

REPUBLIQUE DU SENEGAL

MINISTERE DE L'HYDRAULIQUE ET DE L'ASSAINISSEMENT



Office National de l'Assainissement du Sénégal



GLOBAL DEVELOPMENT PROGRESS REPORT

Agreement Grant
N°OPP1029666 November 16, 2011

Reporting Period : May 2012 to November 2012

I. Summary Information

Grant Information

Project Name	Market Structuring of Sludge Management for the benefit of Vulnerable households in Dakar		
Organization Name	ONAS		
Grant ID#	OPP1029666	Foundation Program Officer	Doulaye KONE
Date Grant Awarded	November 2011	Project End Date	January 2016
Grant Amount	\$ 4 932 446	Project Duration	48 months
Report Period from	May 9, 2012	to	November 10, 2012
Report Due	December 10, 2012		
Has this project been granted a no-cost extension?	No		

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II. Project Progress and Results

Key Milestones Tab

Please copy the *most recently approved* milestones from the Key Milestones tab of the Results Framework for the current reporting period. Please fill in actual key milestone results, identify and explain any deviations from predicted results, and propose future milestone target revisions if necessary.

Objective	key milestones	Target in Year 1 (nov.2011 to Dec.2012)	Actual Key milestones results
Research identifies, tests, and evaluates key interventions to increase demand and competition in the fecal sludge emptying services market	Economies of scale, increased competition, and coordinated markets reduce costs for FSM by 10% per year for 3 years in the target communities with population of 120,000	Identification of existing market and service provision	Existing Market and Service provision have been identified through a survey on more than 3000 households in the project area. The potential of market is to offer the service to up to 59% of households which made manual emptying.
	At least 80% of the sludge operators registered in the association are approved and have access to the dump sludge station	Identification and assessment of existing laws, regulation & accreditations	Analysis of various politics documents in Senegal permitted to identify only 15 relevant laws relative to FSM. The keymilestone for year 1 has been completed.
	A trial of subscription sanitation services for 4,000 participants in 400 neighborhoods is conducted including randomized trials of marketing strategies and project designs taking advantage of social, behavioral, and savings factors affecting willingness to pay for sanitation services at the household level are integrated into the trial of subscription services.	Community meetings completed and initial data collection from first cycle of subscription services collected, some initial data available	The call-in center will be designed to allow households to call when they need service and be matched with low cost, high quality service providers. We also developed a system which identifies the lowest cost provider for each household through bidding across providers. This system will be a higher quality, more sustainable system than the original subscription sanitation services concept which we had envisioned for this project, and has taken more time in the design phase than we had expected. However, we will be able to test the impact of the system at the same time that we test the social, behavioral, and savings factors in marketing desludging services to households—in fact, the launch of the call-in center provides the optimal time to test these things as we can track the use of the desludging services through the use of the call-in center.

	A research paper measuring the extent of supplier market power and estimating the households' willingness to pay for mechanical and manual desludging.	Auction procurement, system developed, and baseline surveys for fixed price desludging project conducted. Initial fixed price desludging offers made to households in sample	The baseline survey for the desludging project joint with WSA's baseline for the project as a whole. Between September and November of 2012, 4000 households were surveyed from across Pikine and Guediawaye as well as neighboring areas of Dakar. We have also run a baseline survey of the desludging service operators that will allow us to observe the effects of the interventions on the desludging operators at the end of the project.
	Local partners and private enterprise are able to monitor and respond to customer led demand for FSM creating a living map of community needs	Data collection	<p>Key milestone has been completed:</p> <ul style="list-style-type: none"> • Among of 59000 households (pits) reference. our operating assumption was referencing 60,000 pits (condensing two households to a pit; with 120,000 households in the project area) • 3 stations are available in project area <p>The database (platform) is available.</p>
	Measurement of the direct impact of the full at-scale project on household take up rates of hygienic sanitation services in the targeted regions of Dakar.	Monitoring tools & processes implemented	A tool to measure impact indicators has been developed and validated with all partners
Necessary infrastructure is constructed facilitating reduced operating costs for desludging operators	Construction of a new fecal sludge treatment center in the Keur Massar/Tivaouane Peulh resettlement area, in addition to sewage treatment and pumping stations planned as part of the zone's resettlement project (funded by IDA and AFD)	70% of construction	<p>The construction of the treatment plant depends on the validation of the ToRs. We are awaiting this validation. Otherwise, we have achieved many activities (The APD report, ToRS, the site is validated..). We have planned to begin the construction of the Treatment Plant during the second year.</p> <p>Also, the fecal sludge treatment plant was transformed into biogas production plant from fecal sludge. Therefore, the schedule has been adjusted according to the schedule agreed with the Chinese experts. This is why studies have not been finalized and construction has not started.</p>

