USAID
FROM THE AMERICAN PEOPLE

PHOTO CREDIT: ANNETTE FAY

EVALUATION REPORT

INDONESIA ENVIRONMENTAL SERVICE PROGRAM (ESP) EVALUATION

WASH Ex-Post Evaluation Series—Water Communications and Knowledge Management (CKM) Project

August 2017

This document was produced for review by USAID. It was prepared by ECODIT LLC and Social Impact, Inc. under the Water CKM Project, IDIQ No. AID-OAA-I-14-00069; Task Order No. AID-OAA-TO-15-00046.

AUTHORITY

Prepared for USAID under the Water and Development Indefinite Delivery Indefinite Quantity Contract No. AID-OAA-I-14-00069, Task Order No. AID-OAA-TO-15-00046, awarded September 17, 2015, entitled "Water Communications and Knowledge Management (CKM) Project."

This final report is made possible by the support of the American people through the United States Agency for International Development (USAID). The contents of this report are the sole responsibility of ECODIT LLC and do not necessarily reflect the views of USAID or the United States Government.

This report was prepared by the Water CKM project team, comprised of ECODIT LLC and Social Impact, Inc.

ACKNOWLEDGMENTS

We would like to thank the former Environmental Services Program (ESP) staff members of Development Alternatives Inc. (DAI) for their assistance in providing documentation, answering questions, and facilitating meetings with stakeholders. We would also like to acknowledge Tri Linggoatmodjo and Endah Shofiani of USAID/Indonesia for their availability and numerous efforts to provide us with information and relevant contacts throughout the evaluation. We greatly appreciate the assistance received from Miriam Kochman, former USAID Presidential Management Fellow, in preparing this evaluation and during fieldwork. We are grateful to our local evaluation team, which included Elena Vijayawati, Enrico Rahadi, Kharisma Prasetyo, and Diba Basar, for all of their hard work and their insight into the complexity of Indonesian PDAMs. Finally, we would like to thank everyone who spoke to us about ESP and increasing access to piped water in Indonesia.

TABLE OF CONTENTS

ANNEXES

TABLES

FIGURES

ACRONYMS

BAPPEDA	Badan Perencanaan Pembangunan Daerah/Regional Board of Development Planning
BAPPENAS	Badan Perencanaan Pembangunan National/National Board of Development Planning
BPKP	Badan Pengawasan Keuangan Dan Pembangunan/Development Finance Controller
BPP SPAM	Badan Peningkatan Penyelenggaraan Sistem Penyediaan Air Minum/Development Support Agency for Water Supply System
BRI	Bank Rakyat Indonesia
DAI	Development Alternatives Inc.
ESP	Environmental Services Program
FGD	Focus Group Discussion
GI	Group Interview
GIS	Geographic Information System
GOI	Government of Indonesia
HH	Household
IUWASH	Indonesia Urban Water, Sanitation and Hygiene
IUWASH PLUS	Indonesia Urban Water, Sanitation and Hygiene Penyehatan Lingkungan Untuk Semua
KII	Key Informant Interview
Kab.	Kabupaten
KM	Knowledge Management
KUPEDES	Kredit Umum Pedasan
M&E	Monitoring and Evaluation
MBR	Masyarakat Berpenhasilan Rendah/Low Income
MIS	Management Information System
NGO	Nongovernmental Organization
NRW	Non-Revenue Water
NUWSP	National Urban Water Supply Program
PAMSIMAS	Penyediaan Air Minum dan Sanitasi Berbasis Masyarakat/Water and Sanitation for Low Income Communities Program
PDAM	Perusahaan Daerah Air Minum/Municipal Water Utility
PNPM	Program Nasional Pemberdayaan Masyarakat/National Program for Community Empowerment
PPI	PDAM Performance Index Score
RISPAM	Rencana Induk Sistem Penyediaan Air Minum/Water Supply Master Plan
SI	Social Impact
SOP	Standard Operating Procedure
USAID	United States Agency for International Development
WASH	Water, Sanitation, and Hygiene
Water CKM	Water Communications and Knowledge Management

