

PARTNERS FOR WATER
AND SANITATION

Annual Report 2006_07



06-07

PARTNERS FOR WATER AND SANITATION

This is the 5th Annual Report for Partners for Water and Sanitation; it focuses on the work of the partnership during 2006-07, provides an overview of our financial performance and takes a look at the future of the partnership over the coming financial year.

PAWS was established following the World Summit on Sustainable Development (WSSD) in 2002. At WSSD, the International Community determined to fight water poverty by agreeing the Millennium Development Goal to reduce by half the 1.1 billion people without access to adequate water provisions, with a subsequent commitment to halve the 2.4 billion people without access to safe sanitation.

PAWS, whose membership encompasses government departments, private water companies, law firms, trade unions and NGOs, uses the resources and experience of the UK water industry to share knowledge, working with partners in Africa on a range of projects including civil engineering, water treatment and institutional capacity building, within the water and sanitation sector.

PAWS's support is directed towards projects that emphasise the importance of sustainability of service provision, and which can be replicated across other regions and partner countries. Projects are demand-driven and responsive to the needs of the water sector in-country.

01 Foreword

As the Chair of PAWS during 2006-07, I am delighted to introduce this annual report.

Following the appointment of new country managers in Nigeria and Ethiopia, these respective country programmes have been renewed and existing work strengthened. We have conducted a review of our programme in Uganda and the impacts of our engagement there, and spent time rationalising our work in South Africa.

Some projects particularly worthy of note include two in the Southern Nations Nationalities and People's Region (SNNPR) of Ethiopia, one involving the technical assessment of a water treatment works, enabling them to successfully bid for funding for renovation and expansion, and the other developing a strategy for the re-commissioning of water supply schemes to improve local service delivery. I would also like to mention the support the partnership has given to a laboratory in Entebbe where we have provided training to staff and enhanced their ability to analyse water quality, and our work in Mogale City, South Africa building customer care capacity, which has in turn led to improved service delivery to the people of the town.

This past year, we have placed renewed emphasis on measuring the impact of our work and this report documents our successes with a focus on the impact that the work has had on our partners in Africa.

I would like to thank all partners for their support over the last year and during my two-year tenure as Chairman. I look forward to watching PAWS continue to make a difference to people in our partner countries in the future.

Ashley Roe, Chairman, Partners for Water and Sanitation 2005 - 07

I would like to join the outgoing Chair in introducing this 2006-07 annual report. PAWS has once again achieved a great deal over the past financial year, and I would like to congratulate the partnership on its successes.

PAWS is facing a number of adjustments over the forthcoming year. There will be a change in the hosting arrangements, with the Secretariat moving from Defra to the Water Engineering and Development Centre at Loughborough University, and DFID will provide a new source of funding. However, the work PAWS does on the ground will carry on as before; we will continue to build capacity in communities, governments, the private sector and NGOs to secure the sustainable provision of clean water and safe sanitation.

As part of the 07/08 business planning process, we have developed robust programmes of activity for Ethiopia, Nigeria and South Africa, and have committed to identify a new partner country to engage with.

I would like to thank the partners for their hard work during 06/07 and look forward to building on the partnership's achievements during the coming year.

Mike Woolgar, Incoming Chairman, Partners for Water and Sanitation

During 2006-07 PAWS has been very focused on improving the management of the partnership and the delivery of tangible outcomes on the ground and ensuring that all our successes are measured and well-documented. The success we have enjoyed in this phase of our development has been fundamental in securing the longer term future of PAWS.

PAWS has built on its previous achievements in South Africa and Nigeria delivering a the final stages of a number of projects and initiating new ones. Advances in Ethiopia have provided an excellent basis for future activity in this country. Our project successes this year include:

- A facilitated workshop between the national Construction and Supervision and Design Enterprises in Ethiopia in February 2007 leading to improved communication between the enterprises and more joined up delivery in central government.
- Assessment of impact of water pollution on water supply and water provision in the SNNPR and Oromia regions of Ethiopia.
- Assessment of water use and water resources regulations nationally and in SNNPR and Oromia regions of Ethiopia.
- Provision of support to the government in Anambra State, Nigeria, in identifying areas of gully erosion leading to increased awareness of the consequences of gully erosion and how to address them.

