Civil Society Water, Sanitation & Hygiene Fund

Independent Completion Review

June 2012

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Initiative:	CS WASH Fund
Donor:	AusAID
Implementers:	Adventist Development & Relief Agency (ADRA) Australian Red Cross (ARC) Care Australia (Care) East Meets West Foundation (EMWF) Live and Learn Oxfam Plan International Australia (Plan) SNV Netherlands Development Organisation (SNV) WaterAid World Vision Australia (WVA) Water & Sanitation for the Urban Poor (WSUP)
Evaluators:	Juliet Willetts Bruce Bailey Paul Crawford
Date:	28 June 2012

AID ACTIVITY SUMMARY

Aid Activity Name	Civil Society Water, Sanitation & Hygiene Fund
AidWorks initiative number	INI592, INJ084, INJ076
Commencement date	June 2010 **Completion date** December 2011
Total Australian $	$32.5 million
Total other $	$3.6 million
Delivery organisation(s)	Adventist Development & Relief Agency (ADRA), Australian Red Cross (ARC), Care Australia, East Meets West Foundation, Live and Learn, Oxfam, Plan International Australia, SNV Netherlands Development Organisation (SNV), WaterAid, World Vision Australia (WVA), Water & Sanitation for the Urban Poor (WSUP)
Country/Region	Sub-Saharan Africa, South Asia, South-East Asia and Pacific
Primary Sector	Water, Sanitation & Hygiene (WASH)

AUTHOR DETAILS

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ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

This document is an independent completion report of the Civil Society Water, Sanitation and Hygiene Fund (the 'Fund') 2009-2011. The Fund was a $32.5 million sectoral program managed by the AusAID Infrastructure Water Policy Section (IWP) and implemented by eleven civil society organisations (CSOs) which undertook work in 21 countries in Asia, Pacific and Africa. This investment was distributed across efforts to improve sanitation (36%), water (46%) and hygiene (18%) in a 19-month program.

The purpose of this review was to:

- Judge the performance of the Fund by synthesising achievements reported by the Fund's 45 activities and identifying lessons for an upcoming new Civil Society WASH Fund

- Review key innovative elements of the Fund relative to other AusAID mechanisms for CSO engagement and describe the 'value for money' (VfM) delivered by the Fund.

This review was undertaken by the Fund's three-member Monitoring Review Panel (MRP), with one component—an evaluation of the MRP itself—undertaken by the AusAID Quality, Performance and Results Section.

The Fund achieved significant impact on the poor in rural areas (80% of investment) and informal urban settlements (20% of investment):

- 782,000 people gained access to basic sanitation (of which 524,000 people gained access to improved sanitation using MDG measure/JMP definition [AusAID headline indicator 4])

- 564,000 people gained access to safe water (of which 508,000 people gained access to improved water using MDG measure/JMP definition [AusAID headline indicator 3])

- 730 villages and 8 slums were declared open defecation free (ODF)

- 77,000 additional households and schools in which hand-washing is practiced (according to proxy: locations with hand-washing facilities and soap)

- 516 schools gained access to water, sanitation and/or hand-washing facilities

- Average of 47% of WASH committee members are women (a minimum of 30% is considered desirable) [AusAID headline indicator 6]

- WASH improvements were made for 270 people with disabilities.

In addition, in working with government and civil society partners, the Fund achieved 80 significant outcomes to support an improved enabling environment for WASH services for the poor. These included changes in governance, policy and voice of the poor; local capacity to plan, manage and maintain services; private sector participation; advances in gender equality; and contributions to the WASH evidence base.

This review raises a key concern regarding sustainability of the impacts of the Fund. While CSO partners exhibited strong belief in the sustainability of Fund outcomes, less than one third of the 45 Fund activities reported they had embedded their approach in the local institutions responsible for service delivery. Additionally, international sector literature questions the likely sustainability of voluntary community management approaches to water supply and the longevity of hygiene behaviour changes. A key recommendation of this review is for CSOs to reconsider their strategy and role in the sector, to move beyond simple 'service delivery' type interventions and intervene more strategically and purposefully in the

enabling environment for ongoing WASH services. Another is to develop a stronger foundation for hygiene behaviour change programs based on locally derived and culturally applicable motivators. Correspondingly, IWP should reduce pressure on CSOs to demonstrate equivalent numbers of beneficiaries as were achieved through this Fund, and institute ex-poste monitoring of selected activities from the completed Fund. Other recommendations relate broadly to ways for IWP and CSOs to improve the design and appraisal process for the next Fund, with the aim of further strengthening WASH practice and outcomes.

The innovative elements of this Fund that were reviewed were: (i) thematic focus; (ii) inclusion of non-accredited CSOs; (iii) inclusion of specific learning components; (iv) structured performance arrangements and long-term independent monitoring and review panel. Key findings are described below.

(i) A key benefit of the single thematic focus of the Fund was that it offered clarity of purpose for both AusAID and the CSOs. The Fund aligned closely with AusAID's policy objectives and partner CSOs were able to make significant contributions to these objectives. However, engagement with AusAID's country and regional programs could be improved—a recommendation also made in the Independent Progress Report at the Fund's mid-term. In future, and in line with "*Effective Aid*" and the draft Civil Society Engagement Framework, AusAID should include civil society as part of the analysis and preparation phase of country and sectoral delivery strategies. This would promote clarity on the purpose and nature of the engagement between AusAID posts and CSOs, and provide a foundation for meaningful, mutually beneficial engagement with civil society partners. This requires a subtle but profound shift for AusAID to recognise CSOs as a delivery partner rather than a delivery modality.

(ii) In this Fund, the four non-accredited CSOs made significant contributions to the Fund's outcomes in terms of reach, impacts, and contributions to the enabling environment for WASH services for the poor. AusAID should therefore ensure that the purpose of engagement with CSOs is the primary influence over its choice of partner rather than confining engagement to accredited agencies.

(iii) The review of the included learning components highlighted the need for a longer, structured learning process in the future Fund, and the importance of ensuring any CSO learning components are outwardly oriented to benefit a broad base of WASH sector actors.

(iv) The independent review of the structured performance arrangements and long-term MRP revealed "*broad-ranging benefits of the [long-term review panel] model for AusAID and the CSOs involved*". This review recommended both continuing with this approach in the future Fund and for the NGO Section to "*consider incorporating external performance management support mechanisms in other CSO programs to maximise the effectiveness of programs and to strengthen relationships with CSOs*". Refinements to the model and performance arrangements were suggested, primarily around providing support to build the necessary capacity in CSOs to engage with structured performance management systems; and considering any viable simplification of these, as well as some considerations for AusAID management arrangements. The MRP also separately provided reflections on the performance arrangements of the Fund, including guidance for a subsequent review panel to ensure ongoing improvement.

The review undertook a VfM assessment of the Fund, building on a background literature review on VfM's use and meaningfulness in the development context. A pragmatic approach was taken that included: (i) costs and benefits of the Fund from a broad standpoint; (ii) actual achievements relative to plan; (iii) equity and distribution of benefits; (iv) costs per beneficiary of key outcomes. This review cautioned investment in VfM methods in the future

Fund, given the challenges of undertaking such analysis with integrity, the existence of studies that already substantiate the economic benefits of WASH outcomes in poor communities, and the limited additional learning value arising from the process beyond that provided through good quality performance monitoring and evaluation processes.

The significant benefits of the $32.5 million Fund are described above, and included improved WASH services and outcomes in the lives of some 2,322,000 people. Beyond these achievements themselves, the Fund generated significant public diplomacy value for the Australian government, given its extensive geographic reach and focus on a basic human right and a key Millennium Development Goal. The Fund exceeded its targets by 30% across four core indicators and achieved more than two-thirds (69%) of other targeted changes in governance, capacity and gender equality—acceptable for a program of such short duration. The Fund performed well in terms of equity, with beneficiaries comprising poor rural communities (often the poorest, including ethnic minorities and households in remote, challenging locations) and informal settlements of the urban poor. Lastly, the costs per beneficiary for access to sanitation and to water were found to be on par with other global benchmarks, which is notable given that CSOs mostly worked in challenging environments rather than with easily accessible beneficiaries. A remaining question potentially compromising this positive VfM assessment is the uncertain sustainability of outcomes. Strong efforts should therefore be invested in the upcoming Fund to place this as a central focus of CSO strategies.

CONSOLIDATED RECOMMENDATIONS

For IWP and CSOs

1. The future Fund should have a core focus on supporting sustainability in the WASH sector through innovative CSO roles, and as such, IWP should avoid pressure on CSOs to deliver equivalent numbers of people with access to services as has been achieved in the current Fund (p7)

2. CSOs should invest effort in deepening their skills in sanitation marketing (p9)

3. The future Fund should consider ways to contribute to the evidence base on sustainability of sanitation access gained through CLTS (eg. research or systematic ex-post monitoring of previous CLTS sites from this Fund) (p9)

4. CSOs should ensure sanitation programs include a focus on mechanisms and services for safe pit emptying and de-sludging, and ensure that latrine design allows for this (p9)

5. The future Fund should consider if and how 'service level' (water quality, quantity and distance) and differences in service level are accounted for (p11)

6. The future Fund should require CSOs to specify and adhere to a water quality protocol (e.g use of water safety plans etc.) to ensure safe water supply (p11)

7. The future Fund should encourage CSOs to reconsider their current model of community management and how they might support more formalised, professionalised service delivery with clear accountability relationships as well as advocacy for broader sectoral change to support such a model (p11)

8. The future Fund should support trialling of innovative approaches such as output-based aid to encourage and support local actors (private sector and CBOs) to take ongoing roles in supplying water services (p12)

9. CSOs should consider how to engage more strategically and systematically with Ministry and Departments of Education to attain maximum and influence in work on WASH in schools (p14)

10. The future Fund should discourage CSOs from small-scale empirical studies to attribute health outcomes to interventions since reliable evidence requires large-scale expensive studies not justifiable at project level (p14)

11. The future Fund should encourage CSOs to undertake formative research to better understand locally relevant motivators for hygiene behaviour changes and develop more sophisticated strategies to effect change (p15)

12. In the future Fund, the design process should ensure that CSOs undertake sufficient contextual analysis of the WASH sector in the countries and regions in which they work to identify well-considered strategies and actions to support the enabling environment. CSOs should also be supported to articulate clearly conceived ideas of 'what success looks like' in this domain (p15)

13. In the future Fund CSOs should be supported at design stage to underpin capacity development work with better developed theories of change and clearer conception of what success 'looks like' (p18)

14. Private sector actors were found to play an important role in sustainable WASH services. In the future Fund, CSOs should build on learning from this Fund about effective ways to create or engage private sector organisations (p19)

15. The future Fund design stage should ensure CSOs build local capacity to address environment, water resources and climate change in WASH service provision (p20)

16. The future Fund should specifically support CSOs to experiment with constructive approaches to social accountability that increases citizen voice to negotiate for WASH services (p21)

17. The Fund achieved many significant results in addressing gender equality, however the future Fund should strengthen focus on building the capacity of other partner organisations in gender equality and gender responsive approaches. CSOs should reflect on why this wasn't given priority (p22)

18. The future Fund should link research with CSO work since this Fund demonstrates limitations in CSO attention to and skills in building the WASH evidence base (p23)

19. In the future Fund, CSOs should be supported to: improve the design process ensuring broader participation of stakeholders and the envisaged target population; strengthened capacity assessment of local partners; and preparation of realistic and pragmatic targets (p24)

20. The future Fund should maintain awareness of the challenges of working in the Pacific and maintain space for exploration of effective approaches (p25)

21. In the future Fund, CSOs should proactively capture evidence of impact against selected development crosscutting themes as part of their M&E frameworks. The aim would be to capture evidence of significant changes influenced by projects rather than just describing risk mitigation measures (p27)

22. The future Fund should consider supporting systematic ex-poste monitoring of long-term outcomes of selected activities from the completed Fund to enable learning (p29)

23. CSOs should reorient their contribution in light of the broader sectoral challenges of long-term service delivery and sustainable behaviour change, building on positive examples of these strategies demonstrated by some CSOs in this Fund (p29)

26. The future Fund should ensure synergies between AusAID post and CSOs through establishing effective communication mechanisms, ensuring specific post AusAID staff have allocated time to devote to engagement processes (p31)

29. The future Fund should again support a learning component and consider the following potential improvements to move beyond a one-off learning event: (i) study tour or site visit; (ii) use of online platforms; (iii) a longer structured process; (iv) ensuring an event early in the Fund's time-span; and (v) ensuring collaboration across agencies in planning; (vi) mechanisms to ensure responsibility for uptake of learning; (vii) engagement with other AusAID bilateral and multi-lateral program partners in the country/region (p33)

30. The current Fund exhibited variable quality and effectiveness amongst the work of different CSOs. The future Fund should look at specific mechanisms to draw on those CSOs with strong practice to ensure others learn from this (p33)

31. When CSOs are supported through AusAID funds to include learning components, then to ensure value, their impact on other members of the WASH sector should be an integral part of their design, objectives and accountability (p34)

32. IWP and the proposed review panel for the future Fund should consider the recommendations made in Appendix E which provides reflections on the Fund performance arrangements from the perspective of the MRP (p34)

For country and regional programs, other sections in AusAID, IWP and CSOs

24. AusAID should ensure CSO program durations of 3-5 years minimum to support sustainability of program outcomes (p29)

25. Building on the success of this sectoral CSO program, AusAID should consider the potential for other thematic CSO programs as one model (amongst others) of purposeful engagement between AusAID and CSOs (p30)

27. AusAID country and regional programs should include consideration of their engagement with civil society and CSOs as part of both country, regional and delivery strategies. For example a WASH delivery strategy should give specific attention to planning the potential role for NGOs, CSOs and civil society more broadly to achieve WASH objectives, whether as delivery partners or in other supporting roles (p31)

28. AusAID NGO section and country/regional programs should ensure that CSOs (particularly those based in different countries) who might offer significant expertise are not excluded from civil society programs with targeted outcomes in particular sectors (p31)

33. AusAID IWP, PPS, NGO sections should consider the recommendations made by independent review of the Fund performance arrangements comprising a structured framework and a long-term monitoring review panel (see (Appendix C) (p35)

34. On balance, VfM assessment adds little to good practice program evaluation when it takes a 'results-based' approach, and a full economic analysis approach is expensive to carry out and difficult to justify given that evidence for economic benefit of WASH outcomes already exists (p40)

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LIST OF ACRONYMS

AusAID	Australian Agency for International Development
CBO	Community-based organisation
CLTS	Community led total sanitation
CSO	Civil society organisation
ICR	Independent completion review
IEC	Information, education, communication
IPR	Independent progress report
IDRC	International Development Research Centre
JMP	Joint Monitoring Program
M&E	Monitoring and evaluation
MRP	Monitoring Review Panel
NGO	Non-government organisation
ODE	Office of Development Effectiveness
PAF	Performance assessment framework
PHAST	Participatory Hygiene and Sanitation Transformation
WASH	Water, sanitation and hygiene
WSI	Water and Sanitation Initiative

1.   INTRODUCTION

1.1   Background

This document is an independent completion review (ICR) for the Civil Society Water, Sanitation and Hygiene Fund (hereafter referred to as the 'Fund')—an initiative of the Australian Agency for International Development (AusAID). The Fund was developed as part of the broader Water and Sanitation Initiative (WSI) 2008-2011, to engage with civil society partners in water, sanitation and hygiene (WASH).

1.2   Overview of the Fund

The Fund had an overall goal to improve the health and quality of life of the poor and vulnerable by improving their access to safe water, improved sanitation and hygiene. The Fund was a 17-month program supporting 11 civil society organisations (CSOs) to deliver 45 activities (including two cross-regional learning/research activities) in 21 countries throughout Africa, South Asia, South East Asia and the Pacific (see Figure 1) with budget allocations from under AUD$200,000 to over AUD$1.6 million. The geographic distribution was informed by research, AusAID priorities, levels of WASH access and CSO capacity.
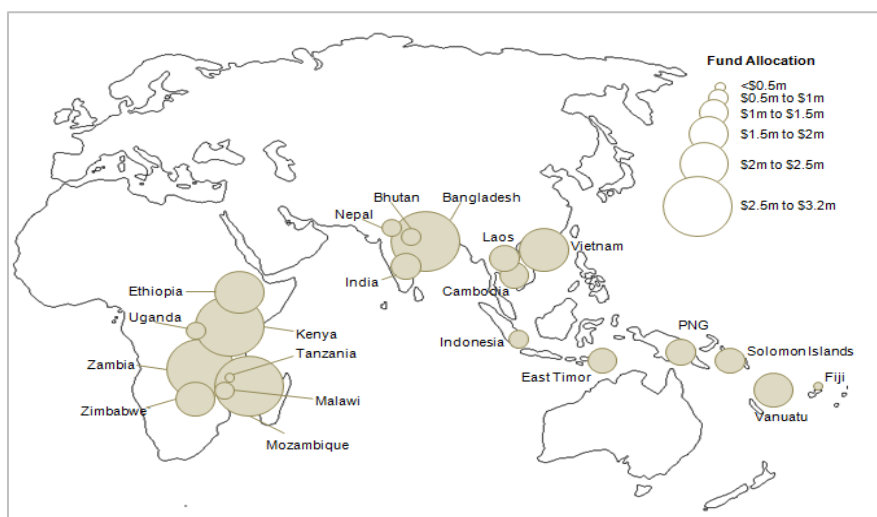
Figure 1: CSO WASH funds allocated to recipient countries

1.3   Review purpose and objectives

The purpose of the review was to assess the performance of the Fund. Lessons learned will inform AusAID's policy and practice on CSO engagement in the WASH sector, and the value such engagements represent.

The main objectives of the review were:

- To judge the performance of the Fund through a synthesis of achievements reported by the Fund's 45 activities
- To identify lessons for the new, upcoming Civil Society WASH Fund.

Two secondary objectives were:

- To review key innovative elements[1] of the Fund relative to other AusAID mechanisms for CSO engagement
- To describe the 'value for money' (VfM) delivered by the Fund.

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[1] (i) Thematic focus; (ii) Inclusion of non-accredited CSOs; (iii) Inclusion of specific learning components; (iv) Structured performance arrangements; and long-term independent monitoring and review panel.

1.4   Report structure and audience

This evaluation report covers a large multi-country, multi-partner Fund. The evaluation objectives are relevant to a variety of stakeholders; therefore different parts of this report will be relevant to different audiences. To assist the reader, a synopsis of the report is provided below.

Section 2: Methodology

Section 3: **The Fund's Achievements (p4-28)** describes the performance of the Fund. This section is written primarily for AusAID's Infrastructure Water Policy (IWP) section and partner CSOs, with the aim of supporting improvements in CSO WASH practice and outcomes in the next Fund.

Section 4: Innovative Elements (p30-35) is written for a broader audience within AusAID that have an interest in how AusAID engages with civil society.

Section 5: Value-for-Money (p36-40) is written for IWP and other AusAID stakeholders (and elaborated in Appendix F) interested how value-for-money assessments of complex social change initiatives can be undertaken.

To contain the length and density of the main report we have relied on several appendices.

Readers are encouraged to review these since they elaborate important content in the main report:

Appendix A: Performance Assessment Framework (PAF) provides a reference point for the Fund's theory of change. The PAF formed the basis for reporting by CSOs, and for performance analysis undertaken by the MRP described in this report.

Appendix B: Evaluation methods explains the methods used in this evaluation.

Appendix C: Independent evaluation of performance arrangements and long-term review panel presents the findings of an evaluation of the Fund's performance arrangements undertaken by AusAID's Quality, Performance and Results Section. This appendix will be of interest to AusAID's NGO section and country and regional programs that engage with CSOs. It contains specific recommendations for IWP, NGO Section, Policy, Performance and Systems (PPS) and the proposed monitoring, evaluation and review panel (MERP) for the future Fund.

Appendix D: Effectiveness of WASH approaches is written for IWP and CSOs to provide insight and lessons about technical WASH approaches. The specific aim is to strengthen effectiveness and sustainability of CSO WASH interventions.

Appendix E: Reflections on the Fund performance arrangements is written for IWP and the proposed MERP and provides specific lessons learnt about performance measurement in the Fund. This Appendix may also be of interest to CSOs wishing to be competitive in the next Fund from a design, monitoring and evaluation (M&E) standpoint.

Appendix F: **Background paper on Value-for-Money** presents literature on VfM and its use and meaningfulness in the development context, with the purpose of identifying a pragmatic approach to assessing VfM in this Fund.

2. METHODOLOGY

The evaluation was conducted by the three independent M&E specialists that comprise the Fund's MRP during April-May 2012. The MRP was engaged over the life of the Fund to provide a range of services: develop a PAF (see Appendix A); provide M&E support to CSOs; conduct monitoring trips; and analyse progress reports. The MRP also conducted the Independent Progress Review (IPR) of the Fund in December 2010.

For this evaluation the MRP developed a framework to link review objectives with analytical methods and the PAF. The MRP also undertook a brief literature review to inform the scope and methods for a VfM analysis (see Appendix F). One component of the review—an evaluation of the MRP itself—was undertaken by the AusAID Quality, Performance and Results Section (see Appendix C).

The review engaged with evaluation stakeholders within AusAID including the Infrastructure and Water Policy Section (IWP), the Quality, Performance and Results Section, the NGO section, the Africa desk and the Office of Development Effectiveness.

2.1 Methods

Two main methods were employed:

1. The MRP conducted a systematic analysis of 45 CSO completion reports, 18 monitoring trips and other related documents to assimilate the Fund's overall achievements.[2] Analytical work was enabled by a purpose-built Microsoft Access database.

   The MRP carried out qualitative content analysis of report narratives to identify common and exceptional themes. The MRP applied several analytical frameworks to enable sense-making of the large data sets. For instance, changes reported by CSOs were assessed (fully achieved, partially achieved, not achieved) in relation to 'expected changes' identified by CSOs at the outset. These reported changes were also assessed for their significance and adequacy of evidence. Sustainability assessments and the VfM analysis were each supported by review of sector literature.

2. A short survey was administered by AusAID Quality, Performance and Results Section to ascertain the views of CSO partners on the role and value of the performance arrangements, the MRP model, and the learning Fund.

See Appendix B for a more detailed description of methods.

2.2 Limitations

The review team met the usual issues of complex causal linkages, time and resource constraints and balancing multiple perspectives. Beyond these well-recognised evaluation challenges was the inherent challenge of synthesising Fund-wide performance from 45 activities in geographically/culturally diverse locations by 11 different CSOs, drawing on both written reporting by CSOs and insights gained through field monitoring.

The MRP was engaged throughout the life of the Fund which created many benefits, but could potentially be seen to compromise the independence of this report. The MRP has addressed this limitation by taking a rigorous approach to analysis, ensuring multiple perspectives are presented, and providing clear evidence and direct quotes to support statements made in the report. Independence in assessing the MRP function itself was achieved through the evaluation by AusAID Quality, Performance and Results Section.

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[2] The main focus was on analysing and synthesising program and activity completion reports received from the CSOs, and also drawing on past reporting such as MRP's 18 monitoring trips, CSO proposals and progress reports, and MRP's review of CSO contribution to the enabling environment for WASH. No primary empirical data was collected from the field for this review.

3. THE FUND'S ACHIEVEMENTS

This section of the report examines the Fund's achievements and makes recommendations for CSOs and IWP in the light of the new Fund. Section 3.1 below provides an overview of Fund's achievements followed by its theory of change (Section 3.2). Section 3.3 and Section 3.4 present the achievements against the core outcomes and enabling outcomes respectively. Following this, output delivery (Section 3.5), beneficiary impact and cross cutting themes (Section 3.6) and sustainability are addressed (Section 3.7).

3.1 Overview of Fund achievements

Aggregate achievements against AusAID WASH policy note objectives were significant, as shown in Figure 2. Beneficiaries by region are compared with investment in Figure 3.

1. Increased access to safe water and basic sanitation	782,388 people gained access to basic sanitation (of which 523,548 people gained access to *improved sanitation* using MDG measure/JMP definition [AusAID headline indicator 4]).
	730 villages and 8 slums declared open defecation free (ODF)[3].
	563,602 people gained access to safe water (of which 508,223 people gained access to *improved water* using MDG measure/JMP definition [AusAID headline indicator 3]).
2. Improved hygiene behaviour	76,741 additional households and schools in which hand-washing is practised (according to proxy: locations with hand-washing facilities and soap).
	516 schools gained access to water, sanitation and/or hand-washing facilities.
3. Improved sustainability of services	80 significant outcomes in support of an improved enabling environment for WASH services for the poor, including in governance and voice of the poor; local capacity to plan, manage and maintain services; private sector capacity; advances in gender equality; and contributions to the WASH evidence base.
	47% of WASH committee members are women (a minimum of 30% is considered desirable) [AusAID headline indicator 6].
Main beneficiaries	2,322,039 people (80% rural and 20% in informal urban settlements) including more than 270 people with disabilities. Beneficiaries were women and men in remote island communities, slums, remote rural communities, geographic areas under stress (eg flood prone, desert, disaster affected), poor communities living on less than $1/day, 'hardcore poor' class, and ethnic minority groups.
Investment focus	Sanitation (36%), water (46%) and hygiene (18%).

Figure 2: Aggregate achievements of the Fund
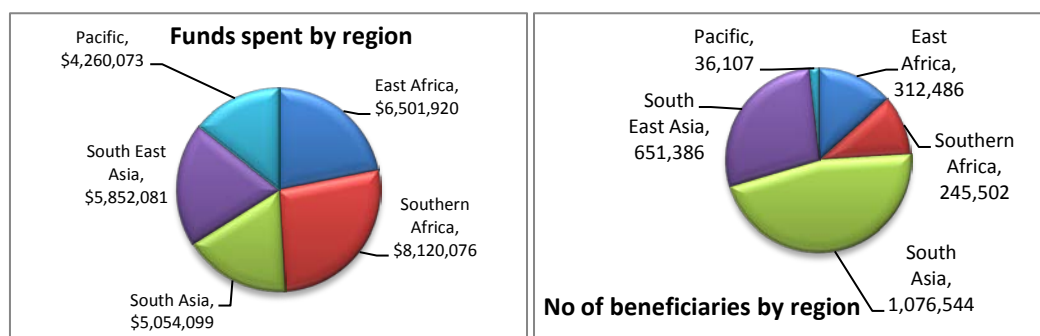
Figure 3: Funds spent and beneficiaries reached by region

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[3] The number of communities is an estimate since some CSOs reported in 'numbers of communities' and others in terms of the population. An average community size of 1500 was used to allow aggregation against this indicator.

Figure 3 compares beneficiaries by region with investment. It reveals substantial differences in the costs of providing access to services in different regions and provides useful information for programming investments based on the numbers of beneficiaries in different regions.

The Fund as a whole exceeded targets for core indicators by 30% (see Figure 4).
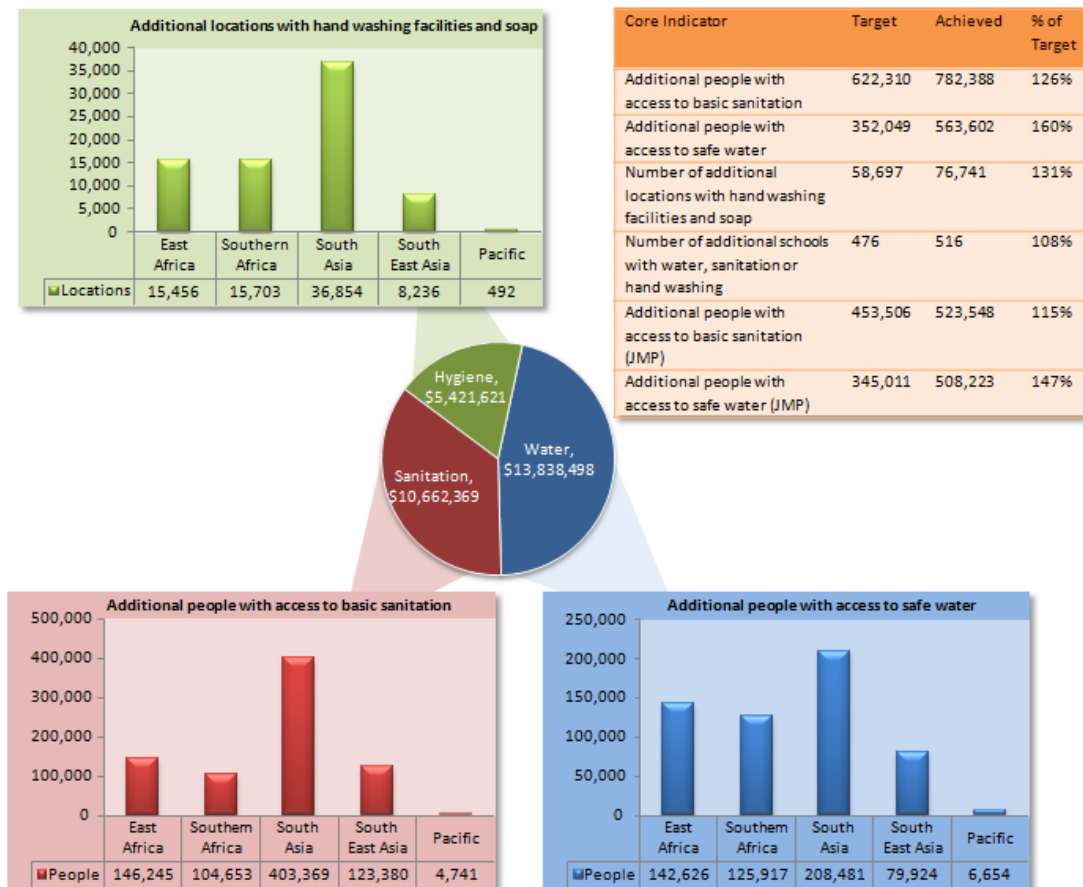
Figure 4: Achievement against core indicators

3.2   Fund theory of change

In this report, and throughout the life of this Fund, precise terminology was used to articulate the theory of change and the performance arrangements. The reader is advised to note these terms as they provide the basic structure for much of the analysis in this report:

- **Deliverables**: tangible interventions by CSO delivery teams to effect desirable change.
- **Enabling Outcomes**: changes in governance and capacity of WASH sector actors as a result of the work of CSO delivery teams.
- **Core Outcomes**: changes in access to sanitation, water and hygiene fostered among poor communities and households.
- **'Expected changes'**: targeted changes identified by CSOs at the outset of the Fund.
- **'Reported changes'**: changes achieved by CSOs as reported at completion.

