



1. Project Data:		Date Posted : 03/18/2004	
PROJ ID: P002428		Appraisal	Actual
Project Name : Urban Water Supply	Project Costs (US\$M)	46.5	36.0
Country : Sierra Leone	Loan/Credit (US\$M)	36.0	34.4
Sector(s) : Board: WS - Water supply (88%), Sewerage (7%), Sanitation (5%)	Cofinancing (US\$M)		
L/C Number : C2702			
	Board Approval (FY)		95
Partners involved :	Closing Date	12/31/1999	06/30/2003
Prepared by :	Reviewed by :	Group Manager :	Group:
Nilakshi M. De Silva	Roy Gilbert	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
(i) improve water supply and sanitation services in Freetown; (ii) improve accessibility of these services to the urban poor; and (iii) ensure that water supply and sanitation services will be sustained by strengthening the sectoral institutions, especially the Guma Valley Water Company (GVWC) and other agencies responsible for sanitation, and by encouraging private sector participation . The project also lists preparing water master plans for major towns outside Freetown under its objectives but, as stated in the ICR, this is an output rather than an outcome and is not included here.			
b. Components			
Originally the project had two main components, each with several sub -components (final cost in parenthesis):			
A. Water Supply (US\$31.9m.)			
1. rehabilitate and expand GVWC's water system by: (i) rehabilitating and repairing Guma Dam intake tower and increasing storage capacity of Guma reservoir; (ii) refurbishing Guma Water Treatment Plant; (iii) constructing bulk transfer mains to improve water supply to eastern Freetown; (iv) extending the distribution system to meet 2005 projected demand; (v) improving Dan Street and Income Tax reservoirs and constructing new reservoirs at Governor's Lodge, Kortrigh and Wilberforce village; (vi) refurbishing subsidiary supply at Kongo; (vii) reinforcing secondary distribution; and (viii) consultancy services for supervision .			
2. strengthen institutional capacity of GVWC by :(i) supplying computers and software for accounting and MIS; (ii) supplying vehicles and tools for maintenance; (iii) providing technical assistance to implement computerized systems, identify opportunities for private sector participation, assist GVWC to manage its investment programs and operations and develop a public relations and education program; and (iv) training GVWC staff.			
B. Sanitation (US\$2.45m.)			
1. provide technical assistance to plan low -cost sanitation; 2. rehabilitate and pilot-scale extension of existing sewerage system and outfalls; 3. management and consultancy services for supervision; and 4. provide office equipment and vehicles as institutional support .			
At the time of the country portfolio review, project components were revised and new components added at the request of the Government of Sierra Leone to respond to emergency post -conflict needs:			
Additional Works (US\$1.7)			
1. procure spare parts, consultant services and training to rehabilitate two existing power generating units under the National Power Authority; 2. procure spare parts and equipment for emergency works in secondary cities .			
c. Comments on Project Cost, Financing and Dates			
Final project costs were 77% of those estimated at appraisal and 95% of the credit was disbursed . Due to the reallocation of project funds, as well as fluctuations in the exchange rate, a financing gap of US\$M 3.5 was created and this amount is still outstanding to one contractor . The project was approved on 04/11/1995 and closed on 06/30/2003, three and a half years later than planned .			
3. Achievement of Relevant Objectives:			
The project achieved some of its objectives but with significant shortcomings :			

(i) the project has succeeded in increasing the availability of water to Freetown to the level foreseen in the SAR and GVWC's production capacity has increased by 55%. However this is no longer sufficient in view of the unexpected increase in the city's population and demand for water services continues to exceed GVWC's capacity . Modest improvements were also achieved in sanitation services and many buildings within the extended sewer catchment are now connected to the sewer network and extension of sea outfalls beyond tidal influence has improved sewerage disposal.

(ii) the project has improved accessibility of water supply to the urban poor, particularly with the construction of bulk transfer pipelines to the densely populated and disadvantaged areas in Eastern Freetown . Access to sanitation services were also improved with the construction of 7 and rehabilitation of 18 sanitary facilities in low income, high population density areas.

(iii) the project has had little success in improving the technical and financial capacities of agencies responsible for water and sanitation services . GVWC in particular is approaching a financial and institutional crisis as water tariffs bear no relationship to cost of production, metered consumption is minimal and return on average fixed assets is 2% (compared to 8% projected as appraisal)

4. Significant Outcomes/Impacts:

- Water works implemented under the project helped to avert a humanitarian crisis in Freetown and four secondary cities by providing access to potable water .
- Under revised project works that included emergency repairs to the city's main electrical generators, power was restored to Freetown which had been in total blackout .
- Despite the extremely difficult conditions in the country, most physical outputs have been delivered within contractual costs . None of the contracts were terminated and war -related compensation claims of contractors were managed prudently with total awards restricted to about 5% of project costs.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- The extent to which the urban poor have benefitted from the project is unclear . Components were not specifically targetted towards the poor and indicators for monitoring and evaluating impact are inadequate (The SAR and ICR assumes that the increased water supply to Freetown as a whole would improve accessibility to the poor - which may not be the case . Project benefits may be disproportionately enjoyed by those who are better off and able to afford water connections).
- Sanitation facilities in Freetown remain inadequate and sewerage functions are yet to be transferred from the Ministry of Energy and Power to GVWC for efficient management and cost recovery as agreed during project preparation.
- GVWC's cost recovery measures remain inadequate with few consumers billed on metered consumption (rather than rateable value of the property) and just 30% of consumers paying their water bills .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Moderately Unsatisfactory	[this rating is not available on the ICR's 4-point rating scale). The project is expected to achieve only some of its major relevant objectives, yet achieve positive efficiency (the ERR of the water supply component, the project's largest, is estimated at 12%).
Institutional Dev .:	Modest	Modest	
Sustainability :	Unlikely	Highly Unlikely	Very weak financial position of GVWC and continued poor cost-recovery in water supply.
Bank Performance :	Unsatisfactory	Unsatisfactory	
Borrower Perf .:	Unsatisfactory	Unsatisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

(i) when a country's portfolio is restructured after a conflict, input should be obtained from project staff to redefine project objectives to reflect the current situation with broader, long term objectives placed on the country recovery response agenda.

(ii) in a post-conflict country, a reasonable timetable to implement sector reforms needs to be developed taking into account the current situation and local capacity constraints .

(iii) constraints faced by a utility in a post-conflict environment need to be recognized, and the client should not be held accountable for unachievable objectives .

8. Assessment Recommended? Yes No

Why? to add to the Bank's knowledge base on implementing projects under conflict conditions, particularly to provide important lessons about prudent management of contractors and compensation claims under such conditions

9. Comments on Quality of ICR:

Satisfactory. The ICR is well-written and is candid about shortcomings of the project as well as of Bank performance . There are some minor inconsistencies in cost tables . The report could have been improved by providing better analysis of the poverty impact of the project .