete steps when it comes to providing services which are related to water supply for the identified vulnerable groups: for example, within the implementation of Action plan and SFP, the Commission of the municipality of Petrovac-Drinić has enabled developing subventions in the field of water supply for 4 of the most vulnerable families.

- IBHI notices a recognized need for additional education in the area of project management (planning, project writing, reporting, monitoring and evaluation) for local community partners for easier and better quality of realization of project activities; as well as education in the field of public relations and advocacy (to raise awareness about problems of socially excluded categories when it comes to water supply in all local communities).
- It was expected that “....*Relevant ministries are actively participating in creation of referral document and policy document for revision of water tariff structures (introduction of vulnerable groups’ category and setting realistic economic water fee)*”<sup>32</sup>. It is planned to actively pursue this in the next phase of the program. Entity Ministries of social policy have already confirmed importance of the referral document on held Round tables
- It is recommended that a comparative objective analysis of the role and achievements of MMBs is conducted across all the municipalities to understand the reasons why in some municipalities (most) they are active and in some- not, and develop an action plan on how to accelerated the catching up of the lagging behind municipalities/MMBs

***Outcome 2: Improved economic governance in water utility companies for better services to citizens in targeted municipalities***

**UNDP Output 2.1. Improved capacities of water utilities for financial sustainability**

The (implicit) assumption of the PD that the municipalities will quickly increase water tariffs to reach cost receiver level are not being realized many municipalities. As was argued above, this has both objective and subjective reasons. What is important however, is that JP continues to guide the municipalities and water utilities with TA in this regard and also closely monitors the developments.

It was planned<sup>33</sup> that with UNDP support, the capacity of the municipalities and water utilities’ staff members will be developed in:

- financial management, accounting, budgeting (to conduct analysis, action plans for each recommended and approved activity), corporate financial analysis and strategic financial planning;
- writing proposals for loans and grants to finance the infrastructure investment plans;
- measuring and monitoring infrastructure action plan progress; and potentially, also, based on GAP assessment of skills,
- training on MS Excel, Auto-Cad, GIS or other applications, leak detection equipment usage, measurement devises usage and so on.

Interviews with the project staff indicate that a decision was taken to conduct this capacity building only through sharing of knowledge between water utilities. As in the Annual Monitoring report: “...*Upon capacity assessment of partner municipalities and their associated water utility companies MDG-F DEG expert team has elaborated individual findings based on the above listed analysis. These findings indicated that financial and technical management applied in some water utility companies could be considered as well developed. As a result, MDG-F DEG identified these companies as coaches to be used in peer-to-peer sessions and monitoring of implementation of*

<sup>32</sup> PM report Annual 2010

<sup>33</sup> In PD, Outputs 2.1

*prioritized projects*”. 2 peer-to-peer meetings have been held so far. WU representatives have met also during workshops. While this is an innovative approach, it is difficult to know: (a) how effective this was- across all the utilities; and (b) whether all the training needs were addressed or whether there are still gaps in the knowledge which require targeted training by specialized trainers. It is recommended that a survey among participated utilities is carried out to understand the situation and take targeted action if needed.

Attention was also planned to be placed on changing the attitude of citizens with regard to payment of water bills, in recognition of the fact that one of the reasons for non-payment is a dated view that the government should be paying for all water services. Public campaigns were to be organised to inform citizens about the challenges faced by their water utility companies, the need to introduce new water pricing, the importance of fee collection and the potential measures that the municipal and entity authorities can introduce to support low income and vulnerable families. These public campaigns *were to run in parallel with the activities under Outcome 1* (according to the PD) on the inclusion of marginalised groups in participatory processes and mechanisms to ensure citizens’ input is included in the decision-making process by water utilities and municipalities will be developed.

So far the JP in cooperation with the Association of Municipalities has developed and aired 2 TV programs were on water supply, within the framework of the SDC funded series of ½ hour long TV programs (32) focusing on various aspects of municipal life implemented by the Association. The JP has prepared Communication Strategy on *internal and external communication for behaviour change (evidence-based series of community based and direct communication activities aimed at increasing understanding and significance of the access to water among and within identified target groups)*. The elements of the communication strategy are expected to contribute towards the project’s socio-economic goals: not only by addressing specific target groups but also by ensuring their access to water through the MDG-F programme<sup>34</sup>.

An earlier implementation of the Communications strategy might have been more effective, but it’s not too late, provided that an effective campaign is carried out.

It would be good to conduct a KAP survey to assess the extent of changes in KAP among the target population.

### **Output 2.2. Improved infrastructure capacities for water supply services in underdeveloped municipalities**<sup>35</sup>

<sup>34</sup> Target audience includes: (a) central level government: BiH Ministry of Foreign Trade and Economic Relations; BiH Ministry of Civil Affairs; and Directorate for Economic Planning; (b) FBiH: Ministry of Agriculture, Forestry and Water Management; Ministry of Labour and Social Policy; (c) RS: Ministry of Agriculture, Forestry and Water Management, RS Ministry of Health and Social Welfare; (d) 13 Partner municipalities; and 11 Public Water Utility Companies; (e) CSOs: 11 representatives of various relevant stakeholders (Association of Water Utility companies BiH/FBiH/RS, CSOs (Youth, Gender, Environment, Social, etc.); (f) Citizens: 240,000 persons (Citizens in 13 municipalities with direct access to water supply system); (g) SMEs: 10 representations of SMEs involved in direct implementation of project activities (Entrepreneurs of the Medium and Small Firms in BiH); the media, electronic and print (local, regional and national).

<sup>35</sup> Outputs: 2.2.1. Technical assessment on water supplying infrastructure conditions and needs in 10 selected municipalities; 2.2.2. Presentation of the assessment results and recommendations in order to create joint intervention strategy with municipalities and utility companies; 2.2.3. Prioritization of infrastructure interventions on water supplying systems; 2.2.4. Implementation of Joint Intervention Strategies; and also 2.1.2.2.1.2. Assessment of fee structure and collection, recommendations for improvement and definition of action plan with active participation of citizens



A ‘*General assessment of the water sector and its human development function in BiH*’ was completed covering 20 municipalities and including 2000 interviews of client satisfaction. Study served as a basis for extensive lobbying within the state institutions (MOFTER) to establish central coordination mechanism in a form of Water department. The Study was also useful for the entity level water ministries in their work, e.g. for the FBiH Ministry of Agriculture, Water Management and Forestry in developing its Draft strategy on Water Sector Development (current waiting for a Parliament approval)

In parallel with work with local communities the programme specifically targeted water utility companies by assessing their financial management capacities, as well as technical needs. The Assessment specifically addressed structure of water fee tariffs and collection in order to define 11 action plans. In addition the 10 water supply studies - as strategic plans for water supply in 11 partner municipalities, resulted in long term development plans for 20 years period, including plans of priority investment measures as well as feasibility studies. In particular, Water supply studies (master plans, feasibility studies, priority investment measure plans) include:

- a review of all existing strategic and planning technical documentation, as well as infrastructural designs in 10 selected water utilities;
- an in-depth analysis of water utilities’ technical state (including water sources intakes (raw water treatment plants, flow meters), reservoirs, water supply network (pipes, valves, water meters, chambers and so on.), leakage detection equipment, and office equipment (computers and software);
- water utility performance;
- analysis of number, knowledge and skills for execution of activities aimed at improvement of infrastructure.

Reports based on the above analyses were written describing the current state of infrastructure, recommendations for improvement (e.g. infrastructure small-scale designs, plans for leakage measurement and detection, network mapping program, program for metering at sources and at end users, pipes replacement plan, targeted trainings for water utility staff). Initially, the reports were presented solely to municipal authorities and water utilities staff. Then multi-stakeholder participatory meetings (PAGs/MMBs) were facilitated by municipal authorities providing forums through which they communicated the key findings to citizens’ representatives and solicited their input. Water utilities also participated in these meetings and were responsible for providing a “reality check” regarding possible infrastructure interventions options. Criteria were set for selection of interventions to be implemented with water utilities and municipal authorities, based on report findings.

Accordingly, Joint Infrastructure Intervention strategies were elaborated, including detailed action plans for each selected priority intervention, as well as relevant capacity building activities and equipment needed. The implementation of the priority projects selected by the MMBs is the following step, after the assessment against the socio-economic analysis and referral model document of social inclusion and protection (was planned for September 2011). It is planned that UNDP will be assisting and supervising the implementation of selected priority interventions together with the water utilities and municipalities within Joint Infrastructure Intervention Strategies. These interventions could include: network reconstruction, network mapping, leakage detection, etc all supported by technical assistance.

During the development of the project assignments for water supply studies it was identified that a few partner municipalities already possessed relevant strategic documentation which enabled JP to support the implementation of two pilot infrastructure projects from mutual fund for capital investments which programme created in each partner municipality, in Bihac and Kladanj.



A Comparative analysis of water utility company financial performance for participating Municipalities is under preparation (as planned under the Activity 2.1.5)

**Box 2. Meeting with the representatives of the water utility and a municipality in East Sarajevo.**

East Sarajevo consists of 6 municipalities, 3 of which are served by 1 water company. According the director of the WU it is difficult to work with 3 municipalities, since the WU is then subjected to various political influences. Another problem is that each municipality wants its problems to be solved as a priority. There is a Steering Group involving representatives of all three municipalities which oversees the operations of the WU. There was an idea to cover all 6 municipalities at some point but it did not work (e.g. if one company has debts, and they did not reach an agreement on how to deal with these.) The assets are on the balance sheet of one of the municipalities. The WU covers 90% of their service area. Have a flat tariff system, at cost recovery level (almost). Their tariffs are higher than the tariffs of the second water company which serves the other municipalities in East Sarajevo, the reason being that their supply system is more pump-based, while the other company' supply is almost entirely gravity based. 60% collection rate. One of the reasons is the difficulty of collections from the residents of multiapartment buildings (underdeveloped homeowner associations, not full coverage of metering); difficulties of enforcement of payment discipline (taking to court the non-paying residents or cutting the supply).