Some CSOs had a predominant focus on direct WASH service delivery, with the broad aim of maximising impact in target communities as measured by the Core Outcomes. This approach is depicted in Figure 5. It is acknowledged that most CSOs engaged in a more complex combination of approaches than is represented in the diagrams presented here.

Nonetheless, for the purposes of discussion and reflection, there is value in categorising the predominant approach taken.
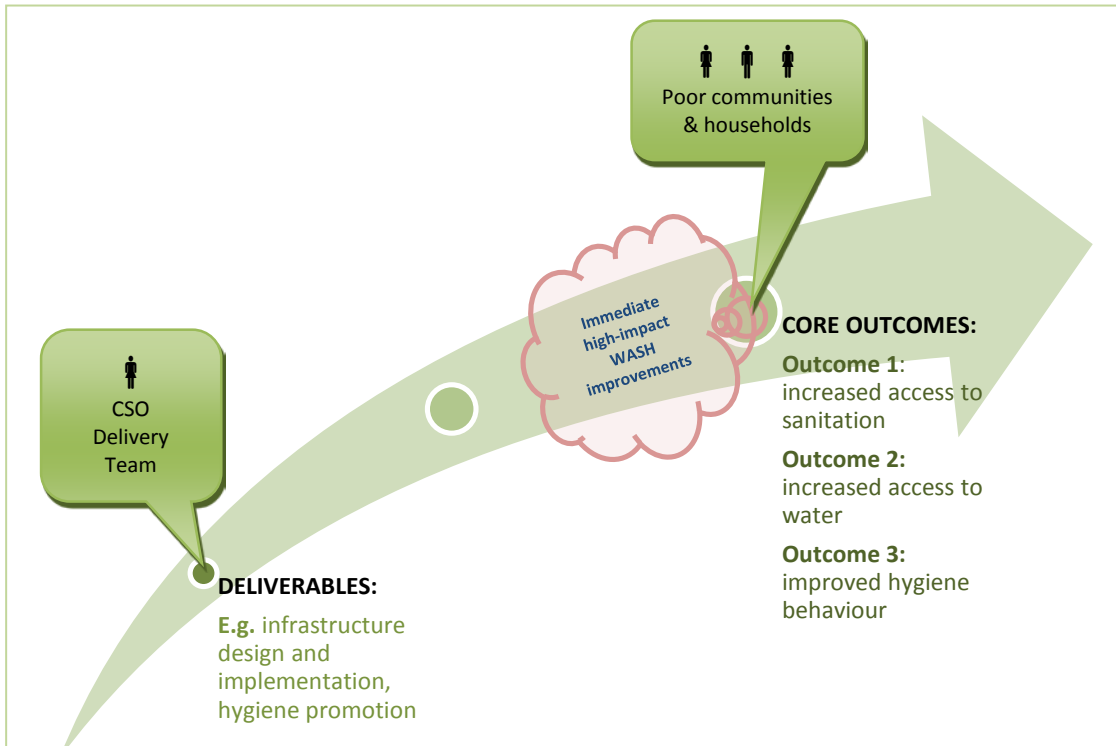
Figure 5: Theory of change for CSOs with predominant focus on service delivery

Other CSOs had a predominant focus on the Enabling Outcomes, with the aim of building sustainable WASH services. This approach is depicted in Figure 6.
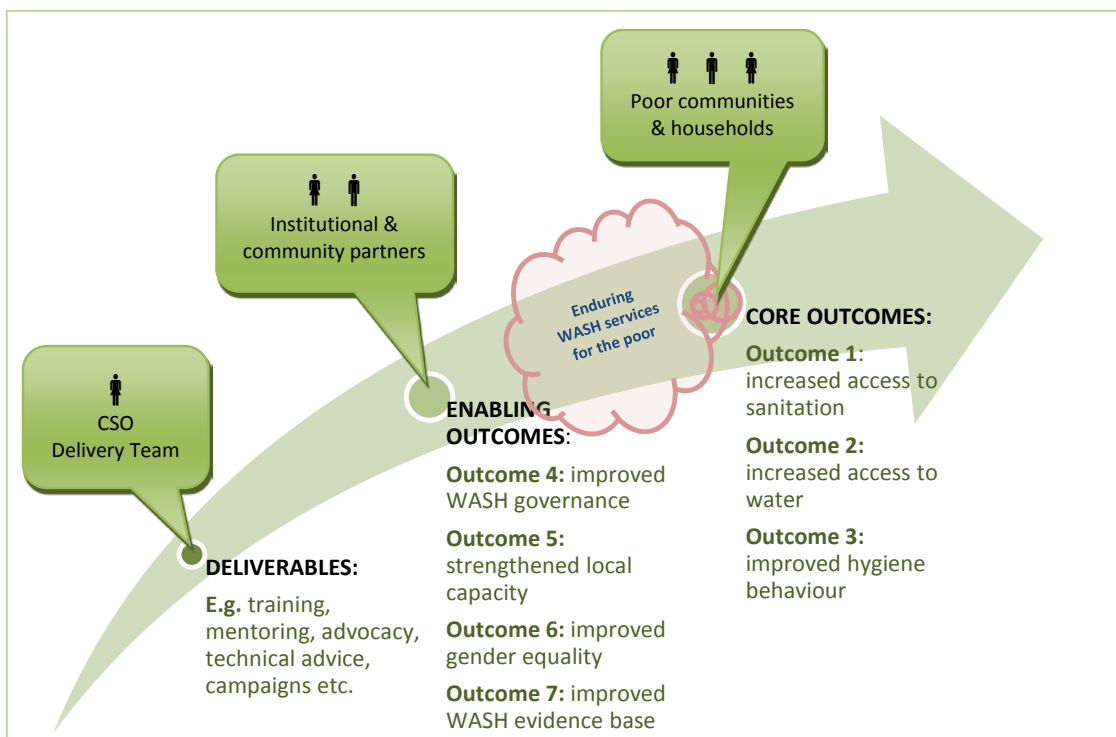
Figure 6: Theory of change for CSOs with predominant focus on enabling outcomes

The emerging consensus in international literature aligns with the findings of this review—that a direct delivery approach is of questionable value from a sustainability standpoint, although it is acknowledged that some operating environments preclude or limit other viable approaches.

> Recommendation
>
> 1.   The future Fund should have a core focus on supporting sustainability in the WASH sector through innovative CSO roles, and as such, IWP should avoid pressure on CSOs to deliver equivalent numbers of people with access to services as has been achieved in the current Fund.

Despite the short duration of the Fund (19 months), CSOs fully completed the majority of their deliverables (83%) and this led to achievement of more than two-thirds (69%) of the expected changes (see Figure 7 and Figure 8). Just over a quarter of expected changes (28%) were also partially achieved and only 3% were not achieved (shown by yellow and red in Figure 8). The areas of lowest achievement were hygiene behaviour change, building local capacity and contribution to the WASH evidence base. Reasons for this are discussed later against the relevant outcomes. Among reported changes against the Fund's enabling outcomes, only 32% were deemed significant and substantiated with adequate evidence, however this still represents 80 major contributions to the enabling environment for WASH services for the poor.

PAF Outcome	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	Outcome 6	Outcome 7
■ Not achieved	3	1			4	1	2
■ Partially achieved	19	11	10	8	26	9	6
■ Fully achieved	88	72	68	64	111	37	41
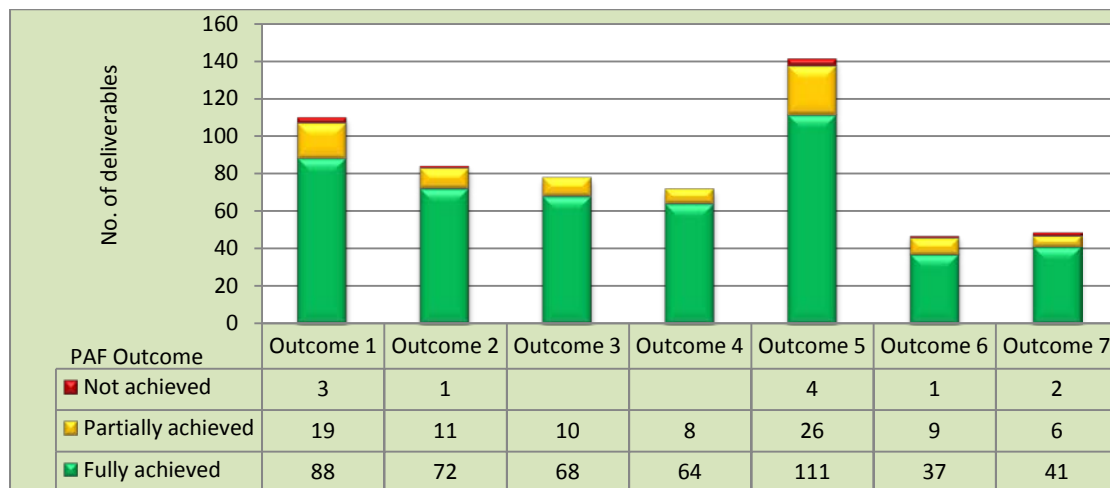
Figure 7: Relative completion of deliverables (self-assessment by CSOs)

PAF Outcome	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5	Outcome 6	Outcome 7
■ C Not achieved	1		3		4		4
■ B Partially achieved	19	11	24	15	19	21	7
■ A Fully achieved	53	38	26	32	78	37	26
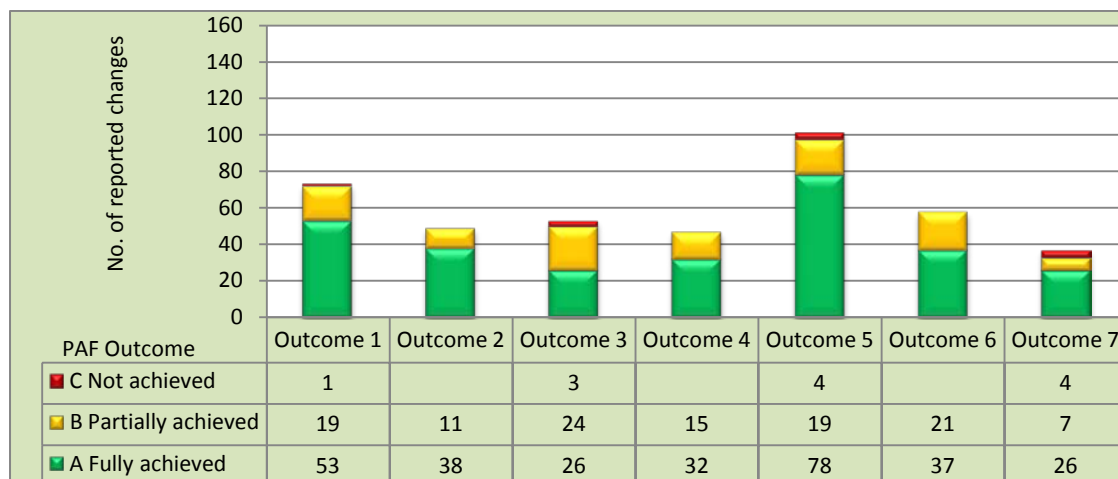
Figure 8: Relative achievement of expected change (assessment by MRP)

3.3 Achievements against core outcomes

This section describes CSO achievements against the Fund's core outcomes, and makes recommendations for the future Fund. The three core outcomes, each with two corresponding 'result areas' are:

- Outcome 1: Increased access to improved sanitation
- Outcome 2: Increased access to safe water supply services
- Outcome 3: Improved hygiene behaviour.

Further detail on the effectiveness of WASH approaches used by CSOs and lessons learnt in relation to these are described in Appendix D.

Outcome 1: Increased access to improved sanitation services

> **Outcome 1: Increased access to improved sanitation services**
>
> *Result Areas:*
>
> 1.1 Changes in access to different levels of improved sanitation
> 1.2 Changes in user demand, use or satisfaction with basic sanitation facilities

Result area 1.1 (changes in access to different levels of improved sanitation) – The achievements of the Fund in providing access to sanitation are shown in Figure 9 and attainment of planned targets by region is shown in Figure 10.
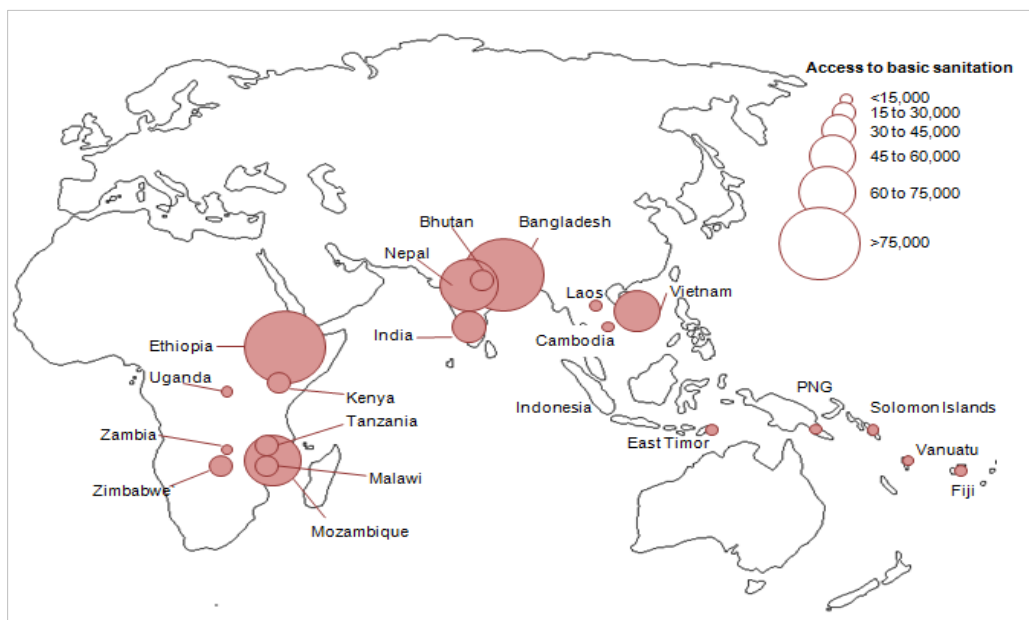
Figure 9: Achievements in increasing access to sanitation

	East Africa	Southern Africa	South Asia	South East Asia	Pacific
■Actual	146,245	104,653	403,369	123,380	4,741
▭Target	101,863	101,625	273,830	141,891	3,101

Figure 10: Additional people with access to basic sanitation (actual and targets)

The Fund exceeded the planned targets (see Figure 10), particularly in South Asia where community-led total sanitation (CLTS) triggering[4] produced better than expected results. Similarly, in East Africa several activities[5] were highly successful. In South East Asia achievements were slightly under targets due to less than anticipated CLTS results in Cambodia, Laos and Vietnam. Of the 782,388 people gaining access to basic sanitation, 67% gained access to facilities satisfying the JMP definition of improved access.

Result area 1.2 (changes in user demand, use or satisfaction) addresses the critical issue of facility use. Many CSOs[6] employed CLTS to encourage communities to be open defecation free (ODF). CSOs reported that **730 villages and 8 slums were declared ODF**, indicating both increased demand for sanitation and actual toilet use. Mixed results were achieved with sanitation marketing, identifying an area of further development for CSOs, and questions around sustainability of outcomes are raised by some CSOs. For further detail on the effectiveness of CLTS and specific lessons see Appendix D.

Recommendation
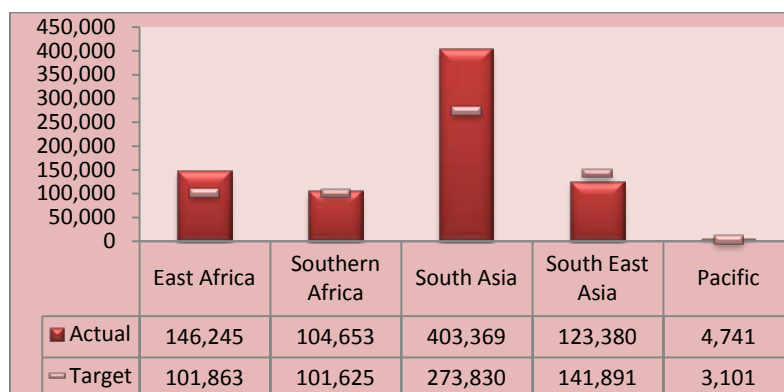
2.   CSOs should invest effort in deepening their skills in sanitation marketing.

3.   The future Fund should consider ways to contribute to the evidence base on sustainability of sanitation access gained through CLTS (eg. research or systematic ex-post monitoring of previous CLTS sites from this Fund).

WaterAid reported how **increasing sanitation demand** in India led to communities making applications to local government, resulting in 6,098 new latrines. SNV did not just monitor access to toilets, but also the hygienic use of toilets using a qualitative scale which could be replicated more widely. One CSO, Water and Sanitation for the Urban Poor (WSUP), used a household survey to establish consumers' **level of satisfaction** with new shared facilities in slums in Kenya and Bangladesh—finding satisfaction levels to be notably higher among beneficiaries compared with non-beneficiaries[7]. In this Fund CSOs did not generally record evidence of use or satisfaction with services—an area for further development.

In general, very little mention was made by CSOs about pit emptying or de-sludging services. It is important that these ongoing service needs are not forgotten, though they may occur outside the timeframe of the Fund itself. During monitoring trips it was clear that beneficiaries did not always realise their pit might fill and had no plan for that circumstance, and in some cases the toilet design did not enable emptying, severely limiting its useful life. CARE/WSUP Mozambique built on existing business structures, diversifying a small solid waste enterprise into de-sludging. This model may be usefully replicated elsewhere.

Recommendation

4.   CSOs should ensure sanitation programs include a focus on mechanisms and services for safe pit emptying and de-sludging, and ensure that latrine design allows for this.

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[4] Plan, SNV, Oxfam and WaterAid
[5] Particularly Plan and WSUP's
[6] Particularly Plan, SNV and WaterAid.
[7] In Kenya 2.2/3 for beneficiaries compared with 0.9/3 for non-beneficiaries; and in Bangladesh 2.9/3.

Outcome 2: Increased access to safe water supply services

> **Outcome 2: Increased access to safe water supply services**
> *Result Areas:*
>
> 2.1   Changes in access to safe water supplies
> 2.2   Changes in user demand, use or satisfaction with safe water services

Result area 2.1 (changes in access to safe water supplies) – The Fund achieved increased access to safe water as shown in Figure 1. The Fund exceeded targets (see Figure 12), especially in India.[8] Results for activities in Bangladesh[9] were better than expected, although targets may have been underestimated.
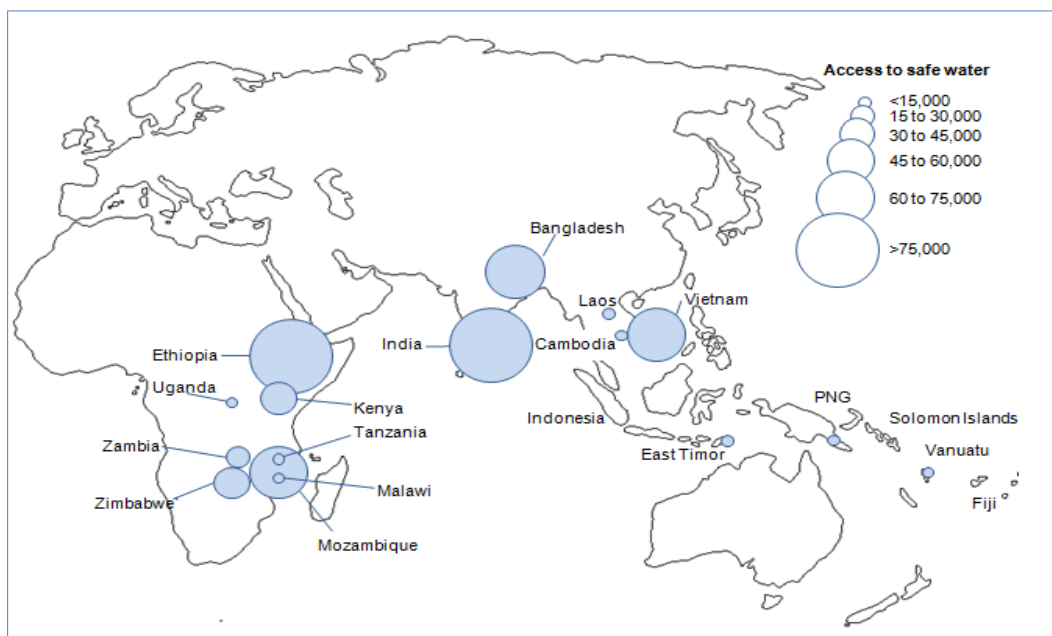
Figure 11: Achievements in increasing access to safe water

	East Africa	Southern Africa	South Asia	South East Asia	Pacific
■ Actual	142,626	125,917	208,481	79,924	6,654
▭ Target	112,208	124,850	57,460	49,146	8,385
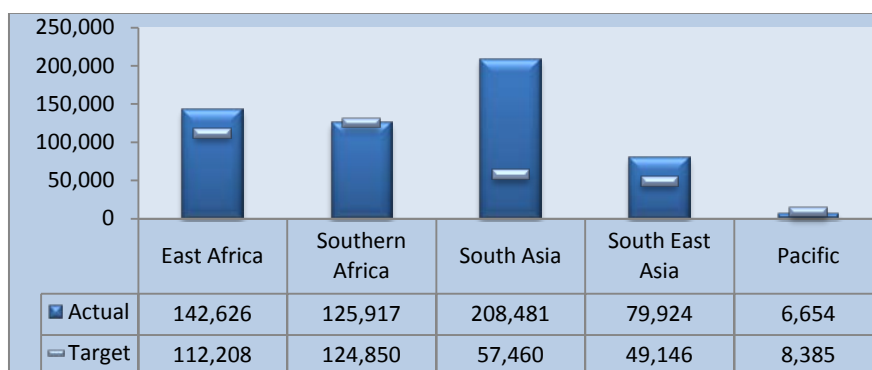
Figure 12: Additional people with access to safe water

Of the 563,602 people gaining access to safe water, 508,223 people (90%) gained access to 'improved water' satisfying JMP definition. The remainder included people whose water quality improved (e.g. adding arsenic filters to water distribution points) or who were supported with household water filters or other forms of treatment.

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[8] In India WaterAid achieved better-than-expected results through improved technologies and engaging public-private partnerships to repair existing systems
[9] Paritcularly WaterAid and Oxfam

Result area 2.2 (changes in user demand, use or satisfaction) – CSOs reported detail about water use and levels of satisfaction with services. The **water sources used** by beneficiaries before the Fund included inaccessible springs (Vanuatu), illegal untested piped water and arsenic contaminated water (Bangladesh), inadequate urban sources (e.g. Tanzania, with rationing and waiting time of up to 12 hours), unprotected springs (e.g. Timor-Leste) and unsafe surface water or hand-dug wells (e.g. many cases in sites in Africa).

Water supply **service level** is an important dimension that was given variable attention by CSOs. As mentioned above, 90% of people gained access to 'improved' water sources. Some CSOs also reported access times (up to 30 minutes) or distances (varying from accessible at a house or school from 100m to 1.5km) or quantities (for example 30, 40 or 60 litres per capita per day). A small number of CSOs specified that water quality was tested and met relevant national regulations (e.g. Plan India) but many CSOs did not mention water quality.

> Recommendation
>
> 5.   The future Fund should consider if and how 'service level' (water quality, quantity and distance) and differences in service level are accounted for.
>
> 6.   The future Fund should require CSOs to specify and adhere to a water quality protocol (e.g use of water safety plans etc.) to ensure safe water supply.

CSOs reported little about **household level water use**. Only Oxfam confirmed that communities in coastal Bangladesh were storing and using their water in chullis and kolsis effectively. WSUP was the only CSO that measured the **level of satisfaction** of people with water supply services. Household surveys found that satisfaction in an urban slum in Kenya was mixed (2/3) due to irregularity of supply (an issue which is being followed up) and very high (3/3) in low-income urban areas with new access to water in Zambia and Bangladesh.

The absence of information about user satisfaction from other CSOs, and limited use by CSOs of the indicator '*service providers monitored independently*' may suggest a larger issue raised in the international literature on community management of rural water supplies—that the largely informal and voluntary arrangements of WASH committees formed under this model rarely provide clarity of roles or a clear accountability relationship between the wider community (users) and the provision of services (the WASH committee as service provider).[10] Evolution in community management towards more formalised, professionalised management has been found to assist[11] and should be considered by CSOs. This subject is further expanded on in Appendix D.

> Recommendation
>
> 7.   The future Fund should encourage CSOs to reconsider their current model of community management and how they might support more formalised, professionalised service delivery with clear accountability relationships as well as advocacy for broader sectoral change to support such a model.

In some cases CSOs successfully tested innovative models for ensuring service delivery in the longer term; see Box 1.

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[10] Lockwood and Smits, 2011, Supporting Rural Water Supply, Moving Towards a Service Delivery Approach
[11] Ibid

> **Box 1**: **Innovation in private sector involvement in water service provision**
>
> EMWF used an output-based aid approach in the Mekong area in Vietnam to support private sector companies to build or rehabilitate water supply systems and take up roles in ongoing service provision and management of these systems. For the 27 private enterprises working with EMWF, the total resources provided by the private sector was about US$1million and almost 60,000 people received access to water, well above the target of 34,000.
>
> WSUP set up an innovative public-private partnership in informal settlements in Kenya, in which a commercial operator is accountable to a Neighbourhood Committee for agreed service standards as the basis for payment. Community members pay the Neighbourhood Committee user fees to cover the cost of receiving reliable WASH services.

> Recommendation
>
> 8.   The future Fund should support trialling of innovative approaches such as output-based aid to encourage and support local actors (private sector and CBOs) to take ongoing roles in supplying water services.

Outcome 3: Improved hygiene behaviour

> **Outcome 3: Improved hygiene behaviour**
>
> *Result Areas:*
>
> 3.1 Changes in safe hygiene practices in community members
>
> 3.2 Changes in prevalence of WASH-related diseases amongst beneficiaries

The Fund supported or influenced households and schools to provide hand-washing facilities with soap. However CSOs found measuring actual hygiene behaviour changes challenging. Consequently it is difficult to draw strong conclusions about the Fund's overall contribution to improved hygiene behaviour. Overall 87% of deliverables (e.g. programs, training and campaigns in schools and communities) were fully achieved however a low proportion (43%) of 'expected changes' were fully achieved.

An increase in 76,471 households and schools with hand-washing facilities and soap (31% higher than the target) was achieved (see Figure 13). This indicator is used in the sector as a proxy for hand-washing behaviour due to the recognised challenges in measuring hygiene behaviour change. While this large figure potentially represents a major achievement, it was not clear from the reporting how the majority of CSOs collected data for this indicator and whether the data is reliable as a predictor of behaviour change achieved. Recommendations for how to ensure integrity of indicators are provided in Appendix E.

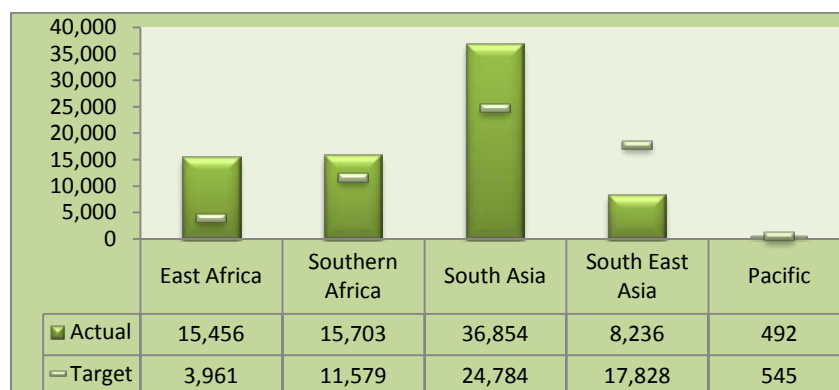|	East Africa	Southern Africa	South Asia	South East Asia	Pacific
■ Actual	15,456	15,703	36,854	8,236	492
▭ Target	3,961	11,579	24,784	17,828	545

Figure 13: Additional locations with handwashing facilities and soap

Result area 3.1 (changes in safe hygiene practices) **–** among the 52 reported changes in this result area, only 20% provided substantiated evidence of changed behaviour. In many cases CSOs simply re-stated their deliverables (e.g. "*22 target schools received their training and resource kits*") or relied on self-reporting of behaviour which is known to be unreliable (e.g. "*100% of households indicated they washed their hands with soap after defecation*"). Among the few substantiated changes was changed knowledge about critical times to wash hands, changed hand washing behaviour (through direct observation methods), improved cleanliness of latrines and changes in food hygiene practices of food vendors. For example see Box 2.

Box 2: Examples of significant, substantiated hygiene changes reported by CSOs

Plan Ethiopia: Baseline data in Activity target areas showed very low levels of hygiene practice. In Shebedino, no surveyed household had hand washing facilities at the time of the baseline (of 1,918 households). In Tiro Afeta, only 11% of the surveyed population (approximately 5600 people) had a covered toilet with a handwashing facility. Through ODF certification, it was determined that an additional 8,012 households had installed simple hand-washing facilities (representing 100% of surveyed households in Shebedino, and 92% in Tiro Afeta). Results of an end-of-project survey (Dec 2011) in Galuko Haro Kebele (Shebedino Woreda) indicated that 70% of households had functioning hand-washing facilities with soap or ash, 81% with water only, and 76% of toilets had covers. This illustrates that physical presence of facilities does not guarantee use, though these usage rates were relatively high.