EXECUTIVE SUMMARY

BACKGROUND AND METHODS

This report details findings from the second ex-post performance evaluation in the Water Communications and Knowledge Management (CKM) ex-post evaluation series. The purpose of the series is to further USAID's understanding of why the outcomes of its completed water, sanitation, and hygiene (WASH) activities have or have not been sustained. This evaluation examines the sustainability of selected components of the USAID/Indonesia Environmental Services Program (ESP), which was implemented from 2004–2010. Among other objectives, this activity sought to improve health and livelihoods of Indonesians through enhanced and expanded access to key environmental services. Following up on the program seven years after it ended, this evaluation addresses the sustainability of ESP's capacity-building efforts with Indonesian municipal water utilities, known as *Perusahaan Daerah Air Minum* (PDAM), and financial mechanisms to improve utility management and expanded water access in urban areas. Findings from this evaluation will assist USAID and urban water activity implementers (notably the similar follow-on project Indonesia Urban Water, Sanitation and Hygiene *Penyehatan Lingkungan Untuk Semua* (IUWASH PLUS) in identifying areas for improvement in project selection, design, and implementation to ensure long-term sustainability and improved accountability to stakeholders.

This evaluation sought to answer the following questions:

1. To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?
    a. What proportion of the catchment population has access to water (household) through targeted PDAMs in 2015 compared to 2010, and how has it changed?[1]
    b. To what extent have targeted PDAMs maintained or improved their management capacity using methods and materials provided by ESP?
    c. To what extent has microcredit been leveraged to continue expanding access to household connections?
2. Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?

The evaluation followed a mixed methods design including 49 qualitative interviews with PDAM staff, customers, supervisory board, and training center staff; microcredit beneficiaries and their lending bank; regional and national boards of development planning; the Ministry of Public Works; USAID; and Development Alternatives Inc. (DAI). Quantitative methods included a PDAM performance index (PPI) tool developed and used by ESP throughout its activity to rate PDAM capacity across several categories, as well as data from government-collected PDAM performance reports on PDAM customers reached and number of household water connections. To better validate and reduce the subjectivity of the PPI tool, data for selected components (e.g., financial standing, tariff structure, non-revenue water loss, staff training attendance) were also drawn from government reports. Reports from 2016 were not available at the time of data collection; therefore, the 2015 data are used and compared to PPI scores and water access data from 2010 when ESP ended.

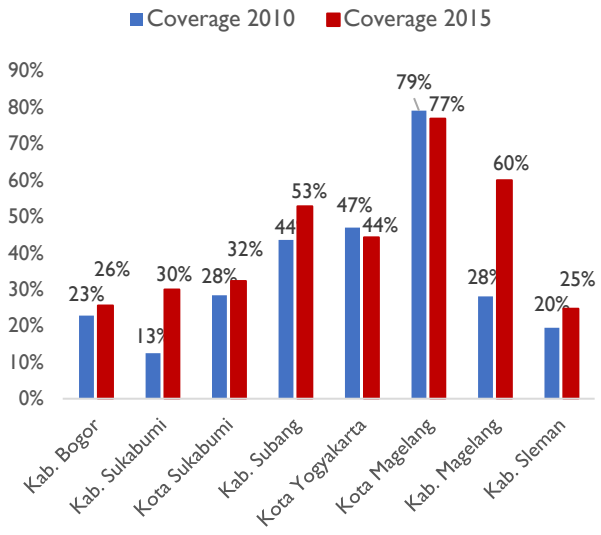
[1] This has been modified from the original evaluation questions that were proposed in the design report to reflect that the most recent published data are for 2015, not 2017.

Evaluation site selection was restricted to PDAMs that had not benefitted from follow-on WASH interventions, such as USAID's IUWASH activity, and that had not been affected by tsunami disaster and relief efforts. Under these criteria, only eight PDAMs in Central and West Java were eligible. All were selected to serve as the focus for data collection, which occurred in March and April 2017. Qualitative interview respondents were selected purposively based on their level of direct knowledge of interview topics, with the exception of focus group discussions with water utility customers, for which the evaluation team was required to rely on PDAM assistance to select participants.