They appreciate the preparation of the technical studies: this opens up more opportunities for obtaining funding for their investment plans. The small project idea: water treatment unit: 50% MDGF funding and 50% - municipality. The municipality is engaged also in the LEAP program.

The Municipality had developed an “Extended Social Support Program”, even before the JP started, but the JP helped them to establish and strengthen their links with the social partners. They want to have a social tariff but the WU doubts whether the municipality will pay the difference. Day Care Centres were supported with the JP small grants in all 3 municipalities.

The WU director thinks that the idea to exchange experience between the water utilities was a good one. They saw for example, that in Gracanica the WU outsources almost all the functions. He thinks that having it in-house is better

**Box 3. Meeting with WU representative in Stolac**

The WU was founded in 1967 by the municipality. Before the war they were located in a different building which was destroyed during the war. Currently the office is located in a damaged building, but the intention is to stay there and try to renovate with time. They have 25 employees of mixed ethnic background. The WU covers all the municipal services, including sanitation and solid waste management. The WU covers around 1/5 of their service area: the households in remote areas use local sources (poor water quality) and/or have to buy drinking water from the 4 private water suppliers who deliver water with tankers, at a price which is more than double their tariff. They are planning to buy a tanker themselves but not clear when.

The WU is 100% owned by the municipality. They have a flat tariff system, which is at about 60% cost recovery level. They don't have a plan to increase the tariff in the next few years: the municipality is concerned that the residents will not be able to cope with higher tariffs.

They appreciate very much the assistance from the JP: in particular they hope that the Masterplan, which is being finalized now will allow them to attract funding from IFIs.

The Director of the WU is a member of the MMB. The work with forming PAG and PAR groups had some rough start. There was a confusion among the residents, and the pensioners in particular about the purpose of this part of the project (potentially a result of the confusion with the other project of UNICEF). The Action Plan is developed and the small social sector project funded. The latter supported equipping four local social institutions including databases regarding socially excluded groups and guiding documents related to developing the referral model. The municipality has problems with sanitation. They need more equipment (sludge removal and transportation). Recently they received a vehicle for this purpose with a loan from the WB

With a small scale infrastructure project with JP funding they would like to build a small water reservoir.

**Box 4. Meeting with WU, municipality and MMB representatives in Neum**

The WU was founded in 1979. In 1982 it was expanded: 2 more municipalities were joined to the system which became an expensive one to run. 80% of its expenses were subsidized by the state at that time. After the reorganization of the administrative system after the war, the state funding disappeared.

They ended up suing the electricity company: the high level pumping costs are factored in into their spiralling expenses and debt. The total debt now is 1,220,374,25 KM. The Director thinks that this should be written off by the state, but the problem has not received its resolution as yet. Their account is frozen currently because of the debt.

They have 70 % technical losses. Collection rate is around 80%. They have a block tariff system, which covers around 60% of their costs: the remaining 40% is covered by the municipality. They wanted to increase the tariffs 2 years ago, but the municipality is against

They are now finalizing the masterplan, which is thought to be of a great value to them, but unless the debt issue is resolved no one will fund an investment project with them. As for the experience exchange between the municipalities, it is a good idea, but the WU director thinks that every WU is different, and there is not much to learn from one another.

The Municipality is now working on its next cycle of strategic plans and intends to include funding of some of the necessary investment in the water sector in it. The MMB exists, but is not formalized as yet. MMB structure: 4 people from the municipality, 2 from the WU and 1 NGO. Others (Health unit, school, other NGOs) were apparently not much interested. The latter factor has affected also the work of the PAG and PAR groups. The Action plan is developed, but everything is a little difficult because of the lack of interest. The MMB representative (linked to IBHI) did not know much about the UNESCO project.

The Special Focus Project (SFP) was implemented by Municipality Neum as main implementing partner. The Purpose of the project was strengthening the capacity of Department for Administration and Social Activities and to raise awareness of local community about social/ child protection and the area of water supply. Equipment for three institutions involved in activities was provided, expert team established, database of socially excluded groups developed and Protocol on Cooperation drafted. Also, criteria and guidelines for social mitigation measures for vulnerable groups were developed

The database of vulnerable households is created, but not used as yet. There is no clear concept as yet on how to use it. The MMB person believes that the most important thing is to change the mentality of people.

**Output 2.3. Improved capacities at municipal level for service delivery control**

Under **Output 2.3.1** it was planned to provide technical assistance to municipalities and water utility companies on water safety and quality control for safe water for citizens. And under the **Output 2.3.2** it was envisioned to support establishing an efficient and responsible system of water quality control at municipal level in order to fully comply with national regulation for potable water. Some parts of these activities have been carried out while developing the Masterplans, e.g.:

- Analyses of quality control practices in water utilities, including data on sampling locations, frequency of sampling, responsible institution for control, previous quality control reports etc., and its compliance with national regulation on potable water;
- Analysis of existing water protection measures (documentation on water source protection zones, municipal decision on water source protection zones, as well as relevant state at the water sources regarding protection), based on interviews with municipal authorities water utility staff and water sources visits.

It was also planned that the project will “...Conduct presentations and workshops for municipal authorities, institutions certified for water quality control, and water utilities on water quality control and water sources protection” to include the following issues:

- Legal framework for water sources protection: water laws and rules on conditions for defining water protection zones measures;

- Entities’, cantons’, and municipalities’ responsibilities for adopting decisions on water sources protection;
- Successful examples of water sources protection, and National regulations for quality control of potable water, etc

This above is planned for November 2011. Under Output 2.3.2, the JP was supposed to assist the municipalities with:

- Elaboration of documentation for water protection zones and measures (if lacking);
- Advising municipalities on adoption of decision on establishment of water source protection zones, based on elaborated documentation;
- Assisting and supervising municipalities and water utilities in establishment of water source protection zones and protection measures at water sources; and
- Advising municipality and water utilities to enforce water quality control according to national regulation for potable water.

It is our understanding that these was not done in the systematic manner. The approach taken was to tackle these issues only once the masterplans are in place (with all the issues mapped), which is justified: however, one would have wished to see a time bound plan for these activities.

It can be concluded that the main achievement of the JP with regards to this Outcome by now is:

- Improving the opportunities for Water and Sanitation management entities/institutions to obtain funds for building and maintaining infrastructure. The masterplans serve as a basis for obtaining funding from the multilateral and bilateral, as well as national funding sources. This is particularly important for the medium and small municipalities since they could have not afforded such studies with their own funding and their inclusion in the investment projects by the IFIs would have been unlikely.
- Contributing to improved communication and collaboration between the various institutions involved in the sector, and creating the accountability mechanisms for the water utilities;
- The knowledge base of the water utilities and municipalities was improved, however the training did not carry a systematic nature. While one should acknowledge the innovative nature of learning through shared knowledge, there is no sufficient evidence to judge whether this improvement in knowledge was sufficient or not. Plus there are areas of training that were planned, but not carried out, and there is no evidence to judge whether this was not carried out because the WU staff did not need or want it, or whether such training is still upcoming.
- Since the MMBs are established as multisectoral bodies in all partner municipalities regardless of their size and level of development (even though some of these are not as active as others) they serve as a link to ensure that residents receive water of specified quality through system managed and control by responsible company/institution. They were also seen as becoming able to:
  - plan by project solution upgrades of water supply systems which will result in long term economical and efficient system management;
  - analyze potentials, determine quantities of water required for water supply, reserve and protect for long term all water sources of interest for water supply;
  - propose and define in the conceptualization stage optimal technical solution of treatment of raw source water;
  - analyze possibilities of distributions/sale of drinking water to neighbouring municipalities.

Interviews indicate that, the *fundamentals* were set for multisectoral strategic planning in water supply sector with regards to the above. However the MMBs are now more engaged (and trained) on the social side, than on the water side- to enable them to tackle the issues above. It is also questionable, whether it could be expected that the MMBs could be trained to the extent to be proficient to perform/understand all these tasks. Perhaps the expectations on the technical tasks should be reduced. However the MMBs should be able to commission consultants to carry out studies which will enable them to address the tasks above. It is important to understand these nuances, and it is recommended that more in-detail assessments are carried out in selected municipalities as part of the proposed Learning Strategy (See the Section on *Recommendations*). Overall, the multisectoral approach in the strategic planning relevant to water supply sector was thought to be a successful tool to mobilize and engage entire community in participative municipal governance of water access: to be treated as a successful model in the remaining BiH local communities with a good potential for replication. It is important to monitor and rigorously assess the legitimacy of such expectation. Also, to ensure the development and continuity of the above mechanism and system, continued support is needed for further their developing and institutionalization. In this regards, under the activity 2.2.5, it was planned to “... *Develop... monitoring mechanisms and strengthening capacities for implementation*”. According to the interview with the PM, the political climate (continuous electioneering) is a big challenge here. It is however important that this task is accomplished in the coming phase of the program. The suggested (above assessment), would feed into this task. Also, it would be important to set up monitoring mechanisms to assess changes that take place at WUs both performance and process –wise) and ensure that MMBs are able to conduct such monitoring.

***Outcome 3: Strengthened capacity of governments for evidence-based policy making and resource planning for equitable water related service provision***

***Output 3.1. Improved capacity of municipal decision makers to assess and analyse the status of vulnerable groups and plan social mitigation measures/ policies***

Under Output 3.1.1, it was envisioned to support to Government to develop social mitigation measures in response to increases in utility prices. In particular, support was planned for joint municipal/cantonal and entity level forums for the development of evidence-based policy recommendations addressing the gaps in the social protection systems. In the first year of the project, MMBs in cooperation with expert teams from Special Focus Projects have been working on development of criteria and guidelines on social mitigation measures to address the economic pressure of utility prices on economically vulnerable groups. These criteria and guidelines were already adopted by MMBs in municipalities of Kladanj, Bihac, Bosanski Petrovac, Stolac, Neum, Gracanica and Trnovo. As for the other target municipalities (Istocna Ilidza, Istocno Novo Sarajevo, Rudo, Visegrad, Petrovo and Petrovac/Drinic), MMBs will be working on the criteria in the forthcoming period.