- A baseline study of service provision in Naka, Benue State, Nigeria has been completed with maps showing where water and sanitation facilities are in the community.
- A stakeholder workshop to sensitise and inform all relevant government agencies, NGOs, and private sector has been held in Benue State, Nigeria.
- Between March and December 2006 training of over 50 staff at the national, regional and local levels in South Africa on the Environment Agency's governance and capacity building programme.

There were also a number of developments in the way the partnership is managed:

- Appointment of a new country manager in Ethiopia to oversee programme delivery
- Appointment of a new country manager in Nigeria to oversee programme delivery
- Development of a new suite of communications tools, including a new website, presentational materials and a new look newsletter
- Development of a new health and safety policy
- Introduction of new project management and visit briefing processes
- Articulation of the partnership offering
- Six new partners engaged, increasing the skills base available

02 Overview of the year

WaterAid/Jon Spaul



Overview of the year: Ethiopia

During 2006-07 PAWS has continued to build on its initial engagement with Ethiopia. A Memorandum of Understanding has been signed and a programme of work is being implemented. This includes projects at both the national and regional levels.

At the national level we supported the Ministry of Water Resources in identifying and tackling leakage and provided advice on the regulation of water resources. We also supported the Design and Supervision and Construction Enterprises in improving joined up thinking and in sharing best practice.

In addition to national level support, PAWS has also supported the regional governments of Southern Nations, Nationalities and People's (SNNPR) and Oromia. In SNNPR we advised on tackling leakage, re-commissioning of water works, management of water resources and technical assessment of a Water Treatment Works. In Oromia we provided support on tackling leakage and managing water resources.

During the year and in light of the EU Water Initiative multi-stakeholder forum in September 2006, the Ethiopia programme of work was rationalised to enable PAWS to focus on a few key projects with clear and tangible deliverables.

A Country Manager, Abate Sleshi, was appointed in August 2006. Abate has worked hard to develop and implement our extensive programme of support during the year and has built relationships with key stakeholders.

Outputs of PAWS projects 2006-07

- Full technical audit of the Water Treatment Works in Awassa and identification of requirements needed to bring it up to full capacity.
- Advice and support on techniques which could be used to improve the quality of water supply to some 120,000 people in Awassa Town.
- Training of officials in Central Government and eight towns in techniques for the identification of leaks.
- Advice to central and regional government on developing and implementing leakage strategies.
- Detailed recommendations made to Design and Supervision Enterprise on measures to be taken to meet the ISO 9001 standard.
- Recommendations made on streamlining of processes in Construction Enterprise.
- Workshop held to bring together senior management at Design and Supervision and Construction Enterprises to identify solutions to shared challenges, particularly around communication.
- Analysis of challenges facing the Central Government, SNNPR and Oromia in water resources management.

WaterAid/Caroline Penn

03 Ethiopia



Awassa Water Treatment Works

Awassa is a rapidly expanding town on the shores of Lake Awassa and is the capital of the Southern Nations, Nationalities and Peoples Region (SNNPR). The town has its own water utility which is responsible for the treatment and distribution of potable water to the local area and for collecting revenue from 9000 customers.

The town currently has one Water Treatment Works, which was constructed in 1985 and is supplied by a river, a spring and a borehole. An independent report produced for the Southern Nations region back in 2005 estimated future demands and determined that there was a significant water supply deficit. To manage this deficit the Town Utility currently operates a 'shifting' regime, resulting in a part-time supply. The area the utility serves is split into two regions, which have water supplied on alternate days.

In April 2006 the General Manager of the Awassa utility approached PAWS for help with a technical assessment of the treatment works. This assessment was needed to support the utility's bid for funding to refurbish and expand the current Water Treatment Works. PAWS partner Gordon Percy, from South East Water, undertook a technical assessment of the existing works which included determining current capacity, identifying operational constraints and making recommendations for the future augmentation of the works.

Gordon's report concluded that although the water treatment process was generally of a high standard, there were a number of improvements which could be made including better health and safety procedures, and improved plant access and security enhancements. Gordon also suggested ways that the capacity of the Water Treatment Works could be expanded.

Once the report was presented to the general manager, PAWS provided ongoing support to the Utility as they prepared their bid for funding. The EU have approved the funding bid thanks, in part, to PAWS support.