WSUP Kenya: "87,555 people (43,463 men/boys, 44,092 women/girls) with knowledge of the critical times to wash hands with soap (based on independent evaluation questionnaire in schools targeted by the School of Five campaign and a household survey in Kambi Muru)."

WaterAid Bangladesh: Since installing hand washing devices in 60 community latrines and undertaking hygiene campaigns in the project area, 125,220 people in 352 communities have adapted hand washing with soap after defecation; among these 106,240 also practise hand washing before eating. 35% people now wash hands after defecation (compared to 8% baseline), 30% before eating (versus 7% baseline), 19% before handling food (versus 5% baseline), 11% before feeding young children (versus 3% baseline) and 12% after cleaning children's bottoms (versus 4% baseline). Data sourced from community situation analyses and post project monitoring, based on direct observation of washing behaviours.

Schools were a strong focus in the Fund, in terms of both provision of facilities and improving hygiene behaviour change (24% of hygiene efforts were focused on schools. The Fund increased facilities in 516 schools (see Figure 14)[12]. Few CSOs reported actual hygiene behaviour changes in schools, with the exception of Plan Uganda who noted a change from 30 - 40% of girls and boys accessing hand-washing facilities after defecation to 62%. School health clubs were found to be a successful approach (see Box 3), although Plan Uganda noted challenges in gaining cooperation from teachers.

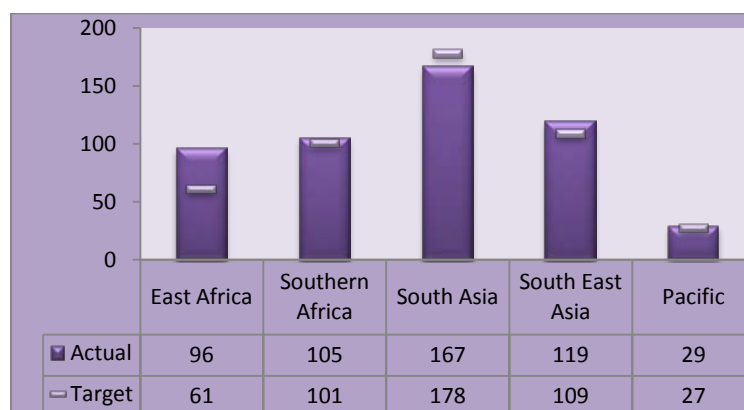|	East Africa	Southern Africa	South Asia	South East Asia	Pacific
▪ Actual	96	105	167	119	29
▫ Target	61	101	178	109	27

Figure 14: Additional schools with water, sanitation or handwashing facilities

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[12] Since water supply, sanitation and hand-washing facilities were collected within the same indicator the relative proportions of each facility are unknown.

> **Box 3: Success of school health clubs (Plan India)**
>
> The promotion of good hygiene practices through Student Health Clubs was a successful approach, with the establishment of 461 functional Student Health Clubs. The active participation and ownership by students was brought about through strong leadership by teachers and support from School Management Committees. Effective, child-friendly Information, Education and Communication (IEC) materials also helped the Clubs' effectiveness and appeal. Students involved in the Clubs became active in transferring knowledge of good hygiene amongst their peers, as well as monitoring hand washing behaviours and overseeing management of the infrastructure maintenance funds. (Plan India)

A broader recommendation arising from monitoring trips is for CSOs to seek wider influence in school sanitation by strengthening the engagement with the Ministry and/or Department(s) of Education. Other CSOs have also noted this, for instance WSUP Bangladesh reported that *"Sustainable hygiene promotion education through schools would be improved if the capacity development aspect was directed at schools and the MoE [Ministry of Education] from the start of the program i.e. planning stage."*

> Recommendation
>
> 9.   CSOs should consider how to engage more strategically and systematically with Ministry and Departments of Education to attain maximum and influence in their work on WASH in schools.

Result Area 3.2 (changes in the prevalence of WASH-related diseases) was largely under-reported or unsubstantiated due to the challenges faced by CSOs in capturing and attributing epidemiological results arising from WASH interventions. The established evidence base that links WASH to improvements in health is sufficient to rest on and leading researchers suggest it is not appropriate to attempt to undertake small-scale studies to measure health changes at project level due to lack of reliability.[13] Some CSOs reported health clinic data on diarrhoea, which is useful to collect, however cannot be treated as reliable 'proof' of impact given the methodological challenges of making this link. Diarrhoea cases are subject to seasonal fluctuations and many cases are not reported.

> Recommendation
>
> 10.   The future Fund should discourage CSOs from small-scale empirical studies to attribute health outcomes to interventions since reliable evidence requires large-scale expensive studies not justifiable at project level.

Two important lessons surfaced with respect to hygiene behaviour change. First, several CSOs found that more time was required for hygiene behaviour changes to emerge than was provided in this Fund, and as such some targets were overly ambitious. Second, one CSO questioned the efficacy of the usual hygiene education methods and identified the need for more research *"to identify the true motivators"*; and Live and Learn Vanuatu observed that health benefits were not the main motivators—instead suggesting status, safety, pride, comfort and prestige. Only SNV undertook formative research in each of four countries with

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[13] Cairncross and Carter (2010) suggest that it is not appropriate to attempt to measure health changes at project and program level since reliable evidence requires large scale studies: *"In the 1970s and 1980s a lot of eminent epidemiologists got involved in this business [ie collecting evidence of health outcomes] and burnt their fingers and their reputations by reaching unsubstantiated conclusions. So it's not something to be done by amateurs, it's not to be done as part of routine project evaluations"*. There is already significant research that links WASH with improvements in health (see Cairncross et al, 2010).

local stakeholders for the purpose of developing behaviour change communication (BCC) strategies with government partners.

Recommendation

11.   The future Fund should encourage CSOs to undertake formative research to better understand locally relevant motivators for hygiene behaviour changes and develop more sophisticated strategies to effect change.

3.4   Achievements against enabling outcomes

The Fund made considerable contribution to improving the enabling environment for WASH services to the poor. A total of 80 outcomes were assessed by the MRP as significant, which on average represents approximately 2 significant outcomes per activity across the Fund. The largest number of significant reported changes concerned building local capacity (Outcome 5), followed by gender equality (Outcome 6), then governance (Outcome 5) and finally, contribution to the WASH evidence base (Outcome 7).

SNV, followed by Oxfam, WaterAid, Plan and WSUP achieved the highest number of significant reported changes per activity in relation to the enabling environment; with all achieving an average of more than five significant reported changes per activity funded. This is in line with findings in the IPR that these agencies had explicit strategies to address the enabling environment (IPR, 2011; p17).

Across the four enabling outcomes, CSOs fully completed 82% of deliverables, and more than two-thirds (68%) of expected changes were achieved. However, among the reported outcomes, only one-third were assessed as both substantiated and significant, and many of the expected changes defined by CSOs at the outset were vague or non-specific (see IPR; p22). This reflects the need to improve both design and M&E quality. Overall, the experience from this Fund shows that working to strengthen the enabling environment for WASH is complex, requires sufficient contextual understanding of the WASH sector status, needs and points of leverage, and also requires considerable time.

Recommendation

12.   In the future Fund, the design process should ensure that CSOs undertake sufficient contextual analysis of the WASH sector in the countries and regions in which they work to identify well-considered strategies and actions to support the enabling environment. CSOs should also be supported to articulate clearly conceived ideas of 'what success looks like' in this domain.

The following sections report achievements against the four enabling outcomes:

- Outcome 4: Improved WASH governance
- Outcome 5: Strengthened capacity in partner countries
- Outcome 6: Improved gender equality
- Outcome 7: Improved WASH evidence base

Beyond the analysis presented below, Appendix D provides insight into strategies to effect change in the enabling environment towards more sustainable service delivery outcomes.

Outcome 4: Improved WASH governance and effectiveness

> **Outcome 4: Improved WASH governance and effectiveness**
> *Result Areas:*
> 4.1 Changes in WASH sector governance by institutional actors
> 4.2 Changes in capacity of local communities to demand and defend their WASH rights

There is evidence that CSOs influenced WASH governance arrangements and, in particular, the capacity of local communities and vulnerable groups to negotiate their WASH rights with duty bearers. CSOs reported 16 changes that were assessed by the MRP to be significant. A further 16 were 'small-scale or inconsequential' and the remainder (15) were either inadequate or unsubstantiated. Compared with CSO's 'expected changes', only two-thirds were fully achieved at completion. This under-achievement of changes contrasts with the fact that CSOs reported that in 89% of deliverables were fully achieved. This raises questions around the efficacy of CSO theories of change in WASH governance.

Result area 4.1 (changes in WASH governance) – the 12 significant outcomes demonstrated by CSOs against this result area included the types shown in Figure 15. An example of the role CSOs played in **re-establishing sector working groups** was provided by SNV Cambodia which re-established provincial-level WASH working groups in two Provinces—ensuring regular meetings and clear agendas on hygiene and sanitation status and planning:

Figure 15: Types of governance outcomes

"*Provincial multi-stakeholder dialogue on sanitation was new for partners. In a short timeframe, this has become widely accepted and has proven its value already. In particular the direct communication in between Health, Education and Rural Development has achieved some results, as e.g. the initiative on school sanitation and unlocking the latrines, as well as the integration of sanitation in the Commune Investment Plans.*"

A **pro-poor influence** on governance, policy and planning processes was achieved by SNV in three countries (Nepal, Laos and Bhutan) and by WSUP in Kenya. For instance in Bhutan, SNV's joint research on pro-poor support mechanisms with the Ministry of Health informed national policy reformulation and is reflected in district level administration and planning; the latter in terms of how poverty is understood with respect to sanitation, and ways in which micro-finance services and local government or traditional community support can be mobilised to ensure inclusive access to all. WSUP, working in urban slums in Kenya, successfully supported linkage between low-income consumers and relevant authorities, to the point that "*relevant ... staff have given...their telephone numbers*".

Improved **multi-stakeholder coordination** in government planning processes was achieved by SNV (Bhutan and Laos), CARE (Zimbabwe) and WSUP in Bangladesh. In Laos SNV reported that the Provincial Office of Rural Development improved coordination and communication with other sector stakeholders, joint working procedures and monitoring of activities by NGOs. In Zimbabwe as a result of CARE's support, the government water authority in two districts reoriented the sector committee's duties to ensure coordination and provide better

ward and village level outreach. In addition, district and ward committees developed WASH sector plans, conducted coordination meetings and undertook joint monitoring visits.

CSOs improved the **enabling environment for private sector participation** in Mozambique (CARE) and in Nepal, Laos and Vietnam (SNV) (see Box 4). In Mozambique CARE were successful in encouraging municipal authorities to engage with private sector in pit emptying services. They demonstrated a faecal sludge management model that is hygienic and financially viable. The model could be replicated since both business and the municipal council are interested in expanding this engagement.

Box 4: Creating an enabling environment for small-scale private sector in sanitation

SNV's approach included a focus on the role of private sector companies and strategies to reduce the barriers to their participation in sanitation, since small-to-medium enterprises were found to be largely missing from the sector and neither they, nor local government, seemed to have an understanding of the potential for their engagement. SNV facilitated analysis of barriers faced by private sector and initiated dialogue between government and private sector to shift this situation. In Vietnam commune and district government authorities now recognise the role of the private sector in sanitation to provide technically efficient and locally available masons and hardware suppliers. In Laos as a result of SNV's work, local government have initiated a consultative process to address barriers to small-scale private sector in sanitation and have set up a revolving fund for small and medium sized enterprises to enable a stock of materials after harvest time when demand is high.

Result area 4.2 (changes in capacity of local communities to negotiate their WASH rights) – only four outcomes were judged as significant, and eight were considered 'small-scale or inconsequential'—a finding that seems low for a large civil society initiative such as the Fund. The mixed effectiveness described by CSOs highlights the challenges in this domain and the need for strengthened focus and clear strategies if progress is to be made. Examples of successful work included Plan Kenya, SNV in Cambodia, Nepal and Vietnam and WSUP in Zambia. Plan Kenya demonstrated that careful handling of social accountability approaches can lead to successful results:

> "*Community members have become more vocal, organised and direct when demanding improved sanitation services. This is perceived to be politically motivated by some, and has limited CCS and community efforts to increase local availability of hygienic toilets. However, after intense lobbying, the City Council of Nairobi (CCN) and the Local Authority Service Delivery Action Plan agreed to co-finance construction of two additional public sanitation facilities*"

In Cambodia through the work of SNV, the Commune Investment Plan and the Five-year District Plan both now prioritise sanitation and hygiene by women, socially excluded groups (including poorest and female headed households) people living with HIV and AIDs and vulnerable elderly) through a representative process that enables advocacy with local decision-makers.

Outcome 5: Strengthened capacity in partner countries

Outcome 5: Strengthened capacity in partner countries

Result Areas:

5.1   Changes in capacity of WASH actors (community members, CSOs or institutions) to effectively plan, design, operate and/or maintain WASH facilities

5.2   Changes in capacity of WASH actors (communiy members, CSOs or institutions) to address hygiene promotion

5.3   Changes in participation of private sector

5.4   Changes in capacity of local and national institutions to implement WASH sector policies

5.5   Changes in capacity of WASH actors (institutions or CSOs) to address environmental issues in WASH provision

5.6   Changes in capacity of CSOs to play social accountability roles in WASH

Outcome 5 concerned the strengthening of capacity of a variety of WASH sector actors (see Result areas listed above). Arguably, capacity development is at the heart of sustainable improvements in WASH services for the poor. Against this outcome, 74% of expected changes were fully achieved, 18% were 'partially achieved' and 8% were 'not achieved'[14].

CSOs predominantly focused capacity building efforts on operational aspects of WASH, as depicted below in Figure 16 which shows that the majority of the reported changes were against Result Area 5.1 (changes in capacity to plan, operate and maintain facilities). Note also in Figure 16 the relative under-achievement of 'expected changes' in capacity of local actors to undertake hygiene promotion (Result area 5.2), of private sector (Result area 5.3) and of other local and national institutions (Result area 5.4). Also note the stark lack of focus by CSOs on building capacity in environmental protection (Result area 5.5) and of community-based organisations to undertake social accountability roles (Result area 5.6).
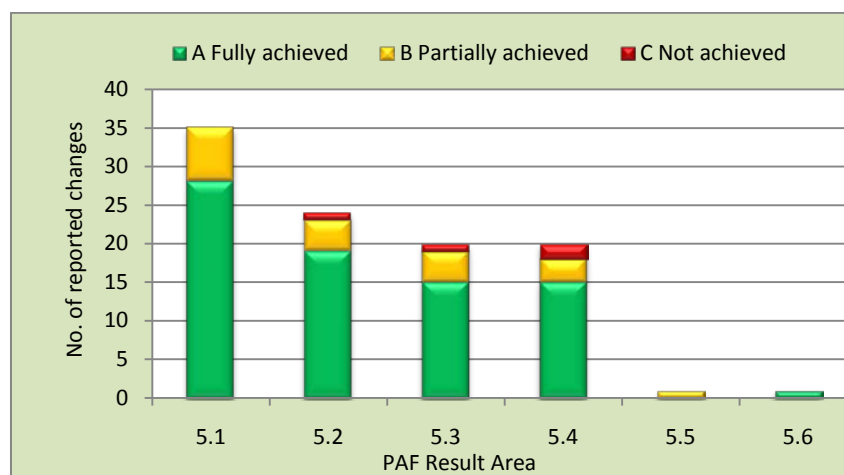
Figure 16: Relative achievement of expected changes for PAF Outcome 5 (strengthened capacity)

Result area 5.1 (changes in capacity to plan, operate and maintain WASH facilities) – Of 37 'reported changes', the MRP assessed only three[15] to be 'significant' (i.e. representing important changes that were well substantiated) and a large number (40%) were assessed as 'inadequate'. This situation is likely a function of the well-established challenges associated with 'measuring' changes in capacity. Overall, the large majority of changes reported were focused on the **formation of and training provided to water user committees**, and some CSOs reported on functioning fee collection systems. However international literature puts into question the ongoing sustainability of these groups (see Appendix D). Some CSOs also reported innovative approaches (e.g training pump menders), e.g Oxfam Zambia reported:

> *"Oxfam trained 17 local artisans in pump operations, maintenance and repairs and provided them with toolkits. Reports from local government's supervisor engineers show that the 17 artisans, or "private service providers" have rehabilitated/repaired 50% (10) of the defunct handpumps in their community areas. Their work is of good quality and adheres to national guidelines."*

Recommendation

13.   In the future Fund CSOs should be supported at design stage to underpin capacity development work with better developed theories of change and clearer conception of what success 'looks like'.

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[14] Altogether, 106 statements of outcome were provided by CSOs
[15] Plan in Kenya and Tanzania; WSUP in Kenya.

Result area 5.2 (hygiene promotion capacity) – only five of 24 'reported changes' against this result area were assessed as 'significant'[16]; nevertheless, in at least two of these cases there was plausible evidence of increasing capacity to undertake hygiene promotion in national institutions; for example:

> *"The unanticipated achievement has been that BCC [behaviour change communication] has now been picked up by all national stakeholders including the Ministry. As a result of this interest and sharing of materials, a BCC strategy is currently being developed for Cambodia as a whole"* (SNV, Cambodia)*.*

Result area 5.3 (changes in participation of private sector) – Somewhat encouraging was the finding that CSOs influenced positive changes in the capacity of private sector to participate). Of the 20 'expected changes' in this challenging domain, 19 were reported as either fully achieved or partially achieved. However, the MRP assessed that only seven of these changes were significant. Important changes included increased sales activity in sanitation-related products and services, including the development of new industries. In a notable example, WSUP working in a high density urban slum setting in Kenya reported:

> *"The capacity of the pit emptiers, the water vendors and the solid waste collectors has been improved through training. All water vendors in Kambi Muru now have legal connections and have agreed to inform the NCWSC if any vendor takes an unauthorised connection. Solid waste collectors are now organised into a functioning network and household collection arrangements have been strengthened".*

Engagement of the private sector by CSOs is a developing area, and many of the CSOs reported lessons learned in this domain, especially in relation to the time required to develop supply chains which are necessary to ensure sustainability of WASH services; particularly in areas where government service delivery is weak. Another area in which private sector actors were reported to show promise was in waste disposal services. For example, CARE in Mozambique and WSUP in Kenya worked to support local enterprises to provide viable sanitation services. In several instances, 'enterprises' were created to provide services, but these were in effect community organisations and as such lacked the leadership and skills to operate on a genuinely commercial basis. This issue is elaborated on in Appendix D.

Recommendation

14.   Private sector actors were found to play an important role in sustainable WASH services. In the future Fund, CSOs should build on learning from this Fund about effective ways to create or engage private sector organisations.

Result Area 5.4 (changes in capacity of local and national institutions to implement WASH sector policies) – A recognised challenge in many contexts is the capacity of local and national institutions to translate their WASH policy into practice. CSOs defined 21 'expected changes' in this area, of which 18 were either fully or partially achieved. The MRP assessed that nine were 'significant' (WaterAid, WSUP, Plan and SNV). A notable example of increased capacity of district government is shown in Box 5. Also, through a monitoring trip in PNG, it was evident that WV had been successful in strengthening community networks and linkages through establishing a District Monitoring Committee. This committee comprised representatives from Local Level Government, District Health, Water Management Committees, community leaders, churches and schools, and monitored WASH activities including the construction of toilets, rubbish pits and hand-washing facilities.

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[16] SNV in Cambodia and Vietnam; Oxfam in Bangladesh.

> **Box 5: Significant change in capacity of district government to lead CLTS (Plan Indonesia)**
>
> "10 sub-districts in the project area have newly established Sanitation Task Forces with a total of 11 female and 34 male representatives from the Health Centres, District Office, Education and Health Departments. Each task force has received new government operational budgets to monitor CLTS activities in their sub-district. The operational budgets are used to monitor defecation practices, assist the village to become ODF and to inform District authorities if/when ODF status is achieved.
>
> The capacity of the Grobogan District Government to lead a CLTS campaign was greatly assisted through the establishment of a new village CLTS fund in all 10 sub-districts (the District Head recently instructed all villages to budget Rp3million (A$320) to support CLTS activities). Monthly meetings of the District WASH working group with various government departments are used to track progress, resolve problems and plan for future actions. District WASH working groups are monitoring progress of CLTS in their own sub-districts."

Result area 5.5 (capacity of local WASH actors to address environmental issues in WASH provision) – As noted earlier, performance against this result area was disappointing, with only one of the 45 projects within the Fund reporting a partially achieved change—which the MRP assessed to be unsubstantiated and of limited significance[17]. Given the direct relationship between WASH interventions and wider water resources management, particularly in the context of climate change, it is of concern that CSOs have shown limited commitment to engage in this domain.[18] The MRP is of the view that this issue should attract dedicated focus in the future Fund—especially given AusAID's environment and climate change priorities, with emphasis on a holistic approach to water cycle management.

> Recommendation
>
> 15.   The future Fund design stage should ensure CSOs build local capacity to address environment, water resources and climate change in WASH service provision.

Result area 5.6 (capacity of local community-based organisations in social accountability) – A similar and even stronger criticism relates to the Fund's performance against this result area. Arguably, a fundamental role of civil society is to hold government and private sector accountable for services. In this vein, a recent Office of Development Effectiveness (ODE) evaluation of civil society engagements noted the need for AusAID to choose "*intermediaries on the basis of their ability to develop sustainable local civil society*". In 2010 access to both water and sanitation were deemed to be human rights; hence there is sound argument for the use of rights-based approaches in WASH initiatives. Examples of successful social accountability work by INGOs in other areas of basic service provision such as health and education could be used as models.[19] A few examples of this kind of work were undertaken within the Fund (see examples reported earlier under Result area 4.2); however, the absence of reporting under Result area 5.6 demonstrates a gap and the need for CSOs to consider if and how such approaches could become a stronger focus.

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[17] The MRP noted that CSOs tended to report environmental issues as a crosscutting theme rather than an achievement under Result Area 5.5. Even so, much of the information reported as an environmental crosscutting theme related to risk mitigation measures undertaken by the CSOs in implementation rather than environmental outcomes—such as changes in partner capacity to address environmental concerns.

[18] The original decision to locate this Result Area under Outcome 5 was because of the importance of building partner capacity to consider environmental impacts as a critical element of sustainability (i.e. rather than focusing on environmental protection as a direct deliverable of CSOs).

[19] See, for example, World Vision International's recent work on Citizen Voice and Action

> Recommendation
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> 16.   The future Fund should specifically support CSOs to experiment with constructive approaches to social accountability that increases citizen voice to negotiate for WASH services.

Outcome 6: Improved gender equality

> **Outcome 6: Improved gender equality**
>
> *Result Areas:*
> 6.1   Changes in the influence of women in planning and implementing WASH services
> 6.2   Changes in capacity of WASH actors (CSOs or institutions) to take a gender-sensitive approach
> 6.3   Changes in gender equality in homes, schools or community (reported in impact section, p26)

Overall, the Fund demonstrated achievements in addressing gender equality, however, common challenges inevitably arose. In this section we report on Result areas 6.1 and 6.2. Result area 6.3 is discussed in the impact section (Section 3.6). Only 57% of expected changes in women's influence on planning and implementing of WASH services were fully achieved; and of the 32 reported changes, only half were deemed significant.

Result Area 6.1 (Changes in influence of women in planning and implementing WASH services) – Significant changes reported under this area included evidence of increased influence rather than simply increased 'participation'. **Strong influence of women on planning and design** was reported by ARC, CARE, WaterAid and Oxfam. For instance, women's involvement in ongoing management and financial management was noted by WaterAid Ethiopia through 31 female scheme caretakers; and CARE in Laos reported women's elevated roles in maintenance of WASH facilities and fee collection. Several examples were also provided of **women's involvement in sanitation promotion**. Plan found that "*engaging more women and placing women in leadership roles at the Para/Ward level was very effective*". SNV and EMWF in Vietnam both developed successful partnerships with the Vietnam Women's Union who actively mobilised women at community level and found women to be inherently interested and motivated to improve sanitation.

SNV achieved **increased women's involvement in skilled labour and management decisions** of private sector sanitation businesses. For instance, SNV Cambodia influenced a shift from no women's involvement to women being engaged and influencing management in all four partner enterprises. SNV Vietnam was successful in assisting 12 female masons to move from assistant mason roles to running professional toilet construction services. Evidence of **women having voice in sub-district and district level committees** or meetings and at national meetings was also reported by CSOs. For instance in Bangladesh, women's WASH platforms initiated by Oxfam attend quarterly Upazila (district) level meetings to advocate for greater attention to WASH in the district, and in Cambodia similar women's groups both managed small grants on WASH-related initiatives and advocated for increased attention on service delivery at a national forum in the presence of relevant ministries. In Nepal, SNV's work moved beyond strong representation of women in water user groups, to women also comprising 38% of village development committee (VDC) WASH committees who are taking leadership in sanitation. Similar results were reported in SNV's Vietnam activity where women in the Province of Dien Bien influenced district level meetings.

These achievements are tempered by CSOs acknowledgement of the **challenges of addressing gender equality**. SNV Bhutan noted the need to further sensitise programme staff, government partners and potential female participants*.* As Oxfam Cambodia reported *"[g]ender equality takes time"*, which is aptly demonstrated by Care Zimbabwe's observation that: *"The absence of latrines at most households was the reluctance or delays by men to construct them. There is a need to identify more innovative means of engaging women on latrine building (as well as to advocate for technologies that can easily be constructed by women)".* Oxfam reported a wider point that it is important for all CSOs to reflect upon and to consider how they involve men in efforts to address gender equality:

> *"One of the lessons emerging from commissioned research into Oxfam's gender sensitive approach is that emphasizing WASH as the province of women legitimates women led activities, but can end up reifying a gendered rationale for different kinds of participation in emergent forms of 'civil society'. The appropriate role for men requires further analysis."*

Result area 6.2 (Changes in capacity of WASH actors to take a gender-sensitive approach) – Achievement against this area was disappointing. Only one change was reported that demonstrated changed capacity to take a gender sensitive approach (Oxfam reporting about their own staff)—a finding which is anomalous with the strong gender focus of the Fund. This may represent either a lost opportunity, or may be due to inadequate reporting. No CSOs mentioned if or how the capacity of local partner organisations to take a gender sensitive approach was strengthened.

> Recommendation
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> 17. The Fund achieved many significant results in addressing gender equality, however the future Fund should strengthen focus on building the capacity of other partner organisations in gender equality and gender responsive approaches. CSOs should reflect on why this wasn't given priority.

Outcome 7: Improved WASH evidence base

> **Outcome 7: Improved WASH evidence base**
> *Result Areas:*
> 7.1 Increase in evidence-base about effective WASH approaches
> 7.2 Uptake of lessons and new approaches

The WASH Fund made only modest contributions to the WASH evidence base and the uptake of evidence. Overall, 84% of deliverables planned under this outcome were fully achieved, and 70% of expected changes were realised. Only 10 reported changes were judged as significant in that they demonstrated a new evidence base, efforts to disseminate approaches to a wide audience, or uptake of CSO approaches by other sector actors.[20]

Result area 7.1 (increase in evidence base about effective WASH approaches) – Four significant results were reported by EMWF, Oxfam, SNV and WaterAid. EMWF **demonstrated effectiveness of an output-based aid approach** to providing water services by exceeding the target number of enterprises, leveraging resources from the private sector and beneficiaries (in the vicinity of US$ 1million) and demonstrating a high level of satisfaction among users. WaterAid was approached by several other NGOs working in

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[20] A large number (10) of reported changes were deemed inadequate, and even more were 'small-scale or inconsequential' (14) highlighting that CSOs found it challenging to capture and report against this outcome. The PAF provided ideas about "measurement to focus on" but these were not taken up; for instance no CSOs reported the unit costs of their work and few pointed out critical success factors and risks.

Timor-Leste to offer guidance and expertise on WASH approaches. Oxfam organised a **large-scale National WASH Forum** in Cambodia for one hundred participants, including national ministries, and local and provincial authorities, multilaterals and CSOs and INGOs. Women's WASH platforms presented to this audience and discussion was held on how to ensure practices were more gender sensitive. WaterAid Bangladesh, through **action research,** developed 'three wheeler mobile toilets' for people with disabilities which are now in service benefiting 12,000 people, and this innovation has been shared with slum residents and the City Corporation in Dhaka.

Result area 7.2 (uptake of lessons and new approaches) – Against this area CSOs mostly reported about dissemination processes and 'interest' in their work by others, but little or no evidence of resulting changes. Notable work included the following. EMWF in Vietnam conducted a conference in Da Nang bringing together Ministry of Health and Vietnam Women's Union, Vietnam Bank for Social Policies as well as other local agencies. Lessons drawn from this process have influenced the **design of a new sanitation program** for 100,000 households for the next three years. WaterAid Timor Leste reported that they have been **approached by several NGOs provide guidance and expertise** on WASH approaches. Live and Learn in the Pacific similarly described how other CSOs have requested access to their resources on hygiene education and sanitation marketing.

> Recommendation
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> 18.   The future Fund should link research with CSO work since this Fund demonstrates limitations in CSO attention to and skills in building the WASH evidence base.

3.5   Output delivery

All AusAID funds were acquitted ($A30,384,714, or 99.9% of funds disbursed) against 584 deliverables. The deliverables were generally well articulated and reported by partners, although scarce attention was given to the quality dimension of output measurement.