Meetings are planned of the mixed groups of decision makers responsible for the design and implementation of the social mitigation measures as the discussion forums. Conclusions and recommendations of the discussion forums are expected to contribute to adjustment and the improvement of targeting of the cash benefits or other forms of social mitigation measures (including subsidies, special tariffs, etc.) to address the increased economic pressure of potential increases in utility prices on economically vulnerable populations. The forums are expected also to have an additional objective to review of the Project’s lessons learned for potential further replication through

the social protection bodies created at municipal level. This is an additional argument in favour of developing a well –thought-through learning strategy (*see the Section on Recommendations*)

Under Output 3.1.2 it was planned to establish or upgrade the municipal data bases on social and economic indicators at municipal level, including:

- centralised data on the social and economic indicators, particularly those relating to the vulnerable and excluded groups.
- training of municipal staff and CSOs on the application of the Devinfo software, the use of which has been already piloted in 10 municipalities in BiH.

Our site visits and interviews indicate that:

- all the partner municipalities now have DevInfo installed and based on commonly agreed social and economic indicators. Data is sent to Department for Economic Planning for upload into the common database. Dev Info implementation has instigated UNCT initiative to work with BiH official statistic agencies in adoption of the DevInfo methodology at the national and entity level.
- the municipal representatives are trained on the use of software and supported to collect data into a centralised DevInfo database allowing cross-referencing of data and mapping of the results achieved in social and economic sectors over the duration of the project;
- IT equipment was procured and software was provided free of charge;
- municipal staff and CSO representatives were also trained on the application of impact assessment methodology and data collection methods in order to improve their capacities for the evidence-base policy making and to ensure impact assessment and other research undertaken at community level is used for decision making;
- the list of indicators on child protection has been extended with water management at the local level, both in SPIS and JP municipalities. In the better-performing municipalities data is utilised by municipal authorities for policy and budget planning purposes, and by municipal Commissions for Child Protection. The entity level governments, e.g. BiH Department for Economic Planning use the data for the purpose of providing information for development of BiH strategic planning documents and sharing with relevant entity and state ministries;

Under Output 3.2 it was planned to improve capacity of national and sub-national policy makers to collect and analyse data to ensure socially equitable water service protection policies. In particular:

- ***Training on M&E and HRBA approach to social protection assessment and planning for state-level and sub-national policy makers.*** Municipality staff/MMB members were trained in M&E and HRBA approach to social protection assessment and planning for state-level and sub-national policy makers.
- ***Implementation of two rounds of the Child Rights/Social Impact Assessment including 1,000 households per assessment.*** First round was planned to be conducted at the start of the project, but was not. According to UNICEF, initially, the plan was to conduct this survey with reference to and in line with UNDP's component on introduction of economic water tariffs and the cost-benefit analysis of the subsidies and the effects they would have on the poorest categories of the population, but: “...as this component has been revised by UNDP, it was realized that CRIA in this sense was not relevant any more for DEG, and so the concept was revised and it took time”<sup>36</sup>. This raises questions about the somewhat unclear and not – harmonized expectations that the partners had about the potential and willingness that the

<sup>36</sup> Interview with BiH UNICEF representative



municipalities have/will have about drastically increasing water tariffs to reach cost recovery levels quickly. Clearly, this would not have been feasible. Our interviews indicate that at this stage there is still reluctance on behalf of many municipalities to increase the tariffs drastically. There seem to be two factors here. One of them is indeed the fear of this unpopular action by the mayors. But objectively, increases in tariffs should be increased gradually, with parallel efforts to reduce the losses. Having said that, it is important that the process is closely monitored by the JP, which among other issues will allow to judge whether bringing in MMBs into the picture affects the incentives with regards to tariff setting

- ***Representatives of the state, entity and cantonal institutions representatives of the state, entity and cantonal institutions accountable for social protection will be trained via a five-day training (combination of two 2.5 days training) so that they possess skills to plan, commission and support implementation of the monitoring and evaluation of the social protection policies at relevant administrative levels.*** The training was held in June 2011 and 39 local community members were trained in PPD and M&E techniques and analysis as defined in the HRBA approach to programming and in the impact assessment methodology.

The extent of the use of the databases (both DevInfo and the databases on vulnerable households) for their internal work differs across the partner municipalities, as our interviews and site visits indicate. It is important to understand the reasons for that. A national consultant should be hired jointly by UNDP and UNICEF to carry out such an assessment, which will enable taking remedial action (this could be combined with the assessment of the factors underlying the variability of MMB performance).

### ***3.3.3. Factors contributing to progress or delay in the achievement of the outputs and outcomes***

A hands-on and innovative approach by the program management was undoubtedly a factor contributing the successes achieved by the project.

Ideally, the program should have more effective and routinely used management tools for planning the activities, which would have also made it possible to track the planned and actual timeframes for project implementation at activity level.

Some of the drawbacks of the program design contributed to the delays of certain elements of the project (e.g. in the case of the household survey, to capture the effects of the assumed increases in water tariffs; as well as not allowing time for the selection of municipalities).

A closer and more detailed information exchange between UNDP and UNICEF would have helped to achieve a better consistency between the program outcomes. Cooperation with the UN projects on local governance development at a more detailed level, with the aim to achieve synergies could have been stronger.

The external factors that affect the effectiveness and efficiency of the program include: political uncertainties and the objective realities of the institutional set up of water sector

### ***3.3.4. M&E and Learning***

In-house monitoring and evaluation (M&E) of implementation progress is coordinated through the Resident Coordinator's Office, and performed on the basis of the project document, which specifies the Joint Programme implementation milestones. This was envisioned in the PD. The M&E team is an integral support function for the set of MDG-F projects, with the primary responsibility was to ensure



a consistent flow of high-quality data to the project managers and programme and steering committees. The primary task of the team was to support:

- the Joint Programme Coordinator and Agency Project Staff of each MDG-F Joint Programme to establish the base line data sets, to advise on best practice monitoring, carry out field trips across the Joint Programme areas, and advise the RC, the Joint Programme Coordinators and agency staff on the outcomes of the monitoring.
- the regular reporting process to the RC, the Programme Management Committee, the National Steering Committee and the MDG-Secretariat.

As it has worked out for this project, the M&E team also supports the overall MDG monitoring role for the RC office. Hence while the team performs the basic functions in line with what was described above, the time for the latter is somewhat constrained.

The PMC is responsible for monitoring the progress of the activities in the logframe and of overseeing the collection of information against indicators. These are reported annually to the National Steering Committee. Based on the Annual Workplan and Budget of each output, the Resident Coordinator's Office, with UNDP and UNICEF, monitor the project's progress. The annual review of the JP is implemented collectively by national partners and participating UN organizations. Annual review results are in the form of a single report, thus reducing transaction costs. A common format for reporting based on results-based annual programme level reporting is used.

The Programme Monitoring Framework provides a summary of outcomes, outputs, activities, indicators, and means of verification. These form the basis of the programme monitoring and evaluation system. The system which is now in place was refined during the inception phase of the Joint Programme.

Based on the interviews, the initial framework was too long. The M&E team reduced it, but the framework is still extensive and not learning-oriented. Overall there could have been a better thought-through design of evaluation/learning for the project, e.g.

- Selection of the municipalities: for the Study the list of the municipalities is not the same as the final selection. If it were, more baseline information would have been available, which could have been compared to end results
- as was mentioned in Section 3.1.1.2. (d)
  - Learning is not well integrated into the program design. The project is by definition a pilot/demonstrative one, and hence, there is a need identify good practices, success stories, or transferable examples (they are in fact identified, part by the Project management unit, and partly, in the process of this evaluation- see the Section on Recommendations), but with a budget to accompany the task and drive the respective activities.
  - The household surveys by UNICEF: tying the idea with the across-the-board expected increases in water tariffs led to the fact that the baseline survey was not carried out. There are doubts about the effectiveness of having surveys now (mid way) and at the end.
  - While a public awareness campaign was planned and the changing of residents' attitudes and practices in relation to water supply are important, no mechanism was planned to assess the effectiveness of the public awareness campaign, e.g. though KAP surveys (Knowledge, Attitudes, Practices). One idea would be to replace the household survey (above) with a KAP study;

- Case studies, and assessment of the innovative models that are being developed or emerging in water supply were/are needed to understand whether they are serving the roles that were expected from them; understand the factors that lie behind varied performance of different municipalities, utilities, MMBs, etc This would have helped not only to take a remedial action, but also to feed into plans for replication of these models (see the Section on Recommendations)
- As mentioned in Section 3.3.2., Output 2.3. it would be important to set up monitoring mechanisms to assess changes that take place at WUs both performance and process –wise) and ensure that MMBs are able to conduct such monitoring.