PAWS continues to work closely with the SNNPR and is currently supporting them in re-commissioning some 2000 water supply schemes across the region.

Forward Look

Our focus for the coming year will be our existing package of projects. Follow-up to many of these projects has already been identified and partners are being engaged for delivery. This will include further support on leakage detection and on leakage strategy and further support to Oromia and SNNPR.

All projects will be taken forward in close liaison with our in-country stakeholders to ensure that they add value to existing activity and to that they complement the work of other donors.

PAWS will look to expand the portfolio of projects in Ethiopia to include projects with the Ministry of Health, further projects with the SNNPR and Oromia regions and possible engagement with another region.

In addition PAWS will work more closely with WaterAid to help build their capacity and the capacity of their partners, to support delivery of their country programme. All Ethiopia projects will be consistent with the national priorities identified by the context of the annual EU multi-stakeholder forum.



Support on leakage detection and implementation and development of a national leakage strategy

The Ethiopian Ministry of Water Resources approached PAWS in April 2006 asking for support in developing and implementing a national leakage strategy. The Government wanted assistance to assess existing leakage levels and advice on how to address them.

Eddie Moir from United Utilities undertook a initial scoping visit in August 2006. He met with key officials and visited two towns – Bahir Dar in the Amhara Region and Awassa in the Southern Nations region. As a result of this initial visit, Eddie recommended that officials responsible for leakage should focus on the repair of existing leaks and the prevention of further leaks through active detection. He also recommended the education of the general public on practical prevention measures.

In January/ February 2007 Eddie returned to Ethiopia with his colleague, Steve Snape, and visited a further four towns – Dessie, Mekele, Dire Dawa and Gondar. In each of these four towns, as well as in Bahir Dar, the team gave training presentations on "good" network management, data collection and leakage detection, and conducted best practice demonstrations on the use of basic leakage detection equipment.

In all the towns they visited, the PAWS team found examples of existing good practices and a high level of commitment amongst officials to develop skills and knowledge. In recent discussions with the Ministry of Water Resources it has been agreed that the next stage of the project will be a national workshop to bring together officials from across Ethiopia and share good practice. This will take place in 2007.

Water Resources Planning and Management

One of the greatest challenges facing Ethiopia is how to effectively manage its water resources. Currently there are very high levels of water extraction and pollution which is having a huge impact on communities across the country.

PAWS has been asked to provide advice and support to the National Government (Ministry of Water Resources) and the regions of Oromia and Southern Nations, Nationalities and Peoples Region (SNNPR) in assessing their current water resource management strategies and guidelines and suggesting enhancements. In March 2007 a team from Defra, Wessex Water and Loughborough University carried out an initial visit to Ethiopia.

The team assessed current regulations and procedures and visited a range of sites which illustrated the challenges the country faces in water resources management. In their visit to the Oromia region, the team were taken to the Akari and Mojo Rivers where they witnessed extremely high levels of unregulated industrial and municipal pollution. Much of the industrial pollution came from tanneries and other high impact industries.

In SNNPR the team visited Dilla Town in Wonago District where the local water supply comes from a river polluted by coffee processing plants. They also found that the town's treatment works is in desperate need of updating and refurbishing. PAWS is working closely with SNNPR, on another project, to help them develop a strategy for improving such works.

The team identified the need for monitoring of water quality, joint planning between officials and Ministries in relation to industrial development, the need to work closely with industry in developing appropriate solutions and the need to involve local communities in decision making and implementation.

PAWS will continue to support SNNPR, Oromia and the National Government in taking forward these recommendations. PAWS will also work more closely with other organisations in the water resources sector to ensure that this activity adds value to their work.

Overview of the year: Nigeria

PAWS has continued to provide support to a project which established Water Consumer Associations in Benue State to engage customers in the provision of water and sanitation.

In Plateau and Bauchi States PAWS has supported the development of water services master plans, and conducted technical assessments of water treatment works recommending ways to enhance them.

In Ekiti State, PAWS has supported a project looking at the level and quality of water services to health centres and in Anambra, we have conducted a gully erosion assessment, looking at where and why gully erosion takes place.

A new Country Manager, Gabriel Ekanem was appointed in November 2006 and has been working hard to revitalise the Nigeria programme and further develop relationships with our key partners on the ground.