Partners self-assessed achievement of deliverables in their progress reports and completion reports using a red/yellow/green ranking system shown in Figure 12. At completion, the majority (83%) of deliverables were achieved, 15% partially achieved and 2% not achieved.[21]

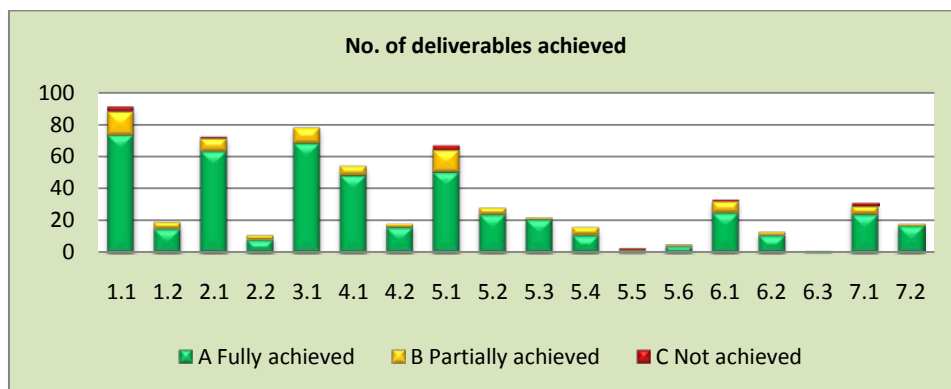**Figure 12: Achievement of deliverables**

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[21] This result is not significantly different to the deliverable assessment undertaken on the CSO's March 2011 progress reports submitted prior to the approval of a 6 month no-cost extension; suggesting that under-achievement of some deliverables was more likely due to poor design or factors outside the control of implementers, rather than the timeframe of fund

The MRP undertook qualitative analysis of **deliverables rated B or C (partially or not achieved)** to determine their importance and the likely extent to which they affected the achievement of expected changes. Of the 90 deliverables rated B or C, 80% (72) were assessed as having no or minor effects on achievement of expected changes. The 20% (18) of deliverables rated as having major consequences mostly related to establishing viable and functioning water user groups and small enterprise sanitation marketing groups, implementation through local partners, and engaging government in WASH delivery.

The MRP also analysed the **project implementation issues and lessons learned** by CSOs, with 56 of the 127 (44%) reported lessons identifying the need to improve activity design, planning or target-setting. Two-fifths (26) of lessons highlighted the need for improved stakeholder engagement, especially during design. Other lessons highlighted the need to find better ways to: increase women's participation (8); engage government (13); build the capacity of local partners (5) and address supply chain issues and sanitation marketing (7).

Overall the Fund achieved **above its targets** for access to water (26% above target) and sanitation (60% above target). There was however significant **variation in target realisation across activities and CSOs.** For water, target realisation ranged from less than 50% (3 activities) to greater than 200% (4 activities). For sanitation, achievement ranged from less than 50% of target (9 activities) to greater than 200% (9 activities). A number of factors influenced achievement of targets. In India for example, WaterAid's activity resulted in 122,740 more people receiving access to water than planned as a result of strategic support to public private partnerships to restore hand pumps (96,740 additional people). In Vietnam, EMWF reported that the higher than expected result (25,578 additional people above planned) was due to high demand for services from households, willingness of private enterprises to share a high proportion of capital costs and the time provided by the no cost extension. Oxfam reported that the higher than expected result for sanitation in Bangladesh (16,057 versus 5000 planned) was due to exchange rate gains.

CSO's also **reported a number of challenges, largely out of their control, in meeting targets**. For example, severe floods in Laos and Cambodia, and persistent drought in Kenya negatively affected local livelihoods and meant that many people were engaged in looking for water and pasture for their livestock and unable to participate in sanitation programs. One project in the Pacific encountered unsurmountable issues with their local implementing partner.[22] Also in the Pacific, one CSO reported the poor performance of a government implementing partner as the major reason for not meeting targets, precipitating the need for two no-cost extensions. Both examples highlight the need for pragmatic assessments of capacity, constraints and fiduciary risks before tasking local partners with project implementation responsibilities. Several projects acknowledged that their **targets were overly ambitious** and not adequately reflective of the factors likely to impact upon their achievement. One CSO for example reduced the target for additional people with access to basic sanitation from 28,800, set at project start, to 206 at project completion.

> Recommendation
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> 19.   In the future Fund, CSOs should be supported to: improve the design process ensuring broader participation of stakeholders and the envisaged target population; strengthened capacity assessment of local partners; and preparation of realistic and pragmatic targets.

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[22] The services of the local partner were subsequently terminated and a redesigned project is now being implemented directly by the CSO using its own funds.

> 20.   The future Fund should maintain awareness of the challenges of working in the Pacific and maintain space for exploration of effective approaches

One final implementation issue is that during the course of the Fund it became clear to the MRP that some CSOs had little experience in WASH in certain countries where they put forward proposals. This suggests that the Fund selection process was not adequate in filtering CSOs with strong WASH experience. The selection process for the new Fund has been adjusted to overcome this issue.

3.6   Beneficiary impact and cross cutting themes

In line with design/M&E convention, the Fund's impact was defined as '*significant and lasting changes in the lives of the ultimate beneficiaries of CSO projects*'. As such, impact was interpreted both from the standpoint of the human actors concerned ('who changed?') and the nature of the changes witnessed ('what changed?').

The **main beneficiaries** ('who changed'?) of the Fund were described earlier in Figure 2, and overall, comprised 80% poor rural communities and 20% poor urban inhabitants of informal settlements. In the impact section of their reporting, CSOs commonly described beneficiaries in generic ways at the community level[23] but some projects defined impact more narrowly at the household level[24]. Of the 45 projects that comprised the Fund, 25 projects (55%) reported explicit impacts in the lives of females[25]. School students were also a focus, and 17 of the 45 projects (38%) reported school-related impacts.

A small number of CSOs defined impact in terms of changes in the lives of particularly vulnerable people such as persons living with HIV and AIDS (PLWHA), 'vulnerable groups', elderly members, and ethnic minorities. Several CSOs identified particular dimensions of vulnerability such as: people in flood-prone areas, the 'hardcore poor' and households with incomes less than $1 per day. Four of the 45 Fund activities specifically reported a focus on people with disabilities, with a total 270 PWD benefiting across these.[26] One activity gave focus to PLWHA.

What changed? Impacts associated with better water supplies were frequently framed in terms of **reduced effort** (especially for girls and women) involved in water collection. Most intriguing, ADRA reported from Ariki Island (a small/remote atole) in Vanuatu where women found that their sons had been able to more readily *"find themselves wives from the mainland"*—evidently a function of the reduced workload for women. Other water-supply-related impacts included improved water quality (with associated **health and nutrition** benefits), increased **economic activity** (including increased food production from home gardens and establishment of small businesses such as baking and brick making), and enhanced **self-esteem** (including cleaner homes, flower gardens and cleaner clothes).

Impacts associated with improved sanitation solutions were predictably reported in terms of reduced **diarrhoeal disease** (anecdotal), reduced **open defecation** (among both adults and children), cleaner and more **pleasant environs**, improved **attitude** (reduced shame/increased pride) and enhanced **safety** (especially for women at night).

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[23] e.g. beneficiaries, communities, community members, beneficiary communities, total population, villagers, local people, etc.
[24] e.g. households, families, women, children, men.
[25] i.e. ultimate beneficiaries defined as: women, girls, women and girls, poor women, female students, women leaders, girl students, female community members, adolescent girls, female mechanics, female pupils.
[26] People with disabilities are mentioned by Oxfam Bangladesh (assisted 3 PWD), WaterAid Malawi (79 PWD), WaterAid Mozambique (184 PWD), World Vision Zimbabwe (10PWD and 9 schools with children with disabilities).

"Families report feeling healthier, with a reduction in the incidence of WASH infectious diseases in their families. The end line also shows a reduced prevalence of diarrhoea from 17.88% to 2.03%, dysentery from 16.63% to 4.36% and skin diseases from 8.88% to 2.34%" (Oxfam Bangladesh)

Hygiene-related impacts were reported to include changes in household practices (e.g. increase in **hand washing and bathing**, especially among children) and reduced **medical expenditure**. Some **changes in policy** were cited, such as menstrual hygiene in schools and the rollout of hygiene education kits or messages in schools. In several cases impact was described in terms of visible clues about hygiene practice, such as an increase in the prevalence of **hand-washing facilities** and soap, increased **bathing** structures, and presence of **hygiene clubs** in schools. An example of hygiene impacts included:

"Interviews with the implementing staff and stakeholders perceived that the hygiene around the village has greatly increased and that communities are motivated to work towards achieving 100% end to open defecation in the inhabited areas. 'Although we did not achieve 100% of our target many communities have come a long way in making sanitation a top priority (Deputy Governor, Lhuentse). Basic Health Unit data from Lhuentse in 2009 indicated that U5 diarrhoea rate was 35.4% as a percentage of the population which reduced to 22.7% in 2011. This represents a reduction of 12.7%" (SNV Bhutan)

School attendance was affected in WaterAid's activity in Ethiopia:

"Monitoring of school attendance in the project area indicates that school enrolment and attendance in the six kebeles is increasing. Compared to baseline information...the average rate of enrolment for males has increased by three times and nearly six times for females... Drop-out rates of male students in project areas has reduced from 15% to 9%, and 26% to 7% for females."

A large number of impacts on women and girls were captured against Result area 6.3 and are described in Box 6. These are mostly focused on meeting womens' and girls' practical gender needs. A smaller number results with potentially strategic gender equality outcomes, that is, outcomes that question women and men's traditional roles and power relations.

> **Box 6: Gender equality impacts of the Fund**
> Oxfam and Plan achieved separate latrines for girls and boys across a total of 184 schools in five countries (Uganda, Zambia, India, Bangladesh and Cambodia), and 68 of these schools now have **specific facilities to support menstrual hygiene**. Plan Uganda report that senior teachers attribute such improved WASH facilities to reduced absenteeism during menstruation, and that girls express that they feel more comfortable being at school than previously.
> CSOs report that **time and effort for women collecting water** was reduced, with activities by WaterAid and Oxfam in six countries (Mozambique, Zambia, Cambodia, Ethiopia, Malawi and Timor-Leste) providing evidence of actual time saved. In Ethiopia through WaterAid's activity, the time of 9,504 women to collect water was reduced by 2-4 hours per day, as they previously walked some 10km to collect water on a daily basis. WaterAid in Timor-Leste also reported how such time was used, including "*more time to rest, spend with their children, earn money through kitchen gardening activities*" that girl children reported they were "*less likely to be late for or miss school due to water collection responsibilities*".
> Oxfam Mozambique also reported that due to greater availability of water, they had "an **improved sense of dignity** and tangible family health benefits that reduced their caring workload".
> Whilst many CSOs reported **increased women's participation in committees** (Result area 6.1), no CSOs reported subsequent wider changes women and men's roles and power relations that might be expected to flow from this effort. Monitoring such impacts are important both to capture positive change, and also to ensure CSOs remain aware of where negative impacts may be created.

In addition to the above, the MRP carried out content analysis of CSO reporting of other development **cross-cutting themes** (e.g. environment, disability access, child protection, anticorruption, disaster risk reduction and HIV and AIDS) to identify any additional impacts of the Fund. In general, CSOs simply described compliance with either government or internal standards with an apparent focus on mitigating risks associated with crosscutting

themes. For example, *"activity staff and contractors completed environmental checklists to ensure drilling activities did not have any adverse effects on the local environment".* Less commonly, CSOs described their influence on stakeholders or significant changes that they effected as part of a wider capacity development strategy; for example CARE in Zimbabwe reported:

> *"…during water point committee trainings, environmental protection issues were rested upon all water users to avoid deforestation in the catchment area. Women who are typically in charge of securing water…have practiced what they have learnt….this was evidenced by their application of sustainable environmental management practices at water points. Sanitation and environmental control measures have been put in place within the water point catchment".*

In a minority of cases, CSOs explicitly referenced M&E processes to track impacts in crosscutting themes; for example: *"Environmentally safe sanitation is part of the performance monitoring framework as the most desirable level of sanitation (beyond improved)* (SNV, regional).

Recommendation

21. In the future Fund, CSOs should proactively capture evidence of impact against selected development crosscutting themes as part of their M&E frameworks. The aim would be to capture evidence of significant changes influenced by projects rather than just describing risk mitigation measures.

3.7 Sustainability

Amongst the explanations of sustainability strategies and rationale for why agencies believed reported changes would be sustained into the future, MRP considered approximately 25% of explanations to be weak and unconvincing, 50% moderate with some level of use of some promising strategies and 25% excellent and demonstrated sustainability to be at the heart of the overall WASH approach. The dominant strategies reported by CSOs are shown in Figure 17 below.

Most frequently cited explanations for how sustainability was ensured (number of activities citing this strategy)
1. Strong participation/efforts to ensure ownership/formation of user groups (16)
2. Working within school structures including school management committees, with teachers and in support of resources/curriculum (13)
3. Assert that government support to communities will ensure ongoing operation of systems however provided minimal or no evidence to support this claim (13)
4. Working through government structures, embedding approaches and capacity within them (11)
5. Training in O&M provided to user groups (8)
6. Documenting own approaches and their use by others (7)
7. Ensuring involvement of women, including in decisions and management (7)
8. Ensuring appropriate, fit-for-context technologies (5)
10. Ensuring market linkage and spare parts supply (5)
11. Supporting viable private sector (or CBO) roles (4)
12. Continued work and presence of CSO in the relevant community (2)
13. Knowledge based on previous ex-post studies (2)

Figure 17: Dominant explanations given by CSOs on sustainability

Within the above list, it is of concern that only two activities cited evidence from ex-poste studies to inform their analysis of sustainability of their intervention. Overall, within the Fund there seems to be an over-riding assumption that the work undertaken will be sustainable.[27] For rural water particularly, international literature does not support this claim. The Rural Water Supply Network provides evidence across 20 countries of hand-pump failure rates lying mostly from 20% to 50%.[28] A recent survey in Ghana estimated that 70% of rural point source water supplies functioned at a substandard level[29] and a study in India reports average 'slippage' (loss of access to services) at 30% across the country.[30] In 2009 World Bank assessed mechanised bore-hole and piped schemes to be 25% non-functional.[31] Key factors affecting sustainability in the rural water sector are noted below.[32]

- Lack of sector coordination, fragmentation of implementation processes, standards and norms

- Dominant focus on new infrastructure through capital investments rather than ongoing services

- Criticality of external post-construction and ongoing support to community management as well as greater formalisation and professionalization of community management arrangements

- Need for sound, well-regulated private sector models

- Need for support to build the institutions to manage infrastructure, regulate service providers, plan asset management, particularly local government capacity

- Weak supply chains for spare parts

- Lack of knowledge of, and financial support for, life-cycle costs

In Appendix D, strengths and weaknesses in CSO work are provided against each of the above factors to support improved practice.

In the sanitation sector, there are also questions about sustainability, both concerning the infrastructure itself or the associated behaviour change. The longevity of some self-built toilets were questioned by some CSOs. For example: *"[w]ater logging, soil collapse, termites, and limited access to affordable sanitation products in the broader community further risk undermining long-term sustainability"* (Plan Uganda), and the MRP also viewed toilets unlikely to last during monitoring visits. Sustainable use of subsidised toilets has been questioned in the sector (in fact leading to adoption of approaches such as CLTS) and hence it cannot be assumed that all will be used as designed. Ongoing work is needed to both refine existing approaches, better understand patterns of sustainability over time and consider new strategies (for example to build capacity of health sector, to further emphasise and support development of the necessary supply chains) to ensure sustainability.

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[27] For instance at the learning events, when participants were asked to move to one side of the room or the other in response to the question: *"Do you think your activity will be sustainable?",* almost all participants indicated that they thought that it would.

[28] RWSN, 2009. *Myths of the Rural Water Supply Sector,* Perspectives No. 4, RWSN Executive Steering Committee, July 2009. St Gallen: Rural Water Supply Network

[29] WASHCost (2011) *Life-cycle costs in Ghana Briefing Note 4: Access to water services in rural areas and small towns*

[30] Reddy, Rao and Venkataswamy (2010) 'Slippage': The Bane of Rural Drinking Water Sector (A study of extent and causes in Andhra Pradesh) Working Paper no 87, WASHCost India, April 2010

[31] Bakalian, A and Kleemeier, E (2011) Rural Water Supply in Sub-Saharan Africa: A view from the World Bank, Presented at RWSN Forum Uganda December 2011

[32] These factors are informed by sector literature including: RWSN, 2009. *Myths of the Rural Water Supply Sector,* Perspectives No. 4, RWSN Executive Steering Committee, July 2009. St Gallen: Rural Water Supply Network; Lockwood and Smits (2011) Supporting Rural Water Supply: Moving Towards a Service Delivery Approach; Harvey (2011) Sustainable supply chains for rural services: Linking local procurement of handpumps and spare parts supply, Field Note No 2011-1, Prepared by the Rural Water Supply Network, February 2011

It is acknowledged that the timeframe of the Fund was short, and as recommended in the Independent Progress Report, a longer Fund timeframe of 3-5 years to contribute to the enabling environment embed institutional and behaviour changes is needed.

Recommendation

22.   The future Fund should consider supporting systematic ex-poste monitoring of long-term outcomes of selected activities from the completed Fund to enable learning

23.   CSOs should reorient their contribution in light of the broader sectoral challenges of long-term service delivery and sustainable behaviour change, building on positive examples of these strategies demonstrated by some CSOs in this Fund

24.   AusAID should ensure CSO program durations of 3-5 years minimum to support sustainability of program outcomes

Finally, on a positive note, some highlights of good practice with respect to sustainability are shown in Figure 18.

CARE/WSUP Mozambique- in justifying sustainability of the community management structures put in place, CARE/WSUP propose that the "key role played by women" and "signing of MoUs between the management committees and the municipalities has put in place an accountability mechanism whereby communities can hold the municipality to account for the quality of the services". This is in line with leading approaches internationally which seek to formalise and professionalise community management (Lockwood&Smits,2011).

WSUP in Kenyan slums, established a broad-based multi-stakeholder governance structure (neighbourhood committee) which then tenders for private sector service delivery with prescribed performance/quality standards.

WaterAid in India established hand-pump repair centres, training women and men as repair mechanics and supporting them to provide a 24h repair service to communities for a fee, and ensuring at their sustainability is secured through an "annual maintenance contract from local government"

Plan in Bangladesh used a "government-led" approach rather than an "NGO-led" approach, delivered their program through just four staff members, but reached more than 2000 villages through government leaders. Plan Indonesia supported government capacity to mainstream CLTS, including "establishment of Sanitation Task Forces at the district & sub-district level with operational budgets"

SNV's overall approach was to work directly with government agencies to support their processes and their agenda. In Bhutan "tools have been developed with relevant line agencies with a specific objective of sustainability and scale-ability and shared widely" and supported incorporation of sanitation and hygiene into the Ministry of Health's five-year plan that will ensure approaches developed will be further institutionalised. In Laos "four district governors approved and adopted the... strategies developed by the programme for their district covering 2011-2015".

Use of appropriate technology includes Oxfam Timor-Leste's use of "robust designs that do not require water usage for school toilets" to ensure sustained maintenance and use of facilities

Plan in Ethiopia was working in a constructive enabling environment where government takes responsibility for O&M, which meant that water committees "are aware they can rely on their local Woreda for assistance when they are unable to repair systems themselves"

Figure 18: Highlights of good practice with respect to sustainability

4. INNOVATIVE ELEMENTS

This section of the report examines innovative elements of the Fund in light of AusAID's engagement with CSOs more broadly. Four elements of this Fund were considered innovative compared with other AusAID–CSO engagements. The value derived from these innovative elements, and an assessment of their merit and applicability in other contexts, is provided below. The elements reviewed were:

- Thematic focus
- Inclusion of non-accredited CSOs
- Inclusion of an explicit learning focus
- Structured performance arrangements/long-term engagement of a review panel

4.1 Thematic focus

This Fund represents a different form of engagement between AusAID and CSOs as compared with other CSO-implemented initiatives.[33] The Fund was confined to a single sector and focused on purposeful engagement with CSOs with sectoral expertise in WASH.

Arguably, the achievements of this Fund demonstrate that CSOs can be significant delivery partners in the WASH sector. The Fund emphasised and supported high standards of effectiveness and quality in WASH. Its single thematic focus made possible the establishment of coherent and systematic performance arrangements—an approach that was different to previous CSO–AusAID engagements. The Fund demonstrates that a range of models for CSO engagement can offer value and fulfil different purposes.

> Recommendation
>
> 25. Building on the success of this sectoral CSO program, AusAID should consider the potential for other thematic CSO programs as one model (amongst other models) of purposeful engagement between AusAID and CSOs.

MRP observed during monitoring visits that there was minimal engagement by AusAID staff at post in the activities and management of the Fund. The original Fund design identified a Fund Manager whose role included managing communications with Post and supporting staff interactions with CSOs. For various reasons the fund manager was not instated and there were missed opportunities to better link CSO work with AusAID country and regional programs. CSO work in the enabling environment could potentially have benefitted from support from AusAID to gain entree with governments (e.g. in Pacific) and AusAID in many countries could have drawn more strongly on CSO approaches, perspectives and innovations to support and inform other bilateral and multi-lateral programs. As noted in *An Effective Aid Program for Australia*, delivering aid through civil society organisations "*enables benefits from these organisations' grass-roots networks, niche areas of specialisation, and presence on the ground*." A centrally managed fund can reduce the management burden on posts, however country and regional programs must still allocate space to engage in order for these benefits identified in "*Effective Aid*" to be realised.

The observed lack of engagement by AusAID staff at posts is likely a symptom of the tendency for strategy development[34] to preclude explicit analysis of roles that civil society

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[33] For example AusAID-NGO Cooperation Program (ANCP), regional or country cooperation agreements etc.

[34] i.e. the development of country, regional and delivery strategies.

can play. Such analysis and inclusion in strategy development is in line with ODE's evaluation recommendation[35], previous ODE publications[36] and draft CSO Engagement Framework.

> Recommendation
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> 26. The future Fund should ensure synergies between AusAID post and CSOs through establishing effective communication mechanisms, ensuring specific post AusAID staff have allocated time to devote to engagement processes.
>
> 27. AusAID country and regional programs should include consideration of their engagement with civil society and CSOs as part of both country, regional and delivery strategies. For example a WASH delivery strategy should give specific attention to planning the potential role for NGOs, CSOs and civil society more broadly to achieve WASH objectives, whether as delivery partners or in other supporting roles.

4.2   Inclusion of non-accredited CSOs

The IPR (2010) established that there was no reason to exclude non-accredited CSOs with strong WASH experience from a future Fund. This review considers contributions to the Fund by the four non-accredited agencies and identifies any issues met in AusAID's engagement with them during the Fund.

As reflected in several of the good practice examples presented throughout this report, SNV, EMWF and WSUP offered some of the strongest contributions to the Fund in terms of innovative and effective practice, particularly in relation to supporting the enabling environment for WASH services for the poor. All three met the large majority of their targets excepting a situation where severe floods impacted on SNV's ability to undertake work in Laos. Live & Learn undertook innovative work in the Pacific faced with challenging environments and piloting new approaches. Issues in the quality of M&E of Live & Learn's work arose and were addressed through support from the MRP. Issues with M&E practice were not isolated to this non-accredited CSO. There were no fraud or other fiduciary risk issues raised with any of the four non-accredited agencies. The MRP's view is that the key determinant of effective work in the Fund has been WASH capacity and expertise rather than accreditation per se, and that as mentioned in the IPR, accreditation is an AusAID system set up for the purposes of ANCP and has tenuous links to a sector-specific program.

> Recommendation
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> 28. AusAID NGO section and country/regional programs should ensure that CSOs (particularly those based in different countries) who might offer significant expertise are not excluded from civil society programs with targeted outcomes in particular sectors.

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[35] "*integrate country-specific civil society strategies into country aid strategies; include analysis of civil society in country situation analyses*" (Office of Development Effectiveness, Working Beyond Government: Evaluation of Australia's Engagement of Civil Society in Developing Countries)

[36] See, for example, Theory of change- Why AusAID works with civil society in developing countries, Office of Development Effectiveness September 2010

4.3   Inclusion of an explicit learning focus

The Fund had two mechanisms to support learning within the Fund (i.e. beyond activity-level M&E and the Fund-wide performance arrangements). These are analysed below with a view to what value they offered and recommendations for the future Fund.

Learning events undertaken through the 'Learning Fund'

The analysis below rests on three sources: WaterAid's final report on the Learning Fund, a short survey of program managers in May 2012, and the direct experience of MRP members at learning events. Box 7 describes the Learning Fund activities.

> **Box 7: Description of the Learning Fund: Learning Events and their documentation**
> Approximately 100 practitioners from 21 countries and all 11 agencies came to three 3-day regional events in Mozambique, Bangladesh and Australia in March 2011. Learning themes that emerged included strengthening government, advancing equity and supporting the most vulnerable, sanitation and hygiene approaches, menstrual hygiene management, WASH in challenging urban environments and WASH in Pacific Island communities. Learning papers on each of these were disseminated to Fund agencies and hosted on a custom website www.learningfund.org as well as 200 sets distributed at the WASH 2011 conference.

WaterAid's report asserted that the learning events were valuable based on participant feedback.[37] Feedback from CS Program Managers in the survey carried out for this review also confirmed this. The majority (8/11) agreed that the events had had a positive impact on what their organisation was able to achieve within the Fund and that the events were a useful way to build staff capacity. Most program managers (7/11) indicated that their organisation actively used the documentation compiled from the learning events. Surprisingly however, a significant proportion (5/11) did not believe that the learning events influenced how their organisation will approach design of future WASH activities, which is of concern given that this is one of the purposes of the learning fund. The latter suggests a need for stronger accountability of organisations participating in learning events to ensure that learning is actively applied, communicated within in-country teams and across INGO internal networks and that a one-off learning event was insufficient.

Program managers indicated that the regional model for the events worked well, as did the focus on a theme (sustainability) which was seen as "*constructive in terms of focussing people's attention and deliberations*". Inclusion of partners in the events, for instance SNV brought government counterparts, and many others brought local NGO counterparts, was reported as valuable. The **main benefits** arising from the events were cited as peer learning and providing the "*space to reflect*", sharing good practices and innovations and "*being able to see the different approaches being taken by other organisations to similar challenges in similar situations*". The documentation was useful in "*capturing the positive practises within the funded programs and offered the opportunity for further learning post workshop*". Flow-on benefits cited included some ongoing collaboration and communication between agencies, transfer of approaches between contexts, and reinforcement of the importance of working closely with government systems to ensure sustainability. For example:

> "*addressing issue of disabilities in WASH programmes and the sharing of practical examples from other programmes led to several of the programme staff returning to their respective programmes and revisiting how they address this issue*".

> "A *staff member who attended learning event where "tippy-taps" were presented on return and implemented in own program. This resulted in widespread replication of this technology*".

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[37] WaterAid's report indicates that "[p]articipant surveys and questionnaires indicated that on the whole people found the learning events to be a very positive and useful experience". In a survey WaterAid conducted approximately a month after the final learning event, 75% of respondents said the learning event definitely useful for their work (with remainder 25% saying 'probably yes'), 37% said the experience had definitely improved their program (with remainder of 63% saying 'probably yes').

However, MRP members noted during in-country visits that despite participation in regional learning events, **collaboration between CSOs working in the same country was weak**. For example, WSUP and Plan in Nairobi were largely unaware of each other's activities in urban slums, and SNV and EMWF in Vietnam were aware of each other's activities but were not proactively working together or sharing approaches. In a limited number of cases, however, collaboration between CSOs improved as a result of the events. ADRA for example reported that *"ADRA Vanuatu is working on a partnership with Live & Learn focused on Sanitation Marketing activities following attendance at the Fund Learning Event in Brisbane"*.

Recommendation

29.   The future Fund should again support a learning component and consider the following potential improvements to move beyond a one-off learning event: (i) study tour or site visit; (ii) use of online platforms; (iii) a longer structured process; (iv) ensuring an event early in the Fund's time-span; and (v) ensuring collaboration across agencies in planning; (vi) mechanisms to ensure responsibility for uptake of learning; (vii) engagement with other AusAID bilateral and multi-lateral program partners in the country/region.

30.   The current Fund exhibited variable quality and effectiveness amongst the work of different CSOs. The future Fund should look at specific mechanisms to draw on those CSOs with strong practice to ensure others learn from this.

Learning components within agency work

Two agencies, Oxfam and SNV included a 'learning component' within their proposal, described in Box 8.

Box 8: Description of Oxfam and SNV's learning components
Both Oxfam and SNV chose particular themes or components to address through their learning initiative and particular mechanisms to enable learning.
Oxfam's themes were: (i) gender, (ii) appropriate technologies and (iii) capacity building in partner countries. Oxfam's mechanisms included a literature review on each theme which was shared internally, an internal web platform to enable peer-to-peer learning between Oxfam staff (Huddle), peer reviews of each others' programs and action research on the three themes in three countries including workshops with wider stakeholders within the relevant countries.

SNV undertook their learning component in collaboration with IRC. Their themes were focused on the methodologies and critical success factors of their key program components of: (i) sanitation demand creation, (ii) supply chains for sanitation, (iii) behavioural change communication and (iv) WASH governance. SNV's learning initiative also included development of qualitative information scales to allow monitoring and evaluation of challenging areas to measure such as hygiene behaviour change. SNV undertook three themed workshops in the Asian region and led a related web discussion (D-group) for each as well as documentation of individual country research and approaches to enable sharing.

The focus of Oxfam's learning initiative was on building the internal capacity of Oxfam's staff. The benefits of this are articulated in their completion report, particularly with regard to gender-responsive WASH programming. Oxfam reported that "*The workshop findings and the draft Workshop Report shows that the 6 country WASH team agreed that a gender sensitive approach was the key element of sustainable WASH programming*". However little evidence was reported about wider effects of Oxfam's learning component on the actions of other WASH actors. Oxfam does, however, describe how government and other stakeholders participated in workshops undertaken as a part of this component:

> "*In .[..], Zambia, PNG and Bangladesh, the Linking and Learning project carried out action research including interviews and workshops that shared the three projects critical successes and constraints, and offered advice. Oxfam staff, partners, local government and national officials, private and public stakeholders, members of the national WASH forums and community members participated in these events*."

