Evaluation Approach Paper

Technical Assistance Performance Evaluation Report
Sri Lanka Water Supply and Sanitation
September 2015

Team Leader: Au Shion Yee, Evaluation Specialist (email: asyee@adb.org)
Contact: evaluation@adb.org

A. Introduction

1. The Independent Evaluation Department (IED) undertakes evaluations to assess the performance of clusters of technical assistance activities to contribute to learning and accountability, and the improvement of project design and effectiveness in country and sector operations within the Asian Development Bank (ADB).

2. The proposed Technical Assistance Performance Evaluation Report (TPER) will evaluate three technical assistance (TA) projects implemented by ADB in Sri Lanka in the area of water supply and sanitation—TA 4049-SRI: Strengthening the Regulatory Framework for Water Supply and Sanitation,1 TA 7078-SRI: Institutional Strengthening for Decentralized Service Delivery in the Water Sector,2 and TA 7320-SRI: Supporting Capacity Development for Wastewater Management Services in Colombo.3 These TAs were approved and implemented over the period 2002‒2011. The TPER will feed into the water sector assessment for the second Country Assistance Program Evaluation (CAPE) for Sri Lanka to be prepared in 2016 covering the period 2006–2015.

3. This paper elaborates the approach for the evaluation, outlining the scope, requisite data sources, and tentative resource and schedule requirements.

B. Country and Sector Background

4. Country Context. As part of its commitment to the Millennium Development Goals, the Government of Sri Lanka identified the provision of safe drinking water and improved sanitation services as priority social service objectives, and this is reflected in the Government’s 10-year Development Framework (10YDF)4 and Poverty Reduction Strategy (PRS).5 The Government’s PRS states that "the provision of safe drinking water, and adequate sanitation systems is frequently cited as the single, highest social services priority by poor households" and reiterates access to safe water and appropriate sanitation as one of the country’s development priorities. The Government has set targets for the proportion of the population that should have access to

---

safe drinking water and improved sanitation services. The specific goals are: (i) provision of safe water coverage to 100% of the population in 2020; and (ii) improved sanitation to reach 100% of the population in 2025.6

5. Although the provision for water supply and sanitation is a priority for the Government, the requirements for safe drinking water and improved sanitation services have exceeded the Government’s institutional and financial capacity. Significant progress has been made in improving access to safe water but wide disparities remain across provinces and between urban and rural areas. Challenges also remain with respect to maintaining service levels while expanding service coverage to underserved regions.

6. **Strategic Context.** The 2007 Sri Lanka CAPE7 identified several factors that have hampered the achievement of the Government’s commitment to making water supply and sanitation accessible to all as part of its PRS. These included (i) inadequate cost recovery; (ii) limited private sector participation; (iii) limited capacity of local governments to finance, manage, and operate water supply and sanitation schemes; (iv) absence of appropriate policies to guide investment strategies to achieve coverage, service quality, and cost recovery objectives; and (v) lack of an effective mechanism for water resource management.

7. To address these challenges, the Government of Sri Lanka has been supporting reforms in the area of water supply and sanitation to improve the capacity, performance, and financial sustainability of service providers. Subsequently, the importance of establishing an enabling institutional, legal, and regulatory framework that provides accountability and incentives for private sector participation and service decentralization has been recognized as an important factor.

8. Over the past 2 decades, the strategic focus of ADB support8 to Sri Lanka in the area of water supply and sanitation has been in (i) financing improvements to physical infrastructure to provide safe water and improved sanitation to rural and urban populations to improve their health and nutrition; (ii) supporting environmentally sustainable economic growth, especially in urban centers, and improving living conditions of the rural and urban poor, particularly women; (iii) increasing the capacity of the government to provide safe water by improving financial and institutional sustainability of the water sector; (iv) supporting tariff reform and facilitating the establishment of independent regulation, encouraging participation of the private sector; and (v) supporting decentralization of service delivery to local governments. Appendix 1 provides a list of ADB assistance to Sri Lanka in water and sanitation approved for the period 1997–2013.

C. **Project Description**

9. Three TA projects in water supply and sanitation were approved and implemented since 2002 with the common goal of strengthening the institutional and regulatory framework to facilitate improved water supply and sanitation service delivery in Sri Lanka. The projects are aligned with the Government’s 10YDF and Country Partnership Strategy (CPS)9 priorities supporting the objective of regionally balanced development and providing access to safe water supply and improved sanitation for 100% of the population by 2020. A summary of the TA projects is provided in Table 1.