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	Desludging is safe and hygienic in the Pikine-Guédiawaye sector and the project zone is sludge dumping free	Transfer stations systems conception with research results and communities. 30% of construction	The construction of the tranfert stations system depend on the research results. It is also planned to conduct a study on the opportunity to construct them.
Marketing program led by the sanitation workers about the importance of use of mechanized desludging services	In Dakar, 70% of households have seen the visuals or listened the messages at the radio; more than 30% among 52% of households practising manual desludging have subscribed to mechanical desludging services	50% of the target population have listened the messages and 51% of households are still practising manual desludging, 49% use mechanical desludging services	There was an error in the key milestones. No activities were planned during this first period. The activities will begin once the research results will be accessible.
Sector interventions are successful and made sustainable through adequate coordination, management , trainings and technical oversight	A project document exists and is updated quarterly in order to measure the level of progress based on indicators, and to supply data for PEPAM's database and the internet portal	4 updates to the project document completed; indicators are monitored; PEPAM database is updated	Because of the delay observed, no update has been undertaken for the project. It is expected to organize a meeting with PEPAM Staff during December to determine how to integrate their informatics System in order to facilitate the updating and the monitoring of the indicators.
	An action plan including a monthly monitoring component is developed and monitored by all actors; procurement procedures, contracts and disbursements of the various components are processed, the expected products (results) are delivered by all components	4 action plans, 50% of contracts are signed, disbursement rate: 5%	An action plan was developed and are now monitoring by the coordination unit.
	Conduct technical studies: i) Cartography Web application design with a GIS extension, ii) mapping of project zones (services), iii)studies on the new FSTP in the Keur Massar-Tivaouane Peulh resettlement area, iv) environnemental studies and v) works supervision	80% of studies completed: Cartography web design and application ; studies on the updating and dimensioning of fecal sludge stations and construction work supervision	80% of studies completed: Cartography web design and application was deleted, it is managing by WSA. Studies on the updating and dimensioning of fecal sludge stations wil achieve in December 2012, environmental studies will achieve in December 2012 and works supervision will begin in 2013. The delegation will be effective during the first month of the year

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	<p>Twenty municipalities, six ONAS regional services, five regional structures of private operators and one association in Dakar are equipped and trained</p>	<p>25% of municipalities, ONAS regional services and private operators equipped and trained</p>	<p>Only Informatic materials of the Association of the emptiers was delivered. It is planned to design a Training Plan during the second year of implementation for the regional service of ONAS and the municipalities. Around 18% of the budget is expended.</p>
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Progress Narrative (1-2 pages)

In paragraphs or bullet points, please provide the following information:

- **General Progress:** Describe the general progress of the project, including where the project is progressing as expected, where it is not, whether the project is still on track to complete expected results, and if not, what proposed modifications are contemplated.

Research Component**Sub-Component 1: Market Study**

Data were collected through a survey of a sample of 3000 households. The data are being analyzed to show the existing market in terms of demand and service offerings. The first results show:

- Three categories of emptying mechanical service firms: (i) limited liability companies (VICAS, DELTA, SEA), (ii) economic interest groups (GIE) and (iii) informal
- Average cost per mechanical emptying: 22 448 F CFA or 44,896 US \$
- Average cost per manual emptying : 11 599 F CFA or 23,198 US \$
- Number of private firms: 50
- Number of official treatment plant : 3
- Number of emptying trucks : 138

These numbers will be confirmed by the data from baseline survey. The validation workshop in December will present the report to stakeholders and project partners.

Sub-Component 2 : Laws and Regulation Study / Certification process

The identification of laws relating to fecal sludge management was made through the analysis of the sanitation code, the hygiene Code, the local government code and the environment code. A thorough review of the codes allowed to identify the articles from the sanitation code that are the most relevant: (i) Discharge of domestic liquid waste (4 articles); (ii) Connection to the sewer network (4 articles); (iii) wastewater reuse (4 articles); (iv) Faecal sludge collection, transport and disposal (6 articles). No articles have mentioned the manual emptying activity. This justifies the illegality of this practice although strongly widespread. A stakeholder's analysis allowed to identify the responsibilities of each of the stakeholders under the relevant articles of the sanitation code. Laws are being evaluated by a benchmarking process on four (4) countries: Burkina, Ghana, Morocco and Kenya. The results will be presented at the validation workshop planned in December.

Focus groups with emptiers revealed their will to dispose a license to regulate the sector. In a participative process, certification criteria have been defined on four levels: collection, transport, emptying and garage. The validation workshop in December will present the results of the certification analysis.

Sub-Component 3 & 4 :

- **Industrial organization of fecal sludge management services**

Behavioral and social factors in household adoption of legal sanitation services Substantial progress was made this year. A baseline census of all of the desludging operators has been run (135). A collection of data from the three fecal sludge treatment plants on the historic of the trucks emptying has been already conducted. Also, a large baseline survey on the desludging activities of 4,000 households in Pikine/Guediawaye, Dakar, and Rufisque (Dakar and Rufisque are the control areas where project activities are not taking place) is already completed.

Substantial progress toward the implementation of a call-in center to organize relations between populations and service providers have been made. The planning of the call-in center has faced to some delays according to the original schedule but WSA engaged itself to go faster in the finalization of this important component of the project.

Plans for the marketing intervention have been fully developed, but the marketing intervention can not begin until the call-in center is completed. The desludging operators have already shown keen interest in

knowing more about the call-in center, and it is planned an informational meeting at which they can sign up as main operators and be trained on the way to bid on the different services offered by the call-in center. WSA is currently working on scheduling the meeting between emptiers, ONAS and other partners. It is expected it to take place in early December as soon as the training for the emptying operators in the auction component is ready.

Substantial progress have been made on the call-in center implementation. WSA hired Manobi to provide programming services on the platform and IPA has hired Manobi for providing additional tools for the auctions process and the client follow up for the call-in center. Manobi's early demonstrations of the call-in center platform and auction functionalities have been extremely promising. The platform is able to link callers to customers in the database, send out bidding invitations for the correct selection of emptiers in each neighborhood. The work is currently being finalized to create a quality control guaranteeing high quality work. It appears likely that we will be able to test the call-in center in January and begin the activity on Willingness to Pay in March.

IPA also have an agreement with CSI, a mobile money services provider, to providing their services for the collection of payments, at a concessionary rate of 2%. This will enable lower the costs of the administration of payments within the call-in center while maintaining its accessibility and helping customers to save for desludging services. The collaboration with CSI is progressing quickly, and it is expected that the CSI mobile money services will be integrated with the Manobi platform by the middle of December. Together, the desludging call-in center/mobile money system will change the face of the emptying's sector. People will be able to save for their sanitation services using highly accessible mobile money services, they will be able to easily call the center for the scheduling of an emptying service with the lowest cost provider, and the service providers will have lower risk as they will be able to take payments directly through the call-in center. It is expected that this service will increase vastly the take-up of mechanized emptying through decreasing costs and increasing accessibility.

