



# Nadi-Lautoka Regional Water Supply Project

Contributing to longer water service hours in areas prone to water cuts with surging demand

### [External evaluator]

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Rating		Overall rating <b>B</b>
Effectiveness, Impact	a	
Relevance	a	
Efficiency	b	
Sustainability	b	

### Project Objectives

To relieve water shortages due to the insufficient system capacity and meet the emerging demand for water among consumers and industries by improving and expanding water supply network in and around Nadi-Lautoka, thereby contributing to improved health and welfare among local residents and to the development of the national economy, with a focus on tourism – the largest source of foreign currency for Fiji.

### Outline of the Loan Agreement

- Loan amount / disbursed amount: 2,287 million yen / 2,244 million yen
- Loan agreement: February 1998
- Terms and conditions: 2.5% interest rate; 25-year repayment period (including a 7-year grace period); general untied
- Final disbursement date: April 2004
- Executing agency: Water and Sewerage Department (WSD), Ministry of Finance, National Planning, Sugar Industry and Public Utilities (Water and Energy)

### Effects of Project Implementation (Effectiveness, Impact)

As the figure below shows, this project is designed to improve and expand the intermediate stages of the water supply flow (mainly purification plants, distribution reservoirs, and transmission pipes). The daily water supply capacity has increased to 103 million liters, surpassing the target of 93 million liters. The purification plants are operating at almost full capacity.

The project has produced tangible benefits in the target areas, including longer water service hours, the reduced number of water trucks dispatched, and the increasing trend in the number of newly connected households per year. Some problems have remained, for example, water cuts occur as a result of leakage from the network of distribution pipes, and, according to the beneficiary survey, there are some areas where improved health and welfare of the residents were not achieved by this project. Still the project, with its focus on a major tourist spot, partly contributed to the increasing number of tourists.

Therefore, the project has largely achieved its objectives and its effectiveness is high.

### Relevance

This project has been highly relevant with Fiji's national policies and development needs at the times of both appraisal and ex-post evaluation. The importance of improving and expanding the water supply network to cope with an increasing population and demand was adequately recognized by the time of the appraisal, as evidenced by the formulation of the Nadi-Lautoka Regional Water Supply Project Master Plan ("Master Plan") in 1996. Also at the time of the ex-post evaluation, the significance of further water supply measures based on the outcomes of this project was recognized at policy levels.

### Efficiency

The project period was longer than planned (127% of the planned period) and the project cost slightly exceeded the plan (121% of the planned cost), therefore the evaluation for efficiency is moderate. As a major factor for the extended duration and extra cost, the Fijian government reported the suspension of this project due to a change in political situation.

### Sustainability

Though some problems have been observed in the technical and organizational aspects of the executing agency, notably the structural shortfall in human resources and financial difficulties, sustainability of this project is fair. Regarding human resources, sufficient number of local workers with an inadequate level of skills and insufficient number of those in managerial positions with sufficient skills have been observed. While financial difficulties are due to the water supply services operated on a strict government budget, this will be eased when the Water and Sewerage Department (WSD) becomes a self-financed public corporation.

### Conclusion, Lessons Learned, Recommendations

In light of the above, this project is evaluated to be satisfactory. A major lesson learned from the project is the need for project formulation and monitoring that consider the entire flow of water supply. The evaluation proposes two major recommendations: (i) steady steps for WSD toward its transformation into a public corporation so as to address the issues of insufficient human resources and financial difficulties, (ii) immediate start of revising the Master Plan to ensure the effectiveness of water supply services in Fiji as a whole.

### Relationship between this project and the entire water service flow