---

<table>
<thead>
<tr>
<th>TA Number</th>
<th>Project Title</th>
<th>Approved Amount (% disbursed)</th>
<th>Executing Agency</th>
<th>Date Approved</th>
<th>Date Closed</th>
</tr>
</thead>
<tbody>
<tr>
<td>4049</td>
<td>Strengthening the Regulatory Framework for Water Supply and Sanitation</td>
<td>$325,000 (97.6%)</td>
<td>Ministry of Water Supply and Drainage</td>
<td>18 Dec 2002</td>
<td>30 Apr 2008</td>
</tr>
<tr>
<td>7078</td>
<td>Institutional Strengthening for Decentralized Service Delivery in the Water Sector</td>
<td>$750,000 (87.7%)</td>
<td>Ministry of Water Supply and Drainage</td>
<td>24 Apr 2008</td>
<td>28 Feb 2011</td>
</tr>
<tr>
<td>7320</td>
<td>Supporting Capacity Development for Wastewater Management Services in Colombo</td>
<td>$650,000 (84.9%)</td>
<td>Ministry of Local Government and Provincial Council</td>
<td>28 Jul 2009</td>
<td>4 Oct 2011</td>
</tr>
</tbody>
</table>

**TA = technical assistance.**

*a* Refers to financial closing.

*b* Supplementary amount of $40,000 was approved in December 2006.

Source: Asian Development Bank database.

10. **TA 4049: Strengthening the Regulatory Framework for Water Supply and Sanitation** (footnote 1). This TA was approved in December 2002 for $325,000 ($285,000 from the Japan Special Fund and a supplementary amount of $40,000 was approved in December 2006 from the Cooperation Fund for the Water Sector) to help develop and disseminate regulations for the water sector within the framework of the Public Utilities Commission Act (PUC), which sets the institutional framework for the power, the water supply and sanitation, and the transport sectors. Although the PUC provides a common structure, each sector will be governed by specific industry regulations.

11. **TA 7078: Institutional Strengthening for Decentralized Service Delivery in the Water Sector** (footnote 2). This TA was approved in April 2008 for $750,000 ($700,000 from TA Special Fund and $50,000 from the Cooperation Fund for the Water Sector) to support Government efforts to improve water sector utilities’ operational performance and financial management in the water sector. The primary focus of activities centers on decentralizing the service delivery functions of the National Water Supply and Drainage Board (NWSDB) and operationalizing its internal monitoring and regulatory systems.

12. **TA 7320: Supporting Capacity Development for Wastewater Management Services in Colombo** (footnote 3). This TA was approved in July 2009 for $650,000 ($500,000 from the TA Special Fund IV and $150,000 from the Multi-Donor Trust Fund under the Water Financing Partnership Facility10) to develop the technical and operational performance capacity of Colombo Municipal Council (CMC) in the delivery of wastewater management services in Colombo. CMC needed significant capacity development support to fulfill its mandate of asset management and the delivery of efficient and effective wastewater management services as the newly-determined asset owner of the sewerage system in Colombo and first-time implementing agency under an ADB loan (Greater Colombo Wastewater Management Project, Loan 2557/2558).

13. Table 2 highlights the intended achievements in terms of impacts, outcomes, and outputs of each TA project. The expected results were to be achieved through a range of activities and institutional reforms.

---

10 Contributors: The governments of Australia, Austria, Norway, and Spain. Administered by ADB.
### Table 2: Intended Impacts, Outcomes, and Outputs of the Technical Assistance Projects

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact</strong></td>
<td>Improved provision of water supply and sanitation services in Sri Lanka.</td>
<td><strong>Impact</strong></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>To provide an adequate legal and regulatory framework for water services.</td>
<td><strong>Outcome</strong></td>
</tr>
<tr>
<td><strong>Outputs</strong></td>
<td>1. Developing adequate legislation and guidelines to regulate the water sector.</td>
<td><strong>Outputs</strong></td>
</tr>
<tr>
<td></td>
<td>2. Developing institutional capacity for implementing regulatory legislation and guidelines.</td>
<td>2. Capacity for decentralized service delivery developed.</td>
</tr>
</tbody>
</table>
D. Findings of Sector Evaluations and TA Completion Reports