The marketing interventions will also allow us to analyze the best way to encourage take up of the emptying services. We will be able to observe the magnitude of the increase in the take-up of mechanized desludging services across the different interventions, and suggest ways for the project to incorporate these findings into their marketing campaigns at the time of scale-up.

Sub-Component 5: IT platform

WSA has engaged 49 investigators for the referencing of the household pits; more than 55,000 pits and other data on households have been collected for the database of the platform which is under development by Manobi. A preliminary analysis of a sample of 42,000 data provides the following results: (i) 54% of the tanks are septic tanks; (ii) 42% of the pits are large (volume more than 14 m³) and 46% medium pits (volume between 6 and 14 m³); in this sample, only 41% of households use mechanical emptying. Those results confirm roughly the basic data of the project document. This will be definitely confirmed by data from the baseline survey.

Sub-Component 6: Research in sanitation technologies

A first visit permitted to identify at the household and emptiers level, some emergent issues which are not exhaustive, but relevant for this research component or for the understanding of FSM in Dakar:

- Households: (i) the rapid filling of septic tanks is likely a combination of greywater discharge and groundwater infiltration into the pit, (ii) Some households add calcium carbide (CaC₂) prior to emptying to facilitating emptying, (iii) the complete emptying of a septic tank (i.e. water and sludge) is a key issue for household's satisfaction for the emptying service.
- Emptying and transport: Littleknowledge of "alternative technologies" for emptying was found for intermediate technologies to upgrade manual to mechanical – the manual emptiers expressed their interest and preference for (non-motorized) mechanized solutions to maintain low costs, avoid entering the pit and avoiding back and forth.
- Re-use: (i) The market of the re-use of fecal sludge in Dakar is not well developed (agriculture), the small scale farmers located in the Niayes area produce a variety of crops and use a variety of

fertilizers, both organic (including sludge) and chemical, depending on individual preference and seasons; (ii) industrial interest is related to the environmental and sustainable development agenda (CSR and carbon credits) and potential savings of alternative combustibles. The needs of the industries as a commercial client relate to the use of the dried sludge as a fuel.

Sub-Component 7: Measurement of the direct impact

A tool to measure impact indicators has been developed and validated by all partners. Impact indicators were defined at 7 levels:

- (i) *institutional*: to monitor the performance of private operators in the management of delegated treatment plants, the impact of the certification on emptiers, the model of public-private partnership;
- (ii) *technical*: to monitor the level of new technologies integration and their contribution to the recovery of sludge according to the type of reuse;
- (iii) *Social*: particularly the subscription system (satisfaction rate, retention rate to the system) and the reconversion of manual emptiers;
- (iv) *Health*: to monitor the disease reduction rate in the immediate environment of the project area;
- (v) *legal*: to follow changes in regulation relative to emptying activity;
- (vi) *economic and financial*: to follow the economic impact of the project on emptiers (manual and mechanical) and the reduction of the emptying cost;
- (vii) *environment*: to monitor the level of fecal sludge treatment.

The baseline survey has been made and will give informations about the reference value for the measuring of those indicators.

The project is progressing well and we are still on track to complete expected results. However, to achieve the quantified targets it is important to carry out communication activities in the project area. The communication gap impact on the project was reflected on the field survey. Indeed, we encountered many difficulties due to lack of information on the project, particularly in areas where some unsuccessful projects have been made. This could be an obstacle for the use of services the project is developing but also to achieve the expected impact of the project. To cope with this lack of local communication (there was no budget dedicated), a communication plan was elaborated and the year 2013 will begin with a major mass communication.

Marketing Component

For this component, no activities were planned during the first year. The activities will begin once the research results will be accessible. It is highly depended on the research results.

Works Component

- **Delegation of the Fecal Sludge Treatment Plants** :The tender document has been prepared for tendering at the national and sub-regional level for the delegation of the three Fecal Sludge Treatment Plants. These documents have been validated by the Control of Public Procurement and the tender notice was published on 18 September 2012. The bids are already evaluated and the delegation will be effective at the beginning of the year.
- **Construction of the Fecal Sludge Treatment Plant**: the ToRs have been designed for the Environmental Impact Evaluation. They were submitted to the Direction of Environment. Then, a field visit was organized. We are awaiting the validation of the ToRs; according to the meetings and the correspondences that followed, this validation will occur during the month of December. The design studies are in progress. The Preliminary Report has been submitted and approved by the Coordination Unit. For the Detail Report, it was suggested to EDE, responsible for the technical studies, prior to the finalization, to harmonize the work with chinese partners in charge of the design of biodigester.

In fact, the fecal sludge treatment plant was transformed into biogas production plant from fecal sludge. Therefore, the schedule has been adjusted according to the schedule agreed with the Chinese experts. This is why studies have not been finalized and construction has not started.

Project Management Component

- **Monitoring and Evaluation:** We have organized regular meeting during this first year with the whole partners in order to define the framework of the Monitoring & Evaluation Strategy and the Action Plan. Periodic Evaluation of the Action Plan was also organized to measure the level of achievement of the annual objectives and constraints and determine the main problems. The data provided by the different partners have allowed us to update the tools and the logical framework and define trending. It is planned during January to organize an Auto-Evaluation Workshop in order to complete the annual review of the program.
- **Communication:** An institutional Communication plan has been designed by the Coordination Unit to better inform the authorities about the program. A presentation of the program was also organized in local communities and Pikine Guediawaye.