SNV had both an internal and external focus to their learning component.[38] SNV reported that their learning activities accelerated introduction of new (international) sector insights in the four countries in which they work, particularly supply chains and behaviour change communication (BCC) that accounts for local behaviour change motivators. For example:

> "*We can see key elements of the components now appear in national sector documents and reviews. For example, the Cambodian government has now decided to develop a national BCC strategy and SNV's former BCC advisor has been hired to do this. Also in Vietnam the BCC advisor was hired at national level to do this, while the BCC action plans in Dien Bien are used as an example for other provinces. The supply chain work in Laos has been used by the government and [World Bank's] WSP. The Joint sector review in Nepal now included BCC and supply chains, while the reformulation of the RWSS Policy in Bhutan discusses supply chains, hygiene and pro-poor support.*

> Recommendation
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> 31.   When CSOs are supported through AusAID funds to include learning components, then to ensure value, their impact on other members of the WASH sector should be an integral part of their design, objectives and accountability.

4.4   Structured performance arrangements and long-term engagement of review panel

Reflections by the MRP on the performance arrangements, lessons and recommendations for performance management of the future Fund are presented in Appendix E.

> Recommendation
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> 32.   IWP and the proposed review panel for the future Fund should consider the recommendations made in Appendix E which provides reflections on the Fund performance arrangements from the perspective of the MRP.

The independent review of the Fund performance arrangements undertaken by the AusAID Quality, Performance and Results Section is shown in Appendix C. Below are the key recommendations made by this review:

Recommendations for IWP:

- Separate out program coordination functions and engage a program coordinator for these functions, so that the MRP can focus on program quality, noting that it would be critical for the program coordinator to have a close relationship with the CSOs involved
- Ensure adequate time is built into the initiative schedule for consultation with CSOs on the development of the Performance Assessment Framework

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[38] Their three regional learning workshops were attended by 91 participants (48% were government, donor and other civil society agencies).[38] Three email discussions (on the D-group platform) were attended by 129 people (52% were government, donor and other civil society agencies), demonstrating their worth to SNV staff and other actors.

- Review the reporting requirements and structure to: a) separate financial reporting from quality reporting; b) require progress reports to focus on deliverables (rather than financial reporting), and c) consider how accountability requirements for payments to CSOs may be satisfied without requiring progress reports (ie via monitoring visits or meetings) to reduce the amount of reports required of CSOs

- Note the need for a capacity audit by the MRP of the performance management capacity of in-country staff at the beginning of the initiative to guide the MRP in providing directed M&E support where required

- Clarify with CSOs at the beginning of the initiative what support the MRP is expected to provide to in-country partners with respect to communication and explanation of the PAF, and what is expected to be provided by CSOs themselves

- Continue with the MRP model of engaging independent experts to provide ongoing and individual support in future CSO grants programs, given the broad-ranging benefits of the model for AusAID and the CSOs involved

- Consider how AusAID staff can commit increased time to future Funds so that institutional knowledge and learning from the initiative can be captured within AusAID rather than predominantly within the MRP

Recommendations for PPS:

- Note that a key factor to the success of the MRP model was that each MRP expert had expertise in monitoring and evaluation, the WASH sector, and the regions in which they worked, which has relevance to engaging consultants across AusAID

Recommendations for the future Fund review panel

- Undertake monitoring visits as early as possible in the initiative given the value of these visits in building rapport and understanding between in-country staff and MRP members

- Consider whether the format and data collected through reporting could be made more flexible to account for differences in in-country partners' systems

- Consider whether performance management and reporting systems could be simplified to ensure they are accessible for in-country partners and non-English speakers

Recommendations for the NGO Section

- Note the additional support required to communicate the PAF and reporting requirements to in-country staff, and the relevance this may have for CSO programs more broadly

- Note the value of having individualised, tailored and ongoing support to CSOs in improving program design, monitoring and evaluation

- Consider incorporating external performance management support mechanisms in other CSO programs to maximise the effectiveness of programs and to strengthen relationships with CSOs

Recommendations for CSOs

- Consider planning coordinated training on Fund performance management systems to avoid each CSO having to provide separate training for its staff

- Ensure that expected outputs and outcomes are appropriate for the duration of the initiative when defining targets

> Recommendation
>
> 33.   AusAID IWP, PPS, NGO sections should consider the recommendations made by independent review of the Fund performance arrangements comprising a structured framework and a long-term monitoring review panel (see (Appendix C)

5.   VALUE FOR MONEY

AusAID was interested in a value-for-money (VfM) assessment of the Fund. Based on this, the MRP looked to develop a viable approach that used existing data-sets since a purpose-designed study was beyond the scope of this review. The approach taken is underpinned by a background paper in Appendix F outlining how VfM is defined and operationalised in the development sector. This paper led the MRP to focus on the following elements to provide insight into the VfM offered by the Fund:

- Costs and benefits of the Fund from a broad standpoint
- Actual achievements relative to plan
- Equity and distribution of benefits
- Costs per beneficiary of key outcomes

The sections below elaborate each of these areas, and conclude with the MRP's view on how the future Fund should approach VfM.

Costs and benefits of the Fund

Examining costs relative to broad benefits provided a one way to assess the the Fund's VfM. A total of $36.1 million ($32.5m from AusAID and $3.6m from CSOs) was invested in the Fund leading to approximately 780,000 additional people with access to basic sanitation, 560,000 additional people with access to safe water, 77,000 households and schools with hand-washing facilities and 80 significant outcomes including better governance and pro-poor policy influence, strengthened capacity, improved gender equality and increased evidence of effective WASH approaches across 21 countries in Africa, Asia and Pacific. The Fund also leveraged significant investment in both water supply and sanitation by local actors (CBOs, private sector and community members) in these countries.

Beyond the obvious development value of these achievements is the public diplomacy value to the Australian government of a program with such geographic reach that addresses a basic human right[39], a felt need of poor households and a priority of partner governments.

The impact of the Fund in qualitative terms included improvements in health and nutrition, reduced effort for women involved with water collection and opportunity for their leadership in WASH issues, increased self-esteem and reduced need for medical expenses. Whilst economic analysis of these benefits has not been undertaken as part of this review, the economic benefit of investments in WASH is estimated by the WHO to be US$5-11 per US$1 invested.[40]

Based on sector literature expected levels of sustainability are variable and could undermine the above achievements. This highlights the critical importance of evolving CSO practice to contribute to broader WASH sector challenges of ongoing service delivery rather than direct service provision.

Achievement of expected outcomes within allocated time and resources

When AusAID commits to an investment, it is based the assumption that the outcomes identified in the design will actually be achieved. Hence the validity of this assumption is an important VfM consideration. The Fund exceeded its targets by 30% across four core indicators (access to water, sanitation, hand-washing facilities with soap and facilities in

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[39] Legal recognition of water and sanitation as human rights were affirmed by UN September 30th, 2010
[40] Economic benefits of WASH interventions according to WHO include: avoided costs in health sector due to less diarrhoeal disease, avoided health costs for community members, income gained through avoided lost days, days of school absenteeism avoided, productive parent days lost avoided, value of loss-of-life avoided, time savings in water collection (Hutton and Haller (2004) Evaluation of the Costs and Benefits of Water and Sanitation Improvements at the Global Level, WHO Geneva, WHO/SDE/WSH/04/04)

schools). Of the other expected changes identified by CSOs at the outset, more than two-thirds (69%) were assessed to be fully achieved at completion, and 83% of planned deliverables were reported as fully achieved (see Figure 19). These proportions are considered acceptable. The differential likely reflects the complex operating environments, inherent unpredictability of social change processes and in some cases, ambiguous theories of change for work in the enabling environment for WASH services. Whilst some agencies had clear goals and parameters in this component of their work, others were unclear as to what underlying analysis, strategy and time is needed to effect sustainable change in local actors such as government or private sector, and to effect hygiene behaviour change using contextually informed motivators.
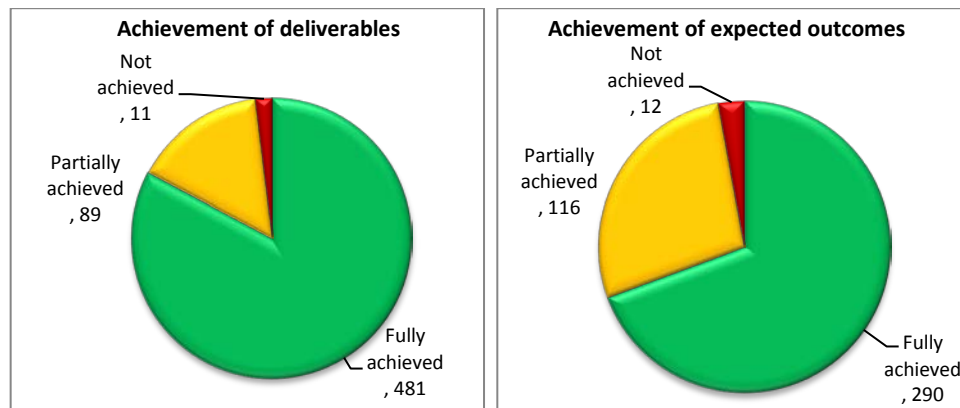
Figure 19: Relative achievement of deliverables and expected outcomes

Equity - who benefited?

Contemporary literature on VfM in aid and development identifies 'equity' as a key concern. The Fund focussed on the poor and vulnerable, mostly in rural areas (80% of beneficiaries) but also in informal urban settlements (20% of beneficiaries), whose needs can be challenging to meet through other aid modalities. There was also dedicated work to support the inclusion of more than 270 people with disabilities. The explicit focus on gender equality in the Fund resulted in improved attention to this issue; and given women's role in WASH, many of the benefits from increased access to WASH services should be experienced by women in the short and medium term.

Costs per beneficiary of key outcomes

This review undertook a broad-brush analysis of the costs per beneficiary for providing access to sanitation and to water, across the different regions, and taking into account different WASH approaches (see Appendix B for details of the method applied). This analysis is extremely limited and should not be taken out of context[41] and, unfortunately, can only focus on 'new' access to services provided through the Fund. That is, it focuses on the initial infrastructure implementation phase of the life-cycle rather than ongoing service delivery. Nevertheless it provides one way to consider the Fund against regional benchmarks compiled by WHO-UNICEF and other recent studies.

Overall, the costs are in line with such benchmarks, with a minority of outlier costs for particular projects that are explained by the challenges of access in remote locations or challenges in achieving behaviour change. It should be noted that the WHO-UNICEF benchmarks are based on an output delivery model in which an implementer directly builds

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[41] The analysis is limited in that (i) it relies on CSOs accurate apportioning of Funds to sanitation, water and hygiene (ii) it was not possible to exclude resources invested in supporting the enabling environment and not on direct service delivery and hence these investments are an unknown proportion of costs and are included in the analysis (iii) it was not possible to exclude, or treat separately, the schools receiving facilities and hence these are unknown proportion of costs and included in the analysis

infrastructure rather than working through partners and leveraging local investment as was done, particularly in sanitation activities, in the Fund, and hence only offers a guideline rather than a direct comparison.

The rough ranges for cost per beneficiary for access to basic sanitation are explained in Box 9 and range from A$0.50 to A$184 (with an outlier at $565). As a point of comparison, WHO notes costs of providing services (simple pit, VIP, pour-flush and septic tank) of US 2005 $76-222 for Africa and US 2005 $97-200 for Asia.[42] Through use of CLTS, Plan Bangladesh note a cost per toilet of $6 and WSP of $7,[43] Plan Nigeria a cost of $71 per toilet and WaterAid Nepal a cost of $61-126 per toilet.[44] Again, given the limitations of this analysis, it can be concluded that the cost per beneficiary in the Fund is largely on par with these benchmarks. It is also clear that use of CLTS has resulted in variable results which strongly influence its cost-effectiveness as an approach.

Box 9: Cost per beneficiary ranges for access to sanitation, including software components and broader efforts to support the enabling environment for WASH services for the poor

East Africa: Unit costs varied from $0.50-$55. At the low end of this range was highly successful CLTS practice. The mid-range ($26-33) included both CLTS as well as school toilet construction, and an activity comprising a desluging service for an urban informal settlement. The high end of this range reflected CLTS with a low success rate of toilet construction as compared with number of communities triggered.
Southern Africa: The full range was from $3.50-$90. At the low end of this scale was successful CLTS with use of eco-sanitation toilets. The mid-range ($60-70) and high-range reflect greater numbers of schools (up to 48 schools) provided with latrines.
South Asia: The main cost range was from $1-$14, with an outlier at $60 reflecting costs or urban sanitation and sanitation planning efforts. The main range comprises CLTS delivered through government counterparts in four different countries. The low end of this range reflects successful CLTS implemented by government counterparts.
South East Asia and Pacific: A wide range of unit costs from $7-$184, with an outlier at $565 reflecting full provision of VIP latrines in a remote area in the Pacific. At the low end of the range both CLTS implemented through local government counterparts ($7) and a sanitation subsidy for women achieved unit costs of $10 for toilets with a septic tank. In the mid-range ($18-36) CLTS was delivered through government counterparts or local CBOs. Costs in Timor Leste are slightly higher and varied from $36-$131, reflecting more, and less, successful CLTS triggering results. Construction of subsidised toilets in Laos had a unit cost of $185.

The rough ranges for cost per beneficiary for access to safe water are explained in Box 10 and range from A$1 to A$244 with the large majority in the range A$1-A$110. Meaningful comparison is challenging given the many dimensions of water service levels (quantity, quality, accessibility and reliability), which have not been taken into account in this analysis. However, as a point of comparison, WHO notes costs of providing services (boreholes standpipes and rainwater harvesting) of US 2005 $60-95 for Africa and US 2005 $66-123 for Asia.[45] More recently WASHCost in India indicate a cost of US 2008-9 $49-57 in India (for

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[42] WHO benchmarks were originally undertaken in 2000 as part of the Global Water Supply and Sanitation 2000 Report and these figures were updated by WHO in 2008 to reflect 2005 prices. These figures cover planning and supervision, hardware, construction, protection of sources and education and 20% has been added to account for program costs in line with WHO's (2008) suggestion.
[43] which could be translated to $1-2 per beneficiary
[44] Plan WES Expenditure Study 2009
[45] WHO benchmarks were originally undertaken in 2000 as part of the Global Water Supply and Sanitation 2000 Reportand these figures were updated by WHO in 2008 to reflect 2005 prices. These figures cover planning and supervision, hardware,

open wells, hand-pumps, bore wells, public stand posts (PSPs), private taps)[46] and in Mozambique indicate US 2010 $27-46 for boreholes. Forthcoming WASHCost data indicates the cost of piped water systems to be in the range of PPP US$145 to PPP US$ 170.[47] Given the limitations of this analysis, it can be concluded that the cost per beneficiary in the Fund for access to water is largely on par with these benchmarks despite in many cases reaching remote rural populations.

Box 10: Cost per beneficiary ranges for access to improved water, including software components and broader efforts to support the enabling environment for WASH services for the poor (A$)

East Africa: Generally unit costs were $18-$57, with one outlier at $107 which included construction of a dam for use by pastoralists as well as water supply for domestic use. At lower end costs were low due to extending existing networks and providing a low number of water points per person. Mid-range unit costs of about $30 were for high-yield bores with hand-pumps.

Southern Africa: Unit costs were in the range of $14-$103 with no clear explanation for the variation, as systems across all these costs included bores and rainwater harvesting. Mid-range cost ($54) was for urban provision in informal settlements comprising storage facilities and water kiosks.

South Asia: Low unit costs were observed, from $1 to $11, likely reflecting higher population densities and lower material and personnel costs as compared with other regions. These have also been noted by other studies such as WASHCost. At the low end of this range, repair and replacement of hand-pumps was achieved through establishing a repair service. Tube-wells, rain-fed ponds and urban provision were in the range of $8.50-$11.

South East Asia and Pacific: A wide range of unit costs from $20-$244 were observed. At the low end, leverage of private sector investment through output-based aid achieved low unit costs. Wells with hand-pumps and gravity fed water/rainwater harvesting in Cambodia and PNG respectively were in range of $70-$97. Higher costs were observed in Timor Leste for gravity fed systems and well rehabilitation $121-$157. The highest cost of $244 reflects providing services in a remote, disaster-affected area.

One finding from this analysis is that in general CSO contributions to the enabling environment did not necessarily 'cost' significantly more. That is, there was little correlation between higher costs of access to services per beneficiary and greater numbers of significant changes achieved in supporting the enabling environment. In general, CSOs that worked through government or other local actors were able to achieve lower costs per beneficiary while having lasting influence. For example, Plan Indonesia and Plan Bangladesh supported local government to undertake CLTS with very low costs per beneficiary, and EMWF mobilised private sector investment in water supply systems also resulting in a relatively low cost per beneficiary in comparison with other interventions.

Assessing VfM in the future Fund

One of the purposes of considering VfM in this review was to examine the role of VfM in the future Fund as one way to assess aid effectiveness. As captured in the attached background paper (Appendix F), this review has revealed flaws in VfM approaches as applied to the social change processes that underlie any development initiative. The MRP concluded that in

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construction, protection of sources and education and 20% has been added to account for program costs in line with WHO's (2008) suggestion.

[46] Reddy et al (2010) Life-cycle costs approach (LCCA) for sustainable WASH service delivery: A study in rural Andhra Pradesh, India IRC Symposium 2010 Pumps, Pipes and Promises

[47] Burr and Fonseca 2012 (forthcoming)

this review, undertaking VfM analysis did not generate substantially different insights than would have been generated through regular program evaluation techniques—although arguably some additional perspectives may have been introduced through the economic benchmarking. In addition, there is already an established evidence base for the economic value of the impact of WASH outcomes.

The MRP found the analysis of cost per beneficiary for providing access to water and to sanitation challenging to undertake with integrity. Even with purpose-specific data, the findings would be unlikely to offer significant additional value but at greater cost. Ironically, undertaking such VfM study does not represent value for money in this context.

A key recommendation arising from this review is for the future Fund to more strongly promote a shift from a service delivery approach to WASH, to one that more purposefully strengthens the enabling environment for WASH services and focuses on on-going service provision, not just the initial phase of infrastructure implementation. If this thinking is to be taken up, a similar cost per beneficiary analysis would become even less meaningful. Much more pertinent would be studies that examine the costs of providing ongoing WASH services (i.e. comparable to studies undertaken under the current WASHCost project). Such analysis would provide insights for governments and development partners into how to support and direct investments to ensure sustainable service provision.

Recommendation

34.   On balance, VfM assessment adds little to good practice program evaluation when it takes a 'results-based' approach, and a full economic analysis approach is expensive to carry out and difficult to justify given that evidence for economic benefit of WASH outcomes already exists.

Appendix A: Fund performance assessment framework

Objective: To enhance the health and quality of life of the poor and vulnerable by improving access to safe water, improved sanitation and hygiene					
Core Outcomes			**Enabling Outcomes**		
Outcome 1: Increased access to improved sanitation services	**Outcome 2: Increased access to safe water supply services**	**Outcome 3: Improved hygiene behaviour**	**Outcome 4: Improved WASH governance and effectiveness**	**Outcome 5: Strengthened capacity in partner countries**	**Outcome 6: Improved gender equality**
Result Areas: 1.1 Changes in access to different levels of improved sanitation 1.2 Changes in user demand, use or satisfaction with basic sanitation facilities **Measurement to focus on:** • *Number of additional people with access to improved sanitation (JMP definition)* • *Number of additional people with access to sanitation (CSO defined)* • Numbers of additional schools with access to sanitation • Number of communities achieving Open Defecation Free status • Who benefited (women/men/children/class/ caste/people with disabilities etc) and who didn't? • What changes have occurred in attitude and practice relating to sanitation in targeted areas? • What changes have occurred in use of sanitation? • What changes have occurred in user satisfaction with sanitation facilities available?	**Result Areas:** 2.1 Changes in access to safe water supplies 2.2 Changes in user demand, use or satisfaction with safe water services **Measurement to focus on:** • *Number of additional people with access to improved water (JMP definition)* • *Number of additional people with access to water (CSO defined)* • Numbers of additional schools with access to safe water • Who benefited (women/men/children/class/ caste/people with disabilities etc) and who didn't? • What changes have occurred in attitude and practice relating to safe water use in targeted areas? • What changes have occurred in user satisfaction with water services available?	**Result Areas:** 3.1 Changes in safe hygiene practices in community members 3.2 Changes in the prevalence of WASH related diseases amongst beneficiaries **Measurement to focus on:** • *Number of additional locations with hand washing facilities and soap* • *Number of additional schools with water, sanitation or hand washing facilities* • Trend in incidence of diarrhoea for program locations from health agency data • Who benefited (women/men/class/ caste/people with disabilities etc) and who didn't? • What specific behaviour(s) were targeted and what evidence is there of changes in these behaviours? • What is the sustainability of changes in behaviour? • What changes have taken place in level of WASH related diseases in target areas?	**Result Areas:** 4.1 Changes in WASH sector governance by institutional actors 4.2 Changes in capacity of local communities to demand and defend their WASH rights **Measurement to focus on:** • *Number of additional water and sanitation service providers monitored independently* • What influence has been made on relationships, communication and/or coordination between key WASH sector contributors? • What influence has been made on WASH national, regional or local policies, strategies or approaches? • What influence has been made on how WASH services or service providers are monitored or regulated? • What influence has been made on how vulnerable groups (such as people with disabilities and people living with HIV and AIDS) participate in WASH decision-making processes? • What influence has been made on existence and use of mechanisms for local communities to demand and defend their WASH rights? • What skills have been developed in communities to assist them in negotiating for their WASH rights?	**Result Areas:** 5.1 Changes in capacity of WASH actors (community members, CSOs or institutions) to effectively plan, design, operate and/or maintain WASH facilities 5.2 Changes in capacity of WASH actors (community members, CSOs or institutions) to address hygiene promotion 5.3 Changes in participation of private sector 5.4 Changes in capacity of local and national institutions to implement WASH sector policies 5.5 Changes in capacity of WASH actors (institutions or CSOs) to address environmental issues in WASH provision 5.6 Changes in capacity of CSOs to play social accountability roles in WASH **Measurement to focus on:** • Whose capacity has been built? • What changes have been seen in specific targeted skills of targeted groups or roles? • What is the likely sustainability of changes in capacity? • What is the level of demand for or use of new skills?	**Result Areas:** 6.1 Changes in influence of women in planning and implementing WASH services 6.2 Changes in capacity of WASH actors (CSOs or institutions) to take a gender-sensitive approach 6.3 Changes in gender equality in homes, schools or community **Measurement to focus on:** • What changes in how women participate and influence decisions are visible? • What changes are evident in CSO's or institution's gender awareness and ability to conduct gender-sensitive WASH approaches ? • What changes in women's and men's roles, relative status, opportunities, responsibilities and relations in the home, school or community have resulted from WASH activities **Outcome 7: Improved WASH evidence base** **Result Areas:** 7.1 Increase in evidence-base about effective WASH approaches 7.2 Uptake of lessons and new approaches **Measurement to focus on:** • What were the unit costs per beneficiary of providing access to water or sanitation services, or achieving particular hygiene behaviour changes? • What were the critical success factors and risks in innovative WASH approaches or technologies? • What were the key findings of action research processes conducted? • How has knowledge been proactively shared? • What uptake has there been by local or international stakeholders of new WASH knowledge you have produced?

APPENDIX B: EVALUATION METHODS

This Appendix elaborates each of the evaluation methods used by the Monitoring and Review Panel (MRP) for the completion review of the Civil Society Water, Sanitation and Hygiene Fund (hereafter 'the Fund'):

1. Assessment of actual changes at Fund completion relative to expected changes at outset
2. Assessment of the significance and adequacy of evidence of changes reported by CSOs
3. Analysis of CSO self-assessment s of achievement of deliverables targets
4. Cost per beneficiary analysis
5. Survey of program managers regarding learning events

Each of these methods is discussed in turn.

1. Assessment of actual changes at Fund completion relative to expected changes at outset

CSOs reported 433 'expected changes' (at the outset of the Fund) and in their completion reports, gave evidence of the actual changes achieved ('reported changes'). These changes were categorised against the seven Outcomes defined in the PAF. The MRP undertook a process to compare expected and actual changes, identifying whether the changes were:

- Fully achieved
- Partially achieved
- Not achieved
- Unable to determine

One limitation of this analysis is that it was often challenging to identify whether 'expected changes' were achieved since the original descriptions were vague.

2. Assessment of the significance and adequacy of evidence of changes reported by CSOs

As mentioned above, in their completion reports CSOs identified 433 'reported changes' against the seven Outcomes defined in the PAF. The quality of outcome reporting was diverse, with some CSOs reporting actual changes that were significant and well substantiated by their M&E findings or by credible secondary data.   Other CSOs reported actual changes that were variously unsubstantiated or seemingly of little consequence to the overarching objective of the Fund. This situation complicated analysis of the Fund's performance—especially in relation to the 'Enabling Outcomes' which tended to be amorphous—and necessitated the MRP developing an analytical framework.

The MRP reviewed the 'reported changes' for the four Enabling Outcomes of the Fund and categorised these statements using the following schema.

Significance

The categorisations were subjective and grounded in the professional judgements of the MRP members and helped to analyse the achievements of the Fund—and more particularly, the efficacy of various strategies employed by the Fund to achieve changes. The following guidelines were adopted by the MRP in making the categorisations:

- **Significant:** evidence-based changes that suggested important policy influence, behaviour changes or capacity developments had occurred; especially where these were accompanied by evidence of sustainability or scale.
- **Unsubstantiated:** assertions about seemingly important changes in policy, behaviour or capacity, but unsupported by credible evidence.
- **Small-scale or inconsequential:** evidence-based changes that while notable were of limited significance or seemed unlikely to be sustained or scaled up.
- **Inadequate:** reported changes that were seemingly of limited value (or irrelevant to the 'result area' under which they were reported) and were in any case unsubstantiated.

3.   Analysis of CSO self-assessment s of achievement of deliverables targets

CSOs were required to provide a self-assessment of the extent to which they achieved their original targets for project deliverables.   Self-assessment involved a three-point ordinal scale: A, fully achieved; B, partially achieved; C, not achieved. The MRP undertook analysis of deliverables rated 'B' or 'C' to determine their criticality in terms of affecting the achievement of 'expected changes' identified by the CSO.

The MRP then categorised these deliverables as:

- No effect on expected changes
- Minimal effect on expected changes
- Major effect on expected changes

Those falling into the third category were then analysed in greater detail.

4.   Cost per beneficiary analysis

The unit cost per beneficiary was calculated as follows:

> [Total Funds] * [% Allocation to water] / [Number of additional people with access to safe water (JMP)]

[Total Funds] * [% Allocation to sanitation] / [Number of additional people with access to basic sanitation (JMP) + Number of additional people with access to basic sanitation (CS WASH Fund)]

There are significant limitations with this analysis, including:

1. The calculation is based on the percentage of total funds allocated to water or to sanitation activities as identified by CSOs. This amount included funds allocated to activities to strengthen the enabling environment as well capital invested in constructing fixed assets such as bores, wells, pumps, pipes, latrines etc.
2. Calculations were based on AusAIDs contribution only and did not include the CSOs contribution or government or community contributions, especially where there were in-kind contributions.
3. Making assertions about the relative costs of different types of water system is problematic because some CSOs delivered a number of different types of systems .e.g. gravity fed systems as well as bores under one project; many worked in schools where costs and benefits are borne out differently from in communities; and a variety of WASH approaches were employed.
4. When comparing costs, consideration should be given to the WASH targeting strategy employed by CSOs. For example, CSO's that were targeting isolated, vulnerable communities incurred higher costs than those working in more accessible locations.
5. No calculations were done to account for purchasing power parity (PPP) across different countries.

5. Survey of program managers regarding learning events
A short survey was administered by the AusAID Quality, Performance and Results Section and posed questions about both the performance arrangements for the Fund, and the learning component of the Fund. Below are the questions that focused on the latter (the remainder are included in Appendix E on independent evaluation of Performance arrangements):

Learning Fund		Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
16.	The learning events had a **positive impact** on what my organisation was able to achieve within this Fund.	O	O	O	O
17.	The learning events were a useful way to **build staff capacity** within my organisation.	O	O	O	O
18.	The learning events influenced how my organisation will approach our **design of future** WASH activities.	O	O	O	O
19.	My organisation has actively used the **documentation** compiled from the learning events.	O	O	O	O

20. What were some things that you **appreciated most** about the Learning events?

21. What were some **difficulties** with the Learning events that should be considered in the future?

22. Please describe at least **one practical example** of how the Learning Events made a difference in your organisation.

WASH CSO Fund Monitoring and Review Panel Evaluation

CONTENTS

1.   BACKGROUND

The Monitoring and Review Panel (MRP) was established under the Civil Society Water, Sanitation and Hygiene Fund (CSO WASH Fund) to provide monitoring, evaluation and reporting support to CSOs receiving funding through the Fund. The specific objectives of the MRP were to:

- ensure quality monitoring and evaluation processes are in place;
- provide technical support to recipient organisations as necessary;
- provide input to and review of reporting;
- potentially participate in the Mid-Term Review; and
- collate and provide analysis and synthesis of performance information from separate Program activities to meet integrated AusAID reporting needs.

This evaluation of the MRP forms part of the final evaluation of the CSO WASH Fund which was undertaken by the MRP. To ensure independence, the evaluation of the MRP is being undertaken by Performance Policy and Systems Section in AusAID.

2.   PURPOSE OF THE EVALUATION

The purpose of this evaluation was to provide Infrastructure and Water Policy Section (IWP), NGO Policy and Programs Section (NGO Section), and Performance Policy and Systems Section (PPS) of AusAID with an analysis of one of the innovative elements of this Fund as compared with other AusAID mechanisms to support and engage with CSOs, namely the engagement of a long-term panel of monitoring and evaluation advisors with an emphasis on a structured performance architecture and opportunities for learning.