Outputs of PAWS projects 2006-07

- In Benue, the Local and State Governments have contributed to the refurbishment, repairs, and replacement of infrastructure enabling water supply schemes to be reactivated in the three pilot towns.
- Water Consumer Associations (WCAs) have been established in three pilot towns in Benue State. These comprise of members of the community and are responsible for the operation and maintenance of the reactivated schemes.
- PAWS has delivered capacity building support in a number of areas including community management and demand responsive techniques, data collection tools, local development planning processes, clarification of roles and responsibility for key individuals and water treatment processes.
- Assessment of water supply to towns in Plateau and Bauchi States and advice on options for improving supply.
- Analysis of issues effecting water supply and sanitation provision in local health facilities and recommendations for improved management processes.
- Detailed analysis on extent of gully erosion in Anambra State and advice on options for tackling these problems.

04 Nigeria



Benue State Small Towns Water Supply and Sanitation Projects

In April 2005, PAWS Nigeria, WaterAid Nigeria, and the Government of Benue State signed a Memorandum of Understanding (MOU) with the objectives of establishing new methods of sustainable service delivery, through capacity building, community involvement and the reactivation of water supply schemes in three small towns.

The three small towns selected for the project are: Naka (population: 18,000), Ugbokpo (population 12,000) and Lessel (population 11,000). It is intended that the work in these three towns will form pilot projects which can then be scaled up across the region.

PAWS partners Mike Woolgar of WS Atkins, Chris Underwood of South West Water and Florianne Bourrigault (Cranfield University) have provided support in the fields of institutional development, policy development and technical capacity building. This compliments the work by other partners, WaterAid Nigeria and the Benue State Government through the State Ministry of Water Supply and Environment.

WaterAid/Jon Spaul

Forward Look

A priority for the coming year will be to work closely with other donors active in the sector to identify joint priorities and to ensure that PAWS's work is aligned with their programmes. We will coordinate with DFID Nigeria as they develop their new country strategy for water and sanitation, and we will maintain our close relationship with WaterAid Nigeria our in country hosts.

An agreement with the National Planning Commission has broadened the scope for PAWS's operation in Nigeria. We will build on this by signing a further Memorandum of Understanding with the national Ministry of Water Resources. We will take forward engagement at the federal level by working with the Ministry of Water Resources and Ministry of Health to identify suitable new projects consistent with national sector priorities.

PAWS will continue its projects in Benue, Plateau and Bauchi and engage in a new project with the EU delivering institutional capacity building support to Anambra state. We are looking to identify potential projects in Kano state and are developing a project in collaboration with WaterAid to produce an urban water and sanitation strategy, which will improve the coordination and delivery of urban projects in a number of states. We will also work with the Ministries of Agriculture and Water Resources to support them in the area of integrated water resources management.



Kafin Madaki Water Supply and Sanitation project, Bauchi State

Kafin Madaki is a small town of approximately 20,000 people situated some 45 km north of Bauchi. The major economic base of Kafin Madaki is farming, with weaving, iron-working, soap-making and brick-making on a cottage scale.

The Bauchi State Water Board (BSWB) devised a programme in the early 1980s to supply water to Kafin Madaki using a number of boreholes. However, the system failed after a short time. The BSWB in partnership with Ganjuwa Local Government and WaterAid Nigeria have now initiated the Kafin Madaki Water Supply and Sanitation Project, which will reactivate the supply network as well as provide sanitation services, hygiene education and promote community ownership and management.

WaterAid Nigeria requested PAWS support for both the reactivation and ongoing operation and maintenance of the borehole system.

Chris Underwood and Jason Harvey from South West Water conducted a quick site survey and did some basic supply network modelling. This showed that the existing supply network needs very little additional investment to renovate it. The borehole water supply programme is actually very well designed and has the capacity to serve Kafin Madaki if the ongoing operation and maintenance is well managed.

PAWS will return to Kafin Madaki to provide support for the development of appropriate operation and maintenance systems and to build the capacity to the local government team who are responsible for management of the borehole programme.

Kabong Water Supply and Sanitation project, Plateau State

Kabong is an unplanned settlement in Jos, the capital city of Plateau State. Jos has a population of 1.5 million, and the Kabong area has a population of around 35,000. Being unplanned and at the edge of town, Kabong offers cheap land with reduced infrastructure, and many of its residents are poor. Most Kabong residents lack good access to clean water and sanitation facilities.

