Water and Sanitation Program (WSP) FY 2004 – 2008

External Evaluation

Volume I – Final Global Evaluation Report
Acknowledgements

An evaluation of this complexity cannot be done without the support of many people, both in orienting the design and data collection process, and in providing information and logistical support that are critical to the conduct of the work. Universalia would like to thank the representatives of the Water and Sanitation Program (WSP) in Washington, D.C., members of the WSP Council, and the staff in WSP country offices who shared their knowledge and experience with the Evaluation Team and whose invaluable support both before and during the field missions made the completion of this report possible. We thank all the clients, partners and other stakeholders in the countries and communities visited for their participation and kind collaboration.

Universalia also wishes to thank the members of the Evaluation Team who led the different components of the work, undertook the field missions and desk reviews, did analytical work, and provided logistical and administrative support. The main findings of the evaluation result from their collaborative efforts.
Executive Summary

Background and Scope

Universalia is pleased to present this evaluation report on the Water and Sanitation Program (WSP), one of the longest running donor-supported partnership programs of the World Bank. Its aim is to support poverty reduction by helping countries and their people achieve sustained access to water, sanitation and safe hygiene services. Established in 1979 as a cooperative effort of the World Bank and the United Nations Development Program (UNDP), the WSP has evolved in size, form, and strategic focus, and is now a global partnership program and an independent unit within the Department of Energy, Water and Transport in the Sustainable Development Network Presidency of the World Bank.

The WSP is guided by the WSP Council (WSPC), which includes representatives of donors, country level members, partner organizations, sector experts, the World Bank, and the UNDP. It is organized into four decentralized regions (Africa, Latin America and the Caribbean, East Asia and the Pacific, and South Asia). Unlike other global programs and partnerships (GPP) that provide grants, the WSP delivers programming through qualified field-based staff that provide technical advice and services to its clients. It currently employs approximately 130 staff in the field and some 20 staff at its Washington D.C. headquarters.

The purpose of the evaluation was to provide the WSPC and management with an independent evaluation of WSP performance for FY2004-2008; identify lessons to improve the program in the future; and provide input for future planning and programming. This is the final evaluation report, issued in September 2009. Volume II of report describes and assesses WSP’s work in each of the regions.

WSP Context 2004-2008

In response to the massive and widespread institutional failure and ineffectiveness in the water and sanitation sector, WSP put greater focus on strengthening institutions in the sector during the FY2004-2008 period. It also improved the global character of the program by establishing five Global Practice Teams to enhance cross-regional and global learning and strengthen its influence on the World Bank and other IFIs, and by introducing three global projects. Both of these strategic shifts, which enhanced WSP’s effectiveness and relevance, were made in response to the findings of the previous evaluation of WSP for the period FY1999-2003 carried out by ITAD-Water.

The period from 2004 to 2008 was a period of remarkable growth for the WSP. Its funding almost doubled (from US $21 million to US $40 million) and the number of donors increased. Its programming disbursements also increased, particularly in East Asia and Africa where disbursements more than tripled. The WSP made greater investments in hygiene and sanitation and, by 2009, water, sanitation, and hygiene each represented about one-third of the portfolio of projects. The WSP worked in 22-27 countries and the African region experienced the greatest changes with the introduction of five new countries and the exit from two countries. In East Asia and Latin America, activities expanded into several new countries but no new WSP country offices were opened. WSP staff increased 45 percent, from 101 in 2005 to 147 in 2008.

Evaluation Findings

Overall, the evaluation provides a very positive assessment of the WSP on each of the criteria being analyzed for the period of FY 2004-2008

Relevance – WSP programming is well aligned with global and regional challenges in WSS, national priorities, and client needs. WSP is a trusted partner of governments and is recognized for responding to national priorities. In all regions, stakeholders noted the many comparative advantages of the WSP: its responsiveness, the high calibre of staff with knowledge of key WSS issues and understanding of local realities, strong country presence, and its ability to facilitate dialogue between sector stakeholders. These
advantages mean that WSP plays a unique role in helping to bridge knowledge, policy, and practice in water and sanitation services.

**Effectiveness** – In the complex political and institutional environments in which it operates, WSP has been able to achieve results. One of the strongest areas of WSP results stemmed from the advice it provided to countries in support of institutional reform and the adoption of improved policies and strategies. The findings illustrate WSP’s contributions to policy improvements that were made by its clients. These included increasing coverage/extending services to underserved or vulnerable populations; adopting innovative approaches to WSS challenges; and improving policy implementation at the levels of sub-national government. WSP’s effectiveness was enhanced by its support for downstream work in support of policy implementation in larger decentralized countries. The Program also contributed to strengthening the investment programs and projects of its clients and partners. It generated, validated, and communicated innovative solutions to WSS management challenges through regional knowledge products, such as the country status assessments in Africa and the Economics of Sanitation Initiative in East Asia, but also by facilitating horizontal learning activities within and across regions. The WSP played the role of convenor and facilitator in support of sector coordination in water and sanitation in most of the countries reviewed. For many stakeholders, as noted above, the ability to convene multi-stakeholder fora is one of the most significant achievements of the Program.

WSP’s activities generally led to outputs that were used by decision makers for policy, investment, or coordination purposes. Three factors consistently affected the use of outputs and their success in leading to higher level change: WSP’s sustained engagement over time, respect for the technical quality of its work, and promotion of cross-sectoral coordination. In a limited number of cases, higher level results were limited by WSP’s insufficient support for capacity development, lack of follow-up to support use of knowledge products, and external factors such as shifts in the political environment.

WSP’s three global projects – Handwashing with Soap (HWWS), Total Sanitation and Sanitation Marketing (TSSM), and the Domestic Private Sector Participation (DPSP) Initiative – provided new mechanisms for supporting country results and expanding WSP’s global reach. These projects were a positive addition to the WSP product mix.

WSP did not have clearly defined and measurable objectives in the period evaluated, but it has taken a significant step forward recently in the development of a new results framework that accompanies its Global Strategy for FY 2009-2018. The application of this framework in the next few years should begin to provide richer performance information on WSP effectiveness.

**Efficiency** – WSP is making an efficient use of resources in achieving results. Stakeholders see a positive relationship between the Program’s benefits and its costs. Data also show that the ratio between direct costs (core activities such as project implementation, training, and management) and indirect costs (staff benefits and overhead costs such as communications, IT, and office costs) remained at reasonable levels and relatively stable over the period under review. WSP operating model – based on field staff as a delivery mechanism- continues to provide value in terms of the effects that it can achieve on the ground.

**Partnerships** – WSP’s Global Strategy for 2009-2018 places a premium on collaboration. Over the four year period under review, the Program’s partnerships with selected donors, NGOs, and other organizations in the sector have been effective and have enhanced its overall performance. Given the emphasis on partnerships in the new strategy, these relationships should continue and become stronger in the next few years.

**WSP’s Institutional Relationship with the World Bank** – The World Bank fulfills its mandated role as administrator of the program, which gives donors confidence in the way that their resources are managed. WSP has been able to tap into several of the benefits of the relationship with the World Bank (global knowledge, credibility and influence, link to investments). At the country level, the extent of synergy between the two entities has varied and there is room for improvement in some instances.
Governance and Accountability – The WSP Council has grown over the years. The current governance model is adequate for WSP as a trust-funded program, although the structure of the WSP Council and its meetings could be improved in order to engage the Council in setting strategic directions and priorities. In each of the regions, WSP has developed mechanisms for engaging clients and other partners. In Africa, the Regional Advisory Committee appears to be a valuable mechanism for guidance and reporting back to stakeholders in the region.

Despite efforts to improve the WSP systems for monitoring and reporting on program implementation, WSP faces capacity gaps that may hamper its ability to report on its current results framework. In addition, its evaluation system does not yet support the full range of accountability, learning and policy needs of its new strategy. These are two areas where further attention is required in the next few years.

Management – The WSP was well managed at HQ and regional levels during the evaluation period. The Program Management Team successfully navigated through a period of growth that required: recruiting staff to meet the growing needs of the program, developing a new strategy and results framework, and enhancing the global character of the program through initiatives such as Global Practice Teams, global projects, and collaboration on the International Year of Sanitation.

The quality of the staff has been a crucial factor in WSP’s success. As WSP’s key delivery channel, the staff have facilitated results achievement through their specialist knowledge, good relationships with clients and partners, and understanding of local realities.

Sustainability – The WSP effectively managed the growth of FY04-08 and the implications for programming, staffing, and systems, but given the growing demands from client countries, it may need to refine its policies and strategies for expansion as well as its exit strategies.

The WSP Funding Strategy (2005) articulated areas of action that would increase contributions from donors and strengthen predictability and flexibility in funding arrangements. While the multi-donor trust fund (MDTF) is an instrument that has increased the flexibility in funding arrangements, it has not yet been accompanied by predictability, which would require multi-year funding commitments. In addition, global core funding remained at relatively low levels during the period under review (as low as 11% in FY2008). WSP estimates that core funding will increase to approximately 30 percent of overall funding in the coming year. Earmarked funding represented the greatest source of growth in funding between FY2004 and 2008, representing more than two-thirds of WSP funding since FY06. Large, multi-year, earmarked funding arrangements have given WSP some funding predictability, while supporting the Global Strategy and results framework. These arrangements will continue to be an important component of the Program’s funding.

WSP achieves results through sustained engagement with its clients. The continuity of both types of funding mechanisms will be critical if WSP is to continue to support governments and partners in making informed policy choices and ensuring that water and sanitation services do reach underserved populations.

Conclusion

Overall, the evaluation finds that the WSP plays a significant role in the water and sanitation sector. In a global context in which many countries are struggling to meet MDG targets for sanitation and in which too many people are still without access to an improved source of water, WSP represents a unique source of global knowledge, policy advice, and practical experience that is valued by its clients and partners.

The WSP is meeting its objectives in the areas of policy influence, knowledge generation/management, improved investments, and enhanced sector coordination. Its field-based model contributes to results at the country level and reflects the program’s most significant comparative advantage – its ability to respond to WSS issues through high caliber staff with extensive knowledge of global and local WSS issues. The WSP’s institutional arrangements continue to be appropriate. The program has been well
managed at both HQ and regional levels. The program is on track to reach the targets of its funding strategy, but financial stability remains a concern.

**Recommendations**

The results of the evaluation support the general direction that the WSP has adopted through its Global Strategy FY 2009-2018. The following recommendations identify areas to pay attention to in its implementation:

1) WSPC should continue to structure the Council in such a way that members have opportunities to participate in providing strategic guidance and supervision to the Program as it implements the new Global Strategy and results framework.

2) WSP Council members should continue to contribute to flexible funding instruments, and to increase predictability in their funding.

3) WSP should take a cautious approach to expanding the scope of its services based on WSP’s comparative advantages, WSP existing capacity, and the funding commitments of its donors.

4) WSP should increase its capacity to monitor implementation of and report on its new results framework.

5) WSP should continue to strengthen global learning and knowledge exchange.

6) WSP should develop a more robust evaluation system that responds to its learning and accountability requirements and that can inform policy decisions by WSP Council.

7) WSP should continue to strengthen its partnership approach by identifying different types of partnerships and their implications, and by strengthening its relationships with civil society organizations and academic institutions.

8) The WSP and the World Bank should manage their relationship at the country level more proactively to maximize the potential benefits of this linkage for their work in the water and sanitation sector.

9) WSP should consider expanding knowledge products such as the Economics of Sanitation Initiative and the Country Status Assessments.
### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLTS</td>
<td>Community-led total sanitation</td>
</tr>
<tr>
<td>DfID</td>
<td>Department for International Development (UK)</td>
</tr>
<tr>
<td>EASan</td>
<td>East Asia Ministerial Conference on Sanitation and Hygiene</td>
</tr>
<tr>
<td>GPP</td>
<td>Global Programs and Partnerships</td>
</tr>
<tr>
<td>GPT</td>
<td>Global Practice Team</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Technical Cooperation</td>
</tr>
<tr>
<td>IEG</td>
<td>Independent Evaluation Group of the World Bank</td>
</tr>
<tr>
<td>IFI</td>
<td>International Financial Institutions</td>
</tr>
<tr>
<td>ISSDP</td>
<td>Indonesia Sanitation Sector Development Program</td>
</tr>
<tr>
<td>JICA</td>
<td>Japan International Cooperation Agency</td>
</tr>
<tr>
<td>LGI</td>
<td>Local Government Institution</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MDTF</td>
<td>Multi-Donors Trust Fund</td>
</tr>
<tr>
<td>MOHUPA</td>
<td>Ministry of Housing and Poverty Alleviation</td>
</tr>
<tr>
<td>MOUD</td>
<td>Ministry of Urban Development</td>
</tr>
<tr>
<td>NCWSC</td>
<td>Nairobi City Water and Sewerage Company</td>
</tr>
<tr>
<td>ODF</td>
<td>Open defecation free</td>
</tr>
<tr>
<td>PAC</td>
<td>Program Advisory Committee</td>
</tr>
<tr>
<td>PEPAM</td>
<td>Programme d’Eau Potable et d’Assainissement du Millénaire</td>
</tr>
<tr>
<td>RAC</td>
<td>Regional Advisory Committee</td>
</tr>
<tr>
<td>ULB</td>
<td>urban local bodies</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>WSP</td>
<td>Water and Sanitation Program</td>
</tr>
<tr>
<td>WSP-AF</td>
<td>WSP – Africa</td>
</tr>
<tr>
<td>WSPC</td>
<td>WSP Council</td>
</tr>
<tr>
<td>WSP-EAP</td>
<td>WSP – East Asia and Pacific</td>
</tr>
<tr>
<td>WSP-HQ</td>
<td>WSP – Headquarters</td>
</tr>
<tr>
<td>WSP-LAC</td>
<td>WSP – Latin America and Caribbean</td>
</tr>
<tr>
<td>WSP-SA</td>
<td>WSP – South Asia</td>
</tr>
<tr>
<td>WSS</td>
<td>Water Supply and Sanitation</td>
</tr>
</tbody>
</table>
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1. Introduction

Universalia is pleased to submit to the Water and Sanitation Program (WSP) this Global Evaluation Report on the External Evaluation of WSP (FY2004 – 2008). This report presents a synthesis of the findings and recommendations of the evaluation and is Volume I of three volumes. The other two volumes are:

- Volume II: Regional reports
- Volume III: Methodological compendium (evaluation matrix, list of respondents, documents reviewed, etc.)

Volume I presents the main evaluation findings on the questions presented in the evaluation matrix for the overall programming of WSP. It is organized as follows:

- Chapter 1 presents the background on WSP and the purpose of the evaluation;
- Chapter 2 provides a description of the evaluation methodology;
- Chapter 3 presents an overview of the main challenges in the water and sanitation sectors at a global level;
- Chapter 4 provides a profile of the WSP and the changes that have occurred during the evaluation period;
- Chapter 5 presents the synthesized findings of the evaluation;
- Chapter 6 presents the conclusions of the assessment and recommendations for the future development of the Water and Sanitation Program.

Background

The Water and Sanitation Program (WSP) is one of the longest running donor-supported partnership programs of the World Bank. Established in 1979 as a cooperative effort of the World Bank and the United Nations Development Program (UNDP), WSP has evolved in size, form, and strategic focus, and is now a global partnership program and an independent unit within the Department of Energy, Water and Transport in the Sustainable Development Network Presidency of the World Bank.

Until 2000, the program was guided by a Program Advisory Committee (PAC). Since then, the program has adopted a more formal governance arrangement through the WSP Council (WSPC), which provides oversight of the business planning process and guidance on the strategic direction of the program. The membership of the WSPC includes representatives of donors, country level members, partner organizations, sector experts, the World Bank, and the UNDP.

The WSP is organized into four decentralized regions (Africa, Latin America and the Caribbean, East Asia and the Pacific, and South Asia) and is currently represented in 25 countries. Unlike other Global Programs and Partnerships (GPP) that provide grants, the WSP delivers programming through its field based staff. It currently employs approximately 130 staff in the field and some 20 staff members in the Washington D.C. Headquarters. During the period of this review (FY2004 -2008), the WSP experienced significant growth in both funding and staffing which had a number of implications for management and the scale of activities.
Purpose and Scope of the Evaluation

As part of the WSP strategy identified in 1999, it was decided that the WSP should undergo periodic evaluations in order to seek lessons learned and recommendations for future planning and operations. ITAD-Water in association with the Water, Engineering and Development Centre (UK) carried out an evaluation of the program for the period 1999-2003. Universalia Management Group, a monitoring and evaluation firm based in Canada, was contracted in January 2009 to carry out an external evaluation of the WSP for the period FY2004 - 2008.

As outlined in the Terms of Reference (Volume III, Appendix IV), the overall purpose of the evaluation was to provide the WSPC and management with an independent evaluation of WSP performance for FY2004-2008; identify lessons to improve the program in the future; and provide input for future planning and programming.
2. **Methodology**

2.1 **Overview**

The evaluation was carried out between January and August 2009 in three phases – the inception mission, data collection, and analysis and report writing. The evaluation team of Canada-based consultants and local consultants was led by Dr. Marie-Hélène Adrien. The members of the evaluation team and their respective roles are presented in Volume III, Appendix I.

The methodology for the evaluation was based on an approved Evaluation Matrix presented in the Inception Report and Workplan and provided in Volume III, Appendix V. The evaluation team applied the principles and standards for evaluating Global Programs and Partnerships (GPP), developed by the Independent Evaluation Group of the World Bank. The GPP Sourcebook definitions of evaluation criteria and proposed approaches have been used in this report wherever relevant and feasible.

The following sections of this chapter present: (i) an overview of the data collection methods used in the evaluation, (ii) selection criteria for field visits, desk reviews, and project reviews; (iii) special considerations and limitations to the evaluation.

2.2 **Data Collection Methods**

Data collection and analysis were based on a mixed methods approach including qualitative interviews, direct observation, quantitative analysis of financial data, and document review. More precisely, the methodological approach included:

- Document review of WSP strategies, business plans, reports; project documents; evaluations; national policies and sector information; field notes, case studies, and other WSP outputs;
- Semi-structured individual interviews and focus groups with over 330 individuals (in Washington, in field mission countries, and over the phone);
- Observation of working groups, facilities (the functioning of public toilets, latrines, and other infrastructure built by WSP partners), and the community environment.

**Document Review**

An important part of the data collection was the review of corporate and external documentation provided by WSP, individual respondents, and our own research. This task was ongoing throughout the evaluation process and constituted a significant contribution to the other sources of data. Exhibit 2.1 illustrates the different types of secondary data sources that were collected and analyzed during the evaluation.