3. METHODOLOGY

Data for this evaluation was drawn from a survey of the CSO program managers involved in the initiative, review of initiative documentation such as the Independent Progress Report and CSO progress reports, and interviews with the two IWP initiative managers.

The survey was developed collaboratively by the MRP, IWP and PPS on the basis of a review of initiative reporting, consideration of the objectives of the MRP, and consideration of what lessons from the MRP model would be informative for various work areas within AusAID (primarily NGO section, Performance Policy and Systems, IWP).

100% (11) CSOs responded to the survey, and the aggregated data from their responses is at Annex 1. The survey asked the CSOs to rate 13 aspects of the MRP model, and also included two free answer questions on 1) the things they most appreciated about the MRP model, and 2) the difficulties with the model that should be considered in the future.

The questions posed in the interviews with the two IWP initiative managers were formulated based on initial analysis of the CSO survey responses, and comprised the following:
- What impact did the MRP have on AusAID monitoring, evaluation and learning, and reporting results at a program level?
- Did the MRP model result in any noticeable changes to CSO or AusAID programming from your perspective? If so, what?
- How timely and useful were the IPR and synthesis reports for AusAID decision-making?
- What were some of the things that you appreciated most about the MRP model?
- What were some difficulties with the MRP model that should be considered in the future?

4. OVERVIEW OF RECOMMENDATIONS

Recommendations for Infrastructure and Water Policy Section

- Separate out program coordination functions and engage a program coordinator for these functions, so that the MRP can focus on program quality, noting that it would be critical for the program coordinator to have a close relationship with the CSOs involved (see 5.1)

- Ensure adequate time is built into the initiative schedule for consultation with CSOs on the development of the Performance Assessment Framework (see 5.2)

- Review the reporting requirements and structure to: a) separate financial reporting from quality reporting; b) require progress reports to focus on deliverables (rather than financial reporting), and c) consider how accountability requirements for payments to CSOs may be satisfied without requiring progress reports (ie via monitoring visits or meetings) in order to reduce the amount of reports required of CSOs (see 5.2, 5.3)

- Note the need for a capacity audit by the MRP of the performance management capacity of in-country staff at the beginning of the initiative to guide the MRP in providing directed M&E support where required (see 5.4)

- Clarify with CSOs at the beginning of the initiative what support the MRP is expected to provide to in-country partners with respect to communication and explanation of the PAF, and what is expected to be provided by CSOs themselves (see 5.4)

- Continue with the MRP model of engaging independent experts to provide ongoing and individual support in future CSO grants programs, given the broad-ranging benefits of the model for AusAID and the CSOs involved (see 5.5-5.9)

- Consider how AusAID staff can commit increased time to future Funds so that institutional knowledge and learning from the initiative can be captured within AusAID rather than predominantly within the MRP (see 5.7)

Recommendations for PPS:

- Note that a key factor to the success of the MRP model was that each MRP expert had expertise in monitoring and evaluation, the WASH sector, and the regions in which they worked, which has relevance to engaging consultants across AusAID (see 5.5)

Recommendations for the Monitoring and Review Panel

- Undertake monitoring visits as early as possible in the initiative given the value of these visits in building rapport and understanding between in-country staff and MRP members (see 5.1)

- Consider whether the format and data collected through reporting could be made more flexible to account for differences in in-country partners' systems (see 5.2)

- Consider whether performance management and reporting systems could be simplified to ensure they are accessible for in-country partners and non-English speakers (see 5.4)

Recommendations for the CSO Section

- Note the additional support required to communicate the PAF and reporting requirements to in-country staff, and the relevance this may have for CSO programs more broadly (see 5.4)

- Note the value of having individualised, tailored and ongoing support to CSOs in improving program design, monitoring and evaluation

- Consider incorporating external performance management support mechanisms in other CSO programs to maximise the effectiveness of programs and to strengthen relationships with CSOs

Recommendations for CSOs

- Consider planning coordinated training on Fund performance management systems to avoid each CSO having to provide separate training for its staff (see 5.4)

- Ensure that expected outputs and outcomes are appropriate for the duration of the initiative when defining targets (see 5.10)

5. FINDINGS

MONITORING & EVALUATION FRAMEWORKS AND REPORTING

5.1 The **monitoring visits, synthesis reports and learning products produced by the MRP** (Independent Progress Report, synthesis reports and learning documents) were reported as useful for both CSOs and IWP. All CSOs agreed either strongly or somewhat that the monitoring trip reports

provided useful insights for their organisation, and 5 CSOs specifically cited the monitoring visits and feed-back provided from the visits as a key benefit of the MRP model. All 11 CSOs also strongly or somewhat agreed that the synthesis documents from monitoring trips provided valuable reflections for their organisations, and three CSOs cited these reports as something they appreciated most about the MRP, as they promoted broader reflection on their activities. For example, one CSO commented that:

> ''the format of the completion report was very useful to guide us through reflection on both design and implementation factors affecting the results/outcomes of the programme."

The monitoring trips were also cited as key to the MRP developing strong rapport with CSO staff. Two CSOs highlighted the MRP synthesis reports as a key benefit of the MRP model, because they felt that these reports provided analysis and program synthesis which was required by IWP and which would have been difficult for CSOs to provide themselves.

IWP staff reported that the insights contained in the IPR were very useful in informing the design of Phase Two of the Fund. A key benefit of the IPR and synthesis reports (and underlying common PAF framework) for IWP staff was that it provided robust and aggregated program information which could be used in corporate reporting such as briefings and budget reporting (see further discussion in 5.2). One IWP initiative manager commented that the MRP model meant they had confidence in program performance data and could engage in meaningful conversations about program performance. One issue with the system from the perspective of IWP staff was that the MRP spent too much time following up reports, collating data and preparing reports, whereas this work would better have been done by a program coordinator.

5.2 The **common CSO M&E frameworks and reporting systems** had positive aspects but also challenges according to CSOs. All 11 CSOs reported a strong or somewhat clear understanding of the rationale for the PAF and the expectations of performance information required. Having a systematic approach to reporting was also useful, in enabling CSOs to demonstrate collective achievements by aggregating results across CSO activities. One CSO commented:

> "it enabled AusAID to demonstrate the 'sum' impact of the fund, which is something that has not always been possible for AusAID to demonstrate with other civil society funding mechanisms."

A disadvantage of the reporting structure for some CSOs was the inconsistency of the PAF indicators and reporting requirements (finance and performance reporting) with existing CSO systems, which required changes to existing practices. It should be noted that problems relating to indicators were able to be resolved through dialogue with the MRP. Two CSOs also reported that the PAF was overly complicated, particularly for in-country staff. The MRP noted that the short duration of the initiative meant there was limited time for collaboration on the PAF, and that a more collaborative approach could have facilitated greater understanding of PAF requirements. This is discussed further at 5.4.

From an IWP perspective, the common M&E frameworks were one of the key benefits of the MRP model, in ensuring a robust M&E system and enabling the aggregation of data at a program level. This enabled program-level analysis, cross-program insights and comparisons which were useful for high-level decision making. In relation to the CSO progress report format, IWP initiative managers

noted that it would have been useful for progress reports to focus more on high-level progress against deliverables as well as financial reporting. Furthermore, one IWP initiative manager felt that that the MRP were involved to a greater extent than desired in financial reporting coordination, whereas it would have been better to have a program coordinator to fulfil this function.

5.3 In relation to the **quantity of reports** required, several CSOs reported that frequency and amount of reports required was excessive, given the short duration of the initiative. In response to whether the reporting workload was reasonable, 3 CSOs strongly agreed, 6 somewhat agreed and 2 somewhat disagreed. Three CSOs raised the amount of resources required for reporting as a difficulty for their CSO, and overly ambitious given the length of the initiative. This was not necessarily specific to the MRP model, and relates to program reporting requirements more broadly.

IWP staff acknowledged that the reporting requirements for CSOs were heavy but felt that the reports were necessary for accountability purposes, in that receipt of the progress reports triggered funding payments to the CSOs. Early reports also were influential for IWP decision making. For example the first progress report – showing less progress towards objectives than anticipated – led to the decision to extend the initiative duration for an additional 6 months, and the IPR directly influenced the design of Phase 2 of the initiative.

5.4 Three CSOs reported that **communicating the PAF to in-country staff** posed some difficulties due to the differences in performance management capacity between in-country representatives and managers at CSO headquarters. Two CSOs reported that additional training was required for in-country partners because the PAF was significantly more complex than the partners' reporting systems, which was costly and time-consuming. IWP initiative managers indicated that CSOs were responsible for ensuring in-country partners understood and could use the PAF, however four CSOs raised this as a challenge which they would have liked MRP support to address. It would have been useful to clarify expectations of the MRP's role in communication of the PAF at the outset of the initiative to ensure CSOs and MRP had a mutual understanding of what support would be offered. Undertaking a capacity audit at the beginning of the initiative would have been useful to instigate more directed support by the MRP for in-country partners with low monitoring and evaluation capacity. Coordinated training between CSOs would also have been a more efficient way to develop in-country staff's performance management capacity, rather than each CSO providing separate training for its staff.

> **Recommendations for M&E frameworks and reporting**
>
> *IWP should:*
>
> - *Separate out program coordination functions and engage a program coordinator for these functions, so that the MRP can focus on program quality, noting that it would be critical for the program coordinator to have a close relationship with the CSOs involved (see 5.1)*
>
> - *Ensure adequate time is built into the initiative schedule for consultation with CSOs on the development of the Performance Assessment Framework (see 5.2)*
>
> - *Review the reporting requirements and structure to: a) separate financial reporting from quality reporting; b) require progress reports to focus on deliverables (rather than financial reporting), and c) consider how accountability requirements for payments to CSOs may be*

> *satisfied without requiring progress reports (ie via monitoring visits or meetings) in order to reduce the amount of reports required of CSOs (see 5.2, 5.3)*
>
> - *Note the need for a capacity audit by the MRP of the performance management capacity of in-country staff at the beginning of the initiative to guide the MRP in providing directed M&E support where required (see 5.4)*
>
> - *Clarify with CSOs at the beginning of the initiative what support the MRP is expected to provide to in-country partners with respect to communication and explanation of the PAF, and what is expected to be provided by CSOs themselves (see 5.4)*
>
> *The MRP should:*
>
> - *Undertake monitoring visits as early as possible in the initiative given the value of these visits in building rapport and understanding between in-country staff and MRP members (see 5.1)*
>
> - *Consider whether the format and data collected through reporting could be made more flexible to account for differences in in-country partners' systems (see 5.2)*
>
> - *Consider whether performance management and reporting systems could be simplified to ensure they are accessible for in-country partners and non-English speakers (see 5.4)*
>
> *NGO Section should:*
>
> - *Note the additional support required to communicate the PAF and reporting requirements to in-country staff, and the relevance this may have for CSO programs more broadly (see 5.4)*
>
> *CSOs should:*
>
> - *Consider planning coordinated training on Fund performance management systems to avoid each CSO providing separate training for its staff (see 5.4)*

STRUCTURE OF THE MRP MODEL

5.5 The **availability of specialists** to provide support and advice was greatly appreciated by both CSOs and AusAID staff. CSOs commented that direct input by an expert who understood the WASH context broadened their thinking on different types of M&E arrangements and outcomes measurements which could be useful in their context. CSOs also reported that the MRP structure enabled them to tailor M&E systems to their programs, particularly where program staff required additional support in developing M&E for different types of outcomes (governance, capacity-building.) The expertise of MRP members in the WASH and country context was cited as a particularly important factor in the success of the model. IWP staff also reported the benefits of having specialist experts available, as they offered a 'sounding board' for performance management and program management decisions. For example, the MRP was able to support IWP staff on performance management issues, and to talk through progress and observations from across the Fund. According to one IWP initiative manager, this collaborative decision-making process meant that

> "AusAID programming was informed on an ongoing basis by expert input."

6

IWP staff also reported that the MRP staff provided extensive assistance and advice beyond their MRP function such as establishing a sharesite and database for the program and provided input on activity-level perspectives and experiences to inform IWP programming decisions. This was particularly important given the limited capacity for input by IWP staff at an activity level.

5.6 The **interactive nature of the support provided by the MRP** was reported as extremely positive by both CSOs and AusAID staff. CSOs appreciated the opportunity to talk through programming issues with expert support, with 10 CSOs strongly agreeing that interactions and monitoring trips with the MRP members were professional and constructive, and that having professionals engaged for the entire length of the initiative was useful. One CSO commented that:

> "having an assigned MRP contact person also enabled a level of dialogue and discussion on programming issues that has not been possible with other AusAID grants."

The responsiveness of the MRP members and timeliness of input were cited as critical in enabling CSOs to incorporate feed-back into decision-making. All 11 CSOs either strongly or somewhat agreed that the MRP model contributed to more effective, responsive programming within their organisation with respect to the Fund. Furthermore, 7 CSOs cited the timeliness of support and interaction facilitated by the MRP as key aspects of the MRP model. One CSO reported that

> "the MRP were able to support programming discussions that would not have otherwise been possible."

This was useful not only in improving the monitoring and evaluation work for the fund, but also in developing the monitoring and evaluation skills of CSO staff. For example, one CSO reported that:

> "[the monitoring trip was] itself a learning experience for the … staff members accompanying."

5.7 The **consistency of MRP personnel** provided through the MRP structure, with MRP members allocated to a CSO throughout the life of the Fund, was an important element of the MRP. CSOs reported that having one consistent point of contact meant they were able to build a strong rapport and trust with the MRP, and that the MRP members developed a good understanding of the CSO context and programs. IWP staff also appreciated the institutional knowledge and continuity which was provided by having the MRP members involved throughout the entire program. They commented that this provided consistency for CSOs within the program despite turn-over in AusAID staffing, and also meant that the MRP were able to support new AusAID initiative managers who came on board. One risk identified by IWP initiative managers was that institutional knowledge about the activities, lessons learnt and relationship with partner organisations is predominantly held by the MRP rather than AusAID. They noted that it is important to capture and share that knowledge across AusAID, particularly with other CSO grant programs.

5.8 Both CSOs and AusAID staff reported positively on the fact that the MRP experts were **independent from AusAID**. For CSOs this meant there was greater trust and openness in their relationship with MRP experts, and they were able to have frank discussions about issues which arose. One CSO reported that the MRP's independence from AusAID meant:

"we felt more comfortable acknowledging challenges and seeking advice about implementation and reporting"

For AusAID, the independence of the MRP was important in providing objective and comprehensive updates to AusAID on progress and issues.

5.9 The MRP model was reported as **strengthening the relationship between AusAID and CSOs** involved in the fund through building understanding between the organisations, and because of the value of the support provided through the MRP. For example, one CSO noted that the model provided their team with:

"a good understanding of the relationship between AusAID desk officers, Post and the role of the MRP."

IWP initiative managers also commented that:

"[the model was] very important in strengthening AusAID's relationship with the NGOs [and that] the MRP provided a bridge between AusAID and the CSOs and facilitated AusAID's involvement in the program."

The IWP initiative managers attributed this improved relationship and understanding to the value provided to CSOs through the MRP model, and the fact that MRP were able to share concerns and information between AusAID and the CSOs which AusAID staff would otherwise not have had the time or opportunity to find out about.

Recommendations on the structure of the MRP model

IWP should:

- *Continue with the MRP model of engaging independent experts to provide ongoing and individual support in future CSO grants programs, given the broad-ranging benefits of the model for AusAID and the CSOs involved (see 5.5-5.9)*

- *Consider how AusAID staff can commit increased time to future Funds so that institutional knowledge and learning from the initiative can be captured within AusAID rather than predominantly within the MRP (see 5.7)*

PPS should:

- *Note that a key factor to the success of the MRP model was the MRP experts having expertise in monitoring and evaluation, the WASH sector, and the regions in which they worked, which has relevance to engaging consultants across AusAID (see 5.5)*

NGO Section should:

- *Note the value of having individualised, tailored and ongoing support to CSOs in improving program design, monitoring and evaluation*

- *Consider incorporating external performance management support mechanisms in other CSO programs to maximise the effectiveness of programs and strengthen relationships with CSOs*

PROGRAM DURATION

5.10 Both CSOs and AusAID staff reported that the **program duration** was very short in terms of what was expected to be achieved by the MRP. Several CSOs commented on the high quantity of M&E reporting, monitoring visits and learning events over the course of the year. It is important that CSOs to define realistic outputs and outcomes given the short time-frame of the program, as several CSOs reported that the targets which they had established were not feasible.

IWP initiative managers also recognised that the program duration was very short, and that this created pressure on spending. When it was decided to extend the initiative by 6 months, arranging contract extensions for the CSOs and MRP members was a significant administrative burden for IWP. This situation also created uncertainty for both the IWP initiative managers and CSOs, as it was unclear whether an extension would be possible or whether the MRP would be involved for the duration of the project. IWP noted that this situation was unavoidable due to time limitations on the initial funding allocation for the initiative. It is hoped that AusAID's transition to a four-year rolling budget cycle will assist in avoiding this situation in the future.

Recommendations on program duration

CSOs should:

- *Ensure that targets are appropriate for the duration of the initiative when defining outputs and outcomes (see 5.10)*

Annex 1

Table 1: Aggregated CSO responses to the MRP Evaluation Survey

	Fund performance arrangements	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree
1	The rationale and purpose of the Fund's **Performance Assessment Framework** (PAF) was clear to me.	9	2		
2	The **reporting templates** and related guidance assisted my organisation to know the kind of performance information (about activities, progress and outcomes) expected of Fund partners.	8	3		
3	The workload required to complete **reporting requirements**, in line with reporting templates, was reasonable for a Fund of this kind.	3	6	2	
4	The structure and content of the **report templates** was appropriate and meaningful.	5	6		
5	I drew on the '**M&E help desk**' services offered by the Monitoring Review Panel (MRP) to the extent that we needed them.	7	2	1	1
6	I found my **interactions with MRP members** professional and constructive.	10	1		
7	The **advice from MRP members** improved the monitoring and evaluation practice within my organisation for this Fund.	6	4	1	
8	The **MRP model** of having independent specialists retained for the whole life of the Fund was useful.	10	1		
9	The **independent progress review** (IPR) at mid-term generated insights that were useful for my organisation.	6	5		
10	**Monitoring trips** conducted by MRP members were professional and constructive.	10	1		
11	**Monitoring trip reports** were balanced and provided useful insights for my organisation.	9	2		
12	The **synthesis documents** ('Summary of Strengths and Weaknesses', and 'Contributions to the Enabling Environment') of monitoring trips provided valuable reflections for my organisation.	8	3		
13	The support provided through the **MRP model** contributed to more effective, responsive programming within my organisation with respect to this Fund.	5	6		
	Total	96	42	4	1

APPENDIX D: EFFECTIVENESS OF WASH APPROACHES

The Fund provided a site for learning about effective WASH approaches. In many areas there was diversity in the performance of different CSOs. This Appendix outlines important lessons learnt and implications for improving CSO practice in WASH. The topics below include lessons reported by CSOs, an assimilation of sector literature and the MRP's observations from monitoring trips:

1. Achieving sustainable sanitation outcomes
   - How effective was CLTS as an approach?
   - How effective was CSO work to link sanitation demand and supply through sanitation marketing approaches?
   - How effective were eco-sanitation approaches?
   - What is the likely sustainability of sanitation outcomes?
2. Advancing practice in rural water supply
   - Lessons learned in water supply provision
   - Rural water supply chains for spare parts
   - How could CSOs more effectively address sustainability in rural water supply?
3. Effective approaches to engaging with the private sector in WASH
4. Challenges of working in the Pacific and establishing effective engagement with government

1. Achieving sustainable sanitation outcomes

How effective was CLTS as an approach?

Community-led total sanitation (CLTS) was used by almost half (20) of the activities in the Fund, resulting large number of people being 'triggered' and obtaining access to sanitation. This result affirms its value as a way to increase demand for sanitation facilities. However, achievement of targets was variable, from highly successful triggering to unsuccessful results. Lessons reported by CSOs, or arising from monitoring visits, included:

- CSOs found that **triggering is not always successful** and in some locations CSOs faced challenges to reach ODF status. For example: "*more needs to be invested to help triggered villages to become ODF*" (Plan Kenya), and "*In Kamuli, many communities are yet to achieve ODF status. Mostly due to inappropriate disposal of your childrens faeces*". In East Timor Oxfam noted that: "*CLTS was less successful than expected*". This led the agency to conclude that shaming did not "*suit the Timorese context*" and as a result started to use positive reinforcement techniques. WaterAid in Ethiopia also reported that "*CLTS triggering appears to have been successful however the number of communities declaring themselves ODF was by contrast quite low*". Plan in Uganda also noted that 'shaming' was not always fully successful: "*some communities publicly display the names of household heads without toilets helped motivate slow adopters to construct and use toilets. However, not all community members have ceased practicing OD*".

- Some CSOs noted the possibility that **low quality toilets could potentially increase disease** rather than decrease it: "*CLTS was in fact leading to hastily built*

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substandard toilets which could lead to increased disease" (Oxfam East Timor). This tendency was also observed during MRP monitoring visits.

- SNV in Laos noted that it was **hard to build momentum if working in scattered villages**. More success was achieved in Vietnam where SNV undertook the approach across an entire district: "*Villages selected for the programme by the government were quite scattered, based on the Lao development thinking of "model villages". It was difficult to build synergy in scattered villages. The local partners have since learned that clustering and area-wide coverage was one of the key success factors in other countries, and are now open to change this approach to working in clusters*".

- During monitoring visits the **issue of 'subsidy' or 'no-subsidy'** was raised, since most CSOs using CLTS follow a completely 'no-subsidy' approach. It is important that this debate continues since there is evidence that the poor may be excluded by a 'blanket approach' and that there may be smart ways of supporting them that do not compromise the principles that underpin CLTS.

- CSOs reported the **need to better link supply with newly increased demand** (through sanitation marketing and supply chains- see below).

- CSOs reported that many of the toilets built were likely to only have a **short life-time**, which presents a major risk for sustainability.

Strategies for improvement: Plan offered a number of other useful strategies and lessons to improve how CLTS works:
- **Focus first upon communities who are most eager to achieve ODF** status and at a later stage draw upon this momentum to help convince less-motivated villages to join their peers in becoming ODF (Plan Indonesia).

- **Reduce the pace of triggering** in order to allow for increased reflection and learning to inform subsequent triggering, allowing for more intense follow-up and monitoring in triggered villages (Plan Uganda).

- **Re-examine the size of triggering areas** to ensure increased attendance at triggering events, putting more emphasis on the pre-triggering phase and community mobilisation (Plan Uganda).

- **Selection of young people to work as Natural Leaders** (NLs) proved to be a successful strategy (in previous CLTS campaigns, older community members were generally selected as NLs) (Plan Bangladesh).

The implications of the lessons above are firstly, that it will likely always be challenging to predict sanitation behaviour change initiated through CLTS, and targets for increased access will only ever be indicative. Secondly, there continues to be much to learn about how to best undertake the approach in different contexts, including strategies for most effective triggering results, and the need to continue the debate regarding subsidies to ensure the poorest are not excluded.

How effective was CSO work to link sanitation demand and supply through sanitation marketing approaches?

Sanitation marketing and a focus on the sanitation supply chain was a focus in 17 activities of the Fund (see IPR; p 19) with **mixed success**. Sanitation marketing is an emerging approach still undergoing experimentation in the sector. Some CSOs noted how this aspect of their work complemented a CLTS focus on raising demand. For example: "*Supply chain*

and behavioural change activities beyond conventional CLTS demand triggering and involving local agencies, helped to accelerate the sanitation coverage throughout the settlements within the VDCs." (SNV Nepal).

However, many CSOs realised that **concerted effort and new skills are needed** to **address supply chains and to use sanitation marketing effectively**. For instance, Plan in Tanzania reported that they "*will need to invest more in sanitation marketing activities over the longer term, bring in specialist expertise to develop a strategy that builds on CLTS momentum and local capacity*" and that "*at end of activity period, most households had not moved beyond covered pit toilets. More effort is needed in future in terms of sanitation marketing and progression up the sanitation ladder*". Similarly, LLEE reported that the time required to develop viable enterprises to market sanitation products in the Pacific had been under-estimated and that "***[m]ore care is needed when selecting communities and setting objectives for small sanitation marketing businesses***". SNV also found that linking work on supply and demand in terms of timing and scope to achieve a match was challenging.

The implication of these lessons is that CSOs need to consider how to build the necessary skills and for more successful supply chain and sanitation marketing approaches.

How effective were approaches adopting eco-sanitation?

The Fund demonstrated mixed success in the use of eco-sanitation. Two successful examples include LLEE in Fiji and WaterAid in Malawi. In the Pacific, LLEE developed demonstration composting toilets, including a 'wheelie bin' model which was preferred in Fiji, to ensure environmental protection given proximity to waterways and high groundwater tables*.* In Fiji LLEE's work influenced policy in the MoH and Rural Division Planning office, both departments have included compost toilet construction designs into their policy and recognise how these provide options for rural people living in flood prone areas, where water is scarce and where space does not allow for safe septic tank systems*.*

WaterAid in Malawi reported successful adoption:

> "*Eco-san latrines were widely adopted in target communities and reported to have been a desirable technology due to the minimal smell, and ability to transform faecal matter into fertilizer. There were several cases observed during monitoring visits of faecal matter from eco-san latrine pits being prepared by community members to use as fertiliser and in some cases where sufficient time had passed, where fertiliser had been cultivated and applied to crops. It was commonly reported by community members adopting eco-san latrine technology that they were optimistic that the use of faecal matter for fertiliser would have financial benefits*."

However, a project in Mozambique encountered Muslim communities that were culturally opposed to the handling faecal matter, highlighting the importance of considering cultural practices in project design.

Based on this, CSOs should consider supporting eco-sanitation given the potential environmental protection benefits (particularly in areas with high groundwater tables or flooding), the avoidance of the need for water for flushing, and the flow-on benefits of fertilizer production in terms of cost-savings and livelihood, however taking a culturally sensitive approach is paramount.

What is the likely sustainability of sanitation outcomes?

Several CSOs noted questions about the sustainability of changes to improve access to sanitation, particularly those CSOs using CLTS. For example: *"[w]ater logging, soil collapse, termites, and limited access to affordable sanitation products in the broader community further risk undermining long-term sustainability"* (Plan Uganda).

Whilst there is a strong evidence base internationally that CLTS leads to significant sanitation behaviour change, there are very few existing studies that provide systematic assessment of the level of sustainability of ODF communities in maintaining this status over subsequent years. This calls into question whether the Fund's achievements against access to sanitation will be maintained into the future, particularly the 258,840 people gaining access to sanitation that did not meet JMP definitions.[1] One WSP study in Bangladesh reports 'slippage' of 10.5% within communities declared ODF 4.5 years earlier. This is in a country with a very strong enabling environment to support CLTS, and hence slippage in other locations is likely to be significantly higher. Plan Australia is currently conducting research to answer this question in the African context.

In terms of sustainability of subsidised toilets, previous experience has shown the possibility of low levels of use (or use of toilet buildings for other purposes) and also it was observed that some of the toilets built were not designed to allow ease of emptying which may reduce their useable life.

There are two implications of this uncertainty about sustainability. One is that the new Fund should also consider ways to further contribute to the evidence base in this area given the wide use of this sanitation approach. The second is the need for a stronger focus on developing sanitation supply chains and use of sanitation marketing, as mentioned above.

2. Advancing practice in rural water supply

Lessons learned in water supply provision

Three CSOs experienced challenges in commissioning boreholes due to either the quantity or quality of water available. Plan in Tanzania noted that "*unproductive boreholes remain an inherent risk in drilling programs. This needs to be recognised in future projects*". World Vision in Zimbabwe also noted that "*Following the commissioning of boreholes it was found that a small number of these boreholes yielded low amounts, despite being cased to 12-meter depth. In future, it may be possible to consider further assessment and testing to ensure that areas of potential low-yield are cased further*" (WV Zimbabwe). ARC in Vanuatu experienced high salinity in boreholes drilled.

The implication of these experiences is that CSOs should ensure appropriate hydro-geological assessment is made of sites and that they have the necessary technical capacity to undertake the proposed work.

Rural water supply chains for spare parts

Supply chains for water supply spare parts were raised by several CSOs in their reports. For instance WaterAid Mozambique reported that "*WUGs are unfortunately forced to contend with an unavailability of spare parts in the market, because apart from not being available in local markets, they need to travel long distances in order to obtain parts (if at all). This has resulted in increasing the price of the parts as travel costs must also be accounted for.*" WaterAid in East Timor also noted this issue and made a small-scale attempt to address it

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[1] Whilst it is possible that toilets not meeting JMP definition for 'improved access' might still have longevity, based on monitoring trip visits, it is likely that many of those constructed will not.

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through provision of spare parts in local stores, however realised that they had not ensured that there was matching demand for spare parts with this support provided to their supply, and that a broader strategy was needed. Recent research has shown that in order for supply chains for spare parts to become viable, these same local supply chains need to also be used to purchase capital infrastructure.[2] However CSOs, like other donor funded projects, often by-pass such supply chains.

There are two implications to note here. First, CSOs should consider the importance of the supply chain for spare parts for water systems in the design phase, ensuring they are not undermining existing local supply chains through their own procurement approaches for new infrastructure.[3] Second, CSOs should consider other innovative roles they might play in the sector to develop supply chains for spare parts.

How could CSOs more effectively address sustainability in rural water supply?

As mentioned in the main report, the most cited reason by CSOs to guarantee sustainability was strong ownership and participation. There is no doubt that strong ownership and participation are key to effective aid at the community level, however, as also mentioned in the main report, there is strong international evidence to suggest that this is insufficient to keep rural water supply systems functioning.[4] One CSO, WV Zimbabwe also pointed out this risk:

> "During the project implementation, there were repeated instances where community members expected WV to provide materials in the event of break downs. This was understandable, as the costs associated are high and community members have limited ability to pay for the required materials. However, it has raised some concerns regarding the onward management of the implemented infrastructure and sustainability."

