

## MID-TERM EVALUATION

**KSV/016**

Institutional and Technical Support for the  
Water Supply System, Mitrovica

### PROJECT SUMMARY DATA

Country	Kosovo
Long project Title	Institutional and Technical Support for the Water Supply System, Mitrovica
Short project Title	Water in Mitrovica
LuxDev Code	KSV/016
Final version	July 2012

### RATING OF THE PROJECT BY THE EVALUATION MISSION

Global rating (Effectiveness)	Result 1: <b>1</b> Result 2: <b>4</b> (assuming refining measures proposed in this report are implemented) Overall score: <b>3</b> (On a scale of 1 (excellent results, significantly better than expected) to 6 (the project was unsuccessful, or the situation has deteriorated on balance))
Rating using other evaluation criteria	Relevance: <b>1</b> Efficiency: <b>2</b> Sustainability: <b>3</b> (assuming recommended refining measures are all successfully implemented)

## EXECUTIVE SUMMARY

The contract for undertaking a mid term evaluation mission including the development of a detailed report was awarded to GFA Consulting Group by LuxDev, the Luxembourg Agency for Development Cooperation, at the end of April 2012 and carried out by Graham Cleverly (team leader) and Afrim Lajçi (local expert) during May and early June 2012. The project started with a briefing meeting for the team leader in Luxembourg on 9 May 2012 and the two-man evaluation team mobilised in the field on 14 May 2012 with a briefing meeting at LuxDev Regional Office in Pristina.

Thereafter meetings were held with virtually all key stakeholders during the week beginning 14 May 2012. During the second week further discussions took place with various stakeholders and preparation of the draft report began. Full cooperation with all stakeholders was maintained and the draft report was discussed with LuxDev headquarters and regional staff in Pristina, the Head of Luxembourg Mission in Pristina representing Luxembourg Ministry of foreign affairs, the chief executive officer of the Mitrovica Regional Water Company, the chief technical adviser<sup>1</sup> and other key stakeholders at a workshop on 31 May 2012.

The final draft report includes feedback and comments from the debriefing meeting at LuxDev headquarters held on 7 June 2012, and takes account of the detailed comments forwarded to LuxDev by the chief technical adviser and the chief executive officer following the debriefing in Pristina on 31 May 2012.

The two objectives of the mission were to a) undertake a mid-term evaluation<sup>2</sup> of KSV/016 project and b) support the refining of the project including possible adjustment of some of the results and tasks as currently defined, and to provide “concrete, detailed and budgeted proposals/recommendations” for a possible extension or new phase, taking account of lessons learnt from the current project as well as other central and regional donor-funded projects in Kosovo.

The **specific objective** of the project is “to contribute to the achievement of a reliable and sustainable water supply to the population of Mitrovica”. The two project **results** are:

- critical elements of the water distribution network are replaced and District Meter Area and pressure zones established ;
- the capacities of the Mitrovica Regional Water Company are increased to reflect the needs of a modern market – orientated service provider.

At the time of the evaluation, the project<sup>3</sup> was approximately 1/3 complete having started with the arrival of the chief technical adviser and the appointment of the main technical consultants for design and supervision of the works for result 1 in April 2011. Progress to date and achievement of **result 1** are considered **excellent**, with the phase 1 infrastructure works contract well underway, the phase 2 infrastructure works tender documents completed and available for collection by bidders. The works tender documents for the implementation of 13 District Meter Area and associated basic telemetry are nearly completed. A likely completion date for all the phase 1 and phase 2 construction activities by the end of 2012.

Progress to date and achievement of the expected results for **result 2** (essentially capacity development of the Mitrovica Regional Water Company staff) is in line with the programmed progress **but is less advanced**. Work so far has mainly concentrated on the appointment of technical consultants and the procurement/development of the necessary tools (e.g. leakage detection equipment, hydraulic model, block mapping etc.) and carrying out of a needs assessment (e.g. for training in basic hydraulics, development of maintenance procedures and database).

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<sup>1</sup> The chief technical adviser was sent a copy of the draft Executive Summary and PowerPoint presentation prior to the workshop on 31 May 2012 on 30 May for comment/ feedback. A meeting was also arranged between the evaluation team and the chief technical adviser in order to provide an opportunity to discuss the draft findings/recommendations prior to the workshop.