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2 In the Inception Report and Workplan we also proposed a survey of WSP staff. As the evaluation activities unfolded, we realized that such a survey would not be as helpful as originally envisioned as a form of data collection because not reflecting enough the extent of growth and the program’s regional nuances. Therefore, WSP staff has been interviewed over phone and in person instead of having them filling a survey.
Exhibit 2.1 Types of Secondary Data Analyzed

<table>
<thead>
<tr>
<th>PROJECT LEVEL</th>
<th>WSP PROGRAM</th>
<th>COUNTRY LEVEL</th>
<th>REFERENCE MATERIALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• External evaluation of specific projects</td>
<td>• Program strategies or concept notes that may be of relevance (in addition to what is in WSP Business Plans and EYR)</td>
<td>• Country or regional program evaluations commissioned by WSP or others</td>
<td>• World Bank strategies</td>
</tr>
<tr>
<td>• Completion reports, if prepared for any particular donors</td>
<td>• Analysis of staffing changes over the period FY 04-08</td>
<td>• National/State Sanitation Strategies and Policies</td>
<td>• Water laws and strategies in different countries</td>
</tr>
<tr>
<td>• Complete set of progress sheets for the period FY04-08</td>
<td>• Descriptions of how program is structured/how operates in the region (if available)</td>
<td>• Sector assessments</td>
<td>• External reports about the WSS sector in the four regions</td>
</tr>
<tr>
<td>• Other reports prepared for donors (other than the Progress Sheets)</td>
<td>• Descriptions of funding structure and patterns during the period under review</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Project related products developed by WSP</td>
<td>• External evaluations of the program</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Semi-Structured Interviews

During the field visits and subsequent desk studies, the evaluation team conducted face-to-face and phone interviews with a wide variety of stakeholders including government officials, WSP staff, donor representatives, and partner organizations. The interviews were guided by semi-structured interview guides indicating the most important areas of discussion. As shown in Exhibit 2.2 below, 327 respondents participated in interviews and meetings with the evaluators. Of that number, 64 interviews were conducted for the Africa region, 61 for the East Asia and Pacific region, 89 for the South Asia region, 73 for the Latin America and Caribbean region, and 40 were conducted to get feedback on the program at the global level.

Exhibit 2.2 Stakeholders Interviewed During Field Missions and Desk Review

<table>
<thead>
<tr>
<th>STAKEHOLDERS</th>
<th>NUMBER OF INTERVIEWEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSP Staff (from HQ and regions) and consultants</td>
<td>102</td>
</tr>
<tr>
<td>Former WSP staff (mostly RTLs)</td>
<td>10</td>
</tr>
<tr>
<td>World Bank staff</td>
<td>25</td>
</tr>
<tr>
<td>Donors and other Development Partners</td>
<td>37</td>
</tr>
<tr>
<td>Government Officials</td>
<td>51</td>
</tr>
<tr>
<td>Council Members</td>
<td>18</td>
</tr>
<tr>
<td>Civil Society, NGOs, Private Sector</td>
<td>84</td>
</tr>
<tr>
<td>TOTAL</td>
<td>327</td>
</tr>
</tbody>
</table>

3 The relatively high number of interviews for the “Civil Society, NGOs, Private Sector” stakeholder group is explained by the fact that, during the field visits, this group of stakeholders was well represented in the focus groups that were organized for the purpose of the evaluation.
2.3 Field Visits and Desk Reviews

This section describes the purpose and selection criteria of the field visits and desk reviews, the two main approaches used to implement the methodology.

Project Sampling

WSP implemented approximately 281 projects over the period FY2004-2008, with more than half of these spanning multiple years. However, WSP projects are a vehicle for funding and reporting on activities, but they are not the central element for organizing and assessing WSP’s work. In fact, the definition of what constitutes a project varied within and across regions. Projects are not always discrete activities, but are usually closely linked to other projects in the country and/or region.

The 37 projects selected for review in field visits and desk reviews were selected in a way that would allow us to capture an important percentage of the portfolio in the region and for the program as a whole. The projects selected represent a mix of programming approaches including regional and global projects. Together, the projects reviewed through field visits and desk-study countries selected constitute almost 42 percent of the WSP investment during the period FY2004–2008. The full list of projects reviewed is included in Volume III, Appendix III. The evaluation team reviewed them in order to develop an understanding of WSP contributions in the sector.

Field Visits: Purpose and Selection Criteria

The purpose of the field visits was to gain a more in-depth understanding of WSP contributions to the WSS sector in a particular country (effectiveness) and the relevance of the programming given the regional and country context. Kenya, Senegal, Indonesia, India, and Peru were selected as field visit countries. This selection was based on the following criteria:

- Regional hub that would also allow for consultation with a number of WSP staff;
- A mix of WSP products or types of programming in the country, including global projects;
- Countries that had new/ongoing projects (e.g., scaling up projects) and more advanced processes or completed projects in the sector;

Two countries were selected in Africa because of the extent of programming in the region and the additional benefit of being able to see cases from both West and East Africa. Together, the WSP projects in Kenya and Senegal during fiscal years 2004 to 2008 each make up about 6.5 percent of the budget allocated to Africa (AF). Indonesia, India, and Peru were considered relevant as they make up about 54-59 percent of the allocations to their respective regions of East Asia and Pacific (EAP), South Asia (SA), and Latin America and the Caribbean (LAC) for the same period. An overview of the budgets allocated in each of these countries is provided in Exhibit 2.3 below.
Exhibit 2.3 WSP Budget Allocation for FY2004-2008 in the Countries Selected for Review

<table>
<thead>
<tr>
<th>REGION</th>
<th>REGIONAL BUDGET ALLOCATED (US$)</th>
<th>COUNTRY SELECTED FOR REVIEW</th>
<th>COUNTRY BUDGET ALLOCATED (US$)</th>
<th>COUNTRY SHARE OF REGIONAL BUDGET ALLOCATED (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>37,524,856</td>
<td>Ethiopia</td>
<td>2,070,206</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senegal</td>
<td>2,498,073</td>
<td>6.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kenya</td>
<td>2,390,608</td>
<td>6.4</td>
</tr>
<tr>
<td>East Asia &amp; Pacific</td>
<td>28,846,709</td>
<td>Cambodia</td>
<td>1,537,903</td>
<td>5.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Indonesia</td>
<td>15,943,157</td>
<td>55.3</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>16,021,279</td>
<td>Peru</td>
<td>9,419,197</td>
<td>58.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nicaragua</td>
<td>256,961</td>
<td>1.6</td>
</tr>
<tr>
<td>South Asia</td>
<td>32,844,898</td>
<td>India</td>
<td>17,852,276</td>
<td>54.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bangladesh</td>
<td>10,067,874</td>
<td>30.7</td>
</tr>
</tbody>
</table>

Source: WSP-HQ

During the field visits, the evaluators spent 5-7 working days in each country, and interviewed a wide variety of stakeholders from different sectors and organizations as illustrated in Exhibit 2.4. (See Volume III, Appendix VII for a full list of stakeholders interviewed). Dates of field visits are also shown in Volume III, Appendix II, Schedule of Key Activities. In South Asia and Africa, field visits were also linked to WSP Regional Retreats, which allowed the evaluation team members to meet with a broader range of WSP staff from those regions.

Exhibit 2.4 Types of Stakeholders Interviewed During Field Visits

<table>
<thead>
<tr>
<th>STAKEHOLDER CATEGORIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSP staff</td>
</tr>
<tr>
<td>National government officials</td>
</tr>
<tr>
<td>Sector Task Forces/Working Groups</td>
</tr>
<tr>
<td>Local and State Government officials</td>
</tr>
<tr>
<td>Local private sector/service providers</td>
</tr>
<tr>
<td>Communities/beneficiaries</td>
</tr>
<tr>
<td>Civil society groups</td>
</tr>
<tr>
<td>World Bank Staff</td>
</tr>
<tr>
<td>Development partners involved in the WSS (WSP donors, UN Agencies, etc)</td>
</tr>
<tr>
<td>Members of academia and others who may not work directly with WSP but have sector and contextual knowledge</td>
</tr>
<tr>
<td>Regional project stakeholders</td>
</tr>
<tr>
<td>Regional partners based in that city (if applicable)</td>
</tr>
</tbody>
</table>

Desk Review: Purpose and Selection Criteria

The purpose of the country-level desk reviews was to gather complementary data on the contributions of WSP at the country level as part of the assessment of WSP’s effectiveness and relevance. The selection of countries for desk review was based on criteria similar to those used in the selection of the countries for field visits, but with the added criteria of being able to complement the field visit countries in terms of diversity of programming initiatives, country environment, level of investment, depth of WSP contributions, and capturing sub-regional differences in WSP approaches.

The countries included in the desk review were Cambodia (EAP), Bangladesh (SA), Ethiopia (AF), and Nicaragua (LAC). The desk reviews were based primarily on document review and telephone interviews with 8-10 key informants per country (see Volume III, Appendix VII for the full list of stakeholders interviewed).
2.4 Special Considerations and Limitations of Methodology

The following special considerations or limitations apply to the evaluation.

Results assessment: The WSP developed its current Results Framework in July 2008. Although WSP had other products that articulated the program’s objectives for the period under review, the WSP did not have a logical framework that articulated indicators to measure the achievement of objectives. Thus, the intended results can be derived from the statements of purpose/objectives and products/services found in the Council Charter (2001), the WSP Strategic Operational Principles for 2006-2015, and Business Plans. The review of the programming activity does not suggest enormous variation between the types of activities, outputs, and outcomes being sought in FY2004-2008 and those that have been articulated for the new 2009-18 Strategy. We have, however, chosen to use the language of the earlier documents. This is discussed further in Section 5.2, which presents the evaluation findings on effectiveness.

The evaluation focuses on the extent to which outputs have been achieved and their contributions to outcomes. Our focus on contribution to outcomes is closely connected to the inherent complexity associated with measuring the progress and impact of WSP’s initiatives. This complexity is partly due to WSP’s multiple roles as a provider of technical support, advocacy, and sector coordination; partly due to the lack of quantifiable statements of goals or objectives; and partly due to the fact that WSP’s interventions account for a small portion of total sector expenditures.

Cost data and assessment of efficiency: The assessment of efficiency and cost effectiveness is a challenge in GPP and international organizations because the systems that they use often do not generate data that helps to understand the link between use of resources (including staff time) and the outputs produced. WSP also faces this constraint in that its systems do not facilitate tracking the costs of specific outputs, but rather, track the costs of groups of activities. WSP uses other measures to monitor its efficiency, as described in Section 5.3.

Variations in data provided by HQ and regions: Data consistency differs between the regional level and the HQ; as a result in this global report we have used only data provided by WSP Headquarters (HQ). However, the regional reports presented in Volume II draw on the data provided by both the WSP regional offices and the WSP-HQ.

Documentation: The WSP Mid-Year and End of Year Reports provide updates on individual activities or clusters of activities, but are less informative about cumulative progress in a particular area as a result of WSP contributions. This limitation posed a challenge for desk reviews that relied primarily on project documentation.

Regional reports: The evaluation team proposed a broader approach to inform the regional reports – i.e., encompassing desk reviews in addition to field visits. But even with the addition of desk reviews, regional reports based on one or two field visits and one desk review were a challenge to prepare in a way that documented and reflected the Program’s regional experience, particularly in the case of Africa where programming covers 12 countries.
3. Context – The Water and Sanitation Sector

This chapter provides an overview of key issues and global challenges in the water and sanitation sector and provides the context for WSP’s work.

Progress in Achieving MDG Targets

The latest water and sanitation coverage statistics give a mixed message about the water and sanitation sector: The world is now on track to meet the MDG water target, but has fallen dangerously behind in sanitation. Two and half billion people are still without access to improved sanitation – including 1.2 billion who have no facilities at all and are forced to engage in the hazardous and demeaning practice of open defecation.

At the current rate of change, the world will miss the MDG sanitation target by over 700 million people. Without an immediate acceleration in progress, the world will not achieve even half of the MDG sanitation target by 2015. There has definitely been a renewed commitment towards achieving this target, particularly in the last five years. The United Nations declared 2008 the International Year of Sanitation, which highlighted a series of interventions aimed to promote advocacy and dialogue on the challenges of water and sanitation.

The news is better for water supply and the number of people without an improved source has dropped below one billion for the first time in history. And yet, too many people still do not have an improved source for water – which may mean that the water quality is not fit for drinking, or that access is not any easier, particularly for women and the rural and urban poor who already encounter great difficulties in accessing safe and reliable services.

Challenges for WSS

The main contemporary challenges facing the water and sanitation sector globally may be grouped around two interrelated and interdependent areas: governance and climate change.

Governance: In its broadest sense, governance relates to the administration of water and sanitation services. Governance includes, but is not limited to, institutional reforms such as decentralization and policy options such as private sector partnerships. In this context, governance refers to the roles, responsibilities, and relationships within the water and sanitation sector to enhance access and provide quality service to citizens.

Developing countries are in the midst of pursuing policies granting greater responsibility to local governments for the delivery of services. While decentralization policies can enhance accountability, citizen engagement, and transparency, they often do not have adequate institutional support. The lack of coordination among government authorities, the private sector, and citizens, coupled with limited financial and human capacities, often contributes to poorly managed services in many developing countries. The gaps in capacity and capabilities represent further challenges in achieving related water and sanitation goals.

Climate change: Climate change and natural disasters places fragile ecosystems at risk, as well as the poor and marginalized who depend on those ecosystems. The increased risks and vulnerability associated with climate change such as unpredictable weather patterns, threats to water quality and inconsistent water

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5 This overview is based on 2006 data retrieved from www.unicef.org/wes/index_statistics.html.
availability, together with the potential damage to infrastructure, pose severe challenges to the sector. The very real threats associated with climate change also bring in the added dimension of risk reduction in the water and sanitation sector. The technical, financial, and environmental sustainability of systems will depend on the development of quick and adept responses that do not adversely affect access to service delivery.

**Trends that influence WSP programming**

These challenges in turn influence WSP’s strategy. In its 2009-2018 Global Strategy, the WSP highlighted a series of global trends that relate to the above-mentioned challenges in the water and sanitation sector. Many of these trends also provided the context and rationale for choices made in WSP programming during FY2004-2008:

1) **Rapid urbanization** and the challenges of increasing service delivery to the growing urban, peri-urban, and small town communities.

2) **Decentralization** of service delivery presents new challenges in the design, planning and provision of services. New roles, responsibilities and administrative structures need to be defined.

3) **Natural resource constraints** in light of climate change and extreme weather patterns causing uncertainty and vulnerability to already fragile communities.

4) **Reduction in global poverty but rising income inequality** affects the ability of the poor, particularly women, to access WSS services.

5) **Marked increase in private flow to infrastructure investments** in emerging markets – in particular in the telecom and transport sectors. However, private investments in the WSS sector have lagged behind which is an issue that needs to be addressed.

6) **Changing aid architecture and the critical need to harmonize policies** and coordinate support in the WSS sector.

These challenges and trends emphasize the need to ensure that donors and governments work closely together to reduce poverty through the achievement of sustainable access to improved water, sanitation, and hygiene practices. In this evaluation, WSP’s relevance during the FY2004-2008 period is analyzed in part by the extent to which its programming efforts responded to these challenges and concerns.
4. WSP Profile

4.1 Introduction

This chapter provides a profile of WSP in the review period. It includes a description of the evolution in WSP’s objectives and fields of work, and identifies the main changes in the Program’s management structure, funding, staffing, and strategic orientation that occurred during the period under review.

4.2 Objectives and Themes

According to the WSP Business Plan 2008, the mission of the organization is “to support poverty reduction by helping countries and their people achieve access to improved water, sanitation and safe hygiene practices.” Although the exact wording of its mission changed slightly between FY2004 and 2008, the essence has remained the same.

According to the WSP Council Charter (2001), WSP objectives are to:

- Help countries improve policies and strategies and undertake institutional reform;
- Strengthen investment programs and projects of its clients and partners; and
- Generate, validate and communicate innovative water supply and sanitation solutions.

In order to achieve these strategic objectives, the organization has maintained a focus on seven key themes: a) governance, b) behaviour change, c) finance, d) improved service providers and options, e) programmatic approaches, f) monitoring and evaluation, and g) cross-sectoral linkages. The relative emphases and approaches of the program have varied across the four regions; a better flavour of regional programming can be found in the Regional Reports (Volume II).

WSP worked through two means: a) direct means to support implementation of innovations, knowledge exchange, and capacity building among stakeholders in the sector; and b) indirect means to support WSP’s immediate clients (e.g., governments) and partners to build large scale programs that serve their clients (e.g., citizens, service providers, other government bodies, etc.).

WSP’s strategy expanded in FY2004-2008 to include greater focus on strengthening institutions in WSS, partly in response to the recommendations of the last external evaluation that encouraged WSP to update its strategy formulation so that it would address massive and widespread institutional failure and ineffectiveness in the WSS sector, and the ways in which this can benefit the poor.

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6 WSP Business Plan FY2008, p. 3
7 WSP Business Plan FY2008, p. 1
8 The OECD defines institutions as the formal and informal rules by which system actors interact. Institutions involve a range of areas such as normative structures, culture, legal frameworks, policies and trends. (Source: OECD - Development Assistance Committee Network on Development Evaluation. (2002). Glossary of Key Terms in Evaluation and Results-Based Management, p. 40. Available at www.oecd.org)
4.3 Evolution of WSP (FY 2004-2008)

The period from 2004 to 2008 was characterized by a number of changes in WSP. These are summarized below and discussed in further detail in the evaluation findings.

Growth in funding: During the review period, the level of overall WSP funding more than doubled as contributions increased from about US $17 million in FY2004 to almost US $40 million in FY2008 (down from $50 million in 2007). This represents a growth of over 92 percent over the evaluated period. During FY2008, 14 percent of contributions was invested in the Global Core Multi-Donors Trust Fund (MDTF), which was established in 2008, and more than 80 percent was earmarked to specific countries or initiatives. The evaluation period was also characterized by the introduction of a number of new donors.

Growth in programming activity: The WSP portfolio saw a major increase in disbursements overall during the evaluation period. The growth was particularly strong in East Asia and Africa, where the program activity or disbursements more than tripled over the period under review.