Sector literature points repeatedly over the last decade to the critical need for on-going external support to communities and the unrealistic expectation that communities and committees can manage systems alone.[5] Some CSOs, in their response to sustainability, mention that 'local government' will support communities demonstrating awareness of this, however less than half of those CSOs asserting this strategy provided evidence of a sound process as part of their strategic approach that would ensure on-going local government support. There were, however 11/45 activities in the Fund that had a clear strategy to work through and with government structures to embed their approach and ensure the necessary capacity and leadership at local level was built. In this regard, Plan, SNV and WSUP were notable. In a similar way, many CSOs were working closely with school and education authorities and through school structures and management committees, particularly Plan, LLEE and Oxfam.

The strengths and weaknesses of CSO approaches against key factors affecting sustainability in the rural water sector are described below in Figure 1.

The implication of the analysis in Figure 1 is that CSOs should be creative in finding new roles in the sector that align with and help to develop a 'service delivery approach', particularly in the rural water sector. Adherence to the standard CSO model with a predominant focus on new infrastructure and community management currently appears to limit CSO's conceptualisation of other innovative roles that could be played to strengthen the broader WASH sector.

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[2] See Harvey (2011) Sustainable supply chains for rural services: Linking local procurement of handpumps and spare parts supply, Field Note No 2011-1, Prepared by the Rural Water Supply Network, February 2011

[3] It is possible that local procurement of new infrastructure will be slightly less cost-effective than procuring items in capital cities or even abroad, however the long-term benefits of supporting the local supply chain are likely to outweigh this cost.

[4] RWSN, 2009. *Myths of the Rural Water Supply Sector,* Perspectives No. 4, RWSN Executive Steering Committee, July 2009. St Gallen: Rural Water Supply Network.

[5] Lockwood and Smits (2011) Supporting Rural Water Supply: Moving Towards a Service Delivery Approach

Key factors affecting sustainability in the rural water sector [6]	Strengths in CSO contribution to sustainability	Weaknesses
Lack of sector coordination, and fragmentation of implementation processes, standards and norms	Some CSOs supported improved sector coordination and working groups (at least 7/45 activities) CSOs worked within and to support government systems (at least 11/45 activities) (eg Plan, SNV and WSUP)	Some CSOs have built systems with minimal contact with government, which can undermine efforts to build coherent national systems
Dominant focus on new infrastructure and capital investments rather than on-going service delivery	A small number of CSOs have leveraged local actors to mobilise them in on-going service delivery or O&M roles (eg EMWF Vietnam, WaterAid India) Some CSOs provided O&M training or spare parts and tools (at least 6/45 activities, see result area 5.1) though this is likely to be insufficient as a once-off investment	Due to the focus of AusAID's Water and Sanitation Initiative and the Fund on 'core indicators' and a short time-frame for implementation, the dominant focus in creating access to water services has been on capital investments and new infrastructure
Need for external post-construction and on-going support to community management as well as greater formalisation of community management arrangements	Some CSOs had strategies to focus on a building local government capacity (at least 17/45 activities) A small number of CSOs developed more formal accountability relationships around community management (eg CARE)	Many CSOs assumed that community management would be sufficient to maintain the systems built.
Need for sound, well-regulated private sector models	A small number of CSOs supported private-sector involvement as service-providers (eg EMWF supported private sector companies to build and manage rural water systems) Some CSOs supported private individuals or enterprises to play roles in pump repair (eg Oxfam Zambia and WaterAid India)	Most CSOs focus on community management rather than considering other options for on-going service delivery
Need for support to build the institutions to manage infrastructure, regulate service providers, plan asset management, particularly local government capacity	A small number of CSOs have specifically sought to build this capacity as the central element in their approach.	Few CSOs appear to undertake analysis of local government capacities needs and the gaps in the institutional arrangements in the sector in the location and country in which they are working to inform their strategy and approach.
Weak supply chains for spare parts	A small number of CSOs undertook minor attempts to facilitate the supply chain for spare parts.	Some CSOs bypassed local supply chains in obtaining system hardware, which undermines the viability of these supply chains to provide spare parts
Lack of financial support for life-cycle costs		Most CSOs assumed that communities will be able to pay for required O&M with feel collection, however it is unlikely that this is the case long-term, particularly in terms of larger capital maintenance costs.

Figure 1: Key strengths and weaknesses of the Fund against key sustainability factors in rural water

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[6] These factors are informed by sector literature including: RWSN, 2009. *Myths of the Rural Water Supply Sector,* Perspectives No. 4, RWSN Executive Steering Committee, July 2009. St Gallen: Rural Water Supply Network; (2011) Supporting Rural Water Supply: Moving Towards a Service Delivery Approach; Harvey (2011) Sustainable supply chains for rural services: Linking local procurement of handpumps and spare parts supply, Field Note No 2011-1, Prepared by the Rural Water Supply Network, February 2011

3. Effective approaches to engaging with the private sector in WASH

One of the most frequently cited lessons in CSO completion reports broadly concerned engagement with the private sector. This is recognised as an important but developing domain, especially in contexts where government services are unlikely to address community needs in the medium term. A finding that emerged during this Fund is that CSO-private sector engagement is a complex area that requires sophisticated analysis and sufficient time and resources to realise sustainable benefits.

In this Fund, 'private sector engagement' entailed a diversity of approaches, including:

- Training of local artisans to fabricate and/or maintain WASH infrastructure or facilities, including use of public-private partnerships
- Supporting private enterprises to build and manage rural water supply as on-going service providers
- Support for the establishment and/or maintenance of water system spare parts supply chains and sanitation products supply chains
- The establishment of enterprises to provide household WASH services, such as solid was disposal or sludge removal
- Engagement of enterprises to deliver contracted WASH services, such as community facility management

Many CSOs reported that the Fund did not provide sufficient time to assure the successful establishment of private sector engagements. Some CSOs acknowledged that their designs were overly ambitious as for example in Ethiopia where Plan reported:

> *"Establishing spare parts supply chains is a nation-wide problem beyond the ability of one project to address. Similarly, an effective sanitation marketing campaign which results in sufficient demand to motivate local entrepreneurs is unlikely to be achieved in a short timeframe. Plan recognises that these were ambitious elements of the project design and will ensure that future activities are realistic for implementation periods and are linked with wider sector efforts".*

Four ways that CSOs engaged with private sector in the WASH Fund are described in the boxes below, elaborating the lessons learnt in each case.

Box 1: Supporting private enterprise to become service providers

EMWF in Vietnam used an output-based aid approach to provide incentives to private sector companies to enter the rural water supply market in the Mekong.

What worked? The model of private sector service providers is developing rapidly in several African countries and pioneered in Vietnam through EMWF's work in central Vietnam. Their work in the Mekong under this Fund met with considerable success. The demand from private enterprises to participate was higher than expected, as was their willingness and capacity to contribute their own investment capital to build or rehabilitate systems.

What didn't work? EMWF found that the enterprises required further support in management, operation and maintenance, and identified the potential need for formation an association of such private enterprises to provide on-going support in the absence of their own capacity to play this role through donor funding.

Box 2: Turning community groups into commercial organizations

Live & Learn in Vanuatu worked with community groups to establish 'sanitation enterprises'. These groups comprised interested individuals that came together to learn how to make basic sanitation products such as toilet seat risers, VIP latrine slabs, latrine superstructures and compositing toilets.

What worked? The rationale was defensible because government services are unlikely to meet community and household sanitation needs in the foreseeable future. Rather than becoming involved in direct service delivery, LLEE aimed to build local capacity to meet sanitation needs on a sustainable basis.

What didn't work? Aside from the usual challenges of forming and strengthening community-based groups, such approaches additionally faced the challenge of inculcating business principles and methods**.** Creating viable commercial enterprises is difficult—anywhere in the world.

Viable enterprises require vision, leadership, technical skill, business acumen and a sound understanding of the 'market'—who are the buyers and what will they pay? What are competitors offering? What are the costs along the value chain? To develop a disparate group of individuals with no prior history in commerce into a successful enterprise in the time-frame of the Fund was an ambitious agenda. Live& Learn in Vanuatu reported:*"We needed more time than was planned in this project to work with each community to establish strong structures and business plans. The progression through their initial concept of the business enterprise…[and the development of]…a more realistic and workable structure takes a long time".*

Box 3: Empowering community groups to engage private sector actors

WSUP worked in Kibera (Kenya), which is believed to be the largest urban slum in sub-Saharan Africa. WSUP abandoned the notion that community groups can be mobilised to operate on a quasi-commercial basis to maintain and administer shared WASH facilities. Many such attempts by CSOs had failed in Kibera over the years. Instead they mobilised a diverse array of community representatives into a 'Neighbourhood Committee' which tendered for commercial entities to manage community WASH facilities on a fee-for-service basis.

What worked? The Neighourhood Committee played a 'natural' demand-side role in defining and monitoring service/quality standards. The contracted service provider played a 'natural' supply-side role in meeting the agreed service delivery standards as the basis for payment. The result was a promising model of 'delegated commercial management' of WASH services which ensured that poor households benefited from a better standard of WASH facilities.

What didn't work? As with all community representative committees, success is contingent on the ongoing motivation and commitment of members—who are by definition volunteers. While motivation tends to naturally run high in the early stages of a project, it sometimes wanes through time; especially in the face of conflicts and administrative challenges. There was no mechanism for members of the Neighbourhood Committee to derive reward for their time and efforts on behalf of the community. Simply paying members honoraria from user fees would effectively push up the price of services, rending the whole model unaffordable for poor households.

> **Box 4: Partnering with existing commercial entities**
>
> Plan in Kenya partnered with an existing commercial entity—Community Cleaning Services (CCS)—to support communities in the Muthare slums of Nairobi to achieve a higher standard of sanitation.
>
> **What worked?** A genuine partnership emerged between the international NGO (Plan)—which provided resources and technical skills in WASH—and the existing commercial entity (CCS) with networks of staff and volunteers in the target community. CCS had strong leadership with a clear vision. CCS operated as a 'social enterprise' that mobilised and supported youth volunteers—and as such the organisation had more than a pure profit motive. CCS worked with PLAN to adapt CLTS to high density urban contexts.
>
> **What didn't work?** The commercial margins in poor communities such as urban slums are slim—placing even more pressure on commercial viability than usual. CCS was dependent on the motivation of volunteers; and on the funding provided by Plan. Viability will be contingent on the market (i.e. community) identifying significant value in the higher standard of sanitation provided by CCS such that they are willing (and able) to pay for services to maintain this standard. CCS will need to be viable without project funding from Plan.

The implication of the above examples and analysis is that CSOs should take into account lessons from this Fund that engagement of the private sector in WASH is a complex area that requires sophisticated analysis and sufficient time and resources to realise sustainable benefits.

4. Challenges of working in the Pacific

CSOs working in the Pacific reported particular challenges including, but not limited to: small and geographically distributed/remote communities, high input cost, and limited reach and capacity of government. Agencies engaged in WASH in the Pacific are increasingly acknowledging that given projected government revenues, government departments are unlikely to ever deliver the expected range of WASH services to the population. Hence it is necessary to employ a fusion of community-based and private sector approaches. This situation challenges contemporary development thinking in relation to working within 'partner government systems'. Arguably, where such systems are latent or nascent, and communities' needs for water and sanitation are immediate and unmet, there is a defensible role for CSOs to play in service delivery (notwithstanding the concerns about sustainability raised elsewhere in this report). In this Fund, this approach was taken by ADRA and ARC in Vanuatu.

The case of ADRA and ARC in Vanuatu is illuminating since both agencies partnered with the Department of Geology, Mines and Water Resources, but reported diametrically opposed experiences of their partnerships. ADRA reported that their *"partnership with the Vanuatu Government's Department of Geology, Mines and Water Resources worked very well. It gave ADRA Vanuatu access to resources and personnel in the locales of the target communities throughout the life of the project that could be called upon for assistance"*. In contrast, ARC reported that *"relying on the Government for project implementation was the major challenge of this project and the reason for some tasks not being completed within the designate timeframe…it was too reliant on the DGMWR for both their professional recommendations that drinking water would be found, and for activity implementation"*.

On reflection, the approach to government partnership adopted by these agencies was fundamentally different:

- ADRA essentially adopted a *government substitution* role which has historically been an approach taken by CSOs to address community needs in the context of failed or limited government services. The partnership was positive and fruitful because ADRA assisted the department to implement its mandate by providing resources and technical oversight that were otherwise unavailable to the department.
- ARC essentially engaged government as a '*commercial sub-contractor*' to deliver technical advice, equipment and oversight. The partnership was complicated, initially because of ambiguity about the financial terms of the relationship, and later because of capacity limitations leading to delays and failures in the project.

It is clear that the approach and purpose of CSO-government partnerships must be clear and well understood to ensure project results can be achieved. But irrespective, the sustainability of project results in the medium – long term remains uncertain under both approaches.

Implications of this are that CSOs working in the Pacific will need to carefully consider their overall strategy to WASH work and within this, their engagement with government, keeping sustainability of service provision as the key driver for decisions about the most effective approach.

APPENDIX E: REFLECTIONS ON THE FUND PERFORMANCE ARRANGEMENTS

Purpose

This Appendix presents the Monitoring Review Panel (MRP) members' experience and learning in relation to the CS WASH Fund's performance arrangements. Thoughts and directions are offered for performance management of the future WASH Fund. As such, the primary audience for this paper is the Monitoring, Evaluation Review Panel (MERP) proposed for the future Fund, and secondary audiences include CSO managers/M&E specialists and IWP officers.

Background

The Fund established a structured and coherent approach to performance management that was premised on the belief that sound mechanisms to assess effectiveness and foster learning would enhance the quality and effectiveness of work in the WASH sector. An independent MRP was appointed to provide specialist M&E support to the Fund (both CSOs and AusAID) for the life of the initiative. Core functions of the MRP included:

- Developing a coherent and systematic Performance Assessment Framework (PAF) and structured reporting arrangements

- Providing 'help desk' and mentoring support for CSO partners concerning program and activity-level M&E and reporting arrangements

- Carrying out a series of Monitoring Missions to review practice in the field and provide advice on potential improvements

- Preparing an Independent Progress Report (IPR) at the mid-term of the Fund

- Providing timely information about Fund activities, examples and performance to IWP for the purposes of briefings, communications (eg World Toilet Day) and policy dialogue

- Consolidating and analysing CSO progress reports

- Preparing a Completion Report to assimilate and synthesise the achievements of the Fund and lessons learned by CSOs

- Preparing tailored reports of performance of the Fund for AusAID country and regional programs at mid-term and completion.

This appendix discusses the MRP's reflections on the following topics:

1. Reflections on the Fund's Performance Assessment Framework (PAF)

2. Reflections on the Fund's core indicators

3. Reflections on report template design and CSO reporting

4. Reflections on the purpose built information system

5. CSO M&E practice

Each of these topics is discussed in turn in the following sections.

1. Reflections on the Fund performance assessment framework (PAF)

Rationale for the PAF

The rationale for developing a Fund-wide PAF was to enable a degree of consistency in the performance information captured by partner CSOs. This in turn was expected to assist with interpreting and communicating the achievements and lessons arising from the Fund. This expectation was borne out in the experience of the MRP and of CSO managers. Arguably, the CS WASH Fund PAF involved a more structured and systematic approach to program-level M&E than any previous AusAID-CSO partnership[1].

The MRP recommends that the PAF for the future Fund continue the proven approach of a systematic and coherent set of performance arrangements.

Degree of prescription and specificity in the PAF

The MRP was faced with a challenging decision about what level of prescription and specificity should be included in the PAF. We knew that an ad hoc or loose approach to performance arrangements would yield some valuable and context-specific information from CSOs with good internal M&E capacity, but would be impractical for the purposes of Fund-wide assimilation and synthesis. We were also aware that most previous AusAID-CSO engagements have involved a more delegated 'bottom-up' approach to M&E that was employed in this Fund, but have met with challenges to synthesise or aggregate performance.

To find the balance between a level of prescription and specificity, we took into account the need for Fund-level analysis as well as sufficient flexibility to accommodate the diverse array of approaches,

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[1] For example, AusAID's Laos Australia NGO Cooperation Agreement (LANGOCA) was designed to foster collaboration and learning between partner CSOs, but M&E arrangements were delegated to activity level actors, and by definition lacked a meaningful 'program-level structure' beyond annual 'learning events'. As a consequence, few options were available for assimilating and synthesising the performance of the whole program.

contexts and capacities within the Fund's portfolio. The PAF ultimately included 7 outcomes, and within these, 19 result areas and 7 mandatory core indicators. Guiding advice (termed 'measurement to focus on', in the PAF) was also provided in the form of 4 other indicators and 29 performance questions which CSOs could use at their discretion.

Notwithstanding the critique in this Appendix and the independent review in Appendix C, the MRP is of the view that the arrangements in this Fund represented a reasonable balance between these conceptual and practical demands. This view was routinely affirmed by CSO managers. Since carrying out the final analysis of data for this Completion Report, the MRP is firmly of the view that a less structured approach would have compromised the quality and depth of the analysis that was possible. On the other hand, a higher level of structure and specificity would likely have presented practical and conceptual challenges for some CSO partners.

The level of structure and prescription defined in the PAF was appropriate and should provide a guide for future performance arrangements.

Lessons learnt about the PAF and its outcomes and result areas

Lessons about the PAF outcomes

The PAF was structured in terms of seven Outcomes. These were developed in consultation with CSOs during the design of the Fund and covered the breadth of work undertaken. The basic structure of the PAF was affirmed by the fact that during implementation, no CSOs complained that their work could not be represented within the PAF.

The seven Outcomes comprised three 'Core Outcomes', and four 'Enabling Outcomes'. The Core Outcomes concerned improvements in the basic access to WASH services (sanitation, water and hygiene), and as such reflected the anticipated 'impact' of the Fund in the lives of poor communities and households. The Enabling Outcomes concerned a range of domains known to support and strengthen sustainable WASH service delivery. This structure was generally well accepted and held intuitive value, although the causal relationship between the Enabling and Core Outcomes created some minor confusion in some CSOs description of changes.

Outcome 5 broadly addressed the strengthening of WASH sector actors' capacity. This was potentially framed too broadly which tended to create confusion for some CSOs and fostered ambiguity with Outcome 4 concerned with WASH governance. It may be worth considering framing Outcome 5 result areas in terms of 'service providers', 'service authorities', 'supply-chain actors', 'national-level enabling actors' and 'civil society'.

In future, consider how to best frame the 'capacity building' outcomes and the related human actors, and precisely differentiate between capacity building outcomes and governance strengthening outcomes.

Lessons about the provision of flexible guidance

As mentioned above, the MRP offered flexible guidance on important indicators and performance questions (termed "measurement to focus on", in the PAF). These indicators and performance questions were designed to prompt thought in the design of CSO M&E systems and reporting, and were intended to balance the tension between the requirement for prescription and the need for flexibility (discussed above).

In general, few CSOs appeared to use these guiding indicators and performance questions and hence there was significant diversity in how CSOs reported performance information against the 19 Result Areas. This gave CSOs flexibility, but created significant work to synthesise this information by the MRP.

Fortunately, the result areas themselves were confined to a particular result 'domain', which meant that meaningful analysis was still possible, however was time-consuming. For instance one guiding performance question against Outcomes 1, 2 and 3 was "*Who benefited (women/men/children/class/ caste/people with disabilities etc) and who didn't?"*. Only some CSOs reported against this performance question, making it challenging to provide analysis of the ultimate beneficiaries of the Fund.

In future, any additional indicators or performance questions which are considered critical should be elevated to 'mandatory' status.

Lessons about the result areas

The MRP defined 19 Result Areas aligned under the seven Outcomes. Several specific lessons were learned in relation to these, including:

- **Result Area 3.1**: Many CSOs struggled to provide sound evidence of hygiene behaviour change, and this known to be a challenging area. Some CSOs used direct observation techniques which are valid, however others used self-reporting which is known to be unreliable. Potential indicators for wider use in the next Fund are discussed below in the section on indicators. It is important that the next Fund give priority to measurement in this area, as otherwise effectiveness and cost-effectiveness of different approaches to hygiene behaviour change will remain unknown.

- **Result Area 3.2:** focused on 'the prevalence of WASH related diseases amongst beneficiaries'. This led CSOs to gather information on health outcomes, including some CSOs undertaking empirical work themselves to gather data. Leading researchers suggest that collecting reliable evidence on the health outcomes of WASH interventions requires dedicated research and requisite skills and should not be undertaken as part of regular program M&E. There is still value in CSOs monitoring existing data sources (e.g. local health clinic results), however these figures should be treated with caution and should not be used as 'proof' of outcomes, but as useful indicative data. Overall, it is sufficient to rest upon the established epidemiological linkage between improvements in WASH and public health benefits.

- **Result Area 7.1:** Generally speaking CSOs seemed unclear about what to report in relation to improved WASH evidence. Specifically, they seemed unsure whether to report the actual original contributions to WASH sector knowledge, or simply report that they had created new evidence. The future PAF should promote greater purposefulness in relation to the 'learning agenda' and translate this into meaningful measures of performance.

- **WASH supply chain:** Several CSOs invested effort to strengthen the supply chain for WASH parts and materials. CSOs included such work under **Result area 4.1** (concerned with governance) and **Result Area 5.3** (concerned with the participation of private sector actors in WASH). There may be merit in defining a dedicated Result Area concerned with supply chains, though equally, this may also present issues about potential overlap between categories.

Collecting reliable evidence of health outcomes from WASH interventions requires dedicated research and requisite skills and should not be undertaken as part of regular program M&E, though capturing health clinic data is still a useful exercise.

Define a Result Area that more precisely reflects CSO work to strengthen WASH supply chains.

Promote a greater purposefulness in relation to the 'learning agenda'; and explicate what is expected of CSOs in terms or reporting a WASH evidence base.

2. Reflections on the Fund's core indicators

The PAF defined seven core indicators which were captured by all Fund activities as relevant. These indicators provided a way to aggregate performance across the Fund. The lessons learned concerning these indicators and their use are summarised in the following table.

Indicator Name	Data quality issues and suggested changes for future Fund performance measurement
1. Number of additional people with access to safe water (JMP definition of access only)	CSOs did not adhere to the definition in all cases. Several CSOs incorrectly included beneficiaries of school's WASH under this indicator. The next Fund should provide clearer guidance on the types of beneficiaries that should be reported using this measure. Several CSOs did not seem to understand that this measure (JMP definition) only focuses on the water 'source' so that changes in water quality (whilst important) should not have been captured under this indicator. In some cases it appeared that a small number of water points were serving a very large number of people. In future, a strengthened approach to specifying 'service level' (that is, considering quality, quantity, reliability and distance/time for collection) (rather than just "JMP" measure and 'access more broadly (core indicator 6 below)) would provide a clearer view of what CSOs achieved. Some CSOs reported results based on target population size rather than the actual number of people within the target population that received access. As a result, reported beneficiaries are likely to have been over-estimated in some cases. The next Fund should require CSOs to report actual baseline and endline results with a brief description of the methods used to derive these.
2. Number of additional people with access to basic sanitation (JMP access only)	Several CSOs were uncertain about how to apply the JMP definition. As result, unimproved, shared and public latrines were often incorrectly reported using this measure. The next Fund should provide additional guidance on the use of JMP indicators and stress that this indicator only applies to household level access to improved sanitation facilities
3. Number of additional locations with hand washing facilities and soap	Data integrity was potentially compromised by the absence of an associated 'method'- the next Fund should include guidelines on data collection processes including sampling (and potentially time-series measurement) to ensure this indicator provides a measure of 'use' of hand-washing facilities rather than just their installation
4. Number of additional schools with water, sanitation or hand washing facilities	This indicator rolled together water, sanitation and hand-washing facilities into one indicator. Separate indicators would provide a clearer understanding of achievements. Also it would be useful to collect both the related 'numbers of students' within the schools (gender-disaggregated)and changes in student/toilet ratios. This would give a better idea of how many beneficiaries were reached and the level to which minimum sanitation standards in schools have been achieved
5. Number of additional water and sanitation service providers monitored independently	This indicator seems to have been interpreted variably, and may not capture the most important factors in monitoring service quality. It may be worth separating water and sanitation service providers here, since service provision (particularly in rural areas) in these two areas means quite different things and developing appropriate indicators of the functionality and formalisation of WASH committees as service providers, their relationships with users (for instance, their legal status, existence of service agreements etc.)
6. Number of additional people with access to safe water (other definition)	CSOs mostly correctly reported changes in access that related to water quality improvements against this indicator.
7. Number of additional people with access to basic sanitation (other definition)	Most CSOs used this indicator correctly to report access to unimproved sanitation facilities resulting from CLTS. In some cases, CSOs inappropriately broadened the definition of this indicator to include improved access to desluding services. The next Fund should provide clearer definition on what forms of access should reported under this indicator, and ensure that a measure focused on downstream safe treatment of waste (eg desludging services) is also captured.

CSOs defined targets for the core indicators in their proposals or on submission of their first progress reports. Issues arising from this requirement included:

- **Low targets:** some CSOs set very low targets, which contributed to the Fund appearing to overachieve. This may have been a risk management approach by the CSOs, or may have arisen from genuine uncertainty about what was achievable. In any case, large variance (positive and negative) between targets and actual performance suggests poor planning with 56 of the 127 (44%) of lessons learned reported by CSOs identified the need to improve activity design, planning or target-setting.

- **Changing targets:** some CSOs changed targets at completion to more closely reflect actual performance. Aside from concerns that this raises about accountability, such practice compromises the potential for learning[2].

- **Adherence to JMP definitions of access**: some CSOs loosely applied the JMP definitions indicating the need to direct more effort towards establishing a common understanding of their use and application.

The proposed MERP should consider taking a more 'hands on' approach with CSOs in relation to setting targets to ensure definitions are understood and data collection methods are robust. This may involve design and M&E workshops with participating partners at startup. This would help to mitigate 'surprises' in the fund-level analysis.

During the process of analysing the Fund's performance data the MRP identified a number of additional 'core indicators' or consistent measures that may expand the insights possible from the fund-level analysis:

- **Open Defecation Free (ODF):** It was not possible for the MRP to determine the precise number of villages/communities (and, importantly, the related number of beneficiaries) declared ODF. Indicative changes were deduced, but a dedicated indicator would provide precise information about the role of the Fund in fostering ODF communities. It is noted that use of an ODF indicator will require reaching agreement on the various levels of ODF status (e.g. declared, verified, certified)

- **AusAID headline indicator for hygiene:** Since the Fund's PAF was developed AusAID has defined a 'headline indicator' for hygiene knowledge (focused on people provided with training or education in hygiene promotion). This should be included as a core indicator in the future Fund (see AusAID technical guidance notes for more detail).

- **AusAID headline indicator for gender:** Since the Fund's PAF was developed AusAID has defined a 'headline indicator' for women's representation on WASH committees. This should be included as a core indicator in the future Fund (see AusAID technical guidance notes for more detail).

- **Hygienic toilet use:** beyond the establishment of improved sanitation facilities, public health outcomes are contingent on the maintenance of hygienic facilities. There were limited attempts by CSOs in this fund to monitor hygienic toilet use. The future Fund could potentially establish a common qualitative scale/method to assess the level of hygienic use of sanitation facilities.

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[2] "*Learning results from being surprised: detecting a mismatch between what was expected to happen and what actually did happen. If one understands why the mismatch occurred (diagnosis) and is able to do things in a way that avoids a mismatch in the future (prescription), one has learned.*" (Gharajedaghi, J. (1999) *Systems thinking: managing chaos and complexity*, Oxford).

- **Knowledge of three critical times for hand-washing:** This indicator or similar could potentially be used to consistently capture hygiene knowledge changes.

- **Water supply service level:** The Fund did not attempt to examine the service level received by people gaining access to water. Service level includes key dimensions such as quality, quantity, reliability, distance and/or time for collection (which includes waiting times e.g. time taken per round trip), and is important as increased access may still sometimes represent an unsatisfactory situation. Monitoring service level is likely to become complicated; however it should be discussed at the outset of the new Fund to see if an appropriate approach can be developed and applied consistently across the Fund. A qualitative scale of 'level of satisfaction' may be another way to address this issue.

The above suggested indicators and areas of measurement should be considered during development of the performance arrangements of the next Fund.

In this Fund, disaggregation of data was 'optional' in that it was specified in the "measurement to focus on" rather than mandated for each core indicator. In the future Fund it is recommended that:

- For each core indicator, separately capture as a subset, the number of people with disabilities.

- A selective approach to gender disaggregation is taken. Gender disaggregation where there is a focus on 'whole of population' (e.g. in access to water or sanitation) is potentially costly and unlikely to yield significant insight or learning. However, targeted gender disaggregation for particular indicators may be useful. For instance, gender disaggregation for students in schools receiving WASH facilities would be useful for understanding effects on girls, particularly in high-schools. Also, 'access' measures for female-headed households as compared to the general population would also be valuable. Beyond this, maintaining result areas, as was done for this Fund, specifically dedicated to changes in gender equality, will ensure the gender impacts of the future Fund are visible.

- CSOs identified the investment share between rural and urban, however were not specifically asked to disaggregate beneficiary data by rural and urban areas. In the future Fund, this disaggregation would be useful to mandate across core indicators.

The above suggestions on selective disaggregation of data (people with disabilities, gender, rural and urban) should be considered in performance arrangements of the future Fund

3. Reflections on report template design and CSO reporting

CSO partners were obliged to submit three reports over the life of the Fund: an initial progress report (prior to the IPR in November 2010); a second progress report (prior to approval of no cost extensions in April 2011); and a completion report in March 2012. Notwithstanding legitimate criticisms about the truncated life of the Fund, the broad reporting structure that was put in place seemed appropriate. For each report, the MRP developed a precise reporting template (with spreadsheet format for funding acquittals) which was circulated among CSOs with guidance notes. MRP members were also available for Helpdesk support.