<sup>2</sup> The evaluation was carried out approximately 1/3 through the three-year project period.

<sup>3</sup> All references to “the project” refer to the Institutional and Technical Support for the Water Supply System, Mitrovica, KSV/016, funded by the Luxembourg Government and executed by the Luxembourg Agency for Development Cooperation.

Good progress on actual capacity development has however been made in relation to the involvement and participation of several<sup>4</sup> Mitrovica Regional Water Company staff in site supervision of the phase 1 infrastructure works and also in relation to block mapping and asset inventory activities. A significant number of the company staff has gained experience in these activities under the supervision of the technical consultants.

Environment and climate change issues are expected to be addressed by the end of the project by improved management of the water network through telemetry with consequent anticipated savings in energy costs through more efficient pumping and less non revenue water losses.

The project so far **is a success** in relation to excellent progress on virtually all of the **result 1 tasks**. Progress on **result 2** is **more limited** but measures are now in place for the achievement of most of the tasks in result 2 to be completed by the end of the project<sup>5</sup>. Furthermore relations between the chief technical adviser and the Water Company senior management team especially with the Water Company chief executive officer through the effective joint management of the project via the project coordination unit are good. Relations with the Mitrovica Municipality and the Ministry of Economy and Development<sup>6</sup> also remain good/reasonable. The focus to date has correctly mainly been on setting up the project coordination unit office, appointing technical consultants and contractors and designing and implementing the phase 1 and phase 2 infrastructures under Result 1, whilst procuring the necessary tools for the capacity development tasks in result 2.

**It should be emphasised that the project coordination unit is currently working very effectively with its “double headed” chief executive officer/chief technical adviser management arrangement, led by the chief executive officer who, according to the chief technical adviser “is in the driving seat”.**

Significant savings in project running costs (car/office rental/support staff) together with savings in the actual costs of both result 1 and especially result 2 tasks/activities compared to the budget costs, have resulted in approximately 690 000 EUR funds being uncommitted at present out of the total Luxembourg Cooperation contribution of 4 500 000 EUR. This uncommitted total includes a modest contingency of only 70 000 EUR for phase 1 infrastructure works. Taking account of possible cost overruns on phase 1 and phase 2 infrastructure investments under result 1, the evaluation team considers it would be more prudent to allow a total of say 150 000 EUR for contingencies on result 1 activities and to consider a figure of 540 000 EUR as currently uncommitted and therefore potentially available for funding additional refining investment and capacity development measures later in the current project.

There exists a recently formulated proposal by some key stakeholders including the Luxembourg Head of Office in Pristina, the Regional Representative of LuxDev and the chief technical adviser to end the current project earlier than currently foreseen. This proposal was presented to the evaluation team during the data collection stage of the review. Alternatively, the current project could continue until the planned end in about April 2014 and a new project could initially run in parallel with the current project (with the same chief technical adviser) for a reasonable overlap period (say max six months) to ensure continuity.

After due consideration by the evaluation team, the proposal for an early end to the existing project is not recommended at this point in time. The evaluation team does however recommend a decision to end the current project early could still be taken at an appropriate time later in the project depending on a) how successfully the project develops over the remaining two-year period - especially regarding the outcomes of the various outstanding result 2 tasks/activities and b) subject to firm agreement with the new Mitrovica Regional Water Company Board regarding certain “conditionality requirements” for a new project including their commitment to capacity development of senior Mitrovica Regional Water Company management staff. The evaluation team recommends these commitments should be confirmed prior to any major financial commitments by the Luxembourg Development Cooperation on any major new investments as part of new project.

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<sup>4</sup> It is understood that 7-10 Mitrovica Regional Water Company staff and sometimes more are engaged currently on the project, part time-mainly, in connection with block mapping fieldwork and site supervision.

<sup>5</sup> Issues concerning the option of an early closure of the project earlier than originally planned are considered later.

<sup>6</sup> The Ministry of Economy and Development representative was unfortunately unable to attend the stakeholder workshop in Pristina on 31 May 2012.

The evaluation team recommends a new emphasis and coordination on capacity development during the remaining part of the current project through project “refining”. The evaluation team believes this can be achieved through adopting the detailed recommendations proposed in the evaluation report including the recruitment of international and local experts - ideally working as part of the project management team.