Exhibit 4.1 Regional and Global Disbursements from FY2004 to FY2008 (in US$)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>LAC</td>
<td>1,178,000</td>
<td>1,754,000</td>
<td>2,308,000</td>
<td>3,182,000</td>
<td>3,665,000</td>
<td>12,087,000</td>
</tr>
<tr>
<td>EAP</td>
<td>2,005,000</td>
<td>2,530,000</td>
<td>4,121,000</td>
<td>5,686,000</td>
<td>10,170,000</td>
<td>24,512,000</td>
</tr>
<tr>
<td>AF</td>
<td>2,745,000</td>
<td>4,723,000</td>
<td>6,379,000</td>
<td>8,966,000</td>
<td>11,052,000</td>
<td>33,865,000</td>
</tr>
<tr>
<td>SA</td>
<td>3,972,000</td>
<td>5,973,000</td>
<td>5,268,000</td>
<td>6,292,000</td>
<td>7,742,000</td>
<td>29,247,000</td>
</tr>
<tr>
<td>Global</td>
<td>3,632,000</td>
<td>2,379,000</td>
<td>2,683,000</td>
<td>4,172,000</td>
<td>6,055,000</td>
<td>18,921,000</td>
</tr>
</tbody>
</table>

Source: WSP-HQ

Sectors of focus: Over the period, WSP made greater investments in hygiene and sanitation and fewer in water supply, as shown in Error! Reference source not found.. By 2009, water, sanitation, and hygiene each represented about one-third of the portfolio of projects. Hygiene was the area of greatest growth over the period.

Exhibit 4.2 Distribution of Portfolio by Sector from FY2006 to FY2009

<table>
<thead>
<tr>
<th>SECTOR/YEAR</th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
<th>FY2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Supply</td>
<td>55%</td>
<td>59%</td>
<td>32.9%</td>
<td>30%</td>
</tr>
<tr>
<td>Sanitation</td>
<td>34%</td>
<td>34%</td>
<td>45.5%</td>
<td>39%</td>
</tr>
<tr>
<td>Hygiene</td>
<td>11%</td>
<td>7%</td>
<td>21.6%</td>
<td>31%</td>
</tr>
</tbody>
</table>


Countries of focus: The WSP has worked in 22-27 countries between 2004 and 2008. The table below illustrates the changes in country coverage and geographical focus during this period. The African region experienced the greatest changes with the introduction of five new countries and the exit from two countries. In East Asia and Latin America, activities expanded into new countries but no new country offices were opened.
Exhibit 4.3 Countries of Focus FY2004 - 2008

<table>
<thead>
<tr>
<th>REGION</th>
<th>COUNTRIES FY2004</th>
<th>COUNTRIES FY2008</th>
<th>CHANGES</th>
</tr>
</thead>
</table>
| Africa            | Benin, Burkina Faso, Ethiopia, Kenya, Mozambique, Senegal, Uganda, Mauritania, Yemen | Benin, Burkina Faso, Ethiopia, Kenya, Mozambique, Senegal, Uganda, DRC, Rwanda, Tanzania, Zambia, Niger | 5 new countries added (DRC, Rwanda, Tanzania, Zambia, Niger)  
2 countries no longer included (Mauritania & Yemen) |
| East Asia and Pacific | Cambodia, Indonesia, Laos PDR, the Philippines, Vietnam | Cambodia, Indonesia, Laos PDR, the Philippines, Vietnam | No change in country offices  
Activities conducted in China (Yunnan Province) since 2008 |
| South Asia        | Bangladesh, India and Pakistan                                                   | Bangladesh, India and Pakistan                                                  | No change                                                                                  |
| Latin America and Caribbean | Peru, Bolivia, Ecuador, Honduras, Nicaragua                                      | Peru, Bolivia, Ecuador, Honduras, Nicaragua                                      | No change in country offices  
Regional activities conducted in Columbia and El Salvador in 2007 |

Source: WSP Business Plans FY2004 and FY2008

Growth in staff: The number of staff grew from 101 in FY2005 to 147 in FY2008, representing growth of over 45 percent. This includes staff belonging to the following categories: HQ Regular / Open-Ended Appointment, Co-Term and Extended Term Consultants. It does not include Short-Term Consultants as they are not part of the regular staffing.

Enhanced global nature of program: Over the period, WSP progressively put more emphasis on the global character of the program. In 2005, following the last evaluation, WSP established Global Practice Teams (GPTs) to enhance cross-regional and global learning for more leadership and innovation from the WSP, to facilitate global knowledge management, and to strengthen its influence on the World Bank and other IFIs. Furthermore, three global projects were introduced during the evaluation period: Global Scaling Up Handwashing Project, Global Scaling Up Sanitation Project (Total Sanitation and Sanitation Marketing), and the Domestic Private Sector Participation (DPSP) Initiative.

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10 FY2004 staffing data are not available for all regions. Therefore, FY2005 is used as a reference year.

5. Evaluation Findings

5.1 Relevance

Relevance is the “extent to which the objectives and design of the program are consistent with (a) current global/regional challenges and concerns in a particular development sector and (b) the needs and priorities of beneficiary countries and groups and of partners’ and donors’ policies.”

In this section, WSP’s relevance is analyzed on the basis of:

- The extent to which the objectives of the WSP are consistent with global and regional challenges and with the needs of its prime beneficiaries;
- The comparative advantages of the WSP and the extent to which its programming coincides with these advantages.

The following findings confirm WSP relevance during the evaluation period.

Finding 1: WSP programming is consistent with global and regional challenges in WSS, aligned with national priorities, and responsive to client needs.

The following examples provide evidence of how WSP and its programming have been relevant to the broader international and national context during the period evaluated.

Alignment with Global Challenges and Priorities

In the period FY2004-2008, WSP objectives and its programming activities remained aligned with the challenges in WSS outlined in chapter 3 above. The following points illustrate how WSP is aligned with several of these:

- **Risk of not meeting the MDG target in sanitation:**
  As noted in section 4.3, the WSP increased its investments in sanitation between 2004 and 2008. These investments have supported the scaling up of solutions such as Community-Led Total Sanitation (CLTS), helped to increase an evidence base (e.g., through the Economics of Sanitation Initiative), created a more enabling policy environment, and supported institutional reform efforts to improve local service delivery (such as services to the poor initiatives and incentive schemes for municipal governments). Contributing significantly to regional sanitation conferences such as LatinoSan, EASan, AfricaSan+5, CaribSan and SACOSan is another way in which WSP responded to this challenge. Globally, WSP was an active partner in the development of the 2008 International Year of Sanitation, a campaign that demonstrated international consensus on the definition of the

“...The world is now at lift-off point: if the knowledge and experience harvested can be put to good use, the 2015 Sanitation Goal, and beyond it the goal of ‘Sanitation for All’ could come within reach.

What is needed above all is political commitment, and with it new resources and engagement from metropolitan, municipal and local authorities. For that to happen, governments and civil society have to be mobilized, and both the world of officialdom and the world of ordinary people have to be willing to speak out and break the taboos surrounding this delicate subject. What could be done for HIV/AIDS can surely be done for an issue that affects on a daily basis every single person in the world.”

Source: UN Water, Tackling a global crisis: International Year of Sanitation 2008, p. 27-28

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problem, priorities, and strategies for action. One of WSP’s global projects, Total Sanitation and Sanitation Marketing (TSSM), which began implementation during this period, has a strong evaluation and lessons learned component, with the aim of helping countries to meet the sanitation target.

- **Limited access to safe water:** The reliability of water infrastructure and the sustainability of water services management are highly problematic in the countries where WSP works. Accordingly, WSP worked on increasing the management capacities of its clients. For instance, during the period reviewed, WSP strongly advocated for 24/7 water delivery in India urban areas. In particular, for Indian urban slums, WSP provided policy advice and case studies that demonstrated the benefits of having the poor becoming legitimate customers. Such initiatives end up making more infrastructures available and increasing the water quality through continuous service. Similarly, in rural areas where there is a lack of reliable data and where management models are outdated, WSP worked to increase capacity of the communities, for instance by providing technical advice on water testing of arsenic in Bangladesh and helping Local Government Institutions (LGIs) to share best management practices through mobile phones.

- **Governance challenges in WSS sector:** The 2004 World Development Report (WDR) entitled “Making Services Work for Poor People”, which focused on institutions, was instrumental in the way WSP shaped its programming to focus on the institutional framework for water and sanitation services, particularly in regions such as South Asia. WSP programming has focused on policy frameworks, performance improvements, fiscal instruments, and financing of WSS services, among others. WSP works within the context of decentralization in countries such as India, Indonesia, and Peru in order to make linkages between national policy and service delivery at the local level. This has often led it to play roles in supporting the capacity of district level government. Also, during this period, WSP emphasized and helped identify options to enhance the role of citizens in demanding services and accountability from service providers, which is also prominent in the WSP strategy 2009-2018.

- **Climate change and its implications for WSS:** Recognizing the scale of the climate change challenge, WSP has maximized its comparative advantages in defining how to make contributions. One example of activities undertaken that related to the impact of climate change and extreme events on water and sanitation was the concept preparation for a research study on adapting affordable sanitation options for challenging environments in East Asia in 2007. Another example was a workshop on ways to reduce the vulnerability of WSS systems to extreme events in Nicaragua. Although WSP activities in the area of climate change were sporadic during the period reviewed, the issue is becoming a priority and is clearly part of WSP’s new strategy for FY2009-2018.

**Alignment with Regional/ National Priorities**

In all four regions, stakeholders confirmed that the thrust of WSP programming is aligned with national and regional priorities and challenges in WSS. In general, WSP works closely with its government partners and is considered to be flexible and responsive to local demand. The four regional annexes in Volume II provide a number of illustrative examples of the extent to which WSP programming has been aligned with global, regional and national priorities and challenges during the evaluation period. Exhibit 5.1 highlights some of the ways in which WSP is considered most relevant to regional stakeholders.
Exhibit 5.1 WSP Relevance to Regional Stakeholders

<table>
<thead>
<tr>
<th>REGION</th>
<th>WSP RELEVANCE TO CLIENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa (WSP-AF)</td>
<td>• Close relationship with partner governments at different levels</td>
</tr>
<tr>
<td></td>
<td>• Addresses the most important capacity gaps at both national and regional levels</td>
</tr>
<tr>
<td></td>
<td>• Focus on the WSS MDGs</td>
</tr>
<tr>
<td></td>
<td>• Absence of a lending agenda</td>
</tr>
<tr>
<td>East Asia and Pacific (WSP-EAP)</td>
<td>• Recognized by clients for being supportive of their needs</td>
</tr>
<tr>
<td></td>
<td>• Provides clients with menu of potential responses that suit their needs</td>
</tr>
<tr>
<td></td>
<td>• Supports governments and donors in shifting their own agendas in response to</td>
</tr>
<tr>
<td></td>
<td>regional and global challenges</td>
</tr>
<tr>
<td>Latin America and Caribbean (WSP-LAC)</td>
<td>• Flexibility to modify interventions to meet national challenges</td>
</tr>
<tr>
<td></td>
<td>• Convening of various actors in the WSS sector</td>
</tr>
<tr>
<td>South Asia (WSP-SA)</td>
<td>• Assistance for the decentralization agenda</td>
</tr>
<tr>
<td></td>
<td>• Appropriate focus on institutions</td>
</tr>
<tr>
<td></td>
<td>• WSP role as a catalyst and support group for government partners</td>
</tr>
</tbody>
</table>

In the IEG *Sourcebook for Evaluating Global Programs and Partnerships*, the criteria for assessing the relevance of a program includes an assessment of (a) the supply side, which is based on a consensus on the problems and need for global and collective action), (b) the demand side from the client country perspectives, as well as the assessment of (c) the extent to which program activities are complementing and not competing with the activities of others, and that the benefits of collective action through a GPP relative to transaction costs exceed the net benefits from individual donors’ using normal instruments. This finding confirms the WSP’s relevance from both the demand and supply side (a and b). The third area is partially validated in the next finding on comparative advantage and in the perceived cost effectiveness of WSP, which is discussed in section 5.3.

Finding 2: In all regions, stakeholders noted the key advantages of WSP, including its level of responsiveness, knowledge of key issues in WSS, strong country presence, and ability to facilitate dialogue between sector stakeholders.

In its business plans for the period FY2004-2008, WSP identified its regional and global comparative advantages and these were outlined in the Terms of Reference for this evaluation. In general, these advantages were confirmed by stakeholders interviewed in all regions and at the global level; the one that was referenced less frequently was WSP’s potential to leverage World Bank operations. The following points provide a synthesis of respondents’ descriptions of WSP advantages:

- **Special knowledge:** WSP is recognized for its sector knowledge and access to national and international technical expertise – a recognition of its high calibre staff, one of its greatest assets. WSP is considered a leading source of applied research and expertise on comparative WSS policies. Its specialized knowledge, combined with freedom from a lending agenda, gives WSP the ability to investigate new and innovative areas.

- **Global, regional, and country presence and work programs:** Many respondents, including WSP Council members and client government officials, emphasized that WSP, as a global organization,
is able to exchange knowledge and experience between different regions and countries. Similarly, in all regions, the WSP country presence and its strong understanding of the issues and local realities were stressed as advantages of the program. These characteristics give WSP access and linkages to government officials.

**Independence:** The view of WSP as an “honest” broker, disassociated from a lending agenda came through frequently in all regions, but particularly in Africa. However, this does not mean that WSP is always seen to be independent of the World Bank, which can have either positive or negative implications, depending on the context. Indeed, managing such perceptions is one of the challenging features of the institutional relationship between the World Bank and the WSP (see Finding 18).

**Wide network of partnerships:** Although WSP works with wide networks of individuals and organizations, stakeholders did not cite this as a specific comparative advantage, but related it to other advantages that derive from its networks – such as WSP’s ability to convene/coordinate groups of actors in the sector. Partnerships are explored in greater depth in Section 5.4.

**Potential to leverage World Bank operations:** This advantage was not mentioned often in interviews, but when it was, respondents said they recognized the potential but were unsure of the degree of influence of WSP in this area. Many external stakeholders would like to see WSP influence more of the lending agenda of the Bank. In discussions about the relationship with the World Bank, respondents cited both advantages and disadvantages. These are further addressed in Section 5.4.

**Flexibility and responsiveness:** WSP is generally respected for providing thoughtful and timely advisory services to its clients and for reacting quickly to demands. This advantage is facilitated by its strong presence in the field, its generally good relationships with clients and partners, and its strong understanding of local realities.

**Ability to act as a facilitator/coordinator between different stakeholders in the WSS:** Stakeholders emphasized this as a unique feature of WSP. Not only has WSP been instrumental in bringing key actors together, but it has also worked as a catalyst for bringing issues forward to debate in a wider forum of stakeholders. This is partly derived from it being seen as an independent source of specialized knowledge and also from having the wide range of contacts through its partnerships. During the field missions and desk studies, the evaluation team observed cases where several different national ministries signed a common sector wide agreement in WSS and WSP’s role in this achievement was underlined. Some interviewees (mostly donors) emphasized that this advantage was stronger in countries where there was limited donor presence and coordination. Examples of WSP coordinating roles are provided in Finding 7.

These advantages have helped WSP to fulfill a strategic role in the sector that combines being a knowledge broker and disseminator, convener, and strategic advisor on the broad, overarching issues facing the sector in terms of policy, finance, capacity, etc.
5.2 Effectiveness

Effectiveness is defined as the extent to which a program has achieved, or is expected to achieve, its objectives, taking into account their relative importance.\(^\text{14}\)

As per the TORs, the evaluation team was asked to consider a range of topics in order to assess the effectiveness of the WSP. This section examines WSP effectiveness in terms of:

- the extent to which WSP had well defined and measurable objectives for the period,
- WSP progress with regard to its objectives,
- Factors that have contributed to or limited effective programming,
- How new products/approaches introduced during the period have contributed to WSP’s mission, as well as the benefits and challenges associated with them

The TORs also requested consideration of the issue of learning in WSP and the establishment of Global Practice teams, which is analyzed in Section 5.4, in the section on Program Management. That same section also covers, in greater depth, the need for monitoring and other system data to support results-based management and evaluation in WSP.

5.2.1 Measuring WSP Results

Finding 3: WSP has developed a new results framework, which represents a significant step forward in the results orientation of the program.

As noted in section 2.4, the WSP did not have clearly articulated results or a logical framework for the period under review. As a result, the evaluation team used the objectives written in the WSP charter as the basis for assessing the program’s effectiveness. These objectives, however, were not coupled with a monitoring framework with structured set of indicators for tracking progress on the objectives. Toward the end of the evaluation period, WSP developed a results framework (see Exhibit 5.2) linked to its 2009-2018 strategy.

Exhibit 5.2 WSP Results Framework (2009-2018)

Source: WSP Presentation of the Global and Regional Results Framework to June 2009 Council Meeting

WSP has taken a significant step in articulating results in its new framework. It has also invested in a process to take its global framework to the regional and country level, and to test the new framework with clients (in Kenya, for example) in order to distil lessons to be shared as other country teams move forward in the process of implementing the new framework.

In this regard, WSP is facing a number of the challenges faced by other GPPs in trying to create a framework that: reflects development changes; has reasonable indicators that can be used to track progress and as a basis for understanding how programming can be improved, and that is feasible to implement. An ongoing study managed by the Concessionary Finance and Partnerships group in the World Bank may shed some light on results orientation in such programs in the coming months, helping to situate WSP to improve upon its framework based on the experience of other GPPs.

Since this framework is a work in progress, and given that the evaluation is to inform revisions to WSP strategy and business planning, the evaluation team provides a few observations on gaps in the framework or challenges that, if taken into account, could help in implementing the framework. (Comments on the management systems and tools required to report on the framework are covered in Finding 21, Section 5.4.3). These observations are based on the global, regional, and country framework example presented at the Vienna, Council Meeting in June 2009.

- Different levels of outcomes. The new WSP results framework does not consider different levels of outcomes that include higher levels of development such as changes in quality of life (e.g., health outcomes from improved access to water and sanitation). Results frameworks that include different
levels of outcomes (e.g., immediate, intermediate, final outcomes) help to illustrate the underlying program theory, and are more helpful in a management for results approach.  

- Need for more precise articulation of final outcomes/impact. Similarly, while recognizing that higher level effects (such as the impact level in the current results framework) are beyond the control of any single sector player alone, there is a need to be able to visualize in more concrete terms the development change that WSP aims to contribute to. The current results framework as an articulation of impact that is still quite vague.

