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Small Towns Water Supply and Sanitation Sector Project (STWSP ADB Grant 0143)

Lao PDR

Water Supply and Sanitation



PROJECT OVERVIEW

- **RATIONALE (key problems and why you need this project)**

- Lack of water supply and sanitation in 13 poor small towns.

- **IMPACT**

- Service coverage of urban areas in 2016 was about 65%, and that in 2018 it had risen to about 71%.

- **OUTCOME**

- Four (4) targets achieved: 1) improved water supply services, 2) population targets and number of connections, 3) increased access to piped water and sanitation, 4) 24-hour safe piped water supply.

- **OUTPUTS**

- household water bills were to be no more than 5% of household incomes, and achieved household water bills at about 3% of household incomes.
- **ADDITIONAL:** a total of 935 poor households in nine (9) subproject small towns received a free water supply connection, as well as free materials for the construction of their sanitation facilities.



Project Design and Scope (1)

- **Project modality, duration, etc.**

- sector investment project, approval February 2009; project original completion by June 2014, extension of the Grant closing date to 31 December 2015; project savings used for additional construction in one town with final completion in 30 September 2018
(February 2009 to September 2018).

- **Describe project design features (include innovative design)**

- Strengthened Urban Water Supply and Sanitation Sector - **Output 1**
- Developed and Rehabilitated Water Supply Systems - **Output 2**
- Improved Drainage and Public Sanitation - **Output 3**
- Enhanced Community Action and Participation (ECAP) – **Output 4**
- Enhanced Gender Equity in Urban Water Supply and Sanitation – **Output 5**
- Improved Capacity for Project Implementation and O&M – **Output 6**



Project Design and Scope (2)

- **Beneficiaries**

- Original: 130,000 residents in 12 small towns by 2015
- Revised actual: over 156,000 residents in 130 core villages in 13 towns (2018)

- **How did the project attain its goals?**

- Strong teamwork between PCU and PIA to support PIU and water utility state enterprises in the Provinces;
- Close coordination and understanding with provincial and district authorities;
- High visibility focus on gender;
- Strong focus on corporate planning and service agreements for the water utilities with the provinces.
- Supportive working arrangements with the village environment committees (VEC).



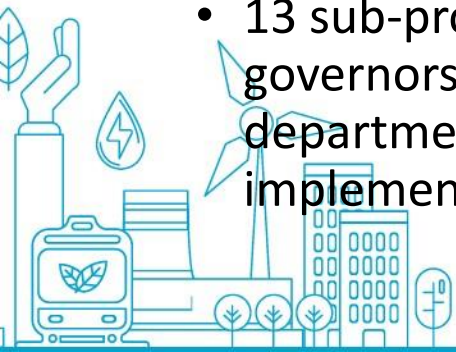
Key Stakeholders (1)

• Who are the key stakeholders?

- Ministry of Public Works and Transport (MPWT)
- Department of Water Supply (DWS), MPWT
- National project steering committee (PSC)
- Provincial project steering committees (PPSCs)
- Provincial Nam Papa (water utility) state enterprises
- District, Villages and Communities

• How many executing and implementing agencies?

- Executing Agency (EA): The Department of Water Supply
- 13 sub-projects: PPSCs were chaired by provincial vice governors, and comprised of district governors, implementing agency (IA) officials, senior officials from the various stakeholder departments in each province, offices of Public Works and Transport (OPWTs) and project implementation units (PIU).



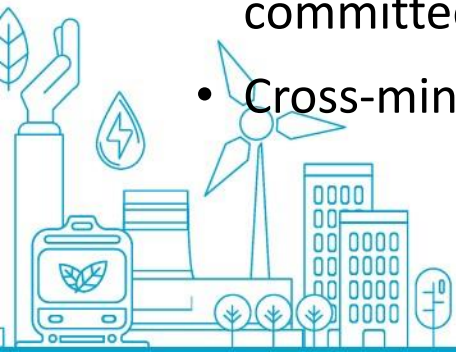
Key Stakeholders (2)

- **Describe roles of executing and implementing agencies**

- PCU's primary responsibilities were to (i) supervise overall project implementation, programming, budgeting, and financial planning and accounting; (ii) recruit consultant services, administer contracts, and procure civil works and goods; (iii) confirm the selection of subproject towns based on the established criteria; (iv) appraise subproject key documents; (v) provide administrative and technical support to project implementation units (PIUs); (vi) prepare consolidated project progress and completion reports; and (vii) consolidate project accounting, auditing, and monitoring reports.

- **How do stakeholders link to each other? Is cross-ministerial approach involved?**

- Links through national project steering committee (PSC) and provincial project steering committees (PPSCs);
- Cross-ministerial approach utilized as required.



Development Challenges and Solutions (1)

- **Role of government and ADB during project processing (include role of Co financier if there are other fund sources aside from ADB)**
 - Civil works: Water Supply and sanitation
 - ADB funded 90 percentage
 - Government of Lao (GOL) contribution 10 percentage
 - Civil works: Villages Environmental Improvements (VEI)
 - ADB funded 80 percentage
 - GOL contribution 10 percentage
 - Benefit people contribution 10 percentage
- **Challenges during project processing**
 - GOL and benefit people was delay to paid contribution budget, It was the main issue of the project delay too.