14. **CAPE for Sri Lanka 2007** (footnote 7). The water supply and sanitation sector assessment in the first Sri Lanka CAPE assessed ADB’s sector strategies as *satisfactory*. It also assessed the performance of the program for the sector as *successful*, noting that support has been consistent with the strategies focusing on ensuring sustainability of service delivery and improving performance through institutional and capacity development. The support was also rated as *highly relevant* and *effective* as it was responsive to the sector needs and aligned with government priorities. The outcomes of ADB program was rated as *likely to be sustainable*, but the sector assessment warned that the slow reform process and the highly politicized environment in which public utility services operate may undermine sustainability.

15. **Special Evaluation Study (SES) on Water Policy and Related Operations**. This study recommended ADB to continue to provide support to governments of developing member-countries to (i) improve implementation performance, (ii) enhance the efficiency of water supply utilities, and (iii) ensure sustainability of net benefits. Provisions for budgetary support and their fiscal affordability was also outlined as important elements to be assessed at the appraisal and project completion stages with necessary follow-up actions carried out to support financial sustainability of water-related services. It noted that ADB water projects should continue to emphasize water utility performance, tariff reform (e.g., encourage transition to full cost recovery tariffs, pro-poor measures including block and lifeline tariffs), water conservation and demand management, and leakage detection. In addition, it highlighted the importance of institutional reforms and capacity development to ensure successful implementation of tariff reforms including supply and demand management.

16. **SES on Post-Completion Sustainability of ADB-Assisted Projects**. Among the findings identified in this study, it noted that the water supply and sanitation sector featured several constraints to sustainability, including lack of revenue-generating powers and capacities of local governments, and lack of central budget transfers for operations and maintenance activities. Central government policies were also highlighted as a roadblock to tariff reform. The study also noted that high levels of sustainability in the water supply and municipal infrastructure sector was dependent on a number of factors, including (i) the capacity of the water companies to effectively manage their networks; (ii) support for tariff changes; (iii) adopting appropriate tariffs to ensure sufficient revenues to cover ongoing operations, maintenance, and depreciation costs; and (iv) the presence of experienced and skilled staff.

17. **TA 4049: Strengthening the Regulatory Framework for Water Supply and Sanitation**. The 2008 technical assistance completion report (TCR) of the South Asia Regional Department rated the project *successful*. Despite many difficulties associated with political changes and revised terms of reference that occurred during project implementation, the project achieved its outcome of providing an adequate legal and regulatory framework for water services and the delivery of all project outputs. Both impact and outcome were accomplished under the revised terms through the preparation of an amendment to NWSDB’s Act and preparation of regulatory guidelines and associated supporting documents. A number of training and awareness raising sessions were also conducted which achieved the project’s

---

institutional capacity development objectives. The TCR noted that the success of outcomes continues to be dependent on the Government’s commitment to adopt proposed reforms. The extent and sustainability of all these outcomes, including the adoption of the reforms, will be checked by this evaluation.

18. **TA 7078: Institutional Strengthening for Decentralized Service Delivery in the Water Sector.** The 2011 TCR\(^{14}\) rated the project as *relevant, less effective, efficient, and likely* with respect to sustainability. Due to the inability to achieve a level of decentralization that was envisaged in the initial proposal, the outcome of the project was considered less effective, but the TA was yet rated *successful* on account of the satisfactory delivery of intended project outputs around service delivery decentralization and improvements to internal regulatory systems. The main impediments to decentralization came in the form of opposition from NWSDB trade unions that viewed decentralization as a move towards privatization. The TCR highlighted a reluctance to decentralize certain administrative and financial functions due to concerns of possible fraud and political influence, proposals being inconsistent with existing rules and regulations, and lack of resources within NWSDB Regional Support Centers (RSCs). A lack of awareness and readiness for decentralization was also cited as a contributing factor towards the reluctance to decentralize functions; however awareness raising programs funded by the TA were able to overcome these issues. The overall findings emphasized the need to have continued dialogue with head office, RSC senior management and trade unions to ensure clear understanding and awareness of programs to gain acceptance and facilitate effective implementation. Progress with decentralization since the TA will be investigated, and a reassessment made of the TA’s success including the possible underestimation of the need for awareness raising and building public and political support for decentralization.