### 3.3.5. Sustainability and potential for replication

The JP’s vision for Sustainability was based on the combination of the following:

- having multi-year municipal action plans •for the improvement of access to quality water supply in place, leading to restored infrastructure;
- adequate water pricing and social protection policies developed as products of the programme’s implementation;
- focus on capacity building leaving a legacy of more able practitioners to continue to better serve citizens in the future;
- collaboration with other donor projects - offers the potential for adding to the sustainability of the JP funded interventions by increasing the funds available for infrastructure investments, and thereby increasing the incentive for the joint programme’s beneficiaries to participate in less tangible activities;
- establishing coherence and synergies with the approach and policy processes of UNDP’s multi-year local governance projects in the area of promoting inclusive and integrated local development planning, systematic municipal capacity building, and strengthening of civil society-municipal administration interaction at the local level;<sup>37</sup>
- collaboration with the MDGF Environment joint programme ensuring that alignment and contributions to the Local Environmental action Plans (LEAP’s) are maximized. Some municipalities have developed LEAPs. To the extent possible, the activities in Outcome 2 were supposed to be designed to work within the LEAP framework. The activities in Outcome 2 were also expected to make a contribution to strengthening the LEAPs, and be implemented to complement the efforts and activities in the MDGF Environment joint programme;
- complementing the expected strengthening of CSOs by the project ‘Reinforcement of Local Democracy’ financed from the IPA 2007 and implemented by the UNDP;
- participatory process designs which were also to be informed by the Local Action Group (LAG) model, which represents formal partnerships of the government, non-government, and the business sector on the local level<sup>38</sup>. Through a cooperative effort between UNDP, the European Commission, and the BiH Ministry of Human Rights and Refugees, the first three such groups in BiH were officially registered in September, 2008;

<sup>37</sup> Namely, the Municipal Training System Project (MTS), the Strengthening of Local Democracy Project (LOD), and especially – the Integrated Local Development Project (ILDP).

<sup>38</sup> LAGs are designed in accordance with the standards and procedures of the EU and the LEADER Initiative.

- support from Government counterparts at the state and entity levels, expected to improve the chances for the achievement of successful implementation;<sup>39</sup>
- To replicate the reforms in other municipalities, the programme was intending to cooperate with the Bosnian Association of Water Utilities and the existing Associations of Municipalities. Furthermore, the lessons learnt from the capacity development initiatives in this joint programme were to be used as an input into UNDP’s Municipal Training System project;

Significant progress is achieved in terms of assuring sustainability of the program results, e.g. with:

- the programme is supported by national and local institutions. There are positive demonstrations that these institutions show certain leadership commitment and ownership towards the JP;
- operating capacities were created and/or reinforced in national partners;
- the programme advocated for more solid structure for water related policies at the nation level resulting in establishment of Department for Water in key stakeholder Ministry of Foreign Trade and Economic Relationship (MOFTER). It is expected that Department for Water becomes hub for all future interventions in the water supply sector and to take an active role in coordination activities. The department needs more support and capacity building to operate effectively. And more work is needed at the higher (than municipalities) level to contribute to unlocking the bottlenecks in institutional setup and operating environment of the water sector entities in a sustainable manner, e.g. through service standards, incentives for WUs and benchmarks;
- masterplans are getting integrated into the strategic plans for the developments of the local governments: more needs to be done in this regards to ensure the sustainability of the JP.
- the JP on Access to Water Supply works well with the MDGF Environmental program: (a) LEAPs are incorporating the Masterplans; and (b) in the implementation of infrastructure projects the JP on Access to Water Supply is targeting priorities from the Masterplan but also taking into account whether the problems were recognised in LEAPs. The two projects overlap however only in 7 municipalities and it would be good if this good practice covered all 13 partner municipalities;
- some of the partners have sufficient financial capacity to keep up the benefits produced by the programme, and some-not. Some important linkages were established, e.g. with EIB. More active linkages to access available financial sources are being created. More opportunities could be sought, however;
- unless the tariffs are increased to cost recovery levels, the sustainability of the project outcomes will be under threat. As argued above, this will have to be a gradual process, but it is important that the JP monitors the process and derives lessons learnt, coupled with an intensified work with the higher level governments to introduce guidelines for tariff setting and benchmarks. .
- MMBs are established and institutionalized at many of the partner the municipalities. But to ensure that they are sustainable platforms, effectively serving their functions, more targeted approach is needed for their development;
- More targeted support is needed for the municipal councils, and in parallel fashion, working both with them and line ministries to introduce service delivery standards, incentives and

<sup>39</sup> In particular, the expressions of support and possible co-financing from the Ministries of Agriculture, Forestry, and Water Management in both FBiH and the RS are mentioned in the PD and considered important

benchmarks, as well as for funding, replication and policy level work, e.g. to achieve a more explicit commercialization approaches for water suppliers;

- The social assistance component coordinates well with the WB let program aimed at supporting BiH government in the reform of social assistance system. Thus there is a good chance that the initiatives under the social component of the program, and in particular, vulnerability based assessment and identification of the households in need of assistance would feed into the future reformed system of social assistance;
- Public education component has started (e.g. through TV, PARs, schools- in cooperation with UNESCO), but a more strategic approach is needed to make these efforts sustainable.
- Cooperation with the Association of Municipalities and the Association of Water Utilities has started, but a more targeted and specific capacity building assistance/cooperation programme is needed. Currently the Association of Municipalities receives capacity building assistance from SIDA and USAID. However, if the task is to build their capacity in promoting water supply issues, targeted assistance will be needed. Overall however, the capacities of both associations are assessed as weak, by the interviewees, and the assistance to them should be based on a thorough assessment of the potential of success.

The threats to sustainability lie more in the constitutional crisis that the country faces, which are reflected in the fragmented governance, unclear and overlapping institutional responsibilities, weak central governance, as well as weak sectoral governance at the entity level ministries, as described in the beginning of this report. While these problems are outside the scope of the JP, the recommendations identified in this report will help to mitigate these threats, support sustainability of the program results and increase the potential for replication.

### *3.3.6. Potential for Impact*

The JP is contributing to the Millennium Development Goals (access to quality water supply, poverty, etc) at the local and national levels. However there is no sufficient information as yet to make any judgement of the extent of this contribution of the JP to this goal

The joint programme is also contributing to cross-cutting issues, including: gender equality; social inclusion; and environmental sustainability. A better designed evaluation and learning strategy is needed however (with a budget for it) to assess the extent of this contribution towards the end of the project

## **4. CONCLUSIONS AND LESSONS LEARNED**

The JP is on the track of securing effective collaboration between institutional building, infrastructure works and social protection components, which would enable local ownership the project and its sustainability.

The program is in its mid way, and it effectively started with a 6 months' time lag as compared to its initial plan since 6 months were needed for identification process of the partner municipalities- something not envisioned in the Project document. Hence one can only speak about some tentative **emerging** best practices. Also, the MTR, as mentioned, and stipulated by the TOR was a fast pace exercise, while to make a convincing case of a best practice, one needs to conduct a thorough assessments – at least good case studies on specific issues. Learning, through, at least case studies was not part of the project design, as was mentioned, and this is another factor that makes making

judgments about best practices brought about by the project at this stage challenging and premature. Several elements of the project are proving to be best practices, e.g.:

- establishment of MMBs as consultative platforms at the municipalities, which, among other issues tackle identification and support of vulnerable in their communities, including with water supply related issues and bring in accountability/informative element to the operation of municipal water utilities;
- supporting municipalities with water sector masterplans helps to unlock funding sources for the municipalities which would not have such a possibility without external assistance, as well as informing sectoral policy making for higher level governments;
- combining work with the municipalities with the support and advocacy at the higher levels of the government, which will help to put the requirement for improved service delivery based on financial sustainability of municipal water utilities on a more sustainable footing

The JP is contributing to the Millennium Development Goals (access to quality water supply, poverty, etc) at the local and national levels. However there is no sufficient information as yet to make any judgement of the extent of this contribution of the JP to this goal: this will need to be a part of the end of the project evaluation.

The duration of the Programme is hardly sufficient to ensure a cycle that will support the sustainability of the interventions. In particular, close involvement with entity level sector ministries, further support to the Water Department of Water at MOFTER, in line with the potential activities described above, will require additional time and funding.

### *1. Design level*

The project addresses an important issue for Bosnia and Herzegovina. The project design is adequate in that it aims to bring together the two building blocks necessary for achieving sustainable, affordable, effective and accountable service delivery: capacity building for water utilities and improving the accountability mechanisms for the operation of water utilities and municipalities. One aspect where the project design could have been better elaborated relates to the role of MMBs as it pertains to the water sector as opposed to other issues having social significance – in the context of the overall scope of work of municipalities, as well as linking the outcome envisioned under this program to strategic development of municipalities. Also, expectations about municipalities’ increasing water tariffs needed better elaboration, with consequences for other components (e.g. capturing their impact on households). Additionally, a stronger evaluation/learning component would have benefitted the program to result in recommendations and concrete actions to enhance the potential for replication.

### *2. Process level*

At the process level, the program management initiated and succeeded in some advancement related to bringing the third building block into the picture- engagement with entity and state level government bodies, resulting in the establishment of the Department for Water within MOFTER.

The program ensured active engagement of the residents in forming PAG groups, and establishing the MMBs; in identifying the vulnerable households in the respective communities as well as training of the MMBs to continue the work in the future.

A few areas where the program could be improved are: having a clear timeline of the planned activities for the whole duration of the project; a more strategic and clear approach towards training of

the WU staff (in addition to experience sharing between the water utilities, which in itself is an innovative approach, but, potentially not sufficient)

Ideally large scale public awareness campaigns were to be started earlier, than it is planned now (during the second phase), as was envisioned in the PD. A Communications Strategy is however developed now and if implemented effectively with innovative elements this could contribute largely towards changing knowledge, attitudes and practices of the residents largely.

Cooperation between UNDP and UNICEF is good; however a more detailed information sharing is advised between the agencies, as well as better coordination of their work in a given municipality.

