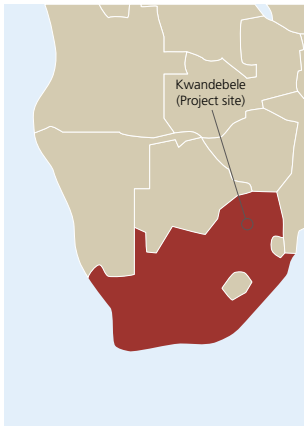


Overall Rating

**D**

Poverty Reduction

A Foundation for Sustained Growth



**46 Republic of South Africa**  
**Kwandebele Region**  
**Water Augmentation**  
**Project**

Project suspended due to changes in national policies. Careful judgment is needed at the project selection and planning stages.

**Loan Amount / Disbursed Amount** 3.097 billion yen / 1.813 billion yen  
**Loan Agreement** May 1996  
**Terms & Conditions** 2.5% interest rate, 25 year repayment period (7 year grace period), General untied  
**Final Disbursement Date** November 2003  
**Executing Agency** Department of Water Affairs and Forestry (<http://www.dwaf.gov.za/>)



**Project Objectives**

The objective of this project was to meet the demand for water in the Kwandebele region, one of the former homelands, by laying conduits and water pipes and expanding water purification and pumping facilities in the region, and thereby contributing to the improvement of the sanitation environment and the revitalization of industry.

**Relevance**

Rating **C**

This project was consistent with the development needs and development policy of South Africa at the time of appraisal. At the same time, it can be speculated that support for the national development immediately after the transition to the new regime following the abolition of apartheid had important significance for Japan. However, the water sector plans for the Kwandebele region were completely revised following the enforcement of the country's constitution in 1997. It was found that the population projection, the supply and demand balance, and the water withdrawal costs—which were the basis of the project plans—had not been evaluated appropriately. Consequently, the project was discontinued in 2000. Accordingly, implementation of this project was not consistent with national policies at the time of ex-post evaluation and its relevance is low.

**Effectiveness and Impact**

Rating **n/a**

Following the complete revision of water sector plans in the Kwandebele region, water withdrawal from the Grootdraai Dam, which was initially planned in this project, did not occur and many other components of the project were canceled. Ultimately, a water supplier in a neighboring region supplied water to the Kwandebele region. For this reason, it is difficult to evaluate the effectiveness of



Inside a water purification facility

this project on the current water supply system and routes. Indirect effects such as improvement of the living environment and the creation of employment were expected under the initial plan. However, it is difficult to confirm effects and evaluate effectiveness since the construction implemented through this project was limited.

**Efficiency**

Rating **n/a**

The water sector plans for the Kwandebele region were revised and this project was canceled in 2000. As a result, only four of the 11 components of the initial plan were implemented. Accordingly, it is difficult to properly determine the overall project period and project efficiency, since most of the plan had been canceled.

**Sustainability**

Rating **C**

Some problems have been observed in terms of the abilities of the executing agency, the operation and maintenance functions, and with the financial situation. Thus, sustainability of this project is low. Human resources and financial support for the operation and maintenance agency were reduced by the central government in 2006. The organizational structure is also extremely fragile, and so it is difficult to properly operate and maintain water supply services.

**Conclusion, Lessons Learned, Recommendation**

In light of the above, since implementation of most of the components was canceled after complete revision of the project implementation plans, the project is evaluated to be unsatisfactory. A lesson learned is that the appropriateness of project implementation should be determined only after full-scale consideration is given to the project proposal including economic rationality, even for projects that are politically significant for Japan.

**Third-Party Opinion**

Resident participation and consideration of the effects on people's health and lives is important when implementing a water supply project. By encouraging resident participation, it is possible to improve accountability and to form a consensus beforehand.

Name of specialist: Ms. Garth Shelton (NGO)  
 Currently in the Masters degree program of development studies at Tshwane College. Concurrently involved in community-based projects such as CARE as a managing partner at Boinene Consulting Firm. Specializes in organizational development and the livelihood stability approach.