FINDINGS

In response to question 1a, government performance reports revealed that six out of eight PDAMs increased the proportion of the catchment population with household connections since ESP ended (see Figure at right). In *Kabupaten*[2] Sukabumi and Kab. Magelang, population coverage has more than doubled. Kab. Sukabumi, Kab. Subang, and Kab. Magelang all added more than 10,000 connections since 2010. Kab. Subang increased population coverage by 9 percent. Kab. Sleman increased both coverage (5 percent) and number of household connections (close to 7,000). Kab. Bogor and *Kota* Sukabumi experienced slight increases in the population served while also experiencing a reduction in the overall number of household connections. In Kab. Bogor this is likely explained by a catchment area reduction following its 2012 split into two separate PDAMs. The PDAM in Kota Magelang increased the number of household connections since 2010; however, this was not sufficient to maintain or expand coverage to address population growth, as the proportion of population served declined. Kota Yogyakarta's PDAM experienced slight decreases in both coverage and number of connections since 2010.

Figure 1. Proportion of Population in PDAM Catchment with Water Connection



Looking at factors that serve as a barrier to expanded water access (Question 2), a key driver is fluctuating demand for PDAM connections based on availability of alternative sources of water and the perceived value of each option. Private wells are common in urban Indonesia, and PDAM staff described spikes and declines in demand for connections based on whether well water was seasonally available and clean. Stakeholders from PDAMs and the PDAM supervisory boards felt the lack of government coordination of the expansion of alternative water sources rendered it difficult for them to properly plan and deliver services. Complaints from PDAM customers about PDAM water reliability and safety (described below) no doubt have a substantial influence on public perception and demand. Kota Yogyakarta's decline was driven by the local government/mayor's prioritization of commercial customers, such as hotels, over residential customers.

[2] Kabupaten (abbreviated as Kab.) means regency or district in Bahasa Indonesia. Kota means city in Bahasa Indonesia.

Question 1b regarding PDAM management capacity was answered by examining PPI scores and conducting qualitative interviews. All eight PDAMs improved their PPI scores since 2010, gaining 8.4 points on average and increasing the total average score from 59.1 at the end of ESP to 67.54 at the time of the evaluation (the total possible score was 100). The strongest areas of improvement related to corporate plans, human resources policies, and tariff sufficiency and compliance. On average, indicators of financial management (related to operating ratio, debt service/coverage ratio, current ratio, debt-equity ratio, and collection period) worsened by 3.1 points. Non-revenue water (NRW), cost or energy efficiency (measured as improvement relative to the prior year); staff training; and customer relations were sustained at similar levels to those observed in 2010. According to qualitative interviews, all three PDAMs that received ESP support to develop standard operating procedures (SOPs) praised the value of these tools and noted their continued use today. In Kab. Sleman, a PDAM staff member reported:

"We received three benefits from using an updated SOP. First, it helps avoid overlapping of responsibilities. Second, ensuring smooth workflow. Third, more effective internal monitoring because we have the map of procedural chain; this is the most important. As a result of such SOPs, we improve our performances. The SOPs have improved our staff productivity as well…. Our meter reading SOP ensures accurate meter reading, for example, the staff will have to take a picture of meter reads as a proof using smartphones and upload to our system; that way he/she cannot play around with the number anymore."

Respondents at PDAMs in Kab. Sleman, Kab. Sukabumi, and Kota Magelang said NRW protocols introduced by ESP continue to be used today and have helped reduce their NRW rate. Regarding corporate finance assistance provided by ESP, PDAM staff at Kab. Bogor noted that the credit rating it achieved with ESP's support enabled the PDAM to obtain a private sector loan to finance a new water treatment plant.

In spite of these successes, customers served by all eight PDAMs expressed several key service complaints that suggest management practices continue to require improvement. These include complaints of frequent, and at times daily, service interruptions and poor water quality compared to alternative well sources. Some also complained of tariffs being too high.

In response to Question 2 regarding this component, it appears that the continued use of ESP tools relates to the fact that they met a distinct need, as there were no SOPs prior to ESP engagement. As documents now ingrained into PDAM procedures, they are able to serve as enduring references for PDAM staff in spite of turnover in the past seven years. Some stakeholders perceived that corrupt use of PDAM funds by local government was a hindrance to sustained management best practices as was nepotistic hiring of unqualified staff. These claims could not be substantiated by the evaluation team.