- Indicators that are still under development. At this stage, indicators are still under development and the Program will need to ensure that all indicators are framed in ways that make them specific, measurable, attainable, relevant and time bound – also known as SMART indicators. There is a risk of developing too many indicators. Because of the resources/effort that is involved in measurement, there may be a need to prioritize which indicators would be tracked in the first years.

- Ambitious start-up. WSP is quite ambitious in trying to monitor and report on progress at all levels – country, regional, global – in the framework. It will be challenging to roll up data from country to global level. It is also not clear what the regional dimension adds or whether the Program is intending to seek regional results – i.e., results that are different than the results at country or global level. (Regional results might be expected to illustrate a type of result that reflects connectivity or the inter-jurisdictional nature of work within a region; or would reflect results that extend beyond WSP focus countries.)

### 5.2.2 Contributions to WSP Objectives

As defined in the WSP Charter (2001), the WSP objectives are to:

- Provide advice to help countries adopt improved policies and strategies and undertake institutional reform;
- Provide advice to strengthen the investment programs and projects of its clients and partners; and
- Generate, validate, and communicate innovative water supply and sanitation solutions.

These three objectives, which were reflected in the products and services developed in WSP business plans and its new results framework (2009), provided the framework for the findings regarding WSP’s effectiveness in this section.

In order to understand WSP’s contribution to results in each of the objective areas, it is important to note the types of outputs generated by WSP (see sidebar). Outputs are defined as the products and services of the Program. In each of the findings below, the examples illustrate how these outputs have contributed to a change that helps countries to develop policies, reform institutions, improve service delivery standards, amongst others. Further examples can be found in the regional reports, Volume II.

<table>
<thead>
<tr>
<th>Types of WSP outputs</th>
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<tbody>
<tr>
<td>➢ Policy advice/notes</td>
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<tr>
<td>➢ Field guidance notes</td>
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<tr>
<td>➢ Citizen report cards</td>
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<tr>
<td>➢ Training modules</td>
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<tr>
<td>➢ Workshops</td>
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<tr>
<td>➢ Case studies</td>
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<tr>
<td>➢ Performance Improvement Plans</td>
</tr>
<tr>
<td>➢ Other research publications</td>
</tr>
<tr>
<td>➢ M&amp;E systems</td>
</tr>
<tr>
<td>➢ Communications campaigns</td>
</tr>
<tr>
<td>➢ Diagnostic studies</td>
</tr>
<tr>
<td>➢ Capacity assessments</td>
</tr>
<tr>
<td>➢ Technical discussion roundtables</td>
</tr>
</tbody>
</table>

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15 A program theory would help to understand the paths by which the Program intends to produce final outcomes. It is also defined as a set of beliefs that underlie program action. See Weiss, Carol H. (1998), *Evaluation*, 2nd Edition, Chapter 3: Understanding the Program.
Finding 4: WSP advice has helped countries adopt improved policies and strategies and undertake institutional reform. This has been one of the strongest areas of WSP results during the period evaluated.

Our interviews and document review (including the review of other external evaluations undertaken at country level) suggest that WSP outputs have been useful to policymaking processes at the country level. WSP has supported processes that have fostered policy improvements such as: increasing coverage/extending services to underserved or vulnerable populations; adopting innovative approaches to WSS challenges; and improving policy implementation at the levels of sub-national government. The policy work might have been to develop a new policy statement or to make adjustments in existing policy frameworks.

The following examples illustrate some of WSP contributions in this area.

Extending services to underserved or vulnerable populations

- WSP and the Nairobi City Water and Sewerage Company (NCWSC) created stakeholder forums to discuss the issue of how to extend water connections to informal housing areas in Nairobi. These forums, which included both NGO’s and Government representatives, met twice a year to work on guidelines for the urban poor. Out of these meetings there were two important policy developments. One was the creation of a Department of Informal Settlements within the NCWSC, and a second was the writing and publishing of a major policy document: Strategic Guidelines for Improving Water and Sanitation Services in Nairobi’s Informal Settlements (2008). As a result of these initiatives, the NCWSC is in a much better position to work with donors such as the World Bank, the African Development Bank, and the European Union, on larger water and sanitation projects in Nairobi. In fact, work with the three agencies is already underway.

- In India, WSP made contributions to the Ministry of Housing and Poverty Alleviation (MOHUPA) national policy guidance notes for city managers on mainstreaming water and sanitation services for the urban poor. WSP began its support by documenting best practices (publishing case studies on experiences from different parts of the world) and organizing workshops, exposure visits to Brazil and the Philippines, and focus groups for national and state government officials. These activities have been translated into policy guidance notes that are expected to inform city managers in their development of City Development Plans (a requirement under the Jawaharlal Nehru National Urban Rural Mission – JNNURM) that respond to the needs of the urban poor.

- In order to help the poor to access sanitation services, WSP facilitated their access to financing as part of the Sanitation as a Business project in Peru. With the assistance of WSP, six private financial institutions developed credit options for sanitation for poor families. In parallel, WSP supported the formation of Local Management Committees that promoted and managed sanitation in five districts, with a population of approximately 225,000 people.

Innovative approaches to WSS

- WSP has been instrumental in bringing the community-led total sanitation (CLTS) approach to Indonesia. This approach is reflected in the Community-Based Total Sanitation Strategy of the Ministry of Health, ratified in 2008, and in the Ministry of Public Works decree (2008). The Bangladesh exposure visit in 2004 raised awareness of CLTS among key Indonesian government officials who became champions of the approach in the country. East Java was then selected to pilot the approach in six districts and requested WSP support. CLTS was effective in changing the mindset of government from giving subsidies for hardware towards a more behavioural-change approach and the use of ‘triggering’ within communities to recognize the negative social, health and environmental effects of open defecation. The process of giving awards for ODF (open defecation free) and the focus on sanitation marketing to sustain sanitation demand and supply is seen as innovative and today, WSP is working in 29 districts of East Java.
• In Nicaragua, WSP helped to introduce innovative WSS solutions through various pilots and publications. For instance, in April 2005, it presented various WSS solutions through a publication entitled *Alternative Technologies for Water and Sanitation Supply*, based on a symposium that had occurred in Peru a year before. Similarly, in Nicaragua in April 2006, WSP published a study on biofilters as a sustainable option for treating residual waters in small towns.

**Improving national policy implementation at sub-national level/ policy operationalization**

• In Indonesia, the Water Supply and Sanitation Policy Formulation and Action Planning Project (WASPOLA 2) supported adoption at the district level of the National Policy on Community-based Water and Environmental Sanitation (2003). Implementation in this case refers to: endorsement of the policy at the district level, developing a strategic water and sanitation plan, delivering capacity building programs for local governments on behalf of the National WSS Working Group, and supporting the National Working Group in its monitoring of provincial and district WSS activities. Strategic plans that serve as a development guide for WSS at the district level have been developed in 62 districts.

• Bangladesh was the only country in the South Asia region in 2004 that had adopted a national arsenic policy and developed a detailed plan of action. While the goal of the policy was to provide guidelines for mitigating arsenic contamination, the policy as initially drafted lacked a comprehensive means for implementation – such as provisions for public awareness, adequate diagnosis, and capacity building of local authorities. WSP-SA supported the Government of Bangladesh in reviewing the policy so that it could be operationalized, for example by providing technical advice on water testing. Several publications on the topic resulted from this policy review, creating a collective and renewed impetus in implementing the policy. Moreover, the policy review helped the institutional response to the arsenic crisis to shift from an emergency to a decentralized mode of operation.

These examples illustrate the successful contributions of WSP to the enabling policy environment. For a number of reasons (some of which are illustrated in Finding 9 below), progress has not been significant in all areas, or in all countries. For example, in rural water supply in India, the initial outputs supported by WSP were not used for reform because of a loss of momentum at the national level and an end to Swajal Dhara, the government’s national program. In this case, WSP adapted to the context and reoriented its work to focus on State and local level as a result.

**Finding 5: WSP has contributed to strengthen the investment programs and projects of its clients and partners.**

For the purposes of this report, the *strengthening* of investment programs and projects may include: increasing the level of investments, improving the sustainability of investments, ensuring that the focus of investments meets the needs of poor and vulnerable people, introducing new elements into the program, and introducing performance incentives to improve investment programs. The following examples illustrate the types of stakeholders who are investing in WSP initiatives and comment on the support provided by WSP and the extent to which it was used.

**Multilateral Development Banks investments**

• In most regions, WSP has provided technical support to the World Bank during project design or the implementation stage. The WSP contribution to the World Bank’s mid-term strategy review illustrates how WSP’s growth in operations has followed the World Bank’s investment trends in WSP focus countries. Although there may be many examples from the period under review, only a few of the ones identified and discussed during the evaluation are noted for illustrative purposes. In India, WSP has supported the design of the JNNURM capacity building TA of the World Bank. In Kenya, currently the World Bank has a $150M water and sanitation project in three areas of the
country (P096367). The Bank acknowledges support from WSP in their work on the informal settlements, helping to recruit NGOs to evaluate the policy document Strategic Guidelines for Improving Water and Sanitation Services in Nairobi’s Informal Settlements (2008). The Country Team Leader of Kenya has been helping the Bank to prepare a TOR for a study of “unaccounted for” water. In Nicaragua, WSP helped the World Bank develop the Nicaragua Rural Water Supply and Sanitation Project (PRASNICA), at a value of almost US$ 20 million, a project that was approved in June 2008. In Indonesia, WSP co-task team lead the preparation of the US$137.5 million Water Supply and Sanitation for Low Income Communities 3 Project (2006). These examples illustrate the support and leveraging function that WSP plays in relation to large donors, such as the World Bank, with important infrastructure investments. WSP intends to track this technical support and the investments that it leverages more systematically in the future.

Government/client investment programs

• As noted above, the JNNURM scheme in India is a unique reform-oriented fiscal instrument that makes infrastructure financing conditional on ULB undertaking reforms. WSP provided initial ideas for a City Challenge Fund, elements of which were incorporated into the JNNURM. WSP provided additional analytical support as this approach took shape and its evidence-based advocacy included eight city assessment studies that identified key reform requirements and readiness for reform, as well as the preparation of guidelines on city development planning. WSP has sustained engagement with GoI in the refinement of the JNNURM, which committed $12 billion for urban infrastructure over a period of seven years. A significant percentage of the JNNURM investments are in water, sanitation, and solid waste projects.

• Examples from the rural sector in Senegal include the management committee for the Ndiass community borehole that was demonstrated for the evaluation team. This borehole and pumping station, built originally by the government, is fully managed by a local committee which collects fees for the water, in turn using profits from the water charges (for both residential households and even animal watering basins) to hire technical staff to maintain and repair the pumping equipment when it is needed. The local committee’s work is backed up by an agency of the Senegalese government (called DEM), which in turn receives valued support from WSP.

Development partners (WSP donor) programs

• The Environmental Sanitation Program, a USAID project in Indonesia, cited the importance of WSP’s work in providing a model for improved investments for the Indonesia Sanitation Sector Development Program (ISSDP), largely due to WSP’s long-term presence, good relationships with government, and ability to provide in-depth evidence-based research for policy influence. Similarly, at a regional level USAID drew on WSP documents and policy work to help formulate the design of their programs. WSP work on household water treatment in Cambodia, for example, helped to inform the design of the USAID interventions in this area.

Sector financing strategies

WSP has contributed to the development of sector financing strategies, including the National Sanitation Financing Strategy in Uganda 16 and the EU Water Initiative supported “Financing Strategy for the Water Supply and Sanitation Sector” in Ethiopia. The purpose of the strategy in Ethiopia is “to outline a set of key recommendations for the development and realization of a sustainable stream for the water supply and sanitation sector in Ethiopia [...]]”. The financing strategy does not provide “the answer” to the sector’s funding needs. Rather, it defines the most important practical actions required in order to both increase

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investments and ensure that these investments are sustainable.” Several persons interviewed regarded this strategy as highly influential and as providing a coherent framework based on wide participation from actors in the sector.

**Finding 6:** WSP has generated, validated, and communicated innovative solutions to water supply and sanitation management challenges.

WSP, with its representatives around the world in some 25 countries and its partnership with the World Bank, is in a good position to investigate new and promising approaches to water and sanitation management. It can then (either directly or through hiring consultants) suggest potential models to local agencies in other countries where it might make sense to attempt reforms. The examples below illustrate how WSP has played a role in knowledge sharing or knowledge management role and what the effects have been, particularly where there is reported use of outputs or the potential to use outputs as described by stakeholders interviewed.

**Generating and sharing knowledge within a region**

- In 2006, in Ethiopia, WSP developed the case study *Ten-Step Guide Towards Cost-effective Boreholes*. The study was commissioned on the basis of widespread perceptions that drilling costs are too high on much of the African continent. From that perspective, even small savings in cost could potentially extend services to millions of people whose water needs are currently not met. During interviews with stakeholders from different partner organizations it was often mentioned that this study has been very influential and has enlightened policy makers about different approaches to drilling.

- The dissemination of knowledge and innovative concepts, and the consequent rise in awareness, encourage the adoption of better-adapted WSS solutions such as the integrated approach to sanitation and the use of bio-filters to treat residual waters in small towns. For example, in Nicaragua, the AMUNIC (association of municipalities) and INAA (regulatory institute) have shown interest in adopting the recommended solutions of WSP for strengthening local capacities for WSS delivery.

**Bringing operational models from other regions and supporting their application in different circumstances**

- In Kenya, WSP encouraged and supported a coalition of NGOs in Mombasa, Nairobi, and Kisumu to operationalize a "Citizen Report Card” (CRC) on urban water, sanitation, and solid waste services. The CRC model, well known in development circles, was first developed in Bangalore, India as a way of strengthening the ability of the public to evaluate their public services. In this case, the decision was made to concentrate on a more narrow range of services (relating only to water and sanitation), but to develop the tool in three Kenyan cities. Accordingly, WSP-Africa hosted a representative of the Public Affairs Foundation of India to provide technical support in the three Kenyan cities. Participatory workshops were set up and consortia of NGOs were established (with a single NGO in the lead in each city) to carry out the exercise. In September and October of 2006, 2,905 household interviews were carried out in the three cities (Nairobi 1,378 interviews; Kisumu 719; and Mombasa 808) and the results were published in “report cards” for each city in 2007. Not only did the NGOs gain considerable

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18 While this example focuses on Kenya, WSP has facilitated exchange and development of CRC in other countries as well. The CRC has been institutionalized in some constituencies of Karachi, for example, with WSP support.
experience in surveying and estimating public attitudes to service delivery, but the shortcomings of the newly decentralized local institutions were publicized so that improvements could be made.

- According to an NGO respondent in Mombasa, there have been a number of public meetings on water and sanitation service delivery issues since the report card was published; these meetings were supported by the WSP and well publicized in the press and on the local radio. Similar experiences were reported in Nairobi (and possibly in Kisumu, although we did not conduct interviews there). This initiative brought an operational model from another region, applied it under different circumstances in a more limited context, and achieved considerable success at least in the short term. If the new reform model of water and sanitation in Kenya based on the 2002 Water Act is going to operate successfully, more such participatory initiatives need to be supported by WSP.

**Horizontal learning and knowledge sharing at the local level**

- In Bangladesh, knowledge management has been an important part of the WSP-SA project called “Local Government-based community WSS services.” With the aim of enhancing the WSS services in remote communities, this project intended to strengthen the capacity of local government actors in terms of planning, managing finances and WSS projects, as well as monitoring and evaluating WSS initiatives. An innovative horizontal learning initiative based on appreciative inquiry was launched during FY2008 for peers from different communities to be able to communicate more easily despite distance and to share knowledge and promote mutual learning. As a result of this initiative, a large network is now active at the local level, through which local governments institutions (LGIs) can exchange best practices and plan collectively for improved management practices. So far, 21 best practices have been identified in 93 LGIs via cross visits. This initiative was identified by many Bangladesh stakeholders as one of WSP’s main contributions during the period evaluated.

**Generating and sharing regional knowledge products**

- WSP was the main author of the publication *Getting Africa on Track to Meet the MDGs on Water and Sanitation* (2006). The publication, which is the result of collaborative inputs by WSP, AMCOW, the African Development Bank, the European Union Water Initiative, the UNDP and the World Bank, is intended to be used to design better demand-driven and results-oriented national programs and to contribute to better coordination and implementation of programs and projects. One of the distinctive features of the report is that the data and summary assessments were drawn from local data sources and the assessments have been subject to consultations with main stakeholders at the government, donor and sector levels.

- On a regional level, the Economics of Sanitation Initiative (ESI) is frequently cited as an illustration of WSP effectiveness that links its knowledge management function with a potential for policy influence. Since ESI is still underway (having just embarked on phase II, a sanitation options cost-benefit study), it is too early to determine the level of influence of this research on changes in policy and resource allocation. However, the outputs and strategies to date are promising due to the innovative focus, the timeliness of the study, capturing the attention of senior level officials, and the use of similar methodology and evidence. In addition, partners such as USAID and ADB acknowledge that this is a type of research product that they couldn’t have done on their own.

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19 www.sdc.org.bd/en/Home/Local_Governance/WSP

Finding 7: WSP has emphasized the intent to enhance sector coordination in the Business Plans during the period FY2004–2008. In most of the countries reviewed, there is evidence that WSP’s role as a convenor and facilitator has supported coordination of the WSS sector.

According to the Business Plan FY2006, one of the main services of WSP is “support to networks of professionals at the country and regional level to develop activities, communications plans, and overall capacity building efforts. The Program also facilitates donor coordination activities in the WSS sector, as well as conferences and learning events.” The evaluation team found that WSP has contributed to enhanced coordination among multiple stakeholders as evidenced by the existence of and functioning of multi-stakeholder forum for dialogue. There are also reports of how these fora improved information exchange among those participating and provided a means of verifying that work was not duplicated.

Facilitating government coordination

In Senegal, WSP has supported the establishment and operations of PEPAM, the Programme d’Eau Potable et d’Assainissement du Millénaire, the central agency for promoting the government’s commitment to the 7th MDG dealing with water and sanitation. WSP supported the development of PEPAM’s comprehensive web page. To reinforce the intentions of the web page, a PEPAM coordination unit works with all major agencies dealing with water and sanitation in Senegal, as well as with major international agencies. In 2007, WSP coordinated a meeting of 11 major donors, on behalf of PEPAM, to discuss further actions to take with the Senegalese government.