The Kabong Water Supply Project is an initiative led by WaterAid Nigeria, to provide better access to safe water and adequate sanitation for Kabong's residents.

WaterAid are working in partnership with the Plateau State Water Board (PSWB) who are responsible for water supply in all of Jos, including Kabong. However in 2006, the Kabong Water Supply Project stalled and private water sellers with water carts and containers are still the main treated water suppliers in the settlement.

WaterAid Nigeria requested PAWS's support to look at why the project had stalled, and to provide guidance on the different options for supplying water and sanitation services to Kabong. Alex Nash (Atkins Ltd) and Chris Underwood (South West Water) led the PAWS team. They produced a water mains profile drawing for the trunk main supplying Kabong with the use of a hand held GPS, coaching local WaterAid staff as they went. Basic modelling of the network proved that the pumping station built to boost network pressure had not been built in the optimal location. In addition to this, the fundamental problem identified was that a general water shortage exists in Jos, where water is inequitably rationed between suburbs.

This work has enabled local partners to review their strategy for supplying Kabong, and to redirect resources to the relevant areas. As part of the project, the in country partners (WaterAid) established the Kabong water management committee (WMC) to involve the local community in water service provision. This is one of the central achievements of the project, considering the heterogeneity of the area.

The PAWS team identified that institutional arrangements were unclear, and facilitated a brain storming session on the institutional arrangements for Kabong's water management committee (WMC) and the PSWB. This session focussed on issues around asset ownership, regulatory, technical and commercial responsibilities. As a result of this session, the WMCs were able to chose the level of responsibility they were comfortable with, and the position of each partner as regards water supply to Kabong was clarified. Most importantly, working with WaterAid and the PSWB, the PAWS team developed a menu of options to pursue to progress the delivery of piped water to Kabong. The in-country partners (WaterAid and PSWB) are currently pursuing various options on the menu which they deem the most suitable avenues of exploration, with the hope of fulfilling their commitment to supply water to the residents of Kabong. The PAWS team continue to offer long-distance support on technical matters.

Overview of the year: South Africa

At the national level PAWS has been building on last year's activities, supporting the training of catchment management agency staff. As a result of the inputs of PAWS partners, this project will receive financial support from the UK Government's Global Opportunities Fund (GOF) for the next phase.

Most of PAWS's activity during 2006-07 has been at the municipal level. In Mogale City PAWS has supported a package of projects on customer services provision, asset management and the accreditation of the municipal laboratory.

In Sekhukhune, PAWS arranged a scoping visit to develop Terms of Reference for a project in which we will provide advice and guidance on establishing effective institutional systems. Whilst in Ndlambe PAWS undertook an assessment to identify areas where capacity building support is required.

Our existing Country Manager, Thuli Khambule, has continued to strengthen relationships with our key in country partners and has initiated engagement with a number of new municipalities.

Outputs of PAWS projects 2006-07

- Identification of main challenges to tackling water loss in Mogale City, including analysis of existing systems and advice on ways of enhancing these.
- Capacity building to facilitate the development of more inclusive, democratic and adaptive governance processes for water management involving historically disadvantaged communities.
- Empowered teams of water professionals with skills in governance.
- More effective catchment management agencies in targeted provinces.
- Review of Mogale City's communications and customer care processes and advice on ways of enhancing them.
- Analysis of existing water infrastructure in Ndlambe.
- Assessment of existing institutional structures and policies in place in Sekhukhune municipality.
- Supporting Sekhukhune municipality in implementation of water management policies.

05 South Africa



WaterAid/Jon Spaull

Sekhukhune District Municipality

Greater Sekhukhune District Municipality (GSDM) serves water to the district of Sekhukhune in Limpopo Province at the most northern point of South Africa. It is one of the poorer districts with some areas facing 70% unemployment. Across most of Sekhukhune, water is a scarce resource. A new dam is being constructed, principally to serve the expanding mining business. However, this water will be 3 to 4 times more costly to Sekhukhune than current water supplies, and payment levels are already low.

The municipality has made a great deal of progress in developing its water and sanitation policies. PAWS was asked to look at the full range of policies and to provide advice on enhancing and implementing them.