Question 1c regarding continued use of microcredit to expand water access to the poor was answered through qualitative interviews with former ESP and PDAM staff, a bank representative, and microcredit beneficiaries in Kab. and Kota Sukabumi and Kab. Subang (the only PDAMs among the eight evaluation sites that had a microcredit program). The evaluation team learned that the microcredit programs in these three PDAMs closed shortly after ESP ended. However, these three programs collectively constituted only a minor portion (2.6 percent) of the total number of new PDAM connections financed overall by ESP's microcredit program. In Kab. Sukabumi and in Kab. Subang, the PDAMs now offer low-income residents the ability to purchase a household connection through no-interest installments paid directly to the PDAM rather than having a bank involved. Several PDAMs also offer discounted rates as an incentive for the poor to join.

A respondent from the participating bank tied the failure of the microcredit program in Kab. and Kota Sukabumi to a mismatch between this large bank and the small lending scale for this program. The bank's stringent and lengthy borrower vetting requirements and customer orientation toward larger loan sizes were not conducive to the timeline and size of these water connection loans. The bank rejected many

applicants for lack of trust or spent too much time vetting. Microcredit beneficiaries in Kota Sukabumi also felt that advertisement of the microcredit program was insufficient. Some PDAM staff felt part of the program's failure to continue related to ESP's lack of sufficient engagement with the bank.

CONCLUSIONS

Question 1

According to the most recent government data from 2015, six of the eight PDAMs in the sample increased the proportion of households with a PDAM connection while the remaining two experienced a decrease in coverage. Two of the PDAMs increased the number of household connections while the proportion of the community served declined. The Kota Yogyakarta PDAM was the only one in the sample to experience declines in both coverage and number of connections. All eight PDAMs demonstrated continued improvement in management capacity through their total PPI scores. Qualitative data demonstrated continued commitment to guided practices through continued reliance on ESP tools and guidelines, mainly related to SOPs, NRW, and corporate plans. However, financial health relative to the previous year declined. In all PDAM service areas, PDAM customers complained about unreliable service in which water would not be available at particular times of day, and many had concerns about poor PDAM water quality. As long as these issues persist, PDAMs will struggle to maintain and expand their customer base, particularly as alternatives are available.

The microcredit program developed by ESP to increase access to household connections for lower income populations ended in 2010 in the three sampled PDAMs that had this program (Kab. Sukabumi, Kota Sukabumi, and Kab. Subang). Since this time, some PDAMs have introduced pay installment or discount programs to continue to provide options to lower income populations.

Question 2

The evaluation team identified several factors that have impacted sustainability since ESP's close. A management factor that appears to have motivated PDAMs to keep improving is the act of monitoring PDAM capacity on an annual basis, as occurred with ESP's PPI and more recently the Government of Indonesia's (GOI) audit performance reports. Financial constraints continue to plague PDAMs, and the prospect of debt forgiveness, as recently proposed through a GOI program to forgive debt of high-performing PDAMs, is a motivation for sustained improvement. For poor consumers seeking financial assistance for water connections, a mismatch between the scale of microcredit needs and the microcredit lender's stringent criteria and loan thresholds hindered sustainability of the microcredit program in the three locales surveyed. Alternative discount and pay installment programs offered by PDAMs are helping lower income communities gain access, but these are only viable in financially stronger PDAMs.

One institutional factor that impedes the sustainability of ESP's outcomes is the lack of coordination of the many government-managed water access projects, which pose a challenge to effective PDAM planning and service delivery. In one area, sustainable PDAM water access for households was threatened by a local government priority shift that favored commercial interests. In some areas, institutional threats to sustained management capacity included the system where a kabupaten shares its water resources with a kota without receiving any remuneration, or the division of administrative districts that causes a PDAM to split into two entities, each of which must renew efforts to acquire and serve customers.

Environmental factors such as seasonality, drought, or pollution that influence the availability of alternative water sources affected the sustainability of PDAM service coverage. For example, PDAMs experienced increased demand for new connections when environmental conditions rendered alternative sources unavailable, whereas customers often seek to shut off their PDAM connection when

alternative clean sources are abundant. Finally, the evaluation team did not discover technical factors that impaired the sustainability of ESP's interventions.