19. **TA 7320: Supporting Capacity Development for Wastewater Management Services in Colombo.** The 2012 TCR\(^{15}\) rated the project as *successful*, on the basis that the three target outputs were achieved and the outcome of enhancing CMC’s readiness to implement the ADB loan project was achieved satisfactorily. In particular, the project implementation system was well established and project start-up activities completed for the Greater Colombo Wastewater Management Project\(^{16}\), including training and capacity building activities for CMC staff to support project implementation. The TCR highlighted some important lessons for this type of capacity development TA including: (i) the importance of designing the input schedule for the project team leader or other key project roles to cover the entire TA implementation period to avoid disruption due to personnel changes; (ii) engaging staff in the project management unit as early as the start of TA implementation especially for this type of bridging TA project as human resources are a key factor for successful implementation; and (iii) TA consultants should have at least 3 months overlap with the loan consultants for smooth handover of project activities. The CMC’s capacity will be carefully reassessed by the evaluation.

20. **Other TAs.** There are four other TAs (see Table 3) in water supply and sanitation approved since 2012 that are ongoing. The areas of support generally align with the TAs of interest in this TPER, centering on enhancing the institutional and operational efficiency and performance of the NWSDB and CMC to improve service delivery. The intended impact,


outcome, and outputs for these ongoing TAs are provided in Table 3. This evaluation will conduct field visits for these TAs to find out their views on the success of prior work done and also to discuss the current state of water supply and sanitation in the country but will not assess their progress in detail. The TAs may be assessed later as part of the sector program assessment for the CAPE.
<table>
<thead>
<tr>
<th>TA 8206:</th>
<th>TA 8562:</th>
<th>TA 8733:</th>
<th>TA 8835:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Development for Non-Revenue Water Reduction&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Capacity Development for Project Implementation</td>
<td>Wastewater Management Improvement in Colombo Municipal Council</td>
<td>Institutional Development of National Water Supply and Drainage Board</td>
</tr>
</tbody>
</table>

**Impact**
- Improved water supply in Colombo.
- Enhanced operational effectiveness of ADB-funded projects in Sri Lanka.
- Improved financial sustainability and operations of wastewater services in Colombo city.
- Improved operating efficiency and accountability of NWSDB.

**Outcome**
- Successful implementation of NRW reduction program and strategies in Colombo.
- Satisfactory implementation of projects in full compliance with ADB guidelines.
- Improved capacity to operate and maintain wastewater services in Colombo City.
- Improved institutional and technical capacity of NWSDB.

**Outputs**
1. Baseline for NRW in Colombo city established.
2. Water balance assessments independently certified.
3. Technical recommendations provided by independent experts on the proposals, methodologies and strategies for NRW reduction program prepared under the Investment Program.
4. Specialized trainings provided to the Execution Agency staff on NRW reduction and leak detection.
1. Enhanced knowledge of government project staff in various aspects of project management.
2. Project management staff in the water sector apply best project management practices supported with information technology tools.
3. Staff of the NWSDB are equipped with improved technical skills for the NRW reduction program.
1. Wastewater tariff scheme prepared.
2. Public–private partnership modality identified and prepared.
3. Information campaign and training program implemented.
1. Strengthened institutional structure of NWSDB.
2. Implemented training and skills development program for NWSDB.

<sup>a</sup> Financially completed in February 2015.

Sources: Technical assistance reports.

E. Evaluation Scope and Approach

21. The objective of the evaluation is to assess whether ADB’s TA has made a difference in elevating operational efficiency and management performance of water supply and sanitation service providers in Sri Lanka, including improving the long term financial sustainability and capacity developed. To this end, the proposed TPER will examine various aspects of project formulation, design, implementation, and sustainability, and assess project performance taking into account outcome indicators realized since completion. It will evaluate the TA activities according to IED evaluation guidelines using the evaluation criteria of: (i) relevance, (ii) effectiveness, (iii) efficiency, (iv) sustainability, and (v) impact. The main evaluation questions to be considered under these criteria are outlined in Appendix 2 below.

22. IED will prepare one evaluation report following IED guidelines, with separate appendices on the results for each of the three TAs. The TPER will be based on primary and secondary data and prepared in accordance to IED evaluation guidelines for public sector operations. The TPER will include: (i) a desk review of relevant project information; (ii) discussions with project staff from South Asia Regional Department and the Sri Lanka Resident Mission, and (iii) discussions with government and implementing agencies, TA beneficiaries, and other stakeholders.