### 3. Results level

#### a) local level in pilot municipalities

The project is progressing well and important achievements are in place, which have a good potential to improve the water supply for the residents of the selected municipalities. The project is also on track of securing effective collaboration between institutional building, infrastructure works and social protection components, which would enable local ownership the project and its sustainability. In particular:

- Masterplans and water sector studies, based on comprehensive assessments that were carried out have the potential to unlock the funding from IFIs for the pilot municipalities. Already, the program has managed to broker a number of potentially promising investment/loan projects. One area for improvement and future work is ensuring a closer link between the JP and other projects in support of developing local governance (strategic planning, program based budgeting in particular).
- Municipalities have shown a keen interest in improving water supply in their service areas. This has manifested itself in large amount of cofunding for the infrastructure projects (US\$435.000).
- Most of the municipalities are proving to be reluctant to increase water tariffs drastically to reach cost recovery levels. It has subjective reasons but also objective ones: this has to be a gradual process, accompanied by efforts to decrease the losses and attract investments. The municipalities need however continued guidance by the JP. It is also important to monitor the process closely to derive lessons learnt.
- MMBs were established in all target municipalities. Despite the short time for preparation and realization of activities in the JP, most of the MMBs successfully realized planned tasks and embraced the concept of HRBAP methodology with the purpose of achieving best interests for children and adults;
- Assessments and situation analyses made in area of social and child protection, in many municipalities enable them to conduct qualitative and quantitative analysis about the current situation in institutions and organizations which implement activities in the area of social protection of children and adults in local communities;
- MMBs/Commissions help to bring the accountability element into the oversight of water utilities, ensuring that the rights of the residents and especially the poor and vulnerable are included in the decision making process with regards to both municipalities and water utilities. One potential area for the improvement and future work is bringing in more clarity in terms of the multisectoral role of MMBs at municipalities (vis a vis water sector; in name as well as in nature) as well supporting advancement of their work. Also, there are



municipalities which perform better than some others in terms of PAG activity: the latter need a more targeted support to catch up. .

- Municipalities are better informed now with knowledge of the vulnerable households in their communities. This is a good start for the upcoming reform of the social assistance reform – and the JP successfully cooperates with the WB, which is leading these efforts.
- Municipalities are also better equipped with the information databases (DevInfo) which, coupled with training in evidence-based policy making already helps them to improve their performance especially in the areas, which are of direct relevance to the poor and vulnerable. Information flows to the state bodies in charge of social assistance is taking place already in many of the target municipalities
- MMBs in all municipalities have developed Action Plans. They were trained in how to develop these sustainably to reflect the needs of the vulnerable. Some priority activities were funded from the project budgets with small grants. Action Plans are in the process of implementation in all municipalities.
- MMBs have started developing strategies on how to assist the vulnerable with water sector issues (e.g., subventions from the municipality budgets, social tariffs by water utilities, etc). It is important to continue monitoring these developments and continuing to assist the MMBs, water utilities and municipalities in this regard.
- PAR groups were formed with UNICEF support which involved schoolchildren in action research. These also were built upon with the UNESCO component, whereby they fundraised for small scale water projects, thereby also contributing to public awareness raising. This is an interesting approach, but it would be important to assess the effectiveness

**b) Canton and Entity level**

- The research and masterplans developed within the JP have been very useful for these levels of the government to inform elaboration of Water Sector strategies. The FBiH has made Water Management Strategy, which has passed a public hearing campaign and the same was adopted by the Government of the Federation and the House of Representatives of the FBiH, and is expected to be adopted by the House of Peoples of FBiH. The strategy was prepared for a period of 12 years and includes planned institutional reforms, legal and regulatory measures, evaluation of investments for the water supply necessary to achieve planned objectives<sup>40</sup>. The work with the entity level ministries needs to be intensified however with a goal to see service standards, key benchmarks, and incentive mechanisms adopted.
- The concept of MMBs should ideally be imbedded in the laws. There is already a draft Law in the Republic of Srpska, which is an important achievement: this should be followed through with for FBiH in cooperation with the UN and other initiatives in support of local governance development.
- The JP contributed to the ongoing work by the Association of Municipalities, aimed at developing laws on communal services in the two entities. This needs to be continued, ensuring that the findings from the project are fed into the process

**c) State level**

- The programme advocated for more solid structure for water related policies at the nation level resulting in establishment of Department for Water in key stakeholder Ministry of

<sup>40</sup> Based on the interview with the representative of the Embassy of Spain in BiH (member of PCM)

Foreign Trade and Economic Relationship (MOFTER). It is expected that Department for Water becomes hub for all future interventions in the water supply sector and to take an active role in coordination activities (e.g. between entities) as well as setting some ground rules for tariff setting. It was established only year ago and has only 4 staff. The department needs more support and capacity building to operate effectively. And more work is needed at this level, and with the Water Department in particular (e.g. for the latter develop agreed by all tariff setting guidelines) to unlock the bottlenecks in operating environment of the water sector entities in a sustainable manner.

- Cooperation with the Association of Municipalities and the Association of Water Utilities has started, but a more targeted and specific capacity building assistance/cooperation programme is needed

*d) Cross-cutting issues*

- The Program ensured active participation of women in the MMBs, thus contributing to more active participation of women in decision making at the municipality level, as well as addressing the problems which are of acute importance for women.
- Youth are being actively involved in forming PAG and PAR groups, ensuring their engagement in the solving of the community problems from an early age. This is a good investment to promote their future engagement as well.

## 5. RECOMMENDATIONS

### 5.1. CURRENT PROGRAMME

1. Develop a time bound planning tool for the project management with clear deadlines for each activity. Ensure better and in-detail coordination and information sharing between UNDP and UNICEF
2. Continue to support water utilities with technical assistance with regards to the implementation of their strategies. Monitor the developments related to increasing water tariffs. Incorporate this into the Learning plan.
3. Review the place of the MMBs in each municipality [narrow (only water) vs. wider role] helping to clarify their mandate vis-a-vis other potentially existing consultative platforms. Coordinate this activity with various projects (including those of UNDP, but not only) on local governance development. If these are multisector, then ensure that this is reflected in the names of the Commissions (into which MMBs are formalized) and Action Plans
4. Ensure a better and in-detail coordination to achieve synergies with UNDP (and other) programs on local governance development. In particular, to link the masterplans and MMB/Commission Action Plans with the strategy formulation by the municipalities (based on program based budgeting) and encouraging IMC.
5. Investigate cooperation opportunities with the regional development agencies (e.g. in terms of attracting funding)
6. Develop a more systemic approach to training of municipality and water utility staff and MMBs (regarding water supply issues), as well as Municipal Councils. , to be preceded by

assessments of the persisting training needs of water utility staff. Ensure that the effectiveness of these efforts is assessed.

7. Develop and implement a more systematic approach to public awareness among the population. Ensure that the effectiveness of these efforts is assessed. It is noted that the Program Plan for 2012 includes activities related to raising public awareness among population.
8. Develop and implement a well-designed plan for the evaluation of the program outcomes and impact. Well designed case studies could be utilized to generate valuable learning about the water supply management models, as well governance models. Topics for case studies could include: *IMC for water service delivery; Villages-city connections; performance of varieties of governance structures at water utilities (e.g. the effects of PSP); WU and Small scale water suppliers: cooperation vs. competition; effects of political dynamics on water tariff policies; water quality monitoring systems: what works; successful modalities of assisting the poor (related to increasing water tariffs); Success factors for MMBs, etc.* KAP survey could be used to assess behavior change related to public awareness campaigns.
9. Ensure that monitoring mechanisms are developed for water service delivery. There are now baselines for each of the water utility: after the end of the project it would be important to assess what changes have taken place at all water utilities across several dimensions (performance; behaviour, capacity).
10. It would be important to understand whether the MMBs are being able become an effective vehicle for multisector approach for resolving problems of water supply: e.g. having real influence on the water utilities and municipalities to achieve the desired change (sustainable water supply, effective water utilities, moving towards cost recovery while protecting the poor).
11. Build the capacities of the MMBs, and various levels of governments to enable them to monitor and assess the effectiveness of the multisector approach to resolving the problems of water supply.
12. The learning from the Recommendations 8-10 above should feed the plans of reapplication by the various levels of government, as well as by industry associations (Association of Municipalities, Association of Water Utility Companies).
13. Continue the efforts to ensure that citizens and local officials play a more significant role in securing benefits of efficient local government, and increase civil society “voice” and participation. Ensure that the municipalities are held accountable to citizens for service delivery. In this regard, support municipal councils (along with MMBs) to achieve improved oversight of service providers.

## 5.2. RECOMMENDATIONS FOR THE FUTURE PROGRAMMES

In case additional funding is available for the project:

14. Support the Association of Municipalities in the development of the Laws on communal services (currently in progress). Support replication of the successful management models emerging under the JP through the Association of Municipalities and Association of Water Utilities. This might require capacity building of these Associations, which could be done based on an assessment of their current status and needs

15. Support increased accountability in terms of both vertical and horizontal mechanisms of municipalities and water utilities in cooperation with entity level sector ministries through for example, a framework for service delivery standards to ensure compliance across constituent jurisdictions, and implementing a performance-based system that includes publicly available performance benchmarks and indicators, and offers incentives to providers to improve their service delivery
16. Support the newly established Department for Water in key stakeholder Ministry of Foreign Trade and Economic Relationship (MOFTER) for it to become a hub for all future interventions in the water supply sector and to take an active role in coordination activities (e.g. between entities) as well as setting some ground rules for tariff setting.

## ANNEXES

### Annex 1. Meetings

WEEK 1 – July 11 <sup>th</sup> – 15 <sup>th</sup> , 2011				
Monday	Tuesday	Wednesday	Thursday	Friday/Saturday
09:00 – 12:00 Briefing with MDG-F DEG Team	09:00 – 10:00 UNDP Igor Palandzic EE Cluster Analyst	Field trip Gracanica, Meeting with Municipal Management Board, Water Utility,	10:00 – 11:00 Thuy RC M&E person (BBI center )	10:30 Trip to Istocno Sarajevo,
12:00 – 14:00 Lunch time	10:00 – 12:00 MOFTER – Bosko Kenjic Head of water department		11:00 – 12:00 Mtg. UNESCO (main building)	11:00 Meeting Utility and municipal representatives (3 municipalities)
14:00 – 15:00 Meeting with UN RC office representatives	12:00 – 13:00 Lunch time		14:00 – 15:00 Lunch time, mtg Peter UNDP DRR	12:00 working lunch in Istocno Sarajevo
15:00 – 17:00 Meeting with UNICEF	14:00 – 16:00 IBHI		15:00 – 17:00 Meeting on DevInfo With UNICEF and DEG team	14:00 Lilit mtg.