Development Challenges and Solutions (2)

- **Was the project modality, duration appropriate?**
 - Yes.
- **How did you overcome the challenges?**
 - PIUs were responsible for day-to-day subproject implementation. Their major responsibilities included (i) participating in project planning, feasibility studies, design, and procurement activities for the subproject; (ii) coordinating the activities of consultants and contractors; (iii) overseeing construction activities; (iv) coordinating resettlement and assisting the resettlement committee; (v) implementing the gender strategy and the ethnic groups development framework; (vi) supervising capacity-building activities at the local level; (vii) preparing the subproject accounting, auditing, and monitoring reports to PCU and PPSC; and (viii) managing component 4, including procurement. The manager and deputy manager of PIU were selected from the respective DPWT and provincial nam papa (PNP).



Delivery Challenge – Institutional aspect

- **Institutional setting/arrangement**

- National

- **Communications**

- Coordinated through PCU

- **Counterpart support (monetary or in-kind contribution)**

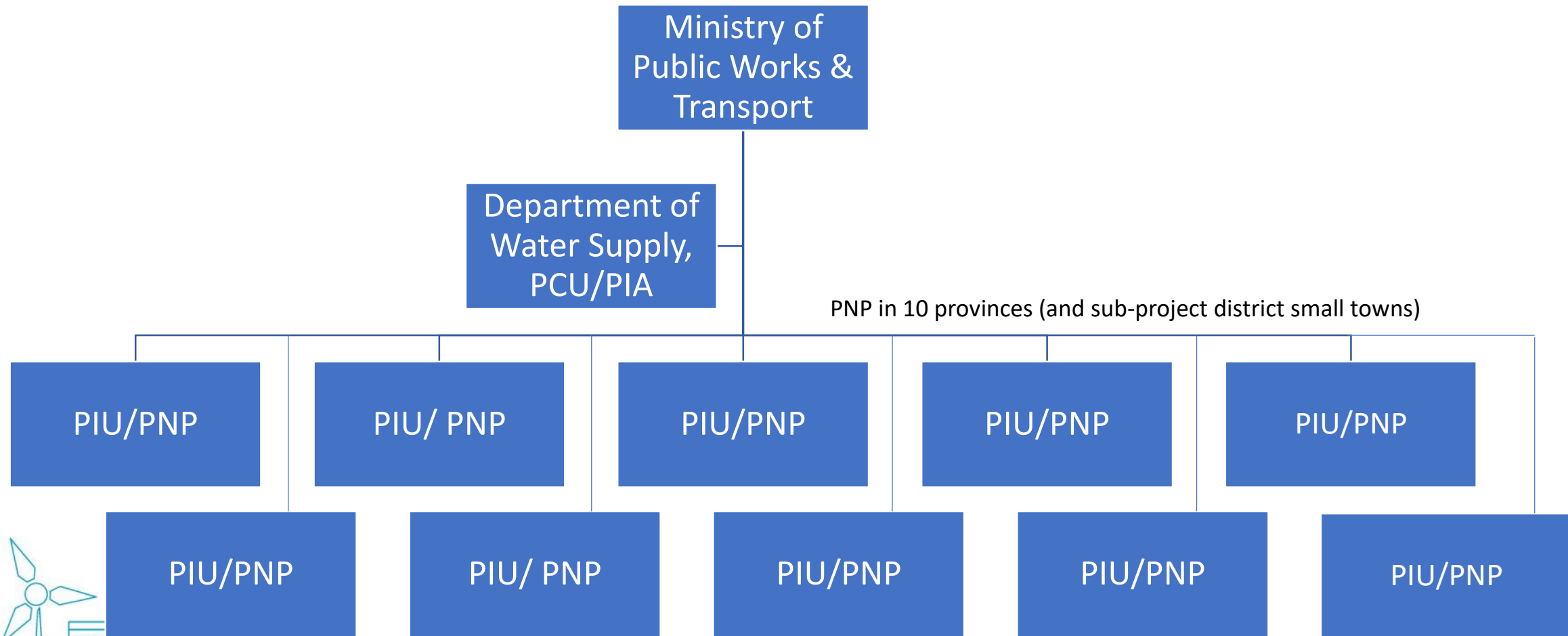
- Increased over project lifetime from \$2.48 million to \$3.32 million

Item	Counterpart fund	Cash (\$)
		Accountable
1.0	Civil Works and Supply Contracts	2.005
2.0	Equipment	0.002
3.0	Land acquisition and resettlement	0.095
4.0	Customs and Import Duties	0.069
5.0	Recurrent Costs	1.149
Grand Total (\$ million)		3.330



Institutional Setting

Delivery Mechanisms and Organizational Chart



Note: PNP means Provincial Nam Papa (water utility) State Enterprise



Delivery Challenges and Approaches

- Describe challenges and issues in the following (if applicable):

- Procurement – prolonged approval periods (ADB & GOL)
- Financial management – staff had few skills in financial management
- Safeguards – prolonged approvals by ADB
- Contract management – no major issues
- Project monitoring and evaluation – no major issues
- Project completion – no major issues

- How were they resolved?

- Procurement – raised at senior levels, but never resolved
- Financial management – sustained training efforts – refresher training
- Safeguards – continues to be an issue
- Contract management – good supervision team
- M&E – considered to be “best practice” system by ADB
- Project completion – planned for completion during implementation



Lessons Learned

- **What went well?** Sector reform leveraged off investments – tariffs especially
- **What could we do better?** Design to be more descriptive rather than prescriptive
- **What were the stumbling blocks and pitfalls that can be voided in the future?** Design too complex and detailed; resources not in balance with outputs.
- **What would you do differently?** Simplify design (less Add-ons); set realistic goals for least developed country.
- **Recommendations for future projects** Fewer outputs; recognize limited absorptive capacity of GOL and country in general.
- **Where/How can ADB help?** Listen to the EA; a more collaborative approach to design.



Good Practice for Project Implementation Awards



Thank you

Khopchai

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