F. Data Sources

23. Secondary data (desk study). The desk review will focus on secondary data sources including, inter alia: (i) ADB policies and strategies (CPSs, Strategy 2020, Water Operational Plan, etc.); (ii) Sri Lanka water sector policies and strategies (10YDF, PRS); (iii) project evaluation documents (TA reports, TA completion reports, SESs); (iv) data and information from related projects (e.g., Loan 2557/2558 Greater Colombo Wastewater Management Project); and (v) other available evaluation evidence (e.g., Sri Lanka CAPE 2007).

24. Primary data through interviews and field observations. Primary data will be collected through interviews with officers in central Government agencies, NWSDB, CMC, ADB operations and development partners. There will also be visits to selected project sites to view project outputs, where appropriate. These will be conducted for the work packages for decentralization, institutional analysis, water resource planning and implementation, and qualitative evaluation assessment.

25. An Independent Evaluation Mission (IEM) undertaken by IED will take place over approximately 10 working days in October 2015. Primary data will be collected during the IEM through direct observation, interviews with key informants and focus group discussions with central Government and water sector agency representatives.
G. Tentative Schedule and Resources

26. The evaluation will be carried out according to the following schedule, subject to approvals:

<table>
<thead>
<tr>
<th>Activity/Milestone</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk research and preparation of approach paper</td>
<td>I–III August 2015</td>
</tr>
<tr>
<td>Approval of approach paper</td>
<td>IV August 2015</td>
</tr>
<tr>
<td>Consultation with headquarters-based ADB staff</td>
<td>I September 2015</td>
</tr>
<tr>
<td>Recruitment of consultants</td>
<td>I September–II October 2015</td>
</tr>
<tr>
<td>In-country mission</td>
<td>III–IV October 2015</td>
</tr>
<tr>
<td>Preparation of the draft TPER</td>
<td>I–III November 2015</td>
</tr>
<tr>
<td>Internal peer review</td>
<td>III November 2015</td>
</tr>
<tr>
<td>Interdepartmental review</td>
<td>III–IV November 2015</td>
</tr>
<tr>
<td>Submission of draft report to Editor</td>
<td>II–III December 2015</td>
</tr>
<tr>
<td>Submission of report to IED Director General for approval</td>
<td>IV December 2015</td>
</tr>
</tbody>
</table>

27. Subject to government concurrence, IED will field a team for the IEM in late October 2015, comprising: (i) IED Team Leader, Evaluation Specialist; (ii) IED Evaluation Officer; (iii) an international consultant with experience in water sector projects and evaluation methods and process; and (iv) a national consultant familiar with the water sector in Sri Lanka. Overall guidance will be provided by the Director, Division 1 of IED.

H. Dissemination of Findings

28. Upon approval of the report, the findings will be disseminated through IED’s website, social media, and presentation at appropriate knowledge sharing events within and outside ADB.