WEEK 2 – July 18 <sup>th</sup> – 21 <sup>th</sup> , 2011				
Monday	Tuesday	Wednesday	Thursday	Friday
09:00 – 10:00 Aziz Comor, Federal Ministry for Agriculture, Forestry and Water management PMC memembr	10:00 – 12:00 Mtg. World Bank (TBC on Monday morning))	Trip to Stolac  11:00 – 12:00 Mtg. Water company		
11:00 – 12:00 Mtg. UNDP local governance people	12:00 – 14:00	12:00 – 14:00 Trip to Neum		
14:00 – 15:00 Lunch time	14:00 – 15:00 Lunch time	14:00 – 15:00 Lunch time		
15:00 – 17:00 UNICEF RR meeting	15:00 – 17:00	15:00 – 17:00 Meeting with Neum water utility		

## Annex 2: Interview guide

**NB: The questions were slightly modified depending on who is the interviewee**

General	IFIs, National stakeholders, etc	Municipalities	Water companies
What is the relation of your organization to this project: contribution and budget?	✓	✓	✓
Who would you recommend that we speak to gain an understanding of the impact of the programme and how it was received by the project beneficiaries?	✓	✓	✓
Is there anyone else we should speak to about this project?	✓	✓	✓
<b>Relevance</b>			
What was the project environment before the project?	✓	✓	✓
Where did the original request for the project come from? Whose idea was it and why were they interested?	✓	✓	
Was your organization part of the conceptualizing the project?	✓	✓	✓
Was the project changed during the course? If yes, who initiated the change? Was your organization part of the conceptualizing the change?	✓	✓	✓
What were the issues the project was called for to address?	✓	✓	✓
Do you think these are important questions to address with UN support?	✓	✓	✓
Do you think UN agencies are best positioned to implement such a project?	✓	✓	✓
Do you think the project design is adequate to address the key problems?	✓	✓	✓
What were/are your the expectations from the project?	✓	✓	✓
Do you know what were the components and the key inputs into the program? Who provided each of the inputs and at what cost?	✓	✓	✓
Who were the key experts for the project and what were they contributions?	✓	✓	✓
What are the complementarities of the JP with other donors support?	✓	✓	✓
To what extent has the intervention strategy been adapted to the areas of intervention in which it is being implemented (e.g.: specific characteristics and interests of the population; the particularities and specific interests of women and men; political and socio-cultural background)?	✓	✓	✓
To what extent has the MDG-F Secretariat contributed to raising the quality of the design of the joint programme?	✓		
<b>Effectiveness: outputs</b>			
Do you think the project is on course to achieve what it was set to achieve?	✓	✓	✓
What were the biggest successes and challenges of the project in your view and why so far?	✓	✓	✓
In the hindsight, what, if anything should have been done differently during this time?	✓	✓	✓
Which elements of the project provided the best value for money? Why do you think so?	✓	✓	✓
If you had more funding what else would you have done?	✓	✓	✓
Do the outputs produced meet the required quality?	✓	✓	✓
<b>Effectiveness in terms of outcomes</b>			
To what extent is the JP contributing to improving the ability of Water	✓	✓	✓



and Sanitation management entities/institutions to participate in <b>strategic planning</b> for these sectors?			
To what extent is the JP contributing to the improvement of the policy environment (including increased awareness of decision makers and relevant institutions, for <b>future policy-making</b> on social inclusion and local service delivery to citizens)?	✓	✓	✓
Is the JP programme contributing to improved communication and collaboration between the various institutions involved in the sector?	✓	✓	✓
In what ways has the joint programme contributed to „gender equality „and „social inclusion““?	✓	✓	✓
What types of differentiated effects are resulting from the JP with regards to sex, race, ethnic group, rural or urban setting of the beneficiary population, and to what extent?	✓	✓	✓
<b>Efficiency</b>			
Does your organization have a program which is complementary to the JP? If yes, how good is the coordination?	✓		
Do you think the JP seeks to coordinate and complement other initiatives involving infrastructure investment? And if yes, is this happening productively?	✓		
Do you think JP involves all the institutional levels (whose mission includes water and sanitation) in its strategy development/modification?	✓		
Have the lessons learned from previous interventions been taken into account and incorporated into the programme to improve its efficacy?	✓	✓	✓
Were (and what) systems in place from the onset to measure the progress of the project against objectives? Does the programme have follow-up mechanisms (to verify the quality of the products, punctuality of delivery, etc.) to measure progress in the achievement of the envisaged results? Are the follow-up indicators relevant and do they meet the quality needed to measure the outputs and outcomes of the joint programme?	✓		
Is the stipulated timeline of outputs being met? What factors are contributing to progress or delay in the achievement of the outputs and outcomes?	✓	✓	✓
Is the programme providing coverage to beneficiaries as planned?	✓	✓	✓
In what way has the programme come up with innovative measures for problem-solving?	✓	✓	✓
Have any good practices, success stories, or transferable examples been identified?	✓	✓	✓
Do you think that the present (joint) management model is more efficient compared to other single UN agency management models (Agency specific delivery mechanism)?	✓		
What is the contribution/added value/effectiveness of the MDG-F Secretariat's guidance and support to the implementation and the learning of the JP?	✓		
What is the added value of the UN coordination and UN joint communication assistance to the programme?	✓		
<b>Ownership</b>			
To what extent have the target population and participants made the programme their own, taking an active role in it? What modes of participation have taken place?	✓	✓	✓
To what extent have public/private national resources and/or counterparts been mobilized to contribute to the programme's objective and produce results and impacts?	✓	✓	✓

<b>Potential Impact</b>			
What in your view was the potential impact of the project on households? Is the project in your view set to achieve ultimately improved water access and use of the citizens?	✓	✓	✓
What in your view was the potential impact of the project on businesses?	✓	✓	✓
What in your view was the potential impact of the project on environment?	✓	✓	✓
What in your view was the potential impact of the municipalities?	✓	✓	✓
What in your view was the potential impact of the water utilities?	✓	✓	✓
<b>Sustainability</b>			
Do you believe that the results of the project will stand the test of the time?	✓	✓	✓
What measures were put in place to ensure sustainability? Are they still place and relevant? What are the risks that they will no longer be relevant?	✓	✓	✓
Is the programme supported by national and/or local institutions?	✓	✓	✓
Are these institutions showing technical capacity and leadership commitment to keep working with the programme and to repeat it?	✓	✓	✓
Do the partners have sufficient financial capacity to keep up the benefits produced by the programme?	✓	✓	✓
To what extent are the visions and actions of the partners consistent or divergent with regard to the joint programme?	✓	✓	✓
Is the duration of the programme sufficient to ensure a cycle that will project the sustainability of the interventions?	✓	✓	✓
Have operating capacities been created and/or reinforced in national partners?	✓	✓	✓
In what ways can the governance of the joint programme be improved so that it has greater likelihood of achieving future sustainability?	✓	✓	✓
How has the JP improved the opportunities for Water and Sanitation management entities/institutions to obtain funds for building and maintaining infrastructure?	✓	✓	✓
Are management models being created in the country that can be applied in other regions at a later point in time?	✓	✓	✓

## Annex 2: Framework for Sustainability analysis

Aspect	Factor	Data
<b>Governance</b>		
Government (central/local)	Capacity, stability of existence	If the project is under a special unit, how stable is its future?
	Ability to finance	Historical analysis of revenue variation and factors behind it
		Strength of tax base, and collections from the utilities
	Willingness to finance	Shortfall between budgeted and actual expenditures; Likely Government priorities. If the Government changes, what are the plans of opposition parties?
Legislature	Viability, independence	Is the legislature independent? Is its legislation well enforced? How frequent are changes in legislation? Are changes introduced in accountable and democratic manner?
Regulator	Capacity, organizational viability, independence	Is the regulator independent? Is it capable to provide regulatory oversight professionally? Is the regulation predictable?
Civil society	Capacity	Are there command based organizations responsible for civil society oversight? Can these responsibilities be enforced?
	Organization	Do civil society actors have the required skills or are there opportunities for them to acquire those?
<b>Utility management</b>		
Government	Capacity, stability of existence	If the project is under a special unit, how stable is its future?
	Willingness to finance	If the project is co-financed by the Government, how willing is it to continue the co/funding after the project funding is over?
		Historical analysis of shortfall between budgeted and actual expenditures;
	Ability to finance	Historical analysis of revenue variation and factors behind it
		Strength of tax base, and collections from the utilities
Regulator	Capacity, organizational viability, independence	Is the regulator independent? Is it capable to provide regulatory oversight professionally? Is the regulation predictable?
Utility	Capacity, organizational viability	Are the skills required for project implementation present and will be there in the future?
	Ability and willingness to finance	Is the utility able to finance the costs of O&M?
Environmental	Ability	Is the utility/technology depleting exhaustible

		source? Are there adverse effects of the technology potentially capable of undermining its benefits?
	Legislation and enforcement	Is the legislation in place to ensure that the potential negative environmental effects are mitigated? Is the legislation enforceable?
Communities	Capacity	Are there command based organizations responsible for community oversight? Can these responsibilities be enforced?
	Organization	Do community members have the required skills or are there opportunities for them to acquire those?
Customers	Ability to pay	Forecasts of charge as percent of household income
	Willingness to pay	Will the project continue to provide benefits of sufficient value to customers to want to pay? Possible changes in consumer preferences, e.g. in case of competing suppliers
<b>Infrastructure</b>		
Design	Soundness	Is infrastructure provided modern and suitable for its lifetime?
O&M	Ability	Do those responsible possess necessary skills to manage and operate?
	Ability and willingness to finance	Is the utility able to finance the costs of the project on a sustainable basis?
Environmental	Ability	Is the utility/technology depleting exhaustible source? Are there adverse effects of the technology potentially capable of undermining its benefits?
	Legislation and enforcement	Is the legislation in place to ensure that the potential negative environmental effects are mitigated? Is the legislation enforceable?
Communities	Capacity	Are there command based organizations responsible for community oversight? Can these responsibilities be enforced?
	Organization	Do community members have the required skills or are there opportunities for them to acquire those?
Customers	Ability to pay	Forecasts of charge as percent of household income
	Willingness to pay	Will the project continue to provide benefits of sufficient value to customers to want to pay? Possible changes in consumer preferences, e.g. in case of competing suppliers
<b>Social services</b>		
O&M	Ability	Do those responsible possess necessary skills to manage and operate?
	Ability and willingness to	Is the management able to finance the costs of the

	finance	project on a sustainable basis?
Communities	Capacity	Are there command based organizations responsible for community oversight? Can these responsibilities be enforced?
	Organization	Do community members have the required skills or are there opportunities for them to acquire those?
Customers	Ability to pay	Forecasts of charge as percent of household income
	Willingness to pay	Will the project continue to provide benefits of sufficient value to customers to want to pay? Possible changes in consumer preferences, e.g. in case of competing suppliers