First Progress Report

The first report required CSO partners to articulate '**expected changes**' (i.e. an elaboration of the outcomes) by PAF area. The purpose of this exercise was to encourage CSOs to be explicit about their theories of change; and to be specific about how they would assess the extent and merit of any changes realised. Normally this would be undertaken as part of a design process that includes development of

M&E frameworks however due to the truncated duration of the Fund, it was included in the first progress report.

This task proved more challenging than a simple/conventional progress report of outputs delivered. In a future Fund (when more time is available), the articulation of expected changes should be a discrete step as part of the M&E design process. Based on the MRP's experience, the MERP should comprehensively engage in this process since there was significant diversity in the capacity of CSOs to elaborate a plausible theory of change, and to define pragmatic measures of change.

A general criticism of the 'expected changes' articulated by CSOs was that they lacked a human subject, rending them ambiguous or amorphous. There was also a tendency to describe changes in generic rather than specific terms. This suggested either ambiguity of purpose, or risk aversion on the part of the CSOs. The consequence of this situation was that the MRP's ability to judge performance against CSO intentions and communicate the precise achievements of CSOs within this fund to a wider audience was somewhat compromised.

The first progress report also laid out the deliverables and their progress so far, which was generally undertaken well by CSOs.

Second Progress Report

The second progress report required CSOs to demonstrate progress on planned deliverables using a self-assessment system. This was a simple and appropriate approach and helped to identify activities that were problematic.

The system of self-rating completion of deliverables was effective and drew managment attention (Activity Managers, MRP and AusAID) to implementation issues that were likely to impact on the achievement of individual project outcomes. In some cases, this triggered discussions at an early stage between Activity Managers and AusAID on action needed to address the issues, or follow-up through monitoring missions by the MRP.

Completion Report

CSOs were required to submit comprehensive reports at the Fund's completion. These were based on templates that identified the deliverables, actual changes (relative to expected changes), lessons learned, sustainability, impacts, and cross-cutting themes. On reflection, several elements of this worked particularly well and should be adopted in the future; including:

- Data on investment was usefully broken down by water, sanitation and hygiene; and also by urban/rural contexts.

- A set of common indicators allowed selective aggregate reporting by CSO, country, region and whole-of-Fund for different audiences (eg AusAID IWP, country and regional programs etc.).

- The reporting of actual achievements against expected changes (against each PAF result area) allowed the MRP to derive useful insights about the nature and success of the approaches undertaken. This information was most useful in situations where CSOs followed the guidance provided by the MRP in providing both qualitative and quantitative data that identified both who (i.e. the beneficiary subject) and what (i.e. the nature of the change) changed.

- The requirement for CSOs to discuss the sustainability of their work was generally useful and provided an opportunity for critical reflection about approach. Analysis of narrative in this section revealed major assumptions underpinning CSO work.

Notwithstanding the above strengths, the MERP should consider approaching several aspects differently:

- **Reporting of work to strengthen the enabling environment:** Consider the potential to use the 'strategy map' introduced in the Independent Progress Report to ask CSOs to define their strategies at the same time as they articulate their 'expected changes'.

- **Articulation of 'reported changes':** Many CSOs did not follow the guidance provided by the MRP on how to provide evidence of 'actual changes'. This suggested weak formulation of an underlying theory of change; and as such warranted closer engagement/mentoring. Issues noted by the MRP included:
    - Describing changes that were abstract in the sense that they lacked a human actor in the description of the change process;
    - Describing deliverables of the implementation team rather than the resulting changes in a local partner or actor;
    - Describing changes that were amorphous—that is, describing the nature of the change in broad and general terms rather than specific, verifiable terms;
    - Describing changes that were not plausible when considered in relation to the deliverables of the project;
    - Describing changes that were not grounded in established theory or practice.

As discussed in the main report (and described in Appendix B), the MRP undertook analysis of the relative significance and adequacy of evidence provided for all 'reported changes' for Outcomes 4,5,6 and 7. The relative proportions are shown in Figure 1 and Figure 2.
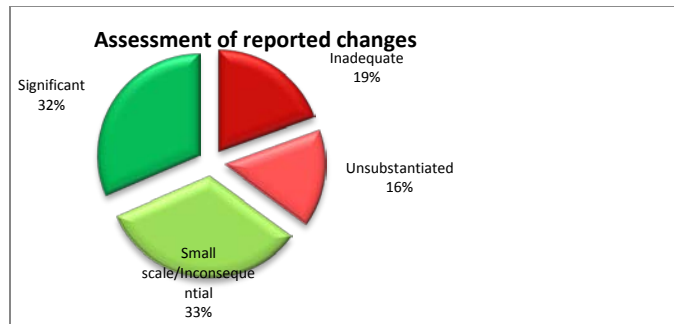
Figure 1: Assessment of reported changes against the Fund enabling outcomes

Outcome significance analysis by PAF Result Area	4.1	4.2	5.1	5.2	5.3	5.4	5.5	5.6	6.1	6.2	7.1	7.2
Inadequate	3	4	15	6	2	7	1				6	4
Unsubstantiated	6	2	4	5	2	1			2		1	2
Small scale/Inconsequential	6	10	15	8	9	4		1	17		7	7
Significant	12	4	3	5	7	9			16	1	5	5

Figure 2: Assessment of reported changes against individual result areas for enabling outcomes

- **Identification of lessons:** lessons were reported in three different places in the report template, which proved confusing for CSOs and resulte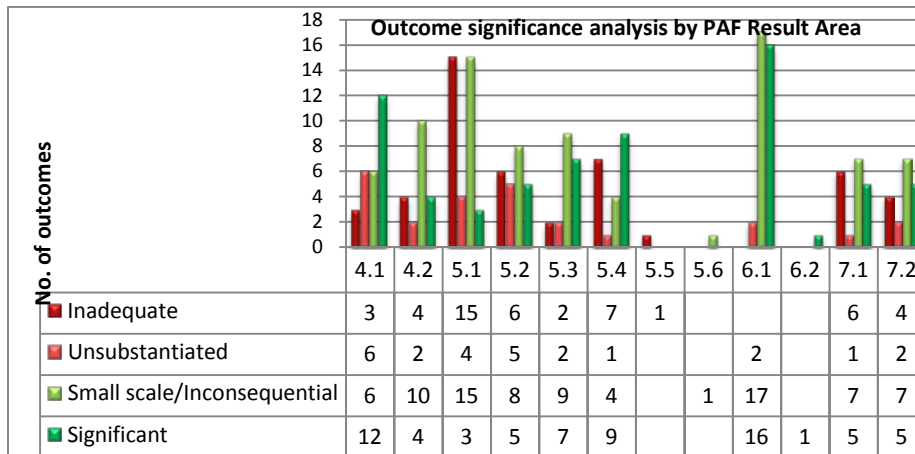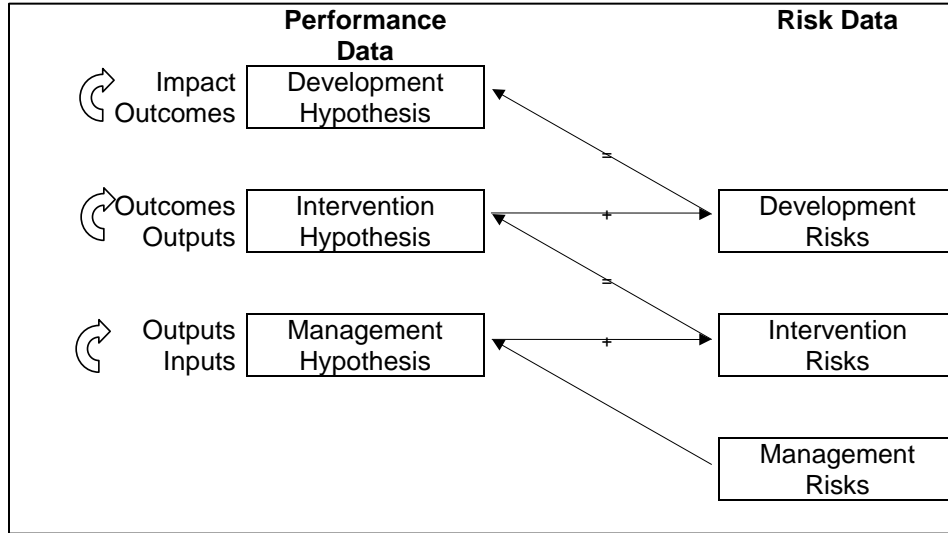d in repeating lessons rather than identifying different types of lessons. In general the lessons reported were a mixture of lessons that were predominantly internally focused on management and delivery issues and a smaller number of lessons that were of broader relevance to others undertaken CSO WASH work.

In the future Fund, it may be useful to develop terminology around the three different sources of 'risks' known to impede theories of change, as reflected in the model shown below:

Performance Data		**Risk Data**
Impact / Outcomes	Development Hypothesis	
Outcomes / Outputs	Intervention Hypothesis	Development Risks
Outputs / Inputs	Management Hypothesis	Intervention Risks
		Management Risks

As mentioned above, most CSOs framed lessons focused on the *efficiency* of their internal practice or process (i.e. 'management risks'), with only limited reflection on the linkages between their **deliverables** and their **reported changes**.

The rationale for the above risk construct is to extend thinking beyond the unhelpful reporting of truisms that typically characterises reporting of 'lessons learned' in completion reports. For example very generic lessons such as: *"Community participation is critical to successful delivery of projects aiming to benefit those same communities".*

Guidance and mentoring is required, and potentially the following wording of the questions in the completion report focused on lessons learned would have been more helpfully framed as followed:

- o **Management risks:** *why* were some deliverables rated B or C?

- o **Intervention risks:** *why* were some expected changes not borne out?

- o **Development risks:** *why* did some actual changes appear not to influence sustainable improvements in WASH services for the poor?

- **Reporting on cross-cutting themes**: Similar issues were encountered with CSO reporting against cross-cutting themes. CSOs reported against a wide range of development crosscutting themes: environment, disability access, child protection, anticorruption, public safety, HIV and AIDS, disaster risk reduction and conflict reduction.

Approaches varied between:

- o simply acknowledging the importance of a particular crosscutting theme (e.g. "*Environmental sustainability is one of the most important concerns in the Solomon Islands*") through

- o describing preventive measures to mitigate risks associated with a cross cutting theme (e.g. "*…a few activities…required an environmental impact assessment before they could be commenced…The EIA proposed mitigation measures which were adequately implemented*"); and

- o in a minority of cases, describing proactive measures to influence enduring changes in attitudes or capacity in relation to cross-cutting themes—for example Live and Learn in Fiji quoted Joeli Banve, a Sanitation Committee member: "*We are so happy about this project because it has allowed us to consider the needs of the disabled members of our community. Right now the Sanitation Committee are committed to build compost toilets for two elderly and disabled women in the village. The existing systems make these disabled women crawl outside whenever they need to relieve themselves during rain or shine*".

Reporting requirements should be revised taking into consideration the above lessons

Assessment should be made of the most useful forms of support and guidance to provide CSOs to enable high-quality practice and reporting

4. Reflections on the purpose built information system

The MRP developed a simple but comprehensive management information system to capture, analyse and report the quantitative and qualitative data provided in CSO progress and completion reports. A number of options were considered when designing the system including:

- a Web based application that CSOs could use to enter their reports

- electronic forms that could be completed offline and uploaded to a website or emailed to AusAID

- a desktop database application that was managed directly by the MRP

The MRP considered the strengths and weaknesses of each approach and the decision to develop a desktop based application in MS Access was based on the pragmatics of minimizing 'technological risk' and 'keeping it simple' for participating partners.

Data was captured by copying and pasting the relevant sections of reports submitted by the CSOs (in MS Word format) to the database. This approach, although increasing the data capture effort for the MRP, obviated the need for extensive system testing and rollout, and allowed the MRP to quickly establish data management/analysis capability at relatively low cost.

The system was expanded and enhanced throughout the life of the Fund to meet the MRP's evolving data analysis and reporting needs. Key events supported by the database included: the analysis and synthesis of CSO progress reports; preparation of the Independent Progress Review; preparation of the Independent Completion Report; preparation for reports to AusAID country and regional programs.

An information system is critical to allow analysis and synthesis of Fund-wide performance data.

5. CSO M&E practice

One important benefit of the structured approach to performance arrangements was an increase in focus on, and quality of, M&E practice among participating CSOs.

CSO's reported at the agency level on their M&E practice, and all but one CSO identified the need to improve their M&E systems. CSO's ability to identify where and how their systems needed to be improved is a positive step towards improved performance management. A selection of comments from CSOs about improving their practice is included below to prompt further reflection and action:

- *"Staff were keen to participate in M&E but lacked skills needed for documenting and managing data generated (ADRA) and this was addressed through additional M&E training. Staff now have a collection of PRA and statistical tools for designing M&E activities for WASH projects"*

- *"The M&E system can definitely be improved with the following adjustments. First, developing a baseline at the beginning of the project cycle that captures existing socio-economic conditions of the target group and measured demand and supply conditions would be helpful in measuring the overall impact of an intervention strategy"*

- *"Many of our staff were not clear about the project objectives...so we developed an improved M&E framework.... Through enhancing their understanding of M&E, staff can see the results of improved project outcomes. This project benefited from improved M&E systems and this will carry over to new projects."*

- *"[Our] logframe data was valuable but the number of indicators made it an unwieldy system [referring to their internal system]. By comparison, [our] WASH and MRP advisers used participatory M&E approaches in their field visits, joint learning events and [...] peer reviews which generated high quality data and analysis. Staff participation in this participatory approach was high; the teams discussed and debated the findings in real time; and followed up with [our] WASH and MRP advisers"*

- *"In the future, [we] will work to establish a more harmonised, multi-country M&E framework to promote stronger intra-Activity learning and adoption of effective approaches"*

- *"it was noted that leveraging the experience and expertise of the local project team to conduct the Baseline Survey, would have been preferable to the engagement of consultants [...]. That would allow the local project team to generate baseline indicators building on their knowledge of the local context, thereby providing better M&E and supporting greater focus on the target indicators."*

- *"Going forward, [we have] plans to increase its in-country personnel focused on M&E to include dedicated posts. [We have a template rapid household survey format which is working well and plans to develop complementary tools/formats for the analysis and interpretation of data."*

The structured approach to performance arrangements had flow-on effects to prompt CSOs to improve their M&E practice.

Value for Money: A review of literature and a proposed framework
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May 2012

Purpose

This paper was drafted by the independent Monitoring Review Panel (MRP) assigned to the Civil Society Water, Sanitation and Hygiene Fund (hereafter referred to as the 'Fund')—an initiative of the Australian Agency for International Development (AusAID). The paper was drafted in April/May 2012 in preparation for the Fund's completion review. AusAID was interested in a 'value for money' (VfM) assessment of the Fund to be included as part of the review. This paper presents a review of current literature on VfM covering its origins, definitions and operationalisation, and proposes a pragmatic framework to implement the concept as part of the Fund's completion review methodology based on available performance information.

Origins

The concept of 'value for money' originates from the audit and accounting profession (Haider, 2010). The concept gained wider prominence from the early 1990s following recession and an increase in citizen demands for government accountability for public spending. Emmi *et al* (2011, p 30) argue that the VfM agenda is *"not entirely new…*[and] *is about the long-standing ambitions of improving existing systems, optimal use of resources and continuous capacity building and learning".* In international aid and development, the focus on VfM increased as part of the global aid effectiveness agenda following the 2002 International Conference on Financing for Development in Monterrey; and then the series of Roundtables and High-level Forums leading to the Paris Declaration on Aid Effectiveness in 2005.

The concept of VfM holds intuitive appeal, and as such has in many cases been driven by a political imperative. As the UK's newly appointed Secretary for International Development in 2010, Andrew Mitchell, pledged to taxpayers:

> *"Our aim is to spend every penny of every pound of your money wisely and well. We want to squeeze every last ounce of value from it".*

In a similar vein, in response to the 2011 independent review of aid effectiveness, Australia's then Minister for Foreign Affairs stated:

> *"We are also committed to the most effective aid program possible—to get the best value for money and to make a real difference in reducing poverty on the ground. We are using taxpayer dollars for our aid program, so we have a responsibility to Australian taxpayers to make sure that programs they fund are effective"*

The appeal of VfM seems to lie in an expectation that such analysis can simplify and succinctly communicate development impact. In the same pledge to taxpayers cited above, Andrew Mitchell promised the UK:

> *"When it comes to international development, we will want to see hard evidence of the impact your money makes. Not just dense and impenetrable budget lines but clear evidence of real effect".*

However, many commentators, practitioners and researchers have noted that there is a divide between the rhetoric and reality of such succinct and simplistic measures of social impact. Emmi *et al* (2011, p 14) state:

> "*in the development sector, the task of defining value is not clear-cut, and there might be competing interpretations of what value is, or should be, and who ought to define it.*"

This situation is aligned with Rittel and Webber's (1973) "*wicked problem*"—a complex problem which is itself defined by different stakeholders/perspectives, and as such has no uncontested solution.

Definition

There is no universally agreed definition of VfM. Arguably one of the most widely cited definitions originates from the UK National Audit Office (also adopted by DFID): "*The optimal use of resources to achieve the intended outcomes*". Many definitions reflect this concept of resource optimisation. For example, the World Bank (2007) defines VfM as: *"the extent to which the programme has obtained the maximum benefit from the outputs and outcomes it has produced within the resources available to it".* Barnett *et al* (2010) define VfM as a commitment rather than a calculation: "*an explicit commitment to ensuring the best results possible are obtained from the money spent*". In line with this thinking, AusAID's Australia Africa Community Engagement Scheme (AACES) defines VfM as "analysis of whether objectives are being delivered by the most efficient means" (AusAID 2012).

The strong focus on resources seems to be predominantly driven by donor perspectives. For example, in AusAID's response to the independent review of aid effectiveness, the very first of seven points listed under the heading "*making Australian aid more effective*" reads: "*drive value for money in our aid program, building on the commitment to reduce the number of technical advisers by 25 per cent over the next two years, and reduce any unreasonable remuneration levels…*" Some broader conceptions of value appear in the literature from civil society and academic sources.

VfM has been used to support both options appraisal (*ex-ante*) and outcomes evaluation (*ex-poste*). Irrespective of when it is used, there is no consensus about methodology. Various approaches and concepts have been employed to operationalize the concept of VfM. On face value, practitioners should be able to form a judgement about the benefits of a particular aid intervention (i.e. numerator), and divide this by the investment required to create this benefit (i.e. denominator) in order to arrive at a quotient. There is an expectation that this quotient can then be compared with other related (or unrelated) interventions to draw a conclusion about value for money. This simple expectation belies a complex reality.

Confusion about the concept of VfM is compounded in the aid industry by ambiguity concerning the concepts 'value', 'effectiveness' and 'impact'. Emmi *et al* (2011) note that some development practitioners interpret VfM to be synonymous with aid effectiveness while others refer to it as a subset of the aid effectiveness debate[1].

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[1] The Paris Declaration was structured around five principles: ownership, alignment, harmonisation, results and mutual accountability. The cross-over between the aid effectiveness agenda and the VfM agenda seems occur in relation to the last two principles: accountability and results.

Among aid donors, the UK's Department for International Development (DFID) appears to have developed the concept the most. It is the only agency that explicitly and frequently uses the terminology in policies and procedures, and has established a Value for Money Department. DFID (2011) outlines an approach to VfM, stating (p 3):

> "*To maximise the impact of UK aid we need to be very clear about the results (outputs and outcomes) we expect to achieve as well as the costs. We also have to be confident in the strength of the evidence base and explicit in stating the underlying assumptions we are relying on in achievement of the outputs and outcomes. This means looking at the 3Es— economy, efficiency, effectiveness as well as the strength of the links in the chain…Value for Money is about maximising each of the 3Es, so that we have maximum effectiveness, efficiency and economy for each intervention*".

In addition to the '3Es', later in the document reference is made to 'cost effectiveness' and 'equity'. Figure 1 depicts the conceptual model used by DFID to link the above concepts.
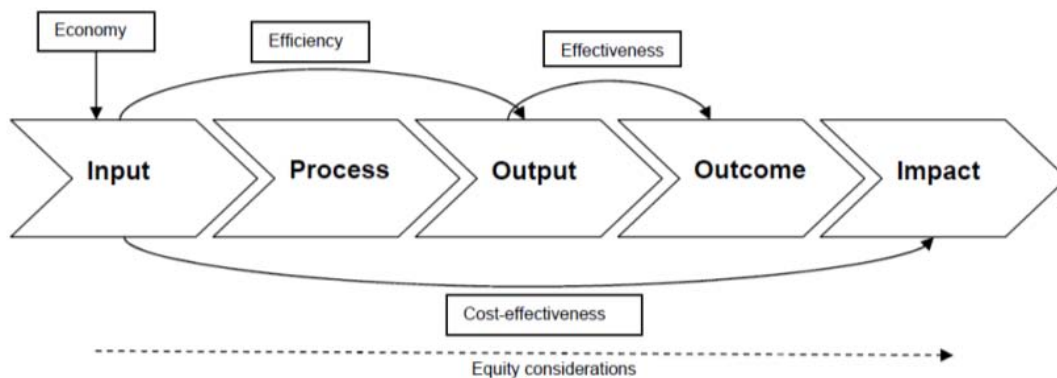

Figure 1: DFID's 3Es Framework

Figure 1 demonstrates why determining VfM is especially problematic when the underlying theory of change of an intervention is ill-defined or ambiguous. Emmi (2011, p 14) *et al* observe:

> "*NGO's understanding of value can be revealed in their Theory of Change…The evaluation of an intervention can be conducted at the level of outputs, outcomes or impact. Each of these is increasingly difficult to measure but also increasingly informative on the 'value' of what the intervention is doing*".

Emmi (2011) further point out that development results that are harder to measure are often more transformative than tangible results. One consequence of this situation is the risk that development agencies operating in a competitive resource-constrained environment may shift focus and resources away from complex, innovative and possibly transformative interventions to established and more quantifiable work—simply as a means to assuring their institutional success.

Operation

The main challenge that practitioners face in trying to operationlise VfM in the context of aid and development arises from diverse conceptions of 'value'. There is no universal understanding of what constitutes 'value' in international development—and as such there are no agreed units of measurement. Further, since international development interventions take place within 'open

systems', multiple factors contribute to—and erode—the benefits that flow from an intervention (Smutylo, 2001). The practical implication of this is that 'value' cannot be definitively determined, and even if it can be approximated, cannot be categorically attributed to a particular intervention.

Complexity also arises from judgements about the timeframe within which value will be assessed. Value generated by an intervention in the short-term may be eroded over the longer-term if the intervention is not sustainable. The New Economics Foundation (NEF, 2009) captured this issue in a paper drafted for the UK's Cabinet Office: *"Even where a provider is not the cheapest on a unit cost basis, it may still represent the most cost-effective option when whole-of-life costs and wider benefits are taken into consideration"* (p 8).

Furthermore, some commentators raise a range of ethical and rights-based issues related to whose opinion should be sought. Arvidson *et al* (2010) stated (p 5): *"the valuation of social benefits involves establishing which are the groups most affected. There still remain the political decisions of what criteria are selected for measurement and whose views are given the greatest weight"*.

The consequence of the above points is that VfM is problematic to determine because value cannot be unambiguously measured and attributed; it has a time dimension; and it is subjectively determined by the array of individual stakeholders associated with an intervention.

Several methods have been developed to tackle the above issues in calculating VfM. According to Haider (2010) these methods may be categorised as deriving from either economic analysis or results-based management.

Economic analysis

The most prominent **economic analysis method** is arguably cost-benefit analysis (CBA) which estimates the respective economic costs and benefits of an intervention and expresses the net benefits as a rate of return on investment. A form of CBA that has recently gained considerable attention is Social Return on Investment (SROI). According to NEF (2009B, p 3): *"SROI analysis is a process of understanding, measuring and reporting the social, environmental and economic value that is being created by an organisation"*. However, Arvidson *et al* (2010) offer a comprehensive review of SROI and conclude (p4): *"From a technical point of view, we argue there is not much difference between classical CBA and SROI. As the traditional CBA, SROI combines, in the form of a cash flow, the ration of discounted costs and benefits over a certain period of time"*.

The New Economics Foundation (a key proponent of SROI) states (NEF, 2009B, p 3):

> *"An SROI ratio is a comparison between the value being generated by an intervention and the investment required to achieve that impact. However, an SROI analysis should not be restricted to one number, which should be seen as a short-hand for expressing value"*.

This quote reveals the tension running through the VfM agenda: **the need for a succinct statement of 'value', while recognising that inevitably such succinct distillations of social complexity can be criticised for being simplistic or lacking integrity.** Within AusAID's portfolio, a review on VfM for AACES included an Annex with a case study of SROI analysis for WASH sector interventions, which included a range of assumptions about deadweight loss and various dimensions of 'social return', but nevertheless, withdrew from settling on a final figure:

> "*Access to service benefits flow from decreased numbers of days dedicated to carrying water and finding somewhere to go to the toilet. Increased school days and decreased health spending on WASH-related illness are also estimated…Costs can be related to these benefits to calculate the SROI ratio. Estimating a ratio is not the key objective of this case study, so it is not presente*d".

The main point of difference between classical CBA and SROI (and other broader or more qualitative approaches to VfM) is an attempt to include a broader base of stakeholder perspectives. Arvidson *et al* (2010, p 6) note that "*The SROI framework is based on important principles such as stakeholder engagement…this strong emphasis on involving stakeholders is a distinctive feature of SROI*". The aim of seeking a broader base of engagement is essentially to enrich the conception of 'value' in the process. However, in so doing, the concept inevitably becomes multi-dimensional and the benefit of having a succinct 'snapshot' of value is potentially lost.

In addition to the numerous challenges associated with elaborating and defining 'value', VfM calculations can also be fraught with respect to the seemingly simple process of assessing 'money' invested. Arvidson *et al* (2010, p 12) notes "*there are similar challenges in terms of quantifying inputs* [for example] *where volunteers are involved*", and since local resources and contributions are mobilised in many aid initiatives it becomes highly challenging to make decisions about if and how these should be accounted for

Results-based methods analysis

Haider (2010) notes that beyond a more structured economic analysis approach to VfM described above are a range of methods that may be classified as deriving from **results-based management**—which is defined by CIDA as (p 2):

> "*the changes created by and contributed to by specific programming: By establishing clearly defined expected results, collecting information to assess progress towards them on a regular basis and taking timely corrective action, practitioners can manage their projects or investments in order to maximise achievement of development results*".

Such methods involve elaborating the logic or theory of change of an intervention and accruing evidence against each stage of the logic. Little detail is provided in the VfM literature beyond this description, suggesting that such non-economic approaches are akin to conventional program evaluation (see discussion below).

Implications

The implications of the foregoing may be summarised as follows:

- There is a reasonable expectation that actors associated with aid interventions should be able to provide a succinct measure of value to help communicate the effectiveness of aid.
- VfM draws from the audit and accounting domain to provide such a succinct measure of value, but is criticised for giving a simplistic quantitative representation of value.
- Second generation VfM methods (such as SROI) seek to expand the conception of value, but such methods variously compromise the succinctness of the measure, or present an unsophisticated representation of reality.

In practice, the pursuit of a more sophisticated conception of value leads to the inclusion of more factors/dimensions of value, such as: relevance, effectiveness, efficiency, impact, sustainability, gender equity etc. But given that aid evaluation practice is underpinned by the DAC criteria, a reasonable question to debate is: '*what is the difference between VfM and conventional aid program evaluation?*' Etymologically, 'evaluation' is derived from the French *évaluer*—from *es* meaning 'out from' and *value* as it means in English. Thus program evaluation is literally, 'to determine the value coming out from a program'. The practical implication is that good practice program evaluation that meaningfully addresses comprehensive criteria is one approach to deliver an assessment of the 'value for money' of an intervention. In the recent AACES review of VfM, 'peer review' against the DAC criteria is included as one of the approaches to value outcomes within VfM assessments, and the above model described by DfID also aligns to most evaluation practice, though 'economy' and 'cost-effectiveness' may not be given the focus by evaluators that a strict VfM lens might require. Also, what is less frequently provided by evaluators is a succinct (simplistic) summation of value to assist communication the effectiveness of aid.

What this means for the Fund Completion Review

There are a number of strategies that can readily and meaningfully be implemented to include a VfM element to the Fund Completion Review using the available data. The strategies listed below will assist the completion review to provide succinct measure of the value of the Fund without becoming overly simplistic.

- Ensure comprehensive assimilation of performance information and stakeholder consultations as provided by CSOs through completion reporting and other M&E methods used during the life of the Fund.
- Apply good practice evaluation methods to ensure that findings are meaningful, supported by evidence, and can be readily communicated to a broad base of stakeholders.
- Consider the aggregated achievement of the Fund in terms of both quantitative measures of increased access and the number of significant outcomes[2] contributing to the enabling environment for WASH services for the poor
- Explicitly (and succinctly) apply a 'VfM' lens to the various evaluation criteria; for example analysing and communicating evidence for sustainability from the standpoint of international evidence on expected levels of sustainability of WASH outcomes.
- Since one conception of VfM for a multi-partner fund such as the CS WASH Fund[3] is arguably an assessment of the extent to which partners delivered the expected outcomes within the time/resource allocation. In essence, this involves a retrospective analysis of the efficacy of CSO project designs. Put simply, '*was the project design successful in bringing about the planned changes*?'
- In line with DfID's model, consider equity in terms of who benefited from the Fund.
- Undertake a broad-brush review of the range and variation in unit-costs for measurable outcomes and benchmark these against global data sources, taking care to expose the major limitations of this analysis and avoid identifying particular agencies

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[2] As assessed by the MRP using a framework to distinguish between outcomes of differing 'significance'
[3] The Fund is supporting 11 Australian and International NGOs to deliver 45 projects (including two cross-regional learning/research activities) in 21 countries with budget allocations to individual projects ranging from less than AUD$200,000 to over AUD$1.6 million.

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