<table>
<thead>
<tr>
<th>Loan/Grant No.</th>
<th>Project Title</th>
<th>Subsector</th>
<th>Approval Amount ($ million)</th>
<th>Approval Date</th>
<th>Date Closed²</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1575 Loan</td>
<td>Third Water Supply and Sanitation (Sector)</td>
<td>Water Supply and Sanitation</td>
<td>75.00</td>
<td>16-Nov-97</td>
<td>19-Aug-08</td>
<td>Closed</td>
</tr>
<tr>
<td>1993 Loan</td>
<td>Secondary Towns and Rural Community-based Water Supply and Sanitation</td>
<td>Water supply and sanitation</td>
<td>60.30</td>
<td>16-Jan-03</td>
<td>26-Feb-13</td>
<td>Closed</td>
</tr>
<tr>
<td>0013 Grant</td>
<td>North East Community Restoration and Development Project II (SIDA)</td>
<td>Urban water supply</td>
<td>5.90</td>
<td>14-Apr-05</td>
<td>16-Feb-11</td>
<td>Closed</td>
</tr>
<tr>
<td>2201 Loan</td>
<td>Local Government Infrastructure Improvement</td>
<td>Urban Policy, Institutional and Capacity Development</td>
<td>50.00</td>
<td>24-Nov-05</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>2275 Loan</td>
<td>Secondary Towns and Rural Community-based Water Supply and Sanitation Project</td>
<td>Urban water supply</td>
<td>13.50</td>
<td>29-Nov-06</td>
<td>8-Oct-14</td>
<td>Closed</td>
</tr>
<tr>
<td>2276 Loan</td>
<td>Secondary Towns and Rural Community-based Water Supply and Sanitation Project</td>
<td>Urban water supply</td>
<td>46.50</td>
<td>29-Nov-06</td>
<td>26-Feb-13</td>
<td>Closed</td>
</tr>
<tr>
<td>2477 Loan</td>
<td>Dry Zone Urban Water and Sanitation Project</td>
<td>Urban water supply</td>
<td>59.78</td>
<td>28-Nov-08</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>0129 Grant</td>
<td>Dry Zone Urban Water and Sanitation Project</td>
<td>Urban water supply</td>
<td>23.22</td>
<td>28-Nov-08</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>0130 Grant</td>
<td>Dry Zone Urban Water and Sanitation Project</td>
<td>Water supply and sanitation</td>
<td>2.00</td>
<td>28-Nov-08</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>2557 Loan</td>
<td>Greater Colombo Wastewater Management Project</td>
<td>Urban sewerage</td>
<td>80.00</td>
<td>28-Sep-09</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>2558 Loan</td>
<td>Greater Colombo Wastewater Management Project (SF)</td>
<td>Urban sewerage</td>
<td>20.00</td>
<td>28-Sep-09</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>2710 Loan</td>
<td>Jaffna and Kilinochchi Water Supply and Sanitation Project</td>
<td>Urban water supply</td>
<td>20.00</td>
<td>29-Nov-10</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>2711 Loan</td>
<td>Jaffna and Kilinochchi Water Supply and Sanitation Project</td>
<td>Urban water supply</td>
<td>70.00</td>
<td>29-Nov-10</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>9154 Grant</td>
<td>Improving Community-based Rural Water Supply and Sanitation in Post-Conflict Areas of Jaffna and Kilinochchi</td>
<td>Water supply and sanitation</td>
<td>2.00</td>
<td>4-Feb-11</td>
<td></td>
<td>Active</td>
</tr>
<tr>
<td>Loan/Grant No.</td>
<td>Project Title</td>
<td>Subsector</td>
<td>Approval Amount ($ million)</td>
<td>Approval Date</td>
<td>Date Closed&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Status</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------</td>
<td>----------------</td>
<td>-------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>2757 Loan</td>
<td>Secondary Towns and Rural Community-based Water Supply and Sanitation - Additional Financing</td>
<td>Urban water supply</td>
<td>4.30</td>
<td>8-Jun-11</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>2758 Loan</td>
<td>Secondary Towns and Rural Community-based Water Supply and Sanitation - Additional Financing</td>
<td>Urban water supply</td>
<td>13.30</td>
<td>8-Jun-11</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>2790 Loan</td>
<td>Local Government Enhancement Sector</td>
<td>Other urban services</td>
<td>59.00</td>
<td>29-Sep-11</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>2947 Loan</td>
<td>Greater Colombo Water and Wastewater Management Improvement Investment Program-Tranche 1</td>
<td>Urban water supply</td>
<td>70.00</td>
<td>22-Nov-12</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>2948 Loan</td>
<td>Greater Colombo Water and Wastewater Management Improvement Investment Program-Tranche 1</td>
<td>Urban water supply</td>
<td>14.00</td>
<td>22-Nov-12</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>2977 Loan</td>
<td>Dry Zone Urban Water and Sanitation Project - Additional Financing (SF)</td>
<td>Urban water supply</td>
<td>40.00</td>
<td>18-Dec-12</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>3029 Loan</td>
<td>Greater Colombo Water and Wastewater Management Improvement Investment Program-Tranche 2</td>
<td>Urban water supply</td>
<td>70.00</td>
<td>26-Sep-13</td>
<td>Active</td>
<td></td>
</tr>
<tr>
<td>3030 Loan</td>
<td>Greater Colombo Water and Wastewater Management Improvement Investment Program-Tranche 2 (SF)</td>
<td>Urban water supply</td>
<td>18.00</td>
<td>26-Sep-13</td>
<td>Active</td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Refers to financial completion date.
Sources: Asian Development Bank databases.
### EVALUATION MATRIX: KEY TECHNICAL ASSISTANCE PERFORMANCE EVALUATION REPORT QUESTIONS