*Adapted from: H. White, “Challenges in evaluating development effectiveness”, IDS Working Paper 242, Institute of Development Studies, Brighton, UK, March 2005*

## Annex 4: Terms of Reference

### TOR EVALUATION OF MDG-F JOINT PROGRAMMES

#### General Context: the MDG-F

In December 2006, the UNDP and the Government of Spain signed a major partnership agreement for the amount of €28 million with the aim of contributing to progress on the MDGs and other development goals through the United Nations System. In addition, on 24 September 2008 Spain pledged €90 million towards the launch of a thematic window on Childhood and Nutrition. The MDGF supports countries in their progress towards the Millennium Development Goals and other development goals by funding innovative programmes that have an impact on the population and potential for duplication.

The MDGF operates through the UN teams in each country, promoting increased coherence and effectiveness in development interventions through collaboration among UN agencies. The Fund uses a joint programme mode of intervention and has currently approved 128 joint programmes in 49 countries. These reflect eight thematic windows that contribute in various ways towards progress on the MDGs.

#### The following points should be provided by the joint programme team

- Describe the joint programme, programme name and goals; include when it started, what outputs and outcomes are sought, its contribution to the MDGs at the local and national levels, its duration and current stage of implementation.
- Summarize the joint programme’s scale of complexity, including its components, targeted participants (direct and indirect), geographical scope (regions) and the socio-economic context in which it operates.
- It is also useful to describe the human and financial resources that the joint programme has at its disposal, the number of programme implementation partners (UN, national and local governments and other stakeholders in programme implementation).
- Changes noted in the programme since implementation began, and how the programme fits in with the priorities of the UNDAF and the National Development Strategies.

### 2. OVERALL GOAL OF THE EVALUATION

One of the roles of the Secretariat is to monitor and evaluate the MDGF. This role is fulfilled in line with the instructions contained in the Monitoring and Evaluation Strategy and the Implementation Guide for Joint Programmes under the Millennium Development Goals Achievement Fund. These documents stipulate that all joint programmes lasting longer than two years will be subject to a mid-term evaluation.

Mid-term evaluations are highly formative in nature and seek to **improve implementation of the joint programmes during their second phase of implementation. They also seek and generate knowledge, identifying best practices and lessons learned** that could be transferred to other programmes. As a result, the conclusions and recommendations generated by this evaluation will be addressed to its main users: the Programme Management Committee, the National Steering Committee and the Secretariat of the Fund.

### 3. SCOPE OF THE EVALUATION AND SPECIFIC GOALS

The mid-term evaluation will use an expedited process to carry out a systematic, fast-paced analysis of the design, process and results or results trends of the **joint programme**, based on the scope and criteria included in these terms of reference. This will enable conclusions and recommendations for the joint programme to be formed within a period of approximately three months.

**The unit of analysis or object of study for this interim evaluation is the joint programme**, understood to be the set of components, outcomes, outputs, activities and inputs that were detailed in the joint programme document and in associated modifications made during implementation.

This mid-term evaluation has the following **specific objectives**:



6. To discover the programme’s **design quality and internal coherence** (needs and problems it seeks to solve) and its external coherence with the UNDAF, the National Development Strategies and the **Millennium Development Goals**, and find out the degree of national ownership as defined by the Paris Declaration and the Accra Agenda for Action.
7. To understand how the joint programme **operates** and assess the **efficiency of its management model** in planning, coordinating, managing and executing resources allocated for its implementation, through an analysis of its procedures and institutional mechanisms. This analysis will seek to uncover the factors for success and limitations in inter-agency tasks within the **One UN** framework.
8. To identify the programme’s **degree of effectiveness** among its participants, its contribution to the objectives of the **Economic Governance thematic window**, and the Millennium Development Goals at the local and/or country level.

#### 4. EVALUATION QUESTIONS, LEVELS AND CRITERIA

The main users of the evaluation represented in the evaluation reference group (Section 8 of the TOR), and specifically the coordination and implementation unit of the joint programme, are responsible for contributing to this section. Evaluation questions and criteria may be added or modified up to a reasonable limit, bearing in mind the viability and the limitations (resources, time, etc.) of a quick mid-term evaluation exercise.

The evaluation questions define the information that must be generated as a result of the evaluation process. The questions are grouped according to the criteria to be used in assessing and answering them. These criteria are, in turn, grouped according to the three levels of the programme.

##### Design level:

- **Relevance: The extent to which the objectives of a development intervention are consistent with the needs and interest of the people, the needs of the country, the Millennium Development Goals and the policies of associates and donors.**
  - a) Is the identification of the problems, with their respective causes, clear in the joint programme?
  - b) Does the Joint Programme take into account the particularities and specific interests of women and men in the areas of intervention?
  - c) To what extent has the intervention strategy been adapted to the areas of intervention in which it is being implemented? What actions does the programme envisage, to respond to obstacles that may arise from the political and socio-cultural background?
  - d) Are the follow-up indicators relevant and do they meet the quality needed to measure the outputs and outcomes of the joint programme?
  - e) To what extent has the MDG-F Secretariat contributed to raising the quality of the design of the joint programmes?
- **Ownership in the design: Effective exercise of leadership by the country’s social agents in development interventions**
  - a) To what extent do the intervention objectives and strategies of the Joint Programme respond to national and regional plans and programmes, to identified needs, and to the operational context of national politics?
  - b) To what extent have the country’s national and local authorities and social agents been taken into consideration, participated, or have become involved, at the design stage of the development intervention?

##### Process level

- **Efficiency: Extent to which resources/inputs (funds, time, etc.) have been turned into results**
  - a) To what extent does the joint programme’s management model (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision-making in management) contribute to obtaining the predicted products and results?
  - b) To what extent are the participating agencies coordinating with each other, with the government and with civil society? Is there a methodology underpinning the work and internal communications that contributes to the joint implementation?

- c) Are there efficient coordination mechanisms to avoid overloading the counterparts, participating population/actors?
- d) Is the pace of implementing the products of the programme ensuring the completeness of the results of the joint programme? How do the different components of the joint programme interrelate?
- e) Are work methodologies, financial instruments, etc. shared among agencies, institutions and Joint Programmes?
- f) Have more efficient (sensitive) and appropriate measures been adopted to respond to the political and socio-cultural problems identified?

**- Ownership in the process: Effective exercise of leadership by the country’s social agents in development interventions**

- g) To what extent have the target population and participants made the programme their own, taking an active role in it? What modes of participation have taken place?
- h) To what extent have public/private national resources and/or counterparts been mobilized to contribute to the programme’s objective and produce results and impacts?

**Results level**

**- Effectiveness: Extent to which the objectives of the development intervention have been achieved or are expected to be achieved, bearing in mind their relative importance.**

- a) Is the programme making progress towards achieving the stipulated results?
  - a. To what extent and in what ways is the joint programme contributing to the Millennium Development Goals at the local and national levels?
  - b. To what extent is the programme contributing to the goals set by the thematic window, and in what ways?
- b) Is the stipulated timeline of outputs being met? What factors are contributing to progress or delay in the achievement of the outputs and outcomes?
- c) Do the outputs produced meet the required high quality?
- d) Does the programme have follow-up mechanisms (to verify the quality of the products, punctuality of delivery, etc.) to measure progress in the achievement of the envisaged results?
- e) Does the programme have follow-up mechanisms (to verify the quality of the products, punctuality of delivery, etc.) to measure progress in the achievement of the envisaged results?
- f) Is the programme providing coverage to beneficiaries as planned?
- g) In what way has the programme come up with innovative measures for problem-solving?
- h) Have any good practices, success stories, or transferable examples been identified?
- i) In what ways has the joint programme contributed to the issue of fair youth employment?
- j) In what ways has the joint programme contributed to the issue of internal and/or external migration?
- k) What types of differentiated effects are resulting from the joint programme in accordance with the sex, race, ethnic group, rural or urban setting of the beneficiary population, and to what extent?

**Sustainability: Probability of the benefits of the intervention continuing in the long term.**

- a) Are the necessary premises occurring to ensure the sustainability of the effects of the joint programme?

At local and national level:

- i. Is the programme supported by national and/or local institutions?
- ii. Are these institutions showing technical capacity and leadership commitment to keep working with the programme and to repeat it?
- iii. Have operating capacities been created and/or reinforced in national partners?
- iv. Do the partners have sufficient financial capacity to keep up the benefits produced by the programme?
- v. Is the duration of the programme sufficient to ensure a cycle that will project the sustainability of the interventions?
- b) To what extent are the visions and actions of the partners consistent or divergent with regard to the joint programme?
- c) In what ways can the governance of the joint programme be improved so that it has greater likelihood of achieving future sustainability?