- **Key Milestone Deviation:**

Some expected key milestones will not be achieved during the first year of the implementation of the program:

- 50% of the target population have listened the messages and 51% of the HH are still practicing manual desludging, 49% use mechanical desludging services.

The Media Plan which contributes basically to the achievement of this milestones is planned for the second year of the program (2013). Its design and implementation depend on the outcome of the research. It is necessary to reprogram this indicator which proved out of step with other activities.

- 70% of the construction of the Fecal Sludge Treatment Plant

The beginning of the construction of the Fecal Sludge Treatment Plant depend on the validation of the ToRs of the Impact and Environmental Study which is not validated yet. However, the Preliminary study is designed and validated and the site for the construction is chosen. In fact, the fecal sludge treatment plant was transformed into biogas production plant from fecal sludge. Therefore, the schedule has been adjusted according to the schedule agreed with the Chinese experts. This is why studies have not been finalized and construction has not started.

- Transfer stations systems conception with research results and communities. 30% of construction The Transfer sites will be established on the basis of research results that are not yet published. It is planned to conduct a study during the second year on the opportunity of establishing these sites of transfert in Pikine and Guédiawaye.

- 4 updates to the project document completed, indicators are monitored PEPAM database is updated

A meeting is planned with PEPAM Coordination in order to see how to integrate the online database. However, the updating of the indicator is done twice a year.

- We have had to delay the marketing interventions and the auctions until the launch of the call-in center. The running of these activities through the call-in center will present a more sustainable framework in the long term. While this has created some delays, most notably in the launch of the marketing project, we expect to begin piloting the call-in center in January so that we will be able to start the marketing interventions in March pending the launch of the call in center. While they have already been programmed, we expect the auctions to begin at the time of the launch of the call in center.

Achievement of the Indicators

As a reminder, during the first year of the program, a number of performance indicators have been established with the Bill & Milenda Gates foundation.

Increasing coverage of mechanised emptying

- *Number of direct beneficiaries (access to mechanical desludging services) at least 6000*
- *Number of direct beneficiaries (satisfaction for service improved) increased at least 45% (From 129 000 to 188 000). ;*
- *Number of indirect beneficiaries at least 36 300*
- *Fraction % of households served by manual emptying decreased at least 1% (From 52% to 51%)*
- *Equity in access to mechanised emptying*
- *Average annual household expenditure decreased at least to 124,80 \$) ;*
- *Price charged From (de 54 \$ à 48 \$)*

Sustainability of model

- *Number that sign up for subscriptions at least 2 000 ;*
- *Number of HH that renew subscriptions at least 1 000 ;*

Sustainability of business model for ME:

- *Days that treatment plant of service at least 250 km³/an.*

The achievement of these indicators above mentioned depend on many activities which have experienced a delay in implementation due to the late start of the program and the electoral context that prevailed at the beginning of the year in Senegal. This last factor has not only delayed the installation of implementation's teams but has compromised a moment, the involvement of some stakeholders from government. This delay affected the completion on time of the situational analysis, the basis of measurement of these indicators. However, we welcome the investment and commitment of all partners to achieve the program goals. For this purpose, we noted some remarkable advances of several important activities of the program that contribute to the achievement of agreed indicators.

- **Course Correction:** Whether or not you are on track to meet key milestones, with the benefit of current experience, are there any modifications you would propose to the activities, outcomes, outputs, or key milestones of this project, in a discussion with your program officer?

As result of the delay at the beginning of the project (harmonization of activities between partners, election period), it will not be possible to inform the quantitative monitoring indicators for this first year. The baseline survey was completed in mid-November 2012 and the data will be available soon. In addition, some services (call-in center, mobile money) are not yet in place. For these reasons as well as the delays in marketing and communication (visibility) of the project, we anticipate the need for modifications to the results monitoring indicators. It is important for all the stakeholders involved in the project to review these indicators for a new annual allocation over the remaining period of the project. This will be discussed with the Gates Foundation Program Coordinator early at the beginning of year 2 (January).

The call-in center presents also an opportunity to test the marketing and savings components in a highly sustainable format. While it took some time to negotiate and some components still need to be finalized, we believe that the call-in center is on the right track. As soon as the call-in center is ready, the auctions will begin, and the marketing and savings trials will be able to start. We have been asking the partners for a business plan for the call-in center, and we agree that it is important that these details be determined as soon as possible so that the call-in center, marketing treatments, and auctions can be launched.

- **Plans for Next Reporting Period:** To the extent that you have proposed modifications to any of the results identified in the Results Framework, identify why modification of these results will still lead to achievement of the project, and how your organization will be able to successfully achieve the results as modified.

The modification in the results monitoring indicators will be accompanied by the design of a communication plan on the project in full cooperation with all stakeholders. Messages to communicate for more impact will be developed along with strategies / available marketing services (the IT platform, subscription services, etc..) to address the needs of target actors with respect to these services. We will run our internal communication plan to meet local authorities (Mayor of Pikine and Guédiawaye) and other leaders to get their support. We will also do proximity communication for the targeted households.

IPA expect to begin the marketing and savings intervention in February assuming that the call-in center is operational by January. This would mean that the first ten months of the 18 month marketing intervention would take place in 2013. We also expect to run the first midline survey for the full project in July, and to have initial data from the auctions as early as March or April 2013, as the auctions will occur as people call in for the center.

Risks: Are you aware of any significant risks or concerns that have not previously been identified, and that may affect your organization's ability to achieve the agreed-on results? If so, indicate how your organization is addressing those risks.