Another example of sector coordination is the creation in Cambodia in 2007 of the Technical Working Group of the Rural Water Supply, Sanitation, and Hygiene Sector. The Group brings together the Ministry of Rural Development, Department of Rural Water Supply, Department of Rural Health Care, Department of Planning, ADB, WHO, and the Department of Fisheries among others. WSP-EAP’s collaboration with the Department of Rural Water Supply in the creation, facilitation, and ongoing support for the Technical Working Group has been recognized by stakeholders as being major contributions. The Technical Working Group has negotiated technical and financial support with potential donors (such as UNICEF, ADB, and WSP) for preparation of a RWSS Sector Strategy and RWSSH Technical Guidelines.

In Indonesia, WSP-EAP, through WASPOLA, has provided support (along with others) to the National Working Group on Water and Sanitation. Because there was no one agency responsible for WSS in Indonesia, WSP initially helped to provide some “glue” to the sector, as noted by one of WSP’s partners. During WASPOLA I, the Working Group was primarily viewed as a counterpart to the project. Over time, however, the Working Group became the coordinating and problem-solving mechanism for activities in water and sanitation (an informal working group). The group identifies four roles: informal coordination, helping local government to strengthen capacity (WASPOLA has been the vehicle), networking with NGOs, and implementing a public campaign. The group works with its own resources and leverages the resources of other agencies.

Convening organizations in the sector (multi-stakeholder groups)

The ability to bring actors together around common issues is, according to partners and stakeholders, one of the most significant achievements of the WSP-LAC. The WSP has been effective in supporting sector coordination, notably in the Support Decentralization and Networking for Rural Water and Sanitation Systems (WSS) in Peru project through which it released the AGUA magazines Regional Bulletins (Cajamarca, Cusco, and Lambayeque). Similarly, sector coordination was achieved through the organizing of meetings with the Sector Agreement Committee at the central level. During the focus groups held with members of the Water Group (Grupo Agua), respondents praised the WSP for the commitment it

21 WSP Business Plan FY2006, p. 2
demonstrated during the past few years in bringing actors together and in allowing for open discussions, exchanges of best practices and innovative approaches. As several have noted, the inclusion of the government in the Grupo Agua was entirely due to the WSP. During the International Year of Sanitation in 2008, WSP was also able to bring the Ministries of Health, Environment, and Housing to work together.

In Nicaragua, WSP provided support and coordinating capacity for Grupo Impulsor de Saneamiento Integral (GISI), an association that groups various institutions of the sector with development agencies. At its creation in 2006, GISI’s role was to assess the situation of sanitation in Nicaragua and promote the development of a blueprint for the systematization and organization of all actors in meeting the sanitation target of the MDGs. The group remains active and has been influential in maintaining sanitation as a priority at the governmental level. GISI members also feel that the group enables them to maintain a dialogue, share experiences, and verify that no work is duplicated. WSP-LAC continues to coordinate this group.

5.2.3 WSP Strategies and Outputs

This section identifies some of the means that WSP has used to achieve its objectives, and comments on elements that have contributed to or detracted from its success as well as gaps in its strategy/product mix that could enhance the program’s effectiveness.

Finding 8: The factors that favour the use of outputs by decision makers for them to lead to higher level results include the length of engagement of WSP with its clients, WSP promotion of cross-sectoral coordination, and respect for the technical expertise of its staff.

As noted in the preceding findings and the regional reports (see Volume II, sections on project outputs and planned outcomes), WSP’s work has generally led to outputs that are used by decision makers for policy, investment, or coordination purposes. The evaluation team identified three factors that consistently affected the use of outputs and their success in leading to higher level change.

- **Sustained engagement over time (multiyear):** WSP commits to long-term engagement, which is necessary for institutional change and is certainly an advantage that it has over other bilateral and even multilateral projects. WSP initiatives and projects build on each other over time. Thus, the effects that are being perceived today are cumulative effects of years of work in a particular area.

- **Promoting cross-sectoral coordination:** Success is also facilitated when WSP and its clients facilitate engagement with multiple sectors – often by getting actors who do not engage willingly with each other, to sit at the same table. In the planning processes that WSP promotes, the evaluation team noted the broad representation of sectors involved in water and sanitation. WSP has been adept at engaging multiple sectors to work together in a particular area, including bringing together government agencies, non-governmental organizations, and development partners.

- **Respect for the technical quality of its work:** As noted in several of the regional reports, WSP is recognized for its knowledge of technical matters and astute understanding of the local context, giving credibility to its products. This means that the expertise of its staff and consultants are an important factor supporting results achievement.

Finding 9: The factors that limit WSP success in achieving higher level results in some cases include: the demands for capacity development at multiple levels, providing appropriate follow-up to support use of knowledge products, and responding to political contexts that limit the traction of a particular output.

Despite WSP general success in providing outputs that are used by its stakeholders, the evaluation team also heard about or observed factors that limit WSP effectiveness. These factors are briefly described below.
In any one country, WSP may work directly or facilitate client’s efforts at several levels at the same time – bridging national policy with policy implementation at sub-national levels. Working at national and sub-national levels has advantages in terms of contributing to effects on the ground – i.e., sustainable services for the poor. In many countries, this approach has helped link the policy environment with service delivery, but is not without challenges.

If multilevel interventions are spread too thin and WSP is unable to respond appropriately to all levels, their effects may be limited. For example, sub-national governments (e.g., municipalities who are closer to service delivery) may have demands or requirements for capacity development that may be more operational than what WSP is accustomed to. WSP has accumulated experience with municipalities in the different regions and it would be useful to better document and systematize what is required to work successfully at the local level. In South Asia, there are increasing demands from local bodies for capacity development and policy-based knowledge. However, engaging in a greater capacity development role with municipalities may also have implications for WSP strategy with respect to downstream work (see Finding 12).

Similarly, many of WSP direct activities support capacity development at the individual level, often through training and exposure visits, for example. The challenge is to ensure that individual capacity development is linked to organizational or institutional capacity. It is often up to the client or partner organization to facilitate the linkages to organizational or institutional capacity. In some cases, WSP may need to more actively facilitate the transition between individual capacity development and organizational change. This might be addressed by measures that range from ensuring that teams of two people attend training/exposure visits to WSP support for organizational/unit assessments to identify capacity gaps and areas that might need to be reinforced in order for certain initiatives to be implemented.

WSP produces many knowledge products. Although each knowledge product was not reviewed, stakeholders noted that the level of efforts put in the follow up and in the dissemination of these products sometimes needed to be increased to ensure that all knowledge products are used by the target audience. Similarly, a few respondents expressed concerns about the consistency in quality of the knowledge products. WSP commissions periodic evaluations of its knowledge products. For example, in FY2004, an external evaluator reviewed the effectiveness of WSP-LAC communication tools, including the knowledge products produced from August 2001 to June 2004. This kind of study will continue to be helpful to WSP in sharpening its content and dissemination approaches according to the needs of its target audiences.

The uptake of a particular output (e.g., policy advice, publication) has at times been limited because of a change in the government official responsible for the sector or because of a shift in government priorities. WSP progress in the policy area in particular is subject to lapses in policy progression and interest, as well as changes in staffing in key departments. Since these changes are outside of WSP’s control, it is important for the Program to have the flexibility required to adapt and reorient its investment of resources as required.

Finding 10: WSP’s global projects provide new mechanisms for supporting country results and expanding WSP’s global reach. Overall, these are a positive addition to the WSP product mix.

During the period evaluated, WSP introduced three global projects that are contributing to WSP’s mission. These are shown in Exhibit 5.3 and described below. The three projects are multi-year and multi-country in nature and were funded through ear-marked funding.

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Exhibit 5.3 Overview of WSP Global Projects (FY2004-2008)

<table>
<thead>
<tr>
<th>GLOBAL PROJECT</th>
<th>DESCRIPTION</th>
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| Domestic Private Sector Participation (DPSP) Initiative | • Began in FY2005  
• Financed by DfID (US$12 million)  
• Aims to leverage effective and competitive local private sector opportunities in the water and sanitation sector  
• Covers over 25 projects in all four WSP regions |
| Global Scaling Up Sanitation Project: Total Sanitation and Sanitation Marketing (TSSM) | • Began in FY2007  
• Financed by Bill and Melinda Gates Foundation  
• Supports national and local government efforts to increase access to basic sanitation in Tanzania, India, and Indonesia  
• Builds on Community-Led Total Sanitation (CLTS) and Sanitation Marketing to create demand for sanitation and to use marketing techniques to improve the supply of sanitation-related products and services |
| Global Scaling Up Handwashing Project (Handwashing with Soap – HWWS) | • Began in FY2007  
• Financed by Bill and Melinda Gates Foundation  
• Promotes handwashing with soap (HWWS) in Peru, Senegal, Tanzania, and Vietnam  
• Builds on previous work supported by the Public-Private Partnership for Handwashing |

**Domestic Private Sector Participation (DPSP)**

At the country level, DPSP projects/activities blend with other activities being implemented as part of the WSP business plan. With the exception of the focus of the project and the reporting requirement, there is no distinct feature of DPSP programming activities. In fact, the resources were sometimes used alongside those of other funds, for example, to promote and institutionalize benchmarking of service providers. The field missions and desk reviews included several DPSP projects, such as: “Strengthening Domestic Private Sector Participation in Cambodia”, “Sanitation as a Business” in Peru, “Promotion of small-scale operators in WSS services of Nicaragua”, and “Institutionalizing Performance Improvements” in Bangladesh. The projects reviewed were making progress towards achieving their stated outcomes.

The global coordination and learning component included a global workshop (June 2008) to disseminate results and cross-regional learning. Stakeholders interviewed in the field noted that the learning component was not as strong as it could have been. This aspect is to be strengthened in the second phase of the program, which was to begin in 2009.

One of the benefits of the DPSP was the opportunity it provided WSP to pay attention – in a more intense and structured way – to the thematic area of private sector engagement that has been one of the challenges for the sector and one of the emphases of the program for some time. The report on the first phase of the project (2008) cites a wide array of achievements, all of which align with WSP objectives in the area of policy influence, strengthened investments, and generating and sharing innovative solutions.

According to WSP reports, DPSP projects to promote sanitation marketing approaches and public-private partnerships in handwashing provided the basis for some initiatives funded by the Bill and Melinda Gates Foundation in 2007.
TSSM and HWWS

The two scaling-up projects funded by the Gates Foundation – Total Sanitation and Sanitation Marketing (TSSM) and Handwashing with Soap (HWWS) – are structured and operate quite differently than DPSP. The projects are carried out in selected countries which were significantly behind in meeting the sanitation targets and include structured learning opportunities and a monitoring and evaluation system. Because of the scale of the projects, these also have dedicated teams at HQ and in the field who facilitate implementation. At HQ and in the regions, this includes a series of specialists on, for example, social marketing and monitoring and evaluation. The projects are also different from other WSP initiatives in that they are more closely identified with downstream work, as described in the following finding.

Global projects are contributing to the attainment of WSP’s core mission. The following benefits of these projects are evident from our review of documents, interviews, and observation:

- They have provided WSP with opportunities to build on successes with piloting, documenting and advocating promising approaches.
- The projects in countries visited are integrated into the country business plans and build on prior work that has been done in that area. The consistent approaches being applied across the participating countries in Scaling Up projects are being done in a way that tailors that approach to the country context.
- The projects have provided structured learning opportunities for staff engaged in them in each of the regions. Although this component was smaller in the first phase of DPSP, it has been prominent in TSSM and HWWS. Face-to-face meetings and the intranet are both reported to be useful for knowledge exchange across regions – for example, by providing opportunities for Indonesia to showcase its work in Sanitation Marketing component, an area in which it has made some progress, and that others have been able to learn about through for example, formal WSP exchange mechanisms such as GPTs and country exposure visits. The learning is direct and immediately applicable to the project at hand and there are reports of broader learning and exchange also occurring.
- The Scaling Up projects have provided specific resources for monitoring and evaluation components. As a result, these projects will allow WSP to generate credible evidence on social, economic and health impacts of these kinds of interventions, which have been supported by WSP and its partners for some time.

The challenges related to these projects, especially the scaling up projects, include:

- The scale of the initiatives and the initial pressures they put on staff and project management systems being used by WSP. One of the challenges at the outset of global projects was related to procurement demands – due to the scale of activities and the fact that implementation began at a time when a new procurement system was being introduced by the World Bank. In many instances, these difficulties were resolved during implementation.

Because of the structured nature of the projects, a few interviewees also noted the risk of project teams working in silos, thus limiting the cross-germination effect of the positive features of the scaling up projects on the rest of WSP’s work, and vice versa. This silo effect has not been felt in all of the regions visited, but since it is also a risk for all WSP projects, it is worth monitoring in the future.

Finding 11: During the evaluation period, WSP has effectively supported downstream work in support of policy implementation in larger decentralized countries.

During the WSP Council meeting in June, 2005, the participants discussed WSP’s involvement in what was referred to as “downstream work.” This concern came about because of the increased pressure on countries
to achieve the MDGs and the need for help in implementing policy. The discussion at the meeting focused on a potential role for WSP in “facilitating implementation” of downstream programs through other stakeholders. That kind of a role was considered to be in line with WSP’s core business and not require different competencies and capacities.

Between FY 2004 and FY 2008, WSP did play a greater role in supporting implementation of policy at subnational levels in some of the larger and more decentralized focus countries, such as India and Indonesia. The rationale for supporting policy implementation is that the large size and decentralized nature of these countries can make WSP’s more traditional policy research/knowledge management role irrelevant without the application to subnational governments. Policy implementation support also becomes critical when governments lack resources and capacities to translate policy into practice, thus risking the applicability and sustainability of the policy change.

WSP supported capacity development in planning or programming activities to help implement policy direction. In the WASPOLA and ISSDP projects in Indonesia, there is direct support to strengthening the capacity for planning at the district or municipal levels. Similarly, in India, WSP has supported the development of city sanitation plans. TSSM in all regions focuses on the strengthening the capacity of local governments to implement policy reforms.

In some cases, support to policy implementation and capacity development at subnational level has been done through project teams (such as those used for ISSDP and WASPOLA) that provide the substantive and administrative support for developing capacity of the local implementation bodies. These projects are multi-year endeavours funded by individual donors (except in the case of ISSDP, which is funded jointly by Sweden and the Netherlands). They directly test innovative approaches and are focused on achieving results in specific geographic areas that require continued project engagement for sustainability. The projects contribute directly to the WSP-EAP desired results as proposed in business plans for FY2004-2008.

The main advantage of working more in the implementation of policies is that it gives WSP the opportunity for more large-scale testing of the hypotheses for improving access to services. This evidence-based research and demonstration of results at the sub-national level directly contribute to WSP’s comparative advantage as a specialist agency with a sound understanding of local realities. The continuous engagement also gives further opportunities to work with clients in the achievement of the desired development outcomes.

The challenges observed in the support to implementation relate to (i) the capacities and competencies that it requires in terms of project management and field presence at the sub national level, with the respective resource implications for WSP; and (ii) balancing the increased project management demands (such as contract administration, report writing, monitoring) with the research function.

Demands by governments for greater support of downstream work are likely to increase. Many African countries have now developed national water and sanitation policies and strategies, but are still struggling to meet the MDGs. There is therefore a need to emphasize support to policy implementation, but at the same time protect the assets of the Program linked to the strategic role that it has in the sector (one that combines being a knowledge broker and disseminator, convener, and strategic advisor on the broad, overarching issues facing the sector in terms of policy, finance, capacity, etc).
5.3 Efficiency

Efficiency is defined as “the extent to which the program has converted or is expected to convert its resources/input […] economically into results in order to achieve the maximum possible outputs, outcomes, and impacts with the minimum possible inputs.”

This section explores two general questions presented in the Terms of Reference about the efficiency of WSP: the extent to which the benefits from activities were commensurate with level of effort and resources expended (related to the concepts of cost-effectiveness and value-for-money), and the efficiency of WSP operations. The assessment of efficiency provided below is based on an analysis of stakeholder perceptions of cost effectiveness, the use of resources (the relation between staffing and programming activity), and the relationship over time between direct and indirect costs.

WSP Operating Model and Implications for Efficiency

WSP describes itself as a “unique, field-based, learning and policy facilitation network, supported through a partnership of the world's leading development agencies.”

WSP’s operating model is based on its strong field presence, the provision of technical assistance, and the majority of its staff on the ground. This gives it a unique opportunity to draw on local staff, which helps to keep costs at a reasonable level while contributing to the improvement of the local resource base. The main costs of the program are staff and office costs, and these are the costs that WSP tries to control in order to use its resources in the most efficient manner.

Finding 12: WSP is considered to be cost-effective by its main stakeholders. The Program has managed to keep down its costs, while increasing its disbursements.

Based on the interviews conducted, there is a generally positive perception of the relationship between program benefits and costs (value for the money) among WSP partners, particularly donors. In the course of the evaluation, no obvious examples of inefficiency were observed. Similarly, there were no instances of perceived duplication of efforts between WSP and the individual donors.

WSP focuses on keeping costs down of its two primary cost centers: staffing and office costs. The recruitment of international staff has been kept at a minimum while the share of local staff has increased throughout the evaluation period. In addition, the fact that WSP shares offices and administrative support with the World Bank in most countries is another way of keeping costs down, although the costs vary from location to location. WSP has also resisted opening new country offices (in the period FY2004-2008, the number of country offices grew from 22 to 25) and has used existing offices as regional or sub-regional hubs for programming in countries without a permanent office (in Africa, for example). It is important to note that these cost centers (WSP field presence) are associated with the aspects of the program that make it most relevant to country stakeholders – the in-depth knowledge that it has of local realities and the access that it has to clients. Furthermore, most results achieved are at country level and are due to the presence of this field staff.

During the period FY2004-2008, WSP disbursements grew faster than the number of staff. The growth in WSP between 2004 and 2008 was evident in increasing levels of disbursement (i.e., programming activity). Exhibit 5.4 shows the relationship between disbursements and staffing. Overall, between FY2005 and

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FY2008, WSP disbursements grew 122% (from US $17.4 million to US $38.7 million) and staff grew by 42% (from 101 to 143).\textsuperscript{25}

Exhibit 5.4 Percentage Change in Staff and Disbursements (FY2005-2008)

According to WSP, the growth in staff was in response to an expanded work program, the strengthening of its field presence through recruitment of country coordinators in all regions, and strengthening of the thematic leadership in the key areas of local urban WSS, sanitation, finance, and communications.\textsuperscript{26}

This increase in programming activity without simultaneous increase in staff could suggest that the Program has become progressively more efficient with respect to the use of staff resources in delivering programming. In fact, one of the strategies that WSP has employed to increase programming activities without increasing staff costs is the use of short-term consultancies and in large countries, such as Indonesia, testing the use of large consultancy contracts (e.g., for ISSDP). However, in some countries stakeholders mentioned that WSP seemed stretched for resources, which may mean that staff is overstretched in its effort to deliver on programming. The data available is inconclusive in this regard, but is worth monitoring.