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Specific Evaluation Questions</th>
<th>Data Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>l. Project Performance</td>
<td>Policies and Strategies:</td>
<td>Technical assistance (TA) and TA Completion Reports (TCRs)</td>
</tr>
<tr>
<td>Relevance</td>
<td>• Is the project consistent with the Government of Sri Lanka development strategies, policies and plans? In particular how compatible is the project with strategies, policies and plans in the water sector?</td>
<td>Mid-term reviews, Country Assistance Program Evaluation (CAPE)/Country Partnership Strategy (CPS), Final Review Validation, Field observations during Independent Evaluation Mission (IEM) interviews</td>
</tr>
<tr>
<td></td>
<td>• Is the project in line with Asian Development Bank (ADB) policies and strategies?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Assess ex-ante and ex-post relevance. Are the original objectives still relevant at the time of evaluation? Have significant changes in the project context or ADB policies been retrofitted to the design?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Were the designs of the interventions informed by sound background diagnostics and analytical work, including analyses of political-economy issues and factors?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Were the interventions appropriate responses to identified development problems?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• How appropriate were the institutional interventions to water sector agencies?</td>
<td></td>
</tr>
<tr>
<td>Design and Formulation:</td>
<td>• Was the rationale for this project based on sound technical bases and understanding of regional and local water supply and sanitation requirements and level of service shortfalls, and their relationships with local communities and their livelihoods?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Were lessons learnt, from similar projects on water supply and sanitation in Sri Lanka and other developing member countries, used to inform the project design?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Was the project design adequate to achieve its objectives, and did it take adequate account of wider water supply and sanitation needs and issues (e.g. institutional and regulatory frameworks)?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Was the design and monitoring framework (DMF) adequate to address identified challenges for the local or regional area and were the project outcomes and outputs measurable and achievable within the project timeframe?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Was the project design flexible enough to adapt to emerging challenges?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Were project risks identified during appraisal sufficiently mitigated in the design (e.g., government/executing agency reorganization, low capacities, slow release/lack of counterpart funds, regulatory or institutional framework complexity, decentralization of service delivery considerations, extended time and resources to meet requirements)</td>
<td></td>
</tr>
<tr>
<td>Stakeholders and Ownership:</td>
<td>• Were the project’s stakeholders appropriately targeted and were their specific needs accommodated in the project design?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To what extent where stakeholders – including the Government, executing agencies, and service providers – involved in the design of the project, and what was their sense of ownership?</td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td>General achievement of objectives:</td>
<td>TA and TA Completion Reports, Mid-term reviews, Project documentation, New data collected since project completion, Field observations and</td>
</tr>
<tr>
<td>Criteria</td>
<td>Specific Evaluation Questions</td>
<td>Data Sources</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Efficiency       | **Project Efficiency:**  
- How well were project resources (e.g., time, financial and other resources) used in achieving the expected outcomes?  
- How efficient was ADB and in managing the projects?  
- Were mid-course adjustments required and how were they managed?  
**Process Efficiency:**  
- What were the factors of political, economic and process level efficiency that contributed to any project delays? For example, in TA 4049, what was the impact of the delayed approval of legal amendments by the Parliament, and the reservations of the new Minister, which affected the TA outputs under an independent regulation framework?  
- What could ADB have done differently to mitigate against such delays?  
- Were the executing and implementing agencies sufficiently staffed with the requisite balance of technical and management skills? Did they function efficiently? Were their responsibilities clear?  
- Did effective communications channels operate between central government, executing and implementing agencies? | TA and TA Completion Reports  
Project documentation  
Field observations and interviews during IEM  
Key informant interviews *

