



1. Project Data :
OEDID: C2120
Project ID: P008071
Project Name: Water Supply Project
Country: St. Lucia
Sector: Other Water Supply & Sanitation
L/C Number: L3184/C2120 - SLU
Partners involved :
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2. Project Objectives, Financing, Costs and Components :

The project had two objectives: (i) the *physical objective* was to improve the reliability of and address the long-term requirements for potable water supply within the capital city of Castries and the northwest region of St Lucia; and (ii) the *institutional objective* was to strengthen the capabilities of WASA management, operation and maintenance, and to enhance resource mobilization capabilities .

Project components included: (i) The Roseau Dam water supply scheme which included construction of a dam and reservoir; water treatment and transmission; access roads; and environmental monitoring and mitigation schemes; (ii) Equipment purchase; (iii) Technical assistance and training; and (iv) Support to project management and administration.

Costs and financing: The total project costs were US\$50.5 million (25% higher than at appraisal) of which the Bank financed US\$8.13 million. The project was approved in FY90, made effective in 1991 and closed on schedule in FY97. Physical works were completed six months later than planned . Co-financing was provided by CIDA, CDB and OPEC .

3. Achievement of Relevant Objectives :

The project succeeded achieving its *physical objective* of improving the supply of potable water through the construction of the Roseau Dam and associated works. *Institutional objectives* were only partially met. The specific objective to strengthen the capabilities and performance in the financial and commercial areas was not met, an appropriate tariff structure was not introduced, sound financial policies and commercial measures have not been introduced.

4. Significant Achievements :

The project was successful in implementing all physical works, despite serious damage caused by tropical storm "Debbie" in 1994. The Government and CIDA increased their financial contributions to cover these extra costs. Environmental issues identified in the SAR were accomplished as planned with some additional local programs being undertaken.

5. Significant Shortcomings :

Recommended tariff increases, discussed both during project preparation and in one of the study reports, were never activated due to political hesitancy . This has resulted in a precarious financial situation for WASA.

Unaccounted-for water was expected to decrease from 33% in 1989 to 25% in 1997 as a result of the introduction of a leak detection and control program and additional metering . At the time of loan closing UFW had increased to 35%.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Unsatisfactory	Marginally Unsatisfactory	In fact the ICR provides a satisfactory rating for physical implementation and an unsatisfactory rating for institutional outcome, which fell far short of expectations. Combined this would result in a marginally unsatisfactory rating.
Institutional Dev .:	Partial	Modest	
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Unsatisfactory	Poor performance in financial and institutional improvements was serious and will negatively affect project sustainability.
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

1. The Bank needs to be realistic about what can be achieved in terms of institutional development and how. The institutional, administrative, financial, legal and related framework should be very clearly defined, understood and necessary improvements should be agreed upon by all parties and include clear procedures not only for the conceptual phase, but also for making them operational.
2. Legal covenants need to be phrased such they do not just require parliamentary or similar legal approval, but such that they must also be shown to be implemented.

8. Audit Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR :

The ICR is satisfactory but there are a number of shortcomings. There was no aide-memoire and there is no evidence of Borrower input or comments on the ICR, but comments of two cofinanciers are included. Moreover, ICR does not cover the future operation of the constructed facilities but rather talks about future investments. In addition to analyzing and rating the two major objectives of the project separately, the ICR should provided one overall rating for outcome and sustainability And as a matter of detail the supervision mission table is not in the required format.