N°	Type of risk	Mitigation Measures	Monitoring methodology
1	Delay in availability of the platform services	<ul style="list-style-type: none"> • Identification and monitoring of critical points for the platform development • A better approach/strategy for implementation and monitoring of the call-in center 	<ul style="list-style-type: none"> • A better monitoring of the platform development agenda • Periodic meetings with partners on the functioning of the call center and the platform
2	Low utilization rate of the platform	<ul style="list-style-type: none"> • The achievement of communication activities on the project in the targeted areas • The involvement of local and national authorities for the ownership of the process and communication activities of the project 	<ul style="list-style-type: none"> • Monitoring of the media plan • Monitoring of the project coordination activities (national level)
3	Low level of project replicability	<ul style="list-style-type: none"> • The validation of program periodic meeting between project stakeholders and national authorities 	<ul style="list-style-type: none"> • Regular monitoring of the agenda of committees established at national level
4	Delay on the construction of the Feacal Slude Treatment Plant	<ul style="list-style-type: none"> • The validation of ToRs of The impact Study 	<ul style="list-style-type: none"> • Respect the Agenda
5	Potential delays about the implementation of the call-in center	<ul style="list-style-type: none"> • Work closely with partners on the final planning of the call-in center • ONAS is now working with the partners to generate a full business plan which finalizes all details related to the effective implementation of this tool (location, operation, etc.). IPA is looking forward to supporting ONAS as much as possible in this process. 	<ul style="list-style-type: none"> • Organize as soon as possible meetings to address this risk.

- **Sustainability:** If your organization intends for this project to be sustained after the grant period has ended, what actions have your organization and project partners taken and what actions will you be taking to facilitate sustainability, and how will the project be continued?

For this first year of project activities, the research and baseline studies have been carried out and designed to include and understand how the full project can be rolled out in the most cost-effective, sustainable manner. The results, the development of services for beneficiaries, will take into consideration sustainability factors in terms of residual costs, operating expenses and options. Participatory approach is used when it comes to discussing necessary options with beneficiaries. Therefore, their expectations are taken into account. We exchange together with all the partners about the strategy and the technology to be implemented on the field. We will look at also to the ownership of the stakeholders. As the services will run in this second period, we will involve as much as possible the private sector to whom the treatment plants have delegated. So they can learn by doing.

Another sustainable activities is the call in center: It has the potential to harness the market system to create price decreases and an increase in supply through enabling lower cost linkages between desludging operators and households. Further, we have developed a mobile money payments system with CSI (through their Wari system) which we expect to facilitate payments through the system which will thereby increase the longterm profitability and viability of the call-in center.

- **Scalability:** If your organization intends for this project to increase in scale after the grant period has ended, what actions have your organization and project partners taken and what actions will you be taking to facilitate that increase in scale?

The projet is at its first year of implementation and the research results will help to determine the scalability of the project coupled with actions on ground through the implementation process. Many of the programs we have designed are set up to be easily scalable if the research finds them effective. Through thorough documentation of the process and lessons along the project implementation, a resource base is being developed to support the analysis and design of a scalable model. The main measure will be to work closely with key stakeholders in the project implementation process. Because the replicability depends on the willingness and commitment of the authorities particularly if they have adopted and approved the strategy. The program is also a learning project for partners in order to ensure the replicability in other African countries.

The call-in center is developed also with scalability in mind, and we expect the systems of the call-in center to be highly scalable. In fact, we expect that the center will become more profitable as it is scaled across Dakar. We will also measure the effects of the marketing and savings interventions on heterogeneous populations, so we will be able to suggest strategies which work with different segments of the population at the time of scale-up.

- **Lessons Learned:** What lessons have you learned during the past year that will help you to achieve your intended results moving forward?

During the first period of implementation we have learned many lessons:

- To understand the necessity of working together with various partners to harmonize actions. This phase was essential given the multi-stakeholder nature of the project. Another lesson learned is the need to validate the tools and strategies with key stakeholders before moving to full project implementation. This has the advantage of harmonizing views getting buy-in of stakeholders in the process and to allow an increase in the joint implementation of activities. For the stakeholders, the various results confirm some existing data in fecal sludge management. Most of these data should be up to date. They have appreciated the implementation of such activities which enable availability of recent data and updated on the FSM.
- The involvement of the whole stakeholders has enhanced the coordination unit of the program. We have noticed a strong interest of the sanitation authorities for the program.
- The amount of communication requested is significantly less than what we had expected. The communication needs to be strengthened to better inform beneficiaries about the program in order to facilitate its appropriation to ensure its impact. We realized that the targets for the first year of implementation were very ambitious and should be scaled down and reprogrammed.

III. Budget Progress and Results

Budget Progress Narrative (1-2 pages)

1. General Budget Progress:

ONAS – Project coordination

As far as the personnel costs, they tally with the budgeted costs except health insurance costs which are lower than budgeted because the insurance covers only the second half of 2012.

Concerning travels, they are lower than budgeted due to the non-participation to the Congress of the African Water Association for scheduling reasons.