Finding 13: The level of indirect costs for WSP is relatively low and has remained stable throughout a period characterized by a significant level of growth.

An important factor when analyzing efficiency of any program or organization is the relationship between direct and indirect costs. This is one of the indicators that are frequently tracked by Program management. For WSP, direct costs are related to the core activities of the Program such as project implementation, training, and management. Indirect costs include staff benefits and overhead costs such as communications, IT, and office costs. As shown in Exhibit 5.5, direct and indirect costs remained relatively stable throughout the evaluation period.\textsuperscript{27} However, it is interesting to note that while administrative costs decreased slightly over the period, costs related to the core activities of the program increased by approximately 3%.

\textsuperscript{25} WSP-HQ
\textsuperscript{26} WSP End of Year Report FY2006, p. 10
\textsuperscript{27} WSP Finance Reports FY2007 and FY2008.
## Exhibit 5.5 WSP Direct Costs vs. Indirect Costs (FY2005-2008)

<table>
<thead>
<tr>
<th>Costs Description</th>
<th>FY2005</th>
<th>FY2006</th>
<th>FY2007</th>
<th>FY2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program</strong> (program development, implementation, monitoring and reporting)</td>
<td>70.7%</td>
<td>72.6%</td>
<td>75.9%</td>
<td>73.9%</td>
</tr>
<tr>
<td><strong>Internal Training</strong> (staff time, travel, and other costs associated with regular skills updating of existing staff and new staff orientation)</td>
<td>1.9%</td>
<td>1.7%</td>
<td>1.9%</td>
<td>1.2%</td>
</tr>
<tr>
<td><strong>Management and administration</strong> (program oversight, human resource and financial management, shared administrative support, donor / partner relations, and annual Council meeting)</td>
<td>12.7%</td>
<td>9.8%</td>
<td>8.4%</td>
<td>10.3%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>85.3%</td>
<td>84.1%</td>
<td>86.2%</td>
<td>85.4%</td>
</tr>
<tr>
<td><strong>Indirect Costs</strong></td>
<td>FY2005</td>
<td>FY2006</td>
<td>FY2007</td>
<td>FY2008</td>
</tr>
<tr>
<td>International field and local staff benefits (benefit costs not charged through payroll, including international field staff benefits and local staff medical insurance payments. Most of the recipients of International field benefits are operations staff)</td>
<td>5.7%</td>
<td>6.1%</td>
<td>7.7%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Administrative costs (communications, IT, office space, shared office running costs)</td>
<td>9.0%</td>
<td>9.8%</td>
<td>6.1%</td>
<td>7.2%</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>14.7%</td>
<td>15.9%</td>
<td>13.8%</td>
<td>14.6%</td>
</tr>
</tbody>
</table>

Source: WSP Finance Reports FY2007 and FY2008

Considering the operational model of WSP, which is based on the delivery of technical assistance through its staff and consultants, the level of indirect costs is relatively low and has remained stable throughout a period characterized by a significant level of growth. These ratios are similar to ratios in other trust-funded programs that we have evaluated such as Information for Development (infoDev) whose ratios were in the 15%-17% range. However, caution must be taken with any comparison due to the different operating models. Programs such as the Cities Alliance and infoDev use grants as a delivery mechanism, rather than direct technical assistance.

**Finding 14:** Throughout the evaluation period, the majority of WSP projects operated according to schedule although there were significant variations in delivery status from year to year.

Every year the WSP monitors the status of its activities and identifies projects that are either operating according to schedule or delayed. Exhibit 5.6 illustrates the delivery status of projects between 2005 and 2008.

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28 10-month period only
29 10-month period only
31 Projects are defined as delayed if the delivery of their intermediate outputs is delayed by more than two months and this delay may ultimately jeopardize on-time delivery (WSP End of Year Report FY2006, p. 7).
Exhibit 5.6 WSP Project Status – On-time or Delayed (FY2005-2008)

The percentage of projects operating according to schedule has varied from year to year, primarily due to the dynamic environments in which they operate.

According to WSP End-of-Year Reports for 2005-2006, some of the main reasons for delays include:

- Political events such as elections, and unforeseen events such as post-election violence in Kenya, earthquake in Peru;
- Joint implementation of projects and the need to coordinate and harmonize processes and requirements of multiple partners;
- Pace of other partners involved in implementation of projects, including delayed response by partner governments, shifts in reform focus and concepts, changes in client teams;
- Trust Fund set up processes - new Bank-wide institutional requirements to enhance quality at entry documents; delayed receipt of contributions;
- Delays in procurement of consultants and recruitment of key staff, especially for large projects, and unexpected departures of task managers and other key project staff.

Many of the delays were due to external factors beyond the control of WSP, including political developments in the country or the nature of World Bank processes (e.g. for setting up trust funds, for procurement, or for recruiting staff). WSP took various measures to improve performance, including: (a) recruitment of key staff, (b) strengthened procurement through the activities of the procurement task force and regional exchanges to enable mentoring of staff and sharing of successful experiences across regions, (c) strengthened administration by hiring a global administration coordinator and Financial Resource Management officer, (d) building more realism into the 2007 business plan and strengthening planning, especially quality at entry.

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32 WSP End of Year Reports FY2005 to FY2008.
33 WSP End of Year Report FY2006, p. 11.
5.4 Institutional Arrangements

The Terms of Reference called for an assessment of a number of aspects of the way in which the WSP is governed and managed, as well as its use of partnerships. The following areas are explored in this section:

- The way in which WSP has used relationships/partnerships to further its work,
- WSP’s institutional relationship with the World Bank,
- WSP governance and accountability, and
- WSP management.

5.4.1 Partnerships

Finding 15: WSP developed effective partnerships for implementing its business plans from FY2004 to FY2008. Given the emphasis on partnerships in the 2009-2018 Strategy, these should continue and be strengthened in the next few years.

The evaluation team interviewed representatives of a wide range of partner organizations that work with WSP. In this finding, the evaluation team has focused on long-term and continuous relationships (as opposed to ad hoc relationships developed around a specific activity) that WSP maintains with selected donors, NGOs, and other organizations involved in the WSS sector in order to enhance its effectiveness and efficiency.

The partners interviewed were generally satisfied with their partnerships with WSP. The key factors they noted as contributing to the success of partnerships include: the close contact and communication with WSP staff, the extra care that WSP takes to cooperate and not take credit for changes/accomplishments, and the sense of mutual support and benefit among partners.

The following paragraphs describe WSP partnerships in terms of the types of partners and/or the purpose of the partnerships. The degree of formalization of partnerships in the program varies; only a few are governed by MOUs or contracts.

Funding, implementation, and investment: WSP generally developed successful partnerships with donor agencies at the country and regional level, such as AusAID, SIDA, DfID, SDC, the Netherlands, among others. These partnerships have allowed WSP to test innovative approaches, enter a new sector, deepen its work in a particular sector, and test promising types of interventions on a larger scale. The donor partners were also able to capitalize on WSP’s comparative advantages for working in the sector. For the few donors who expressed concerns about the relationship, the concerns centered on the need to align accountability requirements of their agencies (reporting needs) with WSP’s demand-responsive programming and its reporting capacity.

Donors at global, regional, and country level are very interested in learning from WSP experience, but this learning/sharing dimension is sometimes too limited. Some of the smaller donors, in particular, would appreciate more active sharing of information from WSP.

34 In some cases, WSP has developed partnerships with private sector firms/consultants with which there is a contractual relationship.
Although WSP’s association with the World Bank has limited the potential for partnerships with regional development banks in the past, evidence from East Asia, South Asia, and Africa suggests that WSP partnerships with regional development banks are possible and have been enhanced in recent years. These partnerships are strongly linked to the network and background of the Regional Team Leader (RTL). For example, the Asian Development Bank (ADB) is now co-funding the Economics of Sanitation Initiative. In Africa, WSP has developed a more formalized agreement with the African Development Bank (AfDB) – see sidebar.

**Capacity development:** WSP capacity development takes the form of training programs, exposure visits, ongoing facilitation of workshops for developing strategies, and coaching. NGOs are often contracted to support training work or conduct exposure visits. In countries such as India, where capacity development demands are high, WSP has worked intensively with partners and has helped create a cadre of institutions that can support government in its efforts to build capacity at the local level for CLTS or for city development plans that include WSS, for example.

**Policy influencing:** NGOs have been strategic collaborators for WSP advocacy on key policy issues. In India, for example, WSP worked with the Society for Promotion of Area Resource Center (SPARC) on an extensive advocacy process for the urban sanitation policy. In Africa, WSP’s relationship with the African Ministerial Conference on Water (AMCOW) has been important in raising the profile of the sector (see sidebar).

**Learning/knowledge management collaboration:** As noted in section 5.1, WSP has contributed significantly with a number of partner organizations for the regional sanitation conferences (LatinoSan, 35 (2008). *Going to Scale - Assisting African Nations to Achieve the MDGs in Water Supply, Sanitation and Hygiene*. Trust Fund No.070331/SIDA Contribution No.73000654 – Final Report November 2005 – September 2008.)
EASan, AfricaSan+5, CaribSan and SACOSan). At the global level, WSP has collaborated with organizations such as UNICEF and the Water Supply and Sanitation Collaborative Council (WSSCC), which also form part of the WSP Council. WSP has also established strong collaboration with Cities Alliance and PPIAF, for example, in the preparation of joint studies/publications or implementation of other joint projects.

**Future considerations for partnerships**

The WSP 2009-2018 Global Strategy: *Scaling up Sustainable Services* stresses the importance of strategic collaborations. Respondents have noted that WSP would need to strengthen partnerships with the following types of organizations:

- **Civil society organizations (CSO):** Although NGOs and CSOs have collaborated with WSP on policy influence and capacity development initiatives, there is a sense among stakeholders that these partnerships could be expanded and strengthened. During the field visits and desk interviews in Africa, for example, some CSO representatives said that they would like to do more practical work with WSP and would like WSP to explore the possibility of more partnerships with CSOs. As WSP continues to develop citizen engagement mechanisms as part of its strategy, relationships with civil society groups will become increasingly important. The importance of partnership with this group has already been recognized by WSP in its recent concept note on *Strengthening the Advocacy Role of CSOs in the Water and Sanitation Sector*.

- **Academic institutions:** At the country level in South Asia, academic institutions and think tanks have been prominent partners of WSP for knowledge sharing, learning, and policy influence purposes. However, there is less evidence of partnerships with academic institutions in other regions or at the global level. WSP’s strategy for the future emphasizes the importance of establishing relationships with academic institutions as potentially key partners for the Program.

Lastly, several partners interviewed at global and country levels commented that WSP could strengthen its approach to partnerships by explicitly identifying the common purpose that forms the basis of the partnership. WSP is already doing some thinking about its approach to partnership and it may be helpful to define types of partnerships and define ways in which each type of partnerships could be more strategic and have more mutual benefit.

**5.4.2 WSP’s Institutional Relationship with the World Bank**

**Finding 16: The World Bank is fulfilling its mandated role as administrator of the program, which gives donors confidence in the way that their resources are managed.**

The WSP is a trust-funded program that is administered by the World Bank on behalf of its donors. The Bank is therefore both a partner in WSP and an administrator with fiduciary responsibility for the program’s activities. Although WSP operates as an autonomous unit, it is not independent of the Bank’s systems. The WSP manager and staff report through the Director, Energy and Water to the Vice President of the Sustainable Development Network. WSP uses the World Bank’s systems for finance, human resources, procurement, and draws on services from the Bank, both at HQ and in the country offices. (Most WSP country offices are housed in World Bank offices.)

The evaluation interviews, document reviews, and evaluation team observations indicate that the Bank is fulfilling its administrative role, and donors interviewed expressed confidence in the program’s administration. At times, the use of Bank systems does cause inefficiencies and frustrations for staff, clients, and partners – for example with the new on-line procurement system, the procedures for setting up trust funds, and the regulations concerning staff and consultant contracts – but these are generally accepted as a reasonable trade-off for a sound fiduciary/administrative system.
Finding 17: WSP has been able to tap into several of the potential benefits of the relationship with the World Bank. At the country level, the extent of synergy between the two entities has varied and there is room for improving this relationship in some instances.

According to WSP’s Strategic Operational principles, the potential benefits of being housed in the World Bank are: global knowledge, credibility, influence, link to investments, and fiduciary controls. As discussed above, stakeholders are generally satisfied with the Bank’s fiduciary controls. This finding speaks to the other potential benefits of WSP’s association with the Bank and the challenges in managing that relationship, particularly as it manifests itself at the country level.

Global Knowledge: The World Bank and WSP exchange knowledge and information on WSS through formal mechanisms such as the WSP participation in the Bank’s water sector board and collaboration on projects such as the International Benchmarking Network for Water and Sanitation Utilities. More informal mechanisms include lunch presentations, the World Bank Water Week (in Washington, D.C.), and one-on-one meetings. However, these type of exchanges do not occur systematically across the countries where WSP is present.

Credibility and Influence: In many contexts, the WSP relationship with the World Bank enhances its credibility in the sector and the potential to influence with clients. However, the link to credibility depends on a number of factors such as perceptions about independence of the WSP from the World Bank lending agenda. Its credibility may be strengthened or weakened depending on the Bank’s relationship with the client country and WSP’s ability to maintain and project an “arms length” relationship with the Bank. For example, in Nicaragua, the World Bank had long-held the reputation of seeking privatization. The capacity to facilitate and the local expertise of WSP-LAC helped the World Bank initiate a dialogue with the authorities of Nicaragua. WSP-LAC’s knowledge of local and technical realities also helped the World Bank to adapt its project according to these needs.

Link to investments: WSP has supported World Bank lending operations in all regions, through the technical assistance it provides in project preparation and during implementation. In some countries, such as Indonesia, WSP has contributed to the Bank strategy and lending program through its participation in the development of the Country Assistance Strategy (CAS) and upstream analytical work to inform operations. However, this level of WSP participation in the development of Bank strategy is not common across the countries visited. Some stakeholders express a desire for the WSP to be able to further influence – or leverage – WB operations. This does happen in some cases, but the WSP has not yet systematically tracked the link between specific WSP work and the World Bank’s investments.

WSP has had different types of relationships with the Country Management Units (CMU) of the World Bank. Cooperation between WSP and the WB is often based on relationships cultivated by individuals, rather than an institutional relationship that responds to a common strategy or framework for the WSS at the country level. Most Bank staff involved in operations were satisfied with the technical assistance provided by the WSP during project preparation and implementation. Depending on the extent of their involvement with WSP, CMU staff have had different impressions of what WSP intended to do and how effective it was. We found that, for the period under review, in Peru and in India, the WB operations staff interviewed would have liked to be more informed about what the program was doing in the country. WSP management has since addressed several of these issues. Such misinformation occurs despite the Program’s efforts to share the WSP Business Plan, Strategy, and reports with Bank operational staff.

In order to fully draw on the benefits from this relationship, it is important to actively manage the relationship from both sides. This means that the WSP would need to actively reach out to the operational and sector teams of the CMU in order to: share emerging findings from knowledge products, discuss business planning priorities, and report on progress during the year, among other activities. From the Bank

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36 This would include tracking the cross-support provided by WSP to World Bank task teams.
side, as well, there is room for more outreach to the WSP on project preparation and CAS development, for example.

5.4.3 Governance and Accountability

Finding 18: The current governance model is generally adequate for WSP as a trust-funded program. Improvements in the structure and operations of the Council could better engage the WSP Council in setting strategic directions and priorities.

The WSP Council (WSPC) is made up of representatives of donors, country-level members, strategic partners, and the World Bank, who also serves as the chair of the Council. Donors make up the largest group, representing between 17 and 24 members during the period FY2004-FY2008. In comparison, there were 3-6 non-donor members (NGO and client government) and observers (such as UNDP, UN-WATER, and Water Supply and Sanitation Collaborative Council) during the period under review. According to the WSP Charter, members appointed by the WSPC will normally serve for three years, but may be appointed for other periods to create overlap. Donors undertake the task to appoint representatives who have sector expertise and who can serve for at least three consecutive years.

The role of the Council is to provide overall guidance to and supervision of the WSP. Broadly speaking, it is responsible for:

- Approval of the strategic direction and priorities, as well as the core operational policies;
- Monitoring the performance of the program, including the quality and relevance of its work;
- Approving business plans and annual work programs, including the financial plans associated with them;
- Supporting WSP management in securing funding for the business plans; and
- Ensuring the adequate functioning of the Council (e.g., inviting necessary observers, amending the charter, establishing sub-committees, selecting members who are not donors, etc)

WSP’s governance structure is not unlike that of other global programs and partnerships in which donor countries play the principal role in governance. Donor members of the Council indicate that the model generally works well for WSP. However, the functioning of the Council has led some members to describe it as a donor reporting forum, rather than a governing Council. The following observations refer to challenges in the functioning of the Council:

- The size of the Council (with around 20 donors represented) makes it difficult for the body to provide coherent strategic advice to WSP management.
- The length and format of Council meetings gives little opportunity for the Council to engage in providing strategic direction. The two-day meeting structure is based largely on reporting of achievements, and several members noted that this left little time for discussions of critical issues. Nonetheless, there have been some good processes in recent times – for example, the way in which WSP management sought input on the 2009-2018 Strategy and the Terms of Reference for this evaluation. These processes included some meeting time, but most of the discussion took place via electronic means and telephone.
- The timing of the annual meeting (June) coincides with the end of the World Bank financial year. This means that it is difficult for WSP to provide a full annual report to Council prior to the meeting, which limits Council’s ability to provide feedback to WSP during the meeting itself.
- The charter does not define the role of “observers” (or non-donors) in the Council. In this regard, it may be useful to clarify the responsibilities of observers or what their role should be and better capitalize on their participation.
While the entry of the Gates Foundation as a member of the WSPC changed the dynamic of the traditional group of bilateral donors and caused some worries at first about the dominance of a particular donor due to the amount of funding contributed by the Foundation, this fear has diminished over time.

**Finding 19:** WSP has developed different means of engaging clients and other partners in each of the regions. In Africa, the Regional Advisory Committee appears to be a valuable mechanism for guidance and reporting back to stakeholders in the region.