PAWS partner David Sutherland, from WS Atkins, undertook a two week visit to Sekhukhune in January 2007 and suggested a number of approaches that the municipality could take to enhance its policy development and implementation processes.

The main areas for immediate attention are:

- Prepare Operation, Monitoring & Maintenance Policy (and Standard Operating Procedures and Manuals),
- Reorganisation of Technical Services to ensure that Planning, Construction and O&M are all given due attention,
- Cost Recovery planning,
- Network analysis for water supply system,
- Training for Project Managers

PAWS will continue to provide support to Sekhukhune municipality in its implementation of these recommendations during 2007-08.

Future Look

Over the coming year PAWS will focus on a few key areas of support prioritised by the in country Steering Group in February. These will be at both the municipal and federal level.

PAWS will continue to work closely with Mogale City and Sekhukhune Municipalities to take forward projects supporting a water quality testing laboratory, providing advice on institutional structures, giving guidance on asset management and leakage control and developing customer service systems and cost recovery mechanisms.

PAWS will develop a programme of work to support Moshaweng municipality in a number of areas including customer care, revenue collection, policy documents and institutional structures. PAWS will seek to engage with one or two further identified municipalities in close discussion with the Department of Water Affairs and Forestry (DWAF).

At a national level PAWS will be supporting the Department for Provincial and Local Government (DPLG) to build their capacity to manage public-private partnerships.

PAWS will seek to coordinate its activities more closely with other donors in South Africa through existing in country forums and through building relationships with key in country partners.



Advising Mogale City on issues surrounding asset management

Mogale City Municipality, west of Johannesburg serves a population in excess of 300,000, with an urban concentration based in and around Krugersdorp and a very large surrounding rural area. Mogale Municipality purchases its water from a large private company, Rand Water.

The municipality requested support from PAWS to help tackle the challenges they are facing in asset management, leakage, and cost recovery.

Andrew Southall, an independent partner undertook an initial scoping visit in October 2006. He reported back that although the municipality only measures some of its leakage, the estimated levels are very high (around 26%). Revenue collection is also a serious issue, with payment rates being as low as 10% in certain low income areas, and only 75% in high income areas. This, coupled with a government policy of “free basic water for all” for the first 6000 litres per month, has resulted in significant financial strain and annual budget deficits for the municipality.

Further PAWS support has already resulted in better local planning to develop relevant and sustainable systems and processes to tackle water loss and revenue collection. In turn, this will lead to more water reaching customers and a fairer distribution of water resources across the municipality.

A number of other specific areas where PAWS can provide further support have been identified with more project visits planned for 07/08.

Overview of the year: Uganda

PAWS engagement in Uganda began in 2005 when a number of projects were identified in discussion with the Ministry of Water and Environmental Resources. However demand for support has since gradually declined.

During 2006-07 PAWS worked closely with the national government on a number of projects. These have included supporting the Water Quality Division of the Directorate of Water Development in the development of a water quality strategy, developing guidance on the involvement of private operators in the water sector and the provision of technical support to the national water quality laboratory so that they could achieve international accreditation.

Support to the water quality laboratory in achieving international accreditation

PAWS was asked to support the Ugandan Government's main water quality laboratory in Entebbe in achieving international accreditation. The laboratory is situated on the shores of Lake Victoria in the City of Entebbe and processes water quality samples from across Uganda.

Malcolm Morgan, from the Drinking Water Inspectorate (DWI), visited Uganda in September 2006. Malcolm undertook a full review of the systems in place in the laboratory and recommended a number of enhancements including a review of all laboratory procedures, laboratory records and analytical methods. High level involvement in all aspects of the laboratory's work was identified as a high priority.

Implementation of the recommendations of Malcolm's report should lead to the laboratory achieving international accreditation allowing it to test samples from other countries. This would be a great benefit to other East African countries as currently the only accredited laboratories on the continent are in Egypt and South Africa.

06 Uganda



Future Look

During late 2006-07 demand for the type of support PAWS provides declined. This was due to a number of factors, including increased activity of other donors in Uganda and advances made by the government in developing its own capacity building support mechanisms. In response to this decline in demand the PAWS Steering Group decided to close the Uganda programme in December 2007. A detailed closure report outlining the achievements of PAWS in Uganda will be available on the PAWS website.