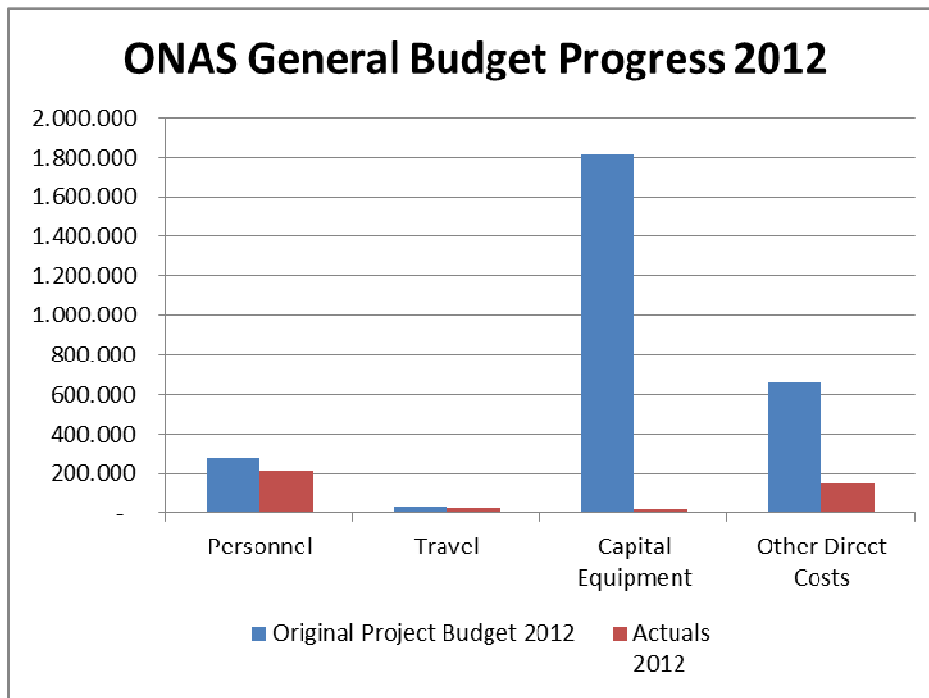
Concerning the capital equipment, the low disbursement rate is related to the delay in the construction of the Keur Massar's Fecal Sludge Treatment Plant, the transfer system, the acquisition of GIS software and vehicles.

For the other direct costs, the indicated costs generally progress as planned in the budget, with the exception of the following lines, which have not started yet:

- Training to ONAS regional services,
- Training to Communes,
- IT equipment maintenance,
- IT equipment for GIS use,
- GPS,
- Data server storage material for AAAS,
- IT equipment for Communes,
- Loan Capital.

Moreover, no budget has been provided for bank charges, however in the financial report, we have integrated them in the other direct costs.

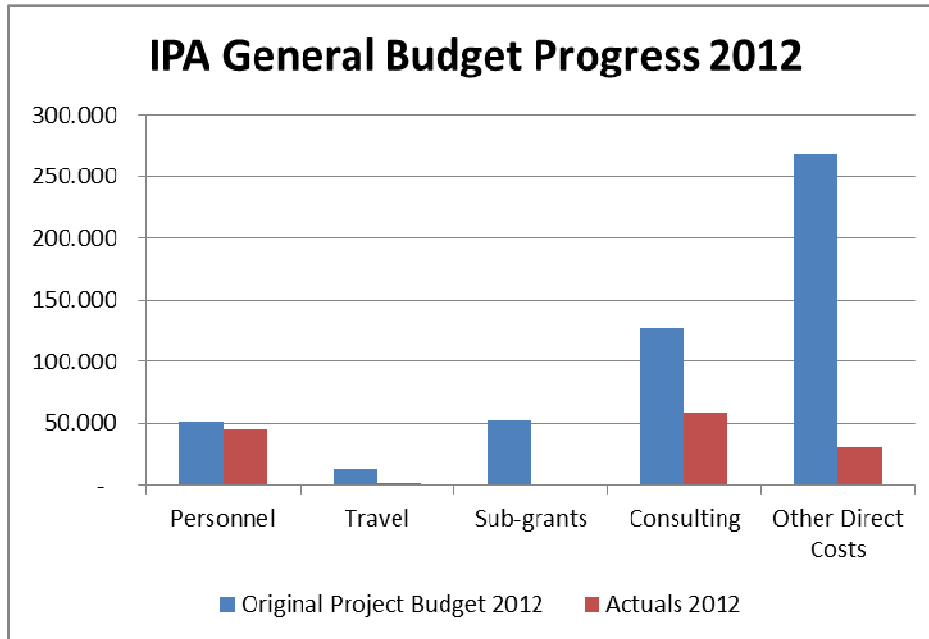
The total amount budgeted for the reporting period was \$2,785,028, only \$407,563 was disbursed or a disbursement rate of 15%. The graph below shows the level of disbursement at each budget category.



Innovations for Poverty Action (IPA)

The major interventions that we have so far completed in 2012 include the baseline survey of the desludging operators and the baseline survey of households. We have also done an enormous amount of preparation work for the call-in center and the demand interventions. We have not yet begun the marketing interventions, because we need to wait for the launch of the call-in center, but we have done a full planning of the marketing interventions and we have committed the funds for the project.

The total amount budgeted for the reporting period was \$511,279, only \$135,968 was disbursed or a disbursement rate of 27%. The graph below shows the level of disbursement at each budget category.

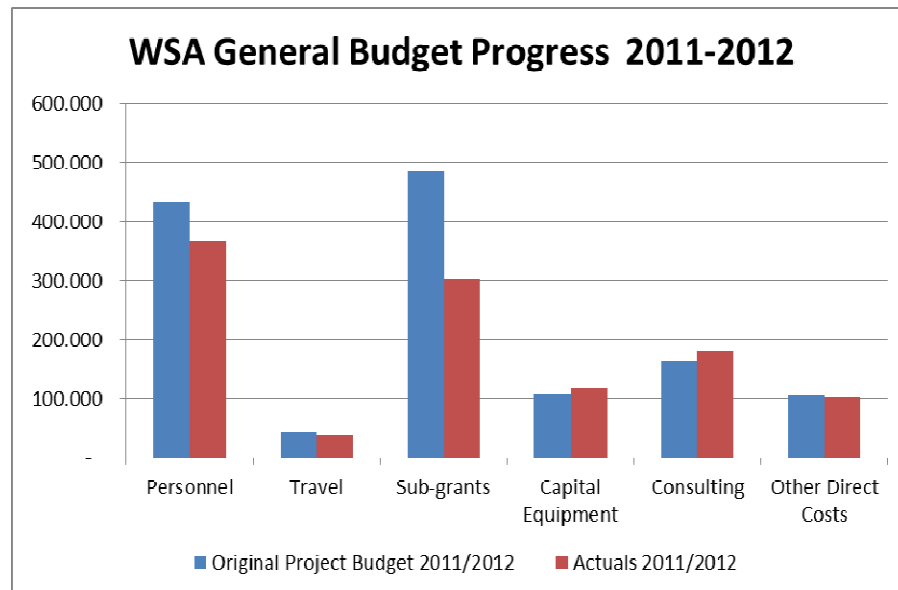


Water and Sanitation for Africa (WSA)

Plan budgetary activities were carried out within the reporting period. Find below activities conducted within the period

- (i) Purchase of equipment video conference system and vehicles
- (ii) The basic survey
- (iii) The development of the computer platform (including the listing of actors)
- (iv) The design of the call centre.