According to the WSP Council Charter, national and regional advisory bodies form part of the governing structure of the program. In practice, however, each of the regions has taken a different approach – according to what seems to work – to engaging with clients, both for getting their input into business planning and reporting on the previous year’s work. In East Asia, South Asia, and Latin America this takes place via individual consultations and in some years, a special session is held for external partners (government and donors alike) in the context of the regional retreats.

In Africa, the Regional Advisory Committee (RAC) has for more than a decade been a forum for high level discussions about main issues and progress in the water and sanitation sector. The yearly RAC meeting is the annual forum through which WSP Africa reviews, together with its clients and partners, the strategic direction and scope of its programs in Africa. The RAC comprises a wide variety of stakeholders from client countries and representatives from the donor community and the development banks. Until recently, the RAC met face-to-face once a year, but at the 2008 RAC meeting a decision was taken to hold RAC meetings every two years. The next RAC will therefore take place in 2010. As a significant array of stakeholders and decision makers in the WSS sector are included in the RAC, it is perceived to contribute to WSP effectiveness in the region.

Regional bodies like the RAC may not be demanded or required in the different regions. WSP should continue to reinforce these consultation and feedback mechanisms where they are relevant, as they can help to strengthen accountability and the learning based approach that is inherent to managing for results.

**Finding 20:** Despite efforts to improve the WSP systems for monitoring and reporting on program implementation, WSP faces capacity gaps that may hamper its ability to report on its current results framework.

For the period FY2004-2008, WSP tracked or monitored the implementation of the program based on a three-year rolling business plan, mid-year progress reviews, and end-of-year reviews. The end-of-year reviews describe the status of project delivery, budget expenditures, new funding and human resources, and summarize the results of key activities in WSP focus countries. These reviews form the basis for Mid Year and End of Year reports provided to Council, as part of the program’s accountability requirements. (Evaluations, which are another tool for accountability and learning, are discussed in a separate finding below.)

Between 2005 and 2008, WSP introduced several improvements to this monitoring and reporting system. This included enhancing the quality of project sheets, which are now based on a shorter log frame approach. The progress towards the outcomes and outputs of each WSP initiative is now tracked on a six-month basis through mid and end of year project sheets. The improvements also included the designing and testing of an outcome-focused approach to M&E based on story lines that could be applied at project,

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38 Storylines present and organize progress in an outcome-focussed chain, problem-evidence format and are used to identify the issue, determine the process and strategy to address it, highlight changes we would like to see, and define
country and theme levels. In our view, however, the system as proposed was insufficient to adequately capture the needs of the program in both monitoring implementation (e.g., progress against its business plans) and evaluation.

The roll out of this approach had not been finalized by the time the new results framework was introduced in 2008. Reporting on the global results framework began with the FY08 Mid Year Report. Our review of documents and interviews suggests that the challenges inherent in the current system for the results-based monitoring of implementation and reporting on progress include:

- The principle mechanism for capturing progress is the reports that are prepared each year. The time frames for reporting focus on half-year or year-long periods, thus lending themselves to an activity focus or, at most, an output focus. There is no other written mechanism that speaks to cumulative progress towards outcomes, except for country evaluations commissioned by donors and to some extent the four-year external review process (of which this evaluation is a part), although it too has limitations, which are noted in the following finding.

- WSP staff has not yet been fully introduced to concepts such as program theory, which are fundamental to introducing a results orientation, nor have they been trained in the kinds of data collection, analysis, and writing that will be required to report on indicators.

- The resources required to implement the results framework have not been explicitly identified. WSP donors should understand the need for adequate resources to put the results-oriented system into practice.

The Results Framework provides a basis for monitoring progress towards results achievement, although it still requires some adjustments. WSP would need to address capacity gaps in order to maximize the impact from the framework.

**Finding 21: WSP’s evaluation system does not yet support the full range of accountability, learning, and policy needs that WSP has as it embarks on a new strategy.**

Evaluation is the “systematic and objective assessment of an ongoing or completed policy, program or project, its design, implementation, and results. The aim is to determine the relevance and achievement of its objectives, and its developmental effectiveness, efficiency, impact and sustainability.”

Unlike the monitoring function, which helps to understand how a program is being implemented, evaluation is able to answer different questions about the effectiveness, rationale and relevance, cost-effectiveness, efficiency of the program. Evaluation in WSP to date has relied on an external program-wide evaluation (such as this one) every four years and country program evaluations commissioned by individual donors.

WSP has used these evaluations to inform decision making. For the last program-wide evaluation for the period of FY1999-2004, WSP Council took on a number of the recommendations and, as noted in minutes of Council meetings, followed up on the actions taken. The efforts to implement the recommendations are evident for approximately 15 out of 17 recommendations adopted by the WSP Council. For example, WSP developed a funding strategy, a communications strategy, and it revised its program strategy to focus more on institutional ineffectiveness in the sector and to create more structured opportunities for learning (through Global Practice Teams) within the program.


More recently, the Scaling Up projects introduced impact evaluation.
Nonetheless, these types of evaluations may not provide WSP with the kind of information that it will need for learning and accountability purposes as it implements its 2009-2018 strategy because either they are too broad in scope (covering all areas of WSP work) or too narrowly focused on a set of initiatives financed by one donor in a particular country. The four-year reviews – such as this one – provide a broad assessment of the program on a number of criteria, but cannot go into depth on any one criterion.

Other types of evaluation that may help inform Council and Program Management include case study evaluations or thematic evaluations (e.g., looking at the experience of WSP in rural water supply or at the experience of WSP in fragile states) or special cost-effectiveness studies. As a mature GPP with more than 30 years of existence that has expanded its scope in three broad areas of water, sanitation, and hygiene, WSP may benefit from an evaluation system that considers different types of evaluation in order to inform stakeholders about the program’s performance and to help make policy choices.\(^{41}\)

### 5.4.4 Management

**Finding 22: The WSP has benefited from competent program management during the period under review.**

The WSP has benefitted from competent program management at HQ and regional levels during the evaluation period. The Program Management Team has tackled a number of issues such as:

- Focusing on hiring qualified staff to meet the needs of the growing program;
- Strong cost management that contributed to a scenario in which disbursements grew by more than 100%, while keeping staff costs down;
- Developing a new strategy and results framework;
- Enhancing the global character of the Program through initiatives such as the Global Practice Teams (discussed below), global projects, and collaboration on the International Year of Sanitation;
- Promoting learning and knowledge sharing more forcefully in the program;
- And improving business planning processes in such a way that the funding need is now articulated over the same period as the three-year rolling business plan.

**Finding 23: The field-based model and high calibre of the WSP staff are recognized as an important factor in WSP’s success.**

As noted in Finding 2, WSP’s comparative advantages include its specialist knowledge and its local presence and familiarity with the local context. These advantages reflect positively on the model of WSP, which relies on having mostly national staff in its field offices. More specifically, the regional reports presented in Volume II point to WSP staff ability to:

- maintain strong relationships with clients and partners;
- know the country and local realities very well, with strong understanding of the inner workings of the political environment;
- provide appropriate technical expertise in the form of just-in-time and high quality technical inputs to clients and partners;

\(^{41}\) Although WSP could also benefit from evaluation research that provide evidence of change at outcome and impact level, it is probably not reasonable to expect such a GPP to conduct these valuations given the cost of impact evaluation and the amount of their programming investment.
• make the WSP accessible to local actors (i.e., communications is facilitated because of its field presence);

Because the WSP model relies on staff to deliver its programming, the characteristics of the staff have also facilitated results achievement.

Finding 24: The GPTs introduced in FY 2005 were part of an explicit effort to improve learning and knowledge sharing within the program. The teams received mixed reviews in terms of their effectiveness in supporting this agenda.

In FY2005, following the last evaluation, WSP established Global Practice Teams (GPTs) in order to enhance cross-regional and global learning, foster leadership and innovation from the WSP, facilitate global knowledge management, and strengthen its influence on the World Bank and other IFI’s. The GPTs are “virtual” teams of WSP staff with expert knowledge within the different thematic areas. One guiding principle for the GPTs is that they must be directly relevant for their clients and partners on the country level yet, at the same time, their learning scope and vision has to be global. In total, five GPTs were created:

- Strategic Communications for WSS Sector Reform
- Finance
- Rural Water Supply and Sanitation
- Sanitation and Hygiene
- Urban WSS services to the poor

The five teams that were created in 2005 are still operating today, and in FY2008 a new GPT on handwashing was formed. Also in FY08, the activities of the GPT on Finance were temporarily discontinued. However, by the end of the fiscal year a new coordinator was appointed and the project milestones were revised in terms of both timing and focus. During the same year new coordinators were appointed for most of the GPT’s. Apart from revitalizing the teams, this was also considered to be an opportunity to evaluate GPT activities and achievements to date and to modify the GPT program and activities if necessary.

Interviews with WSP staff revealed a range of different perspectives regarding the relevance and benefits of the current GPTs. While some respondents considered them to be important vehicles for the creation and dissemination of new knowledge, others were more hesitant. Some respondents questioned the global scale of the GPT’s since they considered many of the WSS issues and challenges to be regional rather than global in nature. From this perspective, some respondents argued that the GPT’s would be more relevant on a regional level. Others were concerned with the deliverable focus introduced in the Teams. In addition, some persons interviewed argued that they lacked concrete incentives to participate in the GPTs, which are based on voluntary participation. The different time zones also affect the ability of some team members to engage more regularly.

Most learning and knowledge sharing in the WSP tends to occur organically due to staff presence in the field. We found several examples already noted in this report – the CLTS is one of them—in which the experience in one region served to inform the work of another. The exchanges are particularly frequent

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44 WSP End of Year Report FY2008
45 WSP Mid Year Report FY2009
between South Asia and East Asia. However, the GPTs still provide a valuable concept and should be enhanced in practice in the coming years.

5.5 Strategy for Sustainability

Finding 25: WSP effectively managed the growth of FY04-08 and its implications for programming, staffing, and systems. As WSP faces growing demands from its client countries, it may need to further refine policy and strategy with regards to any expansion, as well as its exit strategies.

The period of 2004-2008 was one of enormous growth for the Program. The primary engine of growth for WSP has been funding, which grew from $20.7 million in contributions in FY05 to almost $40 million in FY08, representing an increase of almost 100 percent. Earmarked/targeted contributions are the most important component of this growth. Staffing increased in order to manage and execute the additional funding. Yet the increase was only on the order of 45 percent, from 101 members of staff in FY05 to 147 members of staff in FY08. As highlighted in Section 2.3, WSP has not grown a lot in terms of countries of focus (from 22 to 25 countries from FY04-FY08).

WSP has effectively managed this growth in terms of its ability to deliver on the commitments made – its systems and staffing have adjusted appropriately over this period.

However, several questions in the evaluation TORs ask about optimal growth and size of WSP in the future. The definition of optimal growth is not easy for WSP. It is based on criteria that include a combination policy definition, strategy, financial resources, and human resource capacity. The decision, if not only based on availability of additional financial resources, might imply that WSP would have to exit from existing focus countries or existing sub-sectors, in order to enter new areas.

Yet the conditions for exiting countries or sectors (described in the textbox) require additional precision in order to make them operational.

While there are many demands on WSP that could lead it to expand its scope of services thematically (putting greater emphasis on climate change, for example), our view is that the current range of demands in water, sanitation, and hygiene, particularly when taking an institutional/system approach, is large enough.

Finding 26: The multi-donor trust fund (MDTF) is one funding instrument that has increased flexibility in funding for the Program, although it has not yet provided the predictability of multi-year funding commitments.

The last evaluation pointed out several risks related to the funding arrangements of WSP. These included the timing or cycles for the agreements, the limited predictability of funding, and the complexities of the Trust Fund procedures at the Bank. As a way of managing those types of risks, WSP developed a funding

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**WSP conditions for exiting countries and sectors**

WSP will exit countries and sectors that have achieved the following conditions:

- local institutions, advisors and agencies have the capacity to deliver WSP products and support services and lead sector development
- coverage and quality of services to the poor or their behaviours are scaling up
- capacity within the sector is deep enough and good policies, systems and practices are embedded enough to survive bureaucratic and political changes.

strategy in 2005 which identified six main areas of action designed to raise the amount of contributions from donors and strengthen the predictability and flexibility in its funding arrangements.

WSP established a multi-donor trust fund (MDTF) in order to support the longer-term work program and business plans for WSP. Some of the benefits of the MDTF were to include: a) reduced variability and risk in the funding of activities approved in the WSP’s multi-year work program; b) increased flexibility in receiving smaller contributions and c) streamlined procedures and fundraising processes that may facilitate an increase in the proportion of core funding. The first Regional MDTF were set up for the EAP region in 2006 and Africa in 2008. In the beginning of FY2009 a Global MDTF was set up with the participation of Ireland, Austria, Netherlands, and the United Kingdom. In addition, Luxembourg and Sweden have expressed their interest in joining.

The MDTF instrument is beginning to meet some of these expectations, particularly in terms of increasing flexibility and streamlining procedures. Nonetheless, global core funding remained at relatively low levels during the period under review and actually decreased from 30% of overall contributions in 2005 to 11% in FY2008. 46 (See Exhibit 5.7) With the signing of the MDTF in early FY2009, WSP estimates that the level of core funding will increase to 30% of overall funding in the current financial year. The declining trend in core funding may start to turn with SIDA, Ireland, Australia and the United Kingdom signing regional Multi Donor Trust Funds in 2008 and Ireland, Austria, Netherlands and the United Kingdom joining the newly established Global Multi Donor Trust Fund in 2009. On top of this, Sweden and Luxembourg have expressed interest to join the Global MDTF.47

In looking forward, the Program is facing a number of challenges with regard to the MDTF as a funding instrument, including:

- a perception that the WSP is well funded because of the large influx of earmarked funding which could prompt certain donors to lower their overall funding levels;
- the fact that it is promoting MDTF in a context in which Council members feel that they have limited opportunities to provide overall direction to the Program;
- smaller contributors appear to have less of a motivation for contributing because of the factors noted above (well funded, little say in the Program, and a perception of little benefit);
- donor commitments are not always followed by a timely transfer of funds;

Most importantly, however, although the WSP has multi-year business plans and has articulated funding needs for this time period, funding cycles among donors are not aligned, and some donors pledge one year at a time, thus reducing predictability of the funding. While predictability of funding is a challenge for many GPP and international organizations, it is a particularly important one for a program like WSP that relies on staff to deliver technical assistance and achieve results.

**Finding 27:** Large, multi-year, earmarked funding has also been used over the period under review. In the context of a core strategy and agreed results framework, such an instrument gives WSP some funding predictability.

During the period being evaluated, the amount of earmarked funding increased dramatically – particularly with the introduction of the Gates Foundation that in FY2007 contributed with 30% of the overall funding to the WSP. Earmarked contributions from traditional donors such as Sweden, Australia, and Canada also...
increased significantly during the period. Although earmarked funds limit flexibility, the funding arrangements that have been developed for the global projects – such as DPSP and TSSM—have proven to be an effective way of supporting WSP core strategy and results. If earmarked funds are aligned with the results framework, they can be a useful complement to the trust funds.

Exhibit 5.7 Distribution of Funding Types During the Period Under Review

Source: WSP Financial Reports FY2007 and FY2008

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6. Conclusions and Recommendations

Overall, the evaluation finds that the WSP plays a significant role in the water and sanitation sector. In a global context in which many countries are struggling to meet MDG targets for sanitation and in which too many people are still without access to an improved source of water, WSP represents a unique source of global knowledge, policy advice, and practical experience that is valued by its clients and partners.

Thirty years after its establishment, the Program continues to relevant to the key challenges in the sector at the global level and responsive to national priorities and needs. In all regions, stakeholders noted the many comparative advantages of the WSP: its responsiveness, the high calibre of staff with knowledge of key WSS issues and understanding of local realities, strong country presence, and its ability to facilitate dialogue between sector stakeholders. They have helped WSP to fulfill a strategic role that combines being a knowledge broker and disseminator, convener, and strategic advisor on the broad, overarching issues facing the sector.

Overall, the evaluation confirms the effectiveness of WSP. In the complex political and institutional environments in which it operates, WSP has been able to achieve results. The evidence gathered through the evaluation process suggests that the Program’s objectives are being met in the areas of policy influence, knowledge generation/management, improved investments, and enhanced sector coordination. WSP has made contributions in the sector due primarily to its sustained engagement over time in the countries where it works, clients’ respect for the technical expertise of its staff, and the promotion of cross-sectoral collaboration.

The restatement of the Program’s objectives into a results framework moving forward is a positive change in that it will allow for better understanding and testing of the Program’s theory of change. The development of measurable indicators and the systems, capacities and tools to collect information on these indicators, is a challenge that remains.

WSP operates efficiently. Stakeholders consider the program to be cost-effective and see a positive relationship between program benefits and costs. Its field-based operation--reliant on high quality staff--is an essential part of the Program’s comparative advantages and of the contributions it has made at the country level.

The model for governing WSP, based on the WSP Council, is appropriate even though the Council structure and meetings could be strengthened in order to accommodate the expanded number of Council members and facilitate their role in providing strategic direction and oversight to the Program. The WSP has had good examples of client engagement for purposes of strategic guidance and accountability, including mechanisms such as the RAC in Africa. When they are relevant in the regional context, these efforts should be continued.

The World Bank has fulfilled its mandated role as administrator of the program, which gives donors confidence in the way their resources are being managed. The relationship between the Bank and the WSP in practical terms, at the country level, varies across the region. WSP generally benefits from the relationship, but more could be done from both sides to develop synergies between these two entities. WSP has developed effective partnerships, which have facilitated results achievement during the period under review. The importance of these partnerships for the new strategy will be even greater, and WSP will need to pay attention to the breadth and depth of the arrangements with certain groups of stakeholders (civil society groups and academia, for example) in support of its key results. WSP has already begun to address several areas of critical importance to the Program in the future. In the area of partnerships, for example, it has prepared a concept note on WSP’s approach to partnering with and supporting civil society organizations. It has also prepared a note on Gender in the WSP, which articulates WSP experiences in gender responses at different levels of the water and sanitation sector.
The Program has benefited from competent management during the period under review and from high caliber staff, who have been critical to the Program’s relevance and effectiveness. WSP has enhanced the learning and global nature of the program through the introduction of global projects and the Global Practice Teams. These should also be strengthened in the future.