## 5. METHODOLOGICAL APPROACH

The mid-term evaluations will use methodologies and techniques as determined by the specific needs for information, the questions set out in the TOR, the availability of resources and the priorities of stakeholders. In all cases, consultants are expected to analyse all relevant information sources, such as annual reports, programme documents, internal review reports, programme files, strategic country development documents and any other documents that may provide evidence on which to form opinions. Consultants are also expected to use interviews as a means to collect relevant data for the evaluation.

The methodology and techniques to be used in the evaluation should be described in detail in the desk study report and the final evaluation report, and should contain, at minimum, information on the instruments used for data collection and analysis, whether these be documents, interviews, field visits, questionnaires or participatory techniques.

## 6. EVALUATION DELIVERABLES

The consultant is responsible for submitting the following deliverables to the Secretariat of the MDGF:

☐ **Inception Report** (to be submitted within fifteen days of the submission of all programme documentation to the consultant)

This report will be 10 to 15 pages in length and will propose the methods, sources and procedures to be used for data collection. It will also include a proposed timeline of activities and submission of deliverables. The desk study report will propose initial lines of inquiry about the joint programme this report will be used as an initial point of agreement and understanding between the consultant and the evaluation managers. The report will follow this outline:

### 0. Introduction

1. Background to the evaluation: objectives and overall approach
2. Identification of main units and dimensions for analysis and possible areas for research
3. Main substantive and financial achievements of the joint programme
4. Methodology for the compilation and analysis of the information
5. Criteria to define the mission agenda, including “field visits”

☐ **Draft Final Report** (to be submitted within 15 days of completion of the field visit)

The draft final report will contain the same sections as the final report (described in the next paragraph) and will be 20 to 30 pages in length. This report will be shared among the evaluation reference group. It will also contain an executive report of no more than 5 pages that includes a brief description of the joint programme, its context and current situation, the purpose of the evaluation, its methodology and its main findings, conclusions and recommendations. The final report will be shared with evaluation reference group to seek their comments and suggestions. This report will contain the same sections as the final report, described below.

☐ **Final Evaluation Report** (to be submitted within ten days of receipt of the draft final report with comments)

The final report will be 20 to 30 pages in length. It will also contain an executive report of no more than 5 pages that includes a brief description of the joint programme, its context and current situation, the purpose of the evaluation, its methodology and its major findings, conclusions and recommendations. The final report will be sent to the evaluation reference group. This report will contain the following sections at a minimum:

1. Cover Page
2. Introduction
  - Background, goal and methodological approach
  - Purpose of the evaluation
  - Methodology used in the evaluation
  - Constraints and limitations on the study conducted
3. Description of interventions carried out
  - - Initial concept
  - - Detailed description of its development: description of the hypothesis of change in the programme.

4. Levels of Analysis: Evaluation criteria and questions
5. Conclusions and lessons learned (prioritized, structured and clear)
6. Recommendations
7. Annexes

## 7. ETHICAL PRINCIPLES AND PREMISES OF THE EVALUATION

The mid-term evaluation of the joint programme is to be carried out according to ethical principles and standards established by the United Nations Evaluation Group (UNEG).

- **Anonymity and confidentiality.** The evaluation must respect the rights of individuals who provide information, ensuring their anonymity and confidentiality.
- **Responsibility.** The report must mention any dispute or difference of opinion that may have arisen among the consultants or between the consultant and the heads of the Joint Programme in connection with the findings and/or recommendations. The team must corroborate all assertions, or disagreement with them noted.
- **Integrity.** The evaluator will be responsible for highlighting issues not specifically mentioned in the TOR, if this is needed to obtain a more complete analysis of the intervention.
- **Independence.** The consultant should ensure his or her independence from the intervention under review, and he or she must not be associated with its management or any element thereof.
- **Incidents.** If problems arise during the fieldwork, or at any other stage of the evaluation, they must be reported immediately to the Secretariat of the MDGF. If this is not done, the existence of such problems may in no case be used to justify the failure to obtain the results stipulated by the Secretariat of the MDGF in these terms of reference.
- **Validation of information.** The consultant will be responsible for ensuring the accuracy of the information collected while preparing the reports and will be ultimately responsible for the information presented in the evaluation report.
- **Intellectual property.** In handling information sources, the consultant shall respect the intellectual property rights of the institutions and communities that are under review.
- **Delivery of reports.** If delivery of the reports is delayed, or in the event that the quality of the reports delivered is clearly lower than what was agreed, the penalties stipulated in these terms of reference will be applicable.

## 8. ROLES OF ACTORS IN THE EVALUATION

The main actors in the mid-term evaluation process are the MDGF Secretariat, the management team of the joint programme and the Programme Management Committee that could be expanded to accommodate additional relevant stakeholders. This group of institutions and individuals will serve as the evaluation reference group. The role of the evaluation reference group will extend to all phases of the evaluation, including:

- Facilitating the participation of those involved in the evaluation design.
- Identifying information needs, defining objectives and delimiting the scope of the evaluation.
- Providing input on the evaluation planning documents, (Work Plan and Communication, Dissemination and Improvement Plan).
- Providing input and participating in the drafting of the Terms of Reference.
- Facilitating the evaluation team's access to all information and documentation relevant to the intervention, as well as to key actors and informants who should participate in interviews, focus groups or other information-gathering methods.
- Monitoring the quality of the process and the documents and reports that are generated, so as to enrich these with their input and ensure that they address their interests and needs for information about the intervention.
- Disseminating the results of the evaluation, especially among the organizations and entities within their interest group.

The MDGF Secretariat shall promote and manage Joint Programme mid-term evaluation in its role as commissioner of the evaluation, fulfilling the mandate to conduct and finance the joint programme evaluation. As manager of the evaluation, the Secretariat will be responsible for ensuring that the evaluation process is conducted as stipulated, promoting and leading the evaluation design; coordinating and monitoring progress and development in the evaluation study and the quality of the process.

## 9. TIMELINE FOR THE EVALUATION PROCESS

### A. Preparation of the evaluation (approximately 45-60 days before the date the programme reaches a year and a half of implementation). These preparatory activities are not part of the evaluation as they precede the evaluation exercise.

1. An official e-mail from the Secretariat is sent to the RC, coordination officers in the country and joint programme coordinator. This mail will include the official starting date of the evaluation, instructive on mid-term evaluation and generic TOR for the evaluation.
2. During this period the evaluation reference group is established, the TOR are adapted to the context and interest of stakeholders in the country and all relevant documents on the joint programme are sent to the evaluator.

This activity requires a dialogue between the Secretariat and the reference group of the evaluation (the body that comments on and reviews but does not interfere with the independent evaluation process). This dialogue should be aimed at rounding out and modifying some of the questions and dimensions of the study that the generic TOR do not cover, or which are inadequate or irrelevant to the joint programme.

3. The Secretariat's portfolios manager will discuss with the country an initial date for having the field visit.
4. From this point on, the evaluation specialists and the portfolio manager are responsible for managing the execution of the evaluation, with three main functions: to facilitate the work of the consultant, to serve as interlocutor between the parties (consultant, joint programme team in the country, etc.), and to review the deliverables that are produced.

### B. Execution phase of the evaluation study (87-92 days total)

#### Desk study (23 days total)

1. Briefing with the consultant (**1 day**). A checklist of activities and documents to review will be submitted, and the evaluation process will be explained. Discussion will take place over what the evaluation should entail.
2. Review of documents according to the standard list (see TOR annexes; programme document, financial, monitoring reports etc.).
3. Submission of the inception report including the findings from the document review specifying how the evaluation will be conducted. The inception report is sent and shared with the evaluation reference group for comments and suggestions (within **fifteen days of delivery of all programme documentation to the consultant**).
4. The focal point for the evaluation (joint programme coordinator, resident coordinator office, etc) and the consultant prepare and agenda to conduct the field visit of the evaluation. (Interview with programme participants, stakeholders, focus groups, etc) (Within **seven days of delivery of the desk study report**).

#### Field visit (10-15 days)

1. The consultant will travel to the country to observe and contrast the preliminary conclusions reached through the study of the document revision. The planned agenda will be carried out. To accomplish this, the Secretariat's portfolio manager may need to facilitate the consultant's visit by means of phone calls and emails, making sure there is a focal person in the country who is his/her natural interlocutor by default.
2. The consultant will be responsible for conducting a debriefing with the key actors he or she has interacted with.

#### Final Report (54 days total)

1. The consultant will deliver a draft final report, which the Secretariat's programme officer shall be responsible for sharing with the evaluation reference group (**within fifteen days of the completion of the field visit**).

2. The Secretariat will assess the quality of the evaluation reports presented using the criteria stipulated by UNEG and DAC Evaluation Network (**within seven days of delivery of the draft final report**).
3. The evaluation reference group may ask that data or facts that it believes are incorrect be changed, as long as it provides data or evidence that supports its request. The evaluator will have the final say over whether to accept or reject such changes. For the sake of evaluation quality, the Secretariat can and should intervene so that erroneous data, and opinions based on erroneous data or not based on evidence, are changed (**within fifteen days of delivery of the draft final report**).

The evaluation reference group may also comment on the value judgements contained in the evaluation, but these may not affect the evaluator’s freedom to express the conclusions and recommendations he or she deems appropriate, based on the evidence and criteria established.

All comments will be compiled in a matrix that the Secretariat will provide to the evaluation focal points.

4. On the completion of input from the reference group, the evaluator shall address all the comments and decide which input to incorporate to the report and which to omit (**ten days**) and submit to the MDG-F Secretariat a final evaluation report.
  5. The Secretariat will review the final copy of the report, and this phase will conclude with the delivery of this report to the evaluation reference group in the country (**within seven days of delivery of the draft final report with comments**).
- C. **Phase of incorporating recommendations and improvement plan (within fifteen days of delivery of the final report):**
1. The Secretariat’s programme officer, as representative of the Secretariat, shall engage in a dialogue with the joint programme managers to establish an improvement plan that includes recommendations from the evaluation.

The Secretariat will publish the evaluation in its website.