The total amount budgeted for the reporting period was \$1340,311, 83% of the total amount was actually spent (\$1,110,915) while we had an underspent of 17% (\$229,396). While 57% of the total project original budget has been sent to date. The graph below shows the level of disbursement at each budget category.



2. Budget Variances:

ONAS – Project coordination

No budget overruns were recorded on all categories.

Innovations for Poverty Action (IPA)

Please note that some costs have been expended in 2012, but are not yet in IPA's reporting system so the budget totals do not always match the actual costs expended. In this report, IPA has put in the total

Total Personnel costs paid by IPA: \$45,307 recognized, +6642 November salaries not yet recorded.

Budgeted: \$51,660

The November salaries not yet recorded have been added to the 2013 budget.

Total Subcontracts: 0 recorded +\$51,895 (paperwork being processed)

Budgeted: \$51,895

Reason for Variance: Lipscomb was supposed to take the subcontract through Notre Dame as a teaching reduction, but because she moved from Notre Dame to Virginia, she also needs to move the subcontract to Virginia. IPA is working on this and the subcontract should be executed by the end of 2012. The subcontract has been added to the 2013 expenses, but it is expected that the contract will be processed in December 2012 or January 2013.

Total Travel costs paid through IPA: \$1,387.40 + \$10663 (not yet reported by IPA)

Budgeted: \$13,000

Reason for Variance: The three PI trips to Senegal will have taken place in 2012, but are not reflected in this because of delays in IPA expense reporting. Lipscomb traveled to Senegal to discuss the project in person with the partners in October, 2012, and Lipscomb and Houde will travel to Senegal in December 2012 to oversee the benchtesting of the auctions. Lipscomb and Schechter also will travel to Senegal in January 2012 to oversee the piloting of the demand project. The project coordinator (Nehrling) is taking leave in December/January. The travel expenses in 2012 not yet recorded by IPA include the following: Nehrling flight for leave: \$2,246.80. Bagby flight to Madison for training: \$246, Bagby travel expenses during training: \$888, Bagby flight to Dakar: \$1241, Lipscomb September flight to Dakar: \$1480,

Lipscomb December Flight to Dakar: \$2,078, Houde December flight to Dakar: 2483. We also expect to have hotel expenses for Lipscomb and Houde during the 7 days that they are in Dakar in December, which should bring us to \$13000 in travel expenses. The amount spent but not yet recorded by IPA has been added to the 2013 expenses.

Total Consulting costs paid: \$57,809

Total Consulting costs committed but not yet paid: \$113,500

Budgeted: \$126,721

Reason for variance: There is a large portion of the consulting costs that have been committed but not yet paid because we are running the willingness to pay surveys and treatment with WSA, and we have a fiscal agent agreement with them specifying the budget and how it will be spent. The willingness to pay survey is going to have relatively high costs of enumerators, and will begin in February 2013 after the call in center has been launched. The consulting costs exceed the originally planned consulting costs because we have switched surveying format to PDA surveys. While this makes data collection much more accurate because improved supervision can be done through daily review of surveys, this also takes more enumerator time because manipulation of the PDAs is somewhat slower than paper format. Significant supervisor time was also necessary for choice of households to sample during the survey, but supervisors became adept at household choice during the survey and we expect them to be faster at it in future rounds. Enumerators also became significantly more adept at using the PDAs during the survey, and we expect them to be slightly faster in future rounds (to the extent that we are able to draw from the same pool of enumerators). The amount committed but not yet paid has been added to the 2013 expenses.

Total Other direct costs paid: \$31,464

Total Other direct costs committed but not yet paid: \$152,580

Budgeted: \$186,132

Reason for Variance: The large portion of the other direct costs that have been committed but not yet paid are because the willingness to pay surveys are one of the largest costs for this project, and it will begin after the launch of the call in center in February 2013. The amount committed but not yet spent has been added to the 2013 expenses.

Indirect costs paid to WSA: \$2,580.22

IPA Indirect costs: \$17,531

IPA Mali Country Management fees: \$283.09

Water and Sanitation for Africa (WSA)

None of the budget cost categories had variance exceeding 10% as shown below.

Total Cost category	Total Reporting Budget	Actual Sent to Date	Variance	% Variance
Personnel	432,849	368,027	64,822	15%
Travel	43,846	38,405	5,441	12%
Subgrants	484,600	303,205	181,395	37%
Capital Equipment	108,000	117,828	(9,828)	-9%
Consulting	163,910	180,452	(16,542)	-10%
other direct costs	107,106	102,997	4,109	4%
Total	1,340,311	1,110,915	229,396	17%

3. Budget Plans for Next Reporting Period:

ONAS – Project coordination

Forecasts of next year (2013) are made on the basis of initial forecasts which are added forecasts for the year 2012 are not used.

Forecasts for other years remain unchanged for the time being.