A further<sup>7</sup> new project when the current project ends, is also recommended. This will ensure that the capacity development measures undertaken already on this project together with further capacity development measures planned over the remaining period of the current project, will achieve sustainability in the future. (Note that several previous projects by other donors supporting the Mitrovica Regional Water Company in recent years - notable the *Kreditanstalt für Wiederaufbau* non-revenue water improvement project in 2003 – appear not to have been fully sustainable). It is anticipated that the refining measures for the current project followed by a possible new project will help the Mitrovica Regional Water Company to become a modern customer - focussed service provider.

The main recommendations are summarised below and considered in more detail in the main report.

The evaluation team appreciates the various implications of an early closure to this project on Luxembourg Cooperation. The evaluation team considers the potential opportunities and advantages<sup>8</sup> gained from bringing the current successful project to an early close and starting a new project immediately thereafter are on balance, outweighed by the disadvantages<sup>9</sup> of an early closure of the current project in the near future. Therefore an early closure of the project on completion of the phase 1 and the phase 2 activities in result 1 and completion of most of the tasks/activities in result 2 followed by a new project is not recommended.

The evaluation team believes a decision to end the current project early and for a new project to start thereafter or in parallel, could however be taken in the future depending on how successfully the project develops over the remaining two-year period - especially regarding the outcomes of the various outstanding result 2 tasks/activities and the willingness of the new Board to fully support necessary senior management developments to ensure sustainability. However for the present, the evaluation team considers the project should continue according to its agreed three-year overall programme for planning, project monitoring and staff resourcing purposes. Thereafter, and ideally subject to certain conditionality requirements referred to separately, being agreed between the Luxembourg Cooperation, the Government of Kosovo, and the new Board including the existing chief executive officer, a new project is recommended - see following paragraph below. The recommended new project is described in more detail in the evaluation report.

The evaluation team believes that the existing project should have a greater emphasis on coordinated capacity development activities during the remainder of the project through a refining of the existing project tasks/activities together with 12 proposed additional tasks/activities, all as summarised in more detail in the evaluation report.

Three of the four suggested additional components are considered necessary by the evaluation team and are included below.

- the evaluation team recommends a new project should be formulated shortly via a new project development report with the new project programmed to follow - on immediately from the end of the current project (or possibly running in parallel for say the final six months of the existing project for continuity). The new project would comprise a further water network investment component and a capacity development component. The first component would cover necessary new or replacement water network infrastructure in Vushtri and possibly Skenderaj<sup>10</sup> Municipalities as well as Mitrovica Municipality.

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<sup>7</sup> Say over a three-year period from 2014-2016.

<sup>8</sup> Assumed to be further network investments and capacity development initiatives under the management of a new chief technical adviser.

<sup>9</sup> Assumed to be significant project budget under-spend, and difficulties in recruiting a new chief technical adviser for a short project period.

<sup>10</sup> Virtually all the water network is understood to have been replaced in Skenderaj Municipality with High Density Polyethylene pipes about 10 years ago through an international donor project implemented by consultants ILF. Thus the physical water

The second component would comprise a continuing focus on non - revenue water reduction as well as other technical and customer service capacity development measures and would build-on the measures already successfully initiated in the current project;

Some additional capacity development measures covering mainly Mitrovica Regional Water Company financial issues would be included to increase the financial sustainability of the company and make it less dependent on Government of Kosovo annual subsidies in the future;

- the overall development objective would remain unchanged for the new project. However the evaluation team recommends that the specific objective should be expanded as follows: “to contribute to the achievement of a reliable and sustainable water supply to the population served by the Mitrovica Regional Water Company”;
- the new chief technical adviser should have strong Institutional strengthening experience, with network infrastructure experience as a secondary important requirement.

Other more general recommendations include more frequent project steering committee meetings, procurement of update billing software, ad hoc support by the chief technical adviser to the Mitrovica Regional Water Company management team, and reporting of objectively verifiable indicator for the current and proposed new project.

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losses in the network should be nearly zero. However it is understood that non - revenue water is approx. 69% for the Skenderaj network indicating very high commercial losses in the network.