| Sustainability   | **Management and coordination sustainability:**  
- Are the executing and implementing agencies sufficiently resourced to ensure levels of service are maintained? Are human, institutional, and financial resources sufficient to sustain the outcomes? For example, in TA 7078 what factors contributed to the resource constraints that led to the Regional Support Centers not being able to continue condition assessment surveys?  
- How likely are the outcomes achieved under the projects to be sustained? Have sufficient legal, regulatory and other policy measures been put into place to sustain reforms and achievements made?  
- What is the likelihood that the results of capacity building initiatives in the agencies will be maintained?  
- Does the National Water Supply Drainage Board (NWSDB) and Colombo Municipal Council (CMC) have the appropriate governance structure, policies, procedures, financial structures, and risk management approaches in place to ensure levels of service are maintained?  
- What sustainability challenges are met in maintaining required human and financial resources in the implementing agencies and how can these be addressed?  
- How strong is the ownership and political will of the Government to continued implementation of decentralization reforms for water agencies? Has political intervention positively or negatively influenced the reform process?  
**Financial Sustainability:**  
- How are post-project activities being resourced/financed?  
- Are the operations of NWSDB and CMC meeting cost recovery targets?  
- Are the current tariff levels adequate to ensure sustainability? Has the tariff level been revised during the project to improve sustainability and achievement of cost recovery targets? | TA and TA Completion Reports  
Project documentation  
Field observations and interviews during IEM  
Key informant interviews  
Focus group discussions |
### II. Institutional Development

**Institutional Development**
- What institutional changes (regional and national) occurred during the project lifetime and how did they impact on the project outcomes?
- To what extent have the experience from implementing the projects provided lessons for future government reforms or become a model for other projects?
- Were the benefits of institutional and regulatory reforms, identified at design stage, realized to achieve operational efficiency and improved quality and level of service?
- Have project management processes being maintained after project completion? If not, what alternative mechanism is in place to foster inter-agency cooperation and synergy around the sustainable provision of water and sanitation services?

**Data Sources**
- TA and TA Completion Reports
- Project documentation
- Field observations and interviews during IEM
- Key informant interviews
- Focus group discussions

**Impact**
- How have the projects impacted on overall operational performance and financial management of the NWSDB and CMC? How do these compare with regional benchmarks?
- Have the projects contributed to level of service improvements to the customers?
- Has there been any link drawn between changes in service delivery and decentralization of service delivery functions?
- Were there any innovative aspects to either project design or implementation that contributed to better project efficiency, effectiveness and overall impact?
- How might a second phase of the projects build on the project successes and address its identified deficiencies?
- To what extent have envisaged project impact as stated in the DMF been achieved?
- To what extent has the project brought significant changes to the project regions and the project beneficiaries?
- What does the most recent data tell us about the impact indicators as stated in DMF? How do they compare with the situation prior to the project?

**Data Sources**
- TA and TA Completion Reports
- New project data collected since project completion
- Key informant interviews
- Focus group discussions

### III. Other Assessments

**ADB Performance (quality at entry and supervision)**
- Quality at Entry:
  - Did ADB mobilize sufficient technical expertise in the project design?
  - Was the design process participatory? Did it take into the concerns and needs of local government and local communities?
  - Were lessons learnt from previous independent evaluations and TCRs incorporated into the project design?

**Supervision:**
- What was the performance of ADB procurement supervision and disbursements?
- Did ADB (and the Government) take the initiative to suitably modify project design (if required) during implementation in response to any changes in circumstance or emerging opportunities?
- Was prompt action taken to ensure the timely implementation of recommendations and resolution of any implementation bottlenecks?
- What was the role and performance of the resident mission? How was the relationship between headquarters and the resident mission?

**Data Sources**
- TA and TA Completion Reports
- Field observations and interviews during IEM
- Key informant interviews
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Specific Evaluation Questions</th>
<th>Data Sources</th>
</tr>
</thead>
</table>
| Borrower Performance (quality of preparation, implementation and monitoring and evaluation [M&E]) | **Quality of Preparation**:  
- Was the government (national and local) actively involved in the design?  
- Did they initiate any modifications in response to changing circumstances or opportunities?  
- Has adequate staffing/resources been provided for project management?  
**Implementation and M&E**:  
- Have the flow of funds and procurement procedures been suitable for ensuring timely implementation?  
- Have counterpart funds been provided adequately and on time?  
- Did central government ensure adequate coordination of the relevant agencies? And between national and local levels?  
- Has the executing and implementing agencies put in place an effective M&E system and does it generate information on performance and impact that is useful for project management to make decisions?  
- Have TA requirements been followed?  
- Has government made arrangements for continued funding of certain activities? | TA and TA Completion Reports  
Field observations and interviews during IEM  
Key informant interviews  
Focus group discussions |