Innovations for Poverty Action (IPA)

Total Personnel Costs: \$88,737 of which:

Supplementary Personnel costs requested: \$28,885

November Personnel from 2012 not yet recorded: \$6,642

Total Personnel Budgeted: \$53,210

Because communication and collaboration with ONAS and other partners created substantial demands for the time of the project manager above the time commitments we had expected, the project manager had to devote substantial time that she normally would have been working on project management to communication. In consultation with ONAS, we realized that a project assistant was necessary, so we hired a project assistant who could specialize in database management. This will liberate more of the project manager's time to oversee the project and collaborate with the partners and it will ensure that the data collection process is more seamless.

Total Travel Costs: \$21,113 of which:

Total Travel budgeted: \$5,150

Total Supplementary Travel expected in 2013: \$4,500

Total travel expended in 2012 but not yet recorded: \$11,463

There are two PI trips currently planned for January 2013 as Lipscomb and Schechter plan to be in Senegal for the piloting of the willingness to pay project. In addition, there is one annual leave for Nehrling, and a return ticket to the US for Bagby following the completion of her contract. Another PI trip is requested in the supplementary budget for 2013 so that further communication can occur between the PIs and ONAS.

Total Subcontracts: \$133,580 of which:

Total Subcontracts budgeted 2013: \$81,685

Total Subcontracts from 2012, paperwork in progress: \$51,895

Capital Equipment: 0

Consulting: \$424,924 of which:

Total Consulting Supplementary request for 2013: \$311,424

Total Consulting delayed from 2012 to be paid in 2013: \$113,500

Originally budgeted for 2013: \$98,963

Budgeted for 2013, shifted to 2014: \$-98,963

Other Direct Costs: \$259,783 of which:

Other direct costs budgeted: \$119,883

Other direct costs delayed from 2012: \$152,800

Supplementary Other direct costs requested: \$32,100

Other direct costs delayed from 2013 moved to 2014: \$-45,000

Additional expected expenses in 2014 due to later endlines from project delays:

Personnel: \$74,449

Travel: \$6,500

Consulting: \$101,100

Budget shifted from 2013 to 2014 due to project delays:

Consulting: \$98,963

Other direct costs: \$45,000

We are requesting a supplementary budget for new components of the project which were not in the original budget. Please see the Supplement Request form for that budget.

Water and Sanitation for Africa (WSA)

Forecasts of next year (2013) are made on the basis of initial forecasts which are added forecasts for the years 2011 and 2012 are not used.

4. Budget or Financial Risks:

ONAS – Project coordination

At this stage, no risk of inadequacy of budget has been noted.

Innovations for Poverty Action (IPA)

We are very concerned about the possibility of unforeseen costs related to the call-in center. While the call-in center is expected to be self sustaining in the long run, there is some incubation period during which the call in center will have higher costs than when it is running normally.

For the demand project we will also need to set guaranteed prices for the call-in center. In some cases the auction prices may end at a price that is above the price given to the household. This means that an additional subsidy to the household will be necessary in order for them to receive their desludging. We expect that while this may be a problem in the earliest days of the call-in center, the desludging operators will realize that their best strategy is to compete for jobs through the call-in center which will lower prices.

Another financial risk is the budgeted subsidies. We have tried to estimate the amount of the subsidy as closely as possible, but there is the potential for more subsidized households to adopt than expected. If all subsidized households adopt, the total subsidy cost could be quite high, while we expect that only a subset of households will adopt.

Water and Sanitation for Africa (WSA)

Risk of cash flow estimates (Exchange Rate Risk): Estimates of cash flows in the future are never perfect due to changes in exchange rate, at times, they may be way off the mark. This maybe favourable or unfavourable, resulting

IV. Required Attachments

Some projects involve activities that require you to submit an attachment along with your progress report and budget. Please answer yes or no to the questions listed below, to determine whether an attachment is required. If you answer “yes” to any of the questions, please complete the required module(s) as indicated in the footnotes. If you answer “no” to all of the questions, you do not need to complete an attachment.

Questions

Does your project involve a clinical trial¹?	<i>No</i>
Does your project involve research using human subjects² or vertebrate animals?	<i>No</i>
Does your project involve the use of recombinant DNA or genetically modified organisms (including genetically modified plants)?	<i>No</i>
Does your project involve the use of biohazards?	<i>No</i>

¹ [clinical trials](#)

² [human subjects](#)

³ [select agents](#)

If you answered “yes” to any of the questions above, you must complete the [Clinical Studies and Regulated Research Assurances Module](#) and submit it along with your progress report.

Technology and Information Management Questions

Please provide a response to the following questions, using the definitions of terms that are provided below. If you have submitted either a Global Access: Technology and Information Management Module or an annual report previously and nothing has changed from your previous submission, please indicate “no change.”

Do any Third Parties¹ have Rights² to Background Technology³?	<i>No</i>
Do any Third Parties have Rights in Project Technology⁴?	<i>No</i>
Have you filed any copyright registrations for or patent applications claiming any Project Technology?	<i>No</i>

¹ Third Parties: Any individuals, organizations, or companies that have not executed a foundation-approved collaboration agreement that is associated with the project.

² Rights: (i) Any interest (e.g., license, ownership, option, security interest, etc.) in patents, patent applications, and copyrights and (ii) the rights to use any technologies, information (including trade secrets), data, or materials.

³ Background Technology: All technologies, products, materials (both physical and written), software, data, processes or formulations, and all associated Rights, to be used as part of your project that were created prior to or outside of the project.

⁴ Project Technology: All technologies, products, materials (both physical and written), software, data, processes or formulations that are created, compiled, conceived, or reduced to practice as part of your project, and all associated Rights.

GLOBAL DEVELOPMENT PROGRESS REPORT

If you answered “yes” to *any* of the questions above, you must complete the [Global Access Technology and Information Management Module](#) and submit it along with your progress report.

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