WSP financial situation has changed over the FY 2004-2008 period. The overall level of funding grew significantly, with earmarked contributions making up the most important component of this growth. Recent increases in contributions to flexible funding instruments such as the MDTF are a positive evolution in funding for the program. At the same time, large-scale, multi-year, earmarked funding has contributed to the global results framework, while adding elements of predictability that are also important for the Program. Financial stability continues to be a concern for the WSP.

**6.1 Recommendations**

The results of this evaluation support the general direction that the WSP has adopted through its Global Strategy FY 2009-2018. The following recommendations identify areas to pay attention to in its implementation

**Recommendation 1:** WSPC should continue to structure the Council in such a way that members have opportunities to participate in providing strategic guidance and supervision to the Program as it implements the new Global Strategy and results framework.

This recommendation emerges from Finding 3, 18, 19 and 26. The introduction of the Global Strategy 2009-18, the results framework, and flexible funding instruments such as the MDTF means that donors must increasingly commit to and oversee the Program as a whole since they will have fewer separate accountability mechanisms. As a result, it is necessary for WSP Council to adopt some changes in processes that will enable a stronger Council role in providing guidance and supervision to the Program such as:

- **Structure of Council and its meetings.** Recognizing that the forum and size of the Council meeting limit discussion of strategic issues, the Council established a sub-committee to address strategy and business planning issues in June 2009. This is the kind of change in operations that is required in order to facilitate stronger engagement of the Council in the Program.

- **Reports and background documentation.** The Council will need to work with Program Management on responding to the dual challenge of seeking the Council’s input in planning, which should precede the start of the fiscal year, and report back on recent results, which are usually assessed at the end of the fiscal year. The content of reports should be strengthened through implementation of a monitoring and reporting system for the new results framework (addressed in Recommendation 5). Donors have different opinions about the level of detail to be included in these reports, which will likely require on-going dialogue on the subject.

- **Better communications on funding mechanisms and transparency about the arrangements in place.** WSP is making the transition to the MDTF and during this period it is important to have clear communications about the nature and implications of MDTF contributions and to share the terms and commitments of the different donor members within the World Bank’s disclosure policies.

- **Clarify role of “observers” in the Council meeting.** Because the current Council acts more as a donor reporting forum, the role of members who do not represent the donors is less clear. These strategic partners from national governments, NGOs, or other international organizations active in the WSS may be able to provide more guidance on discussion on the strategic issues if their role is clarified.
• **Strengthen role of Regional and National Mechanisms, wherever feasible.** In regions or countries where it is relevant, WSP should continue and expand its experience with mechanisms to engage stakeholders in providing feedback and supporting the Program’s learning and accountability. Clients and donors active in the country/region would not only be consulted on business planning, but would be informed of the progress during implementation.

**Recommendation 2:** WSP Council members should continue to contribute to flexible funding instruments, and to increase predictability in their funding.

Finding 26 provides more details on the rationale for this recommendation. The evaluation team endorses the move towards funding arrangements that improve flexibility and predictability. Flexible funding arrangements that allow shifts in resources to be made in order to respond to changes in the environment have proven to be quite beneficial for program results and have been well managed by the Program. More predictable funding is also important for WSP as a global program that relies on staff as its primary delivery channel.

Because donors will be giving up their own accountability mechanisms that would normally be put in place for earmarked funding, flexible funding arrangements also raise the requirements and standards for WSP capacity to inform contributors about its overall performance. Subsequent recommendations address these areas.

Because of the nature of the funding environment, earmarked funding will continue to be an important complement to the MDTF arrangements. Large, multi-year, earmarked funds that are aligned with the Program’s global strategy and results can also be effective in supporting WSP.

**Recommendation 3:** WSP should take a cautious approach to expanding the scope of its services based on WSP’s comparative advantages, WSP existing capacity, and the funding commitments of its donors.

This recommendation is based on Findings 2, 25, 26, and 27. There are many demands on WSP that could lead it to expand the scope of its services either thematically (e.g., greater emphasis on climate change) or geographically, expanding into more fragile states, for example as these are the countries in which the WSS situation is most dire. As a result of these very dire conditions, WSP, its clients and donors have recognized the importance of addressing the special needs of fragile states. Based on successful experiences in Rwanda and DRC, WSP is planning to step up its engagement in fragile states and has proposed a modest work program of joint assessment missions and rehabilitation in Zimbabwe, Burundi and Liberia, including considerations for offering ad hoc support on request to Angola, South Sudan and Guinea. In other regions, similar assessments will be done in Haiti and East Timor. The planned expanded engagement is aimed at helping these countries identify strategic choices and relevant priorities towards building the institutions necessary to restore or create WSS services, and how to leverage the investments needed. The decisions on engagement should however be made with clear understanding of:

- The comparative advantages of WSP in fragile states and the particular value that it can add in that context;
- The potential to work in those states through partnerships with other organizations;
- The resource commitment over several years that will facilitate sustained country presence in those countries;
- The implications for Program capacity in other focus countries and whether or not the choice to work in fragile states would require exiting from other countries.

In other words, the decision would be based on policy and strategic direction as well as capacities (human, systems, financial, and the linkages with other organizations). This would require the Program to add precision to its current exit strategy, which defines conditions for defining WSP exit only in very broad
terms. For example, when will the capacity in the sector be deep enough and good policies, systems and practices embedded enough to survive bureaucratic and political changes?

**Recommendation 4:** WSP should increase its capacity to monitor implementation of and report on its new results framework.

The evaluation recognizes the important step that the Program has taken in developing a results framework that is linked to the strategy. With a view to improving on that framework, and supporting implementation of it, WSP should consider addressing a few of the gaps identified in Finding 3 and Finding 20.

**Review of the results statements.** We suggest that WSP specify different levels of outcomes and add precision to the articulation of final outcome/impact (the development change) beyond broad concepts of poverty reduction.

WSP may find useful the concept of a ladder of influence, which illustrates how WSP results link to its clients’ results. Thus, for example, WSP’s outputs (policy guidance notes, case studies, etc) become the inputs for its clients. This concept helps to clarify the fact that WSP is accountable for delivery of its outputs and has a responsibility to monitor influence of those outputs on its clients (in order to achieve intermediate outcomes) and to work with clients in monitoring development changes (final outcomes). This concept was presented by Dutch Leonard, Kennedy School of Government, Harvard University in a presentation to the World Bank in 2002. It was also used in the Independent Review of the CGIAR: Bringing together the best of science and the best of development, Synthesis Report (2008).

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**Exhibit 6.1 Accountability and Responsibility for Achieving Results in WSP**

![Exhibit 6.1 Accountability and Responsibility for Achieving Results](source: Dutch Leonard, Kennedy School of Government, Harvard University, Presentation to the World Bank, 2002)
Prioritize what aspects will be tracked in first years. We also suggest that WSP roll this out in a staged approach that prioritizes the number of indicators to be tracked in early years, defines the relationship between country, regional, and global frameworks and the need to roll up data across these. (Regional frameworks may not be necessary, unless they add a layer of results that goes beyond the national level.)

Develop system and tools. WSP will need to review the tools that it currently uses for gathering data for and writing its reports, once the indicators are specified. Reports on projects may want to include sections on indicators, how projects are contributing to outputs and how risks are being managed. WSP may also want to clarify the focus of end-of-year reports in terms of completed outputs and evidence gathered from monitoring the use of those outputs by the clients. We must also stress that reporting should not only focus on the positive. “Management for results is meant to engage staff, partners and end user in a learning based approach that tolerates risk. It rewards knowledge from failure as well as risk, as long as evidence is used to improve performance.”

This is a shift that is also required in WSP and we would expect WSPC and Program Management to call for the shift, and provide necessary incentives in this regard, recognizing the importance of also understanding why and when WSP is less successful in order to improve future programming.

Develop staff capacity. WSP will need to invest in developing staff capacity to monitor and report on results. This may include formal training or workshops to share experiences. In addition, this requires consideration of staff roles and responsibilities for monitoring and how best to incorporate these responsibilities into the existing heavy workload of staff.

Make necessary allocation of resources to support this effort. WSPC needs to recognize the need for resources to be allocated to improving capacity to monitor and report on Program performance, in the context of this new results framework. If donors want to have better and results-oriented reporting, will they be willing to invest more in the Program to ensure that such reporting in fact be done?

**Recommendation 5:** WSP should continue to strengthen global learning and knowledge exchange.

This recommendation emerges from Findings 10 and 24. WSP has further developed its approaches to knowledge sharing during this period. We recommend that the Program continue in this direction, by:

- Organizing learning events that facilitate sharing across countries and regions; for example periodic gatherings of the teams working in certain areas (CLTS, sanitation in challenging environments). These events are also good ways of engaging members of the Council and sharing information with donors. Such events are sometimes organized as part of the WSPC meetings (the workshop on small towns held prior to the Vienna WSPC meeting in 2009, for example). However, these types of exchange could be expanded and built into global projects. Learning events could also be organized around and be part of evaluation processes, as suggested in the following recommendation.

- Building in (and resourcing) learning strategies in the context of global projects, which may include events such as the DPSP conference or systematic approaches to learning like those embedded in TSSM.

- Refining GPTs, which are still a good concept but can be made more effective. For example, there may be a need for additional incentives for participating in GPTs. The Teams should be continued and closely monitored to see if they are meeting their objectives.

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Recommendation 6: WSP should develop a more robust evaluation system that responds to its learning and accountability requirements and that can inform policy decisions by WSP Council.

Finding 21 is the basis of this recommendation. As a mature global program, WSP appears to have a variety of needs for evaluation that can no longer be addressed solely through a broad program review every four years or single donor evaluations at the country level. We recommend that WSP develop a more robust approach to evaluation, beginning with a short evaluation policy that outlines the types of evaluation required by the program and identifies the capacity/resources that may be required in order to conduct that kind of evaluations. If funding is available, WSP may want to consider a few different types of evaluation:

- Thematic evaluation or case studies to help assess effectiveness, relevance and lessons in a particular field, for example, in CLTS or to identify what has been learned in WSP work to support capacity development in municipalities.
- Periodic country evaluations that could assess contributions to the WSS sector in the country. These could be carried out as “cluster evaluations”, done jointly with other organizations operating in the sector in a particular country. Such an evaluation may also identify potential for achieving joint results more effectively, reinforcing collaboration, or reducing duplication.
- Outcome evaluations, which could address the progress towards intermediate and final outcomes and lessons learned in a particular outcome area for the Program. Such an evaluation may also be developed to test the program theory and then used to inform changes in the results framework.

Evaluations should be part of the WSP learning process and be incorporated into learning events for program staff, clients, and other partners. WSP evaluations should be publicly available.

There would be resource implications to an expanded evaluation system and it might require having a staff member that spends time on this function, as well as the roll out of the results framework and development of capacities noted in Recommendation 5.

Recommendation 7: WSP should continue to strengthen its partnership approach by identifying different types of partnerships and their implications, and by strengthening its relationships with civil society organizations and academic institutions.

This recommendation emerges from Finding 15. WSP has generally used partnerships in an effective way during the evaluation period. Given the importance of strategic collaborations for WSP’s strategy, the Program will want to continue to pay attention to how it defines and relates to partners. For example, it may want to clarify if and when certain organizations become “strategic” partners for the Program and what this would mean. At what stage, is it necessary to develop clear framework or MOU to guide the relationship that spells out what the partnership objectives are (which may be different from each entities objectives for being in the partnership) and what the expectations are from each of the partners.

At the same time, respondents noted that the Program should pay particular attention to their collaboration with civil society groups and academia. Civil society organizations (CSOs) will be particularly important for the results to be achieved in terms of engaging citizens to demand better WSS services. They may also play important roles in capacity development and policy influence. WSP has already recognized the importance of relationships with CSOs in a recent concept note. Academia could be another key partner for policy influence because its role in developing an evidence base in support of policy and performance improvements.

Recommendation 8: The WSP and the World Bank should manage their relationship at the country level more proactively to maximize the potential benefits of this linkage for their work in the water and sanitation sector.
The rationale for this recommendation is provided by Findings 16 and 17. Beyond its role as administrator of the Program, the World Bank interacts with WSP in a variety of ways at the country. As noted in the report, the World Bank - WSP relationship at the country level varies considerably – from one of fluid interaction to one of distance or tensions between the two entities. Part of this dynamic, is influenced by the personalities of those who are managing the relationship on both sides. However, there are ways in which both WSP and the World Bank could more actively seek to develop a relationship in which they could better complement each others’ work. Respondents provided several suggestions in this regard such as reaching out to the operational and sector teams of the CMU in order to share emerging findings from knowledge products, discuss business planning priorities, and report on progress during the year, among other activities. WSP knowledge products can be a resource for the World Bank, but there is often no strategy to help trigger optimal use of the knowledge. From the Bank side, as well, there is room for more outreach to the WSP on project preparation and CAS development, for example.

**Recommendation 9: WSP should consider expanding knowledge products such as the Economics of Sanitation and the Country Status Assessments.**

This recommendation emerges from Finding 6 and 9. The evaluation team found that knowledge products such as ESI in East Asia and the Country Status Assessments in Africa, had been particularly successful from a policy influencing and knowledge exchange point of view. These pieces of work were viewed to be cutting edge, incorporate capacity development for local expertise, include advocacy functions and improve evidence for more informed decision making. We would encourage WSP to do more work along these lines and to ensure adequate follow up on the dissemination and use of such products.
Appendix 1 List of Findings

Finding 1: WSP programming is consistent with global and regional challenges in WSS, aligned with national priorities, and responsive to client needs.

Finding 2: In all regions, stakeholders noted the key advantages of WSP, including its level of responsiveness, knowledge of key issues in WSS, strong country presence, and ability to facilitate dialogue between sector stakeholders.

Finding 3: WSP has developed a new results framework, which represents a significant step forward in the results orientation of the program.

Finding 4: WSP advice has helped countries adopt improved policies and strategies and undertake institutional reform. This has been one of the strongest areas of WSP results during the period evaluated.

Finding 5: WSP has contributed to strengthen the investment programs and projects of its clients and partners.

Finding 6: WSP has generated, validated, and communicated innovative solutions to water supply and sanitation management challenges.

Finding 7: WSP has emphasized the intent to enhance sector coordination in the Business Plans during the period FY2004–2008. In most of the countries reviewed, there is evidence that WSP’s role as a convenor and facilitator has supported coordination of the WSS sector.

Finding 8: The factors that favour the use of outputs by decision makers for them to lead to higher level results include the length of engagement of WSP with its clients, WSP promotion of cross-sectoral coordination, and respect for the technical expertise of its staff.

Finding 9: The factors that limit WSP success in achieving higher level results in some cases include: the demands for capacity development at multiple levels, providing appropriate follow-up to support use of knowledge products, and responding to political contexts that limit the traction of a particular output.

Finding 10: WSP’s global projects provide new mechanisms for supporting country results and expanding WSP’s global reach. Overall, these are a positive addition to the WSP product mix.

Finding 11: During the evaluation period, WSP has effectively supported downstream work in support of policy implementation in larger decentralized countries.

Finding 12: WSP is considered to be cost-effective by its main stakeholders. The Program has managed to keep down its costs, while increasing its disbursements.

Finding 13: The level of indirect costs for WSP is relatively low and has remained stable throughout a period characterized by a significant level of growth.

Finding 14: Throughout the evaluation period, the majority of WSP projects operated according to schedule although there were significant variations in delivery status from year to year.
Finding 15: WSP developed effective partnerships for implementing its business plans from FY2004 to FY2008. Given the emphasis on partnerships in the 2009-2018 Strategy, these should continue and be strengthened in the next few years.

Finding 16: The World Bank is fulfilling its mandated role as administrator of the program, which gives donors confidence in the way that their resources are managed.

Finding 17: WSP has been able to tap into several of the potential benefits of the relationship with the World Bank. At the country level, the extent of synergy between the two entities has varied and there is room for improving this relationship in some instances.

Finding 18: The current governance model is generally adequate for WSP as a trust-funded program. Improvements in the structure and operations of the Council could better engage the WSP Council in setting strategic directions and priorities.

Finding 19: WSP has developed different means of engaging clients and other partners in each of the regions. In Africa, the Regional Advisory Committee appears to be a valuable mechanism for guidance and reporting back to stakeholders in the region.

Finding 20: Despite efforts to improve the WSP systems for monitoring and reporting on program implementation, WSP faces capacity gaps that may hamper its ability to report on its current results framework.

Finding 21: WSP’s evaluation system does not yet support the full range of accountability, learning, and policy needs that WSP has as it embarks on a new strategy.

Finding 22: The WSP has benefited from competent program management during the period under review.

Finding 23: The field-based model and high calibre of the WSP staff are recognized as an important factor in WSP’s success.

Finding 24: The GPTs introduced in FY 2005 were part of an explicit effort to improve learning and knowledge sharing within the program. The teams received mixed reviews in terms of their effectiveness in supporting this agenda.

Finding 25: WSP effectively managed the growth of FY04-08 and its implications for programming, staffing, and systems. As WSP faces growing demands from its client countries, it may need to further refine policy and strategy with regards to any expansion, as well as its exit strategies.

Finding 26: The multi-donor trust fund (MDTF) is one funding instrument that has increased flexibility in funding for the Program, although it has not yet provided the predictability of multi-year funding commitments.

Finding 27: Large, multi-year, earmarked funding has also been used over the period under review. In the context of a core strategy and agreed results framework, such an instrument gives WSP some funding predictability.
Appendix II List of Recommendations

Recommendation 1: WSPC should continue to structure the Council in such a way that members have opportunities to participate in providing strategic guidance and supervision to the Program as it implements the new Global Strategy and results framework.

Recommendation 2: WSP Council members should continue to contribute to flexible funding instruments, and to increase predictability in their funding.

Recommendation 3: WSP should take a cautious approach to expanding the scope of its services based on WSP’s comparative advantages, WSP existing capacity, and the funding commitments of its donors.

Recommendation 4: WSP should increase its capacity to monitor implementation of and report on its new results framework.

Recommendation 5: WSP should continue to strengthen global learning and knowledge exchange.

Recommendation 6: WSP should develop a more robust evaluation system that responds to its learning and accountability requirements and that can inform policy decisions by WSP Council.

Recommendation 7: WSP should continue to strengthen its partnership approach by identifying different types of partnerships and their implications, and by strengthening its relationships with civil society organizations and academic institutions.

Recommendation 8: The WSP and the World Bank should manage their relationship at the country level more proactively to maximize the potential benefits of this linkage for their work in the water and sanitation sector.

Recommendation 9: WSP should consider expanding knowledge products such as the Economics of Sanitation and the Country Status Assessments.