As we move into the next financial year, PAWS will enter yet another phase of development. Arrangements for programme funding and secretariat support will change, following advice from Defra that they are no longer able to provide the same levels of support to the partnership as a consequence of wider budgetary cuts and reprioritisation of departmental activity.

The Secretariat function will move from Defra to Loughborough University. The University are very supportive of PAWS and their Water, Engineering and Development Centre has been an active partner for the last couple of years. Staff for the Secretariat will be provided from Loughborough University and a new Head of Secretariat will be recruited on secondment from within the partnership.

DFID will provide £1.25million in sliding scale funding over the next three years, starting with £543,390 in 2007-08. As funding from DFID declines, implementation of a fundraising strategy will begin, to secure funding from other sources to supplement DFID's contributions, and identify financial solutions for the longer term. The fundraising strategy will assess a number of funding sources for their suitability, e.g. trust funds, and EU and UN funding programmes

In order to manage these changes effectively PAWS has changed its status to become a company limited by guarantee and will make some small changes to its governance arrangements, including the appointment of a new Head of Secretariat from within the partnership.

In country activity will become more strategic and PAWS will endeavour to align itself even more with the activities of other donors. Country managers will lead a review of existing projects in each country so that activities can be prioritised.

The primary focus for activity will be Ethiopia and Nigeria. A review of engagement in South Africa will be completed with a view to refocusing activity following issues around the sustainability of some projects.

Once engagement in Uganda is brought to a close, potential new partner countries will be identified for engagement and the Secretariat and Steering Group will select one or more to become a PAWS partner country.

Partners will need to work closely with Loughborough University, DFID and other key stakeholders as decisions are taken about the future organisation and direction of the partnership, to strengthen ways of working and to secure even greater successes in the future.

07 Future



During 2005-06, the Department for Environment, Food and Rural Affairs (Defra) funded both the PAWS programme budget, and the partnership's secretariat. The programme budget was set at £320K (a reduced figure from the projected allocation of £400k due to efficiency savings in Defra and across Whitehall). 87% of the funds spent were directed to country work - the highlights of which are detailed in this report.

The marketing, communications and administration spend includes the production of the Annual Report, brochure and other marketing materials, the visits of country managers to the UK for the annual Forum and PAWS participation in international events. The secretariat costs include travel to our partner countries to engage with key stakeholders, assess programme delivery and recruit country managers when appropriate.

Going forwards, there will be a number of changes to the way that PAWS is financed. The Department for International Development (DFID) has agreed to provide sliding scale funding for PAWS for the next three years. The programme budget for 2007-08 has been set at £400,000, with additional money allocated to meet the running costs of the secretariat. Over the course of the next three years, the partnership will seek additional sources of funding to supplement DFID's contribution.

The provisional budget allocation for each country for 2007-08 has been set at: South Africa £90,000, Nigeria: £53,000 Ethiopia, £70,000 and the new partner country £62,000. These figures are subject to change in response to demand.

EXPENDITURE 000's

Ethiopia **22%**

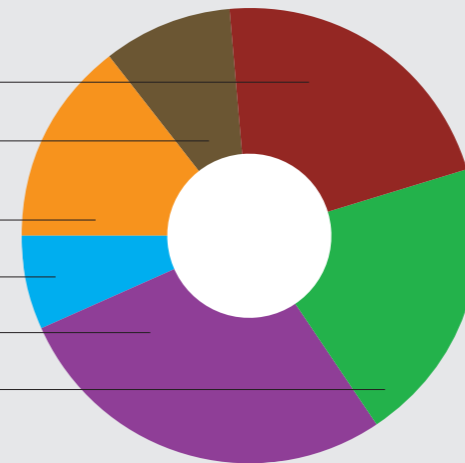
Secretariat **9%**

Marketing, communications and administration **14%**

Uganda **7%**

South Africa **28%**

Nigeria **22%**



08 Finance



PROJECTS

COUNTRY	DESCRIPTION OF PROJECT	LIVE/COMPLETED	LEAD PARTNER
Ethiopia	Supporting the national government in developing and implementing a leakage strategy	Live	Eddie Moir /Steve Snape (United Utilities)
Ethiopia	Training needs analysis for the mega co-ordination unit	Completed	Keith Edwards (Develop)
Ethiopia	Supporting the Southern Nations, Nationalities and Peoples Region (SNNPR) in developing a strategy for re-commissioning 2000 water schemes	Live	Steve Bloomfield (Unison) and Adolf Spitzer (Mouchel Parkman)
Ethiopia	Providing a technical assessment of a Water Treatment Works in Awassa Town and suggesting ways of maximising its capacity	Completed	Gordon Percy (South East Water)
Ethiopia	Advice on water resources management regulation and implementation of regulation to the National Government, SNNPR region and Oromia Region	Live	Victoria Ashton (Wessex Water), Mike Walker (Defra) and Azage Gebremariam (Loughborough University)
Ethiopia	Supporting the national Construction Enterprise in developing good practice and procedures	Live	Stuart Campbell (North Midland Construction) and Anna Tompkins (Laing O' Rourke)
Ethiopia	Supporting the national Design and Supervision Enterprise in achieving ISO accreditation	Live	David Rathmell (Independent)
Nigeria	Working with WaterAid in Benue State to develop and support community led Water Consumer Associations and provide training of government officials in good practice around community engagement	Live	Mike Woolgar (Atkins) and Chris Underwood (South West Water)
Nigeria	Providing technical advice to Anambra State on techniques for tackling gully erosion	Completed	Clare Twelvetrees and Michael Kehinde (Environment Agency)
Nigeria	Analysis of issues effecting water supply and sanitation provision in local health facilities in Ekiti State	Completed	Mark Ison (South West Water)
Nigeria	Technical assessment of current state of water supply project in Jos, Plateau State, and advice on possible options for improving water supply	Live	Chris Underwood and Jason Harvey (South West Water) and Alex Nash (Atkins)

Nigeria	Technical advice on provision of water to communities in Bauchi State	Live	Chris Underwood and Jason Harvey (South West Water)
Nigeria	Support to WaterAid in developing an urban strategy for activity in Nigeria	Live	Richard Franceys (Cranfield University)
Nigeria	Supporting Anambra State in establishing effective institutional structures	Live	Doug Hunt (Atkins)
South Africa	Twinning between UK Water Company and municipalities in South Africa	Live	John Haley (Yorkshire Water)
South Africa	Institutional capacity building for officials on catchment management at a national, municipal and local level	Live	John Colvin (Environment Agency)
South Africa	Providing advice to Sekhukhune municipality on content and implementation of water policy	Live	David Sutherland (Atkins)
South Africa	Advice on business planning, communications and customer care procedures to Ndlambe	Completed	Graham Setterfield (Independent)
South Africa	Guidance to Mogale City on establishing and implementing a customer care strategy	Live	Ingrid Olsen (OFWAT)
South Africa	Supporting Mogale City laboratory in developing good practices and meeting ISO requirements	Live	Malcolm Morgan (Drinking Water Inspectorate – DWI))
South Africa	Advising Mogale City on issues surrounding asset management	Live	Andrew Southall (Independent)
South Africa	Providing training and support to the national government (Dept. for Provincial and Local Government) in procurement, contract management and Public-Private Partnerships	Live	Chris Causer (K & L Gates)
Uganda	Advice on a National Water Quality Management Strategy	Completed	Malcolm Morgan (DWI)
Uganda	Training for staff at the Entebbe Water Quality Laboratory in sampling and water quality data analysis	Completed	Malcolm Morgan (DWI)
Uganda	Workshops and training on water management issues for the NGO umbrella organisation (UWASNET) and over 100 NGOs	Completed	John Redpath (Independent)
Uganda	Supporting the Small Towns Water Authorities in the management of private operators through performance related contracts	Completed	John Redpath
Uganda	Capacity building support to private operators for water management in Small Towns through the Directorate of Water Development	Completed	Andy Smedley (Northumbrian Water)

Acknowledgements

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Government

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Department for International Development

Drinking Water Inspectorate

Environment Agency

Foreign and Commonwealth Office

OFWAT

Private Sector

Anglian Water

Atkins

Biwater

Bristol Water

British Water

BWH Water

Dee Valley Water

Develop Solutions

Earthtech

I&P Services Limited

K&L Gates

Mid Kent Water

Mott MacDonald

Mouchel Parkman

North Midland Construction

Northumbrian Water

Severn Trent

South East Water

South Staffordshire Water

South West Water

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Building Partnerships for Development

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WaterAid

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WWF