RECOMMENDATIONS

Evaluation findings support the following recommendations for future programs:

1. Capacity-building efforts with municipal water utilities should seek to assist staff to develop products, such as SOPs, corporate plans, and other tools, as ESP did, as these resources can serve as enduring references regardless of utility staff turnover.
2. Microcredit programs to expand piped water access to the poor in Indonesia may work best in partnership with smaller banks that are accustomed to smaller loans and have less intensive borrower vetting processes or a stronger prior relationship with the community seeking microcredit. Alternatively, financially stable PDAMs can engage the poor by offering their own payment installment programs and discount offers.
3. USAID should consider ways to facilitate coordination among various GOI water access efforts to avoid competing programs or subsidies in order to ensure strategic and consistent access to water for all people in a PDAM catchment area and also to ensure PDAMs maintain operating "health" to continue and expand reliable service delivery.
4. Annual performance monitoring, particularly when accompanied by incentives for good performance, as in the case of annual performance reports (known as BPKP or *Badan Pengawasan Keuangan Dan Pembangunan*), can help to motivate water utilities to continue to improve operating performance.

INTRODUCTION

To better understand why the outcomes of its completed water, sanitation, and hygiene (WASH) activities have or have not been sustained, the Water Communications and Knowledge Management Project (CKM) is conducting a series of independent ex-post performance evaluations of USAID water programs for the USAID Bureau of Economic Growth, Education and Environment's Water Office (E3/W) through the Water and Development Indefinite Delivery Indefinite Quantity Contract. The evaluations series builds off lessons learned from the development of the Sustainability Index Tool (SIT)[3] and its application in nine countries. This ex-post performance evaluation, the second in the series, examines the sustainability of the USAID/Indonesia Environmental Services Program's (ESP) local capacity-building efforts and financial mechanisms to continue management of, and expanded access to, water services in the past seven years following project completion. Key intended users of evaluation findings are USAID development partners, implementer Development Alternatives Inc. (DAI), and implementers of similar follow-on urban projects in Indonesia and other countries, notably Indonesia Urban Water, Sanitation and Hygiene *Penyehatan Lingkungan Untuk Semua*[4] (IUWASH PLUS). Findings from this and future evaluations will assist these intended users in determining areas for improvement in their current process of project selection, design, and implementation of urban water projects to ensure long-term sustainability and enable improved accountability to stakeholders.

OVERVIEW OF ACTIVITY AND BUDGET

In Indonesia in 2004, more than 100 million people lacked access to piped clean water, and 70 percent of the urban population was not served by existing piped water installations.[5] Lower income households[6] without a water source on their property relied on purchasing jerry cans of water from vendors for 10 to 20 times the price of water from piped connections.[7] Piped water is delivered to households by *Perusahaan Daerah Air Minum* (PDAM), or Indonesian municipal water utilities. To initially finance piped water infrastructure in the 1970s, the Government of Indonesia (GOI) relied upon two major financing mechanisms for PDAMs: subsidiary loan agreements and regional development accounts from The World Bank and the Asian Development Bank that channeled funding through the Ministry of Finance. Indonesia was hit particularly hard by the 1997–1998 financial crisis, and one of the results of this was the end of the subloans to PDAMS. Decentralization exacerbated this situation in 2001, when funding was transferred from the central government to the district and regional level.

By 2004, many PDAMs were struggling with significant amounts of debt due in part to interest and fines from these mechanisms, and in part to poor management practices. Many struggled to reach full cost recovery in their operations and were unable to improve their service due to lack of funds. They were unable to attract the investment needed to improve their situation at times due to lack of approval by local government and at times due to risk aversion on the part of PDAM managers that was caused by strict anti-corruption measures introduced by then President Yudhoyono. In addition to debt, PDAMs faced a natural challenge—the omnipresence of alternative water sources. The majority of Indonesians depend on well water for daily use. Piped PDAM water was generally used as an additional source—not

---

[3] USAID and the Rotary Club developed the SIT in 2012 to assess a WASH activities' likelihood to be sustainable according to five factors: institutional, management, financial, technical, and environmental.

[4] *Penyehatan Lingkungan untuk Semua* means Environmental Health for All in Bahasa Indonesia.

[5] WHO and UNICEF. 2004. Meeting the MDG Drinking Water and Sanitation Target: The Urban and Rural Challenge of the Decade.

[6] ESP used the GOI definition for *Masyarakat Berpenhasilan Rendah* (MBR or low income in Bahasa Indonesia) across its documentation. In 2017 an MBR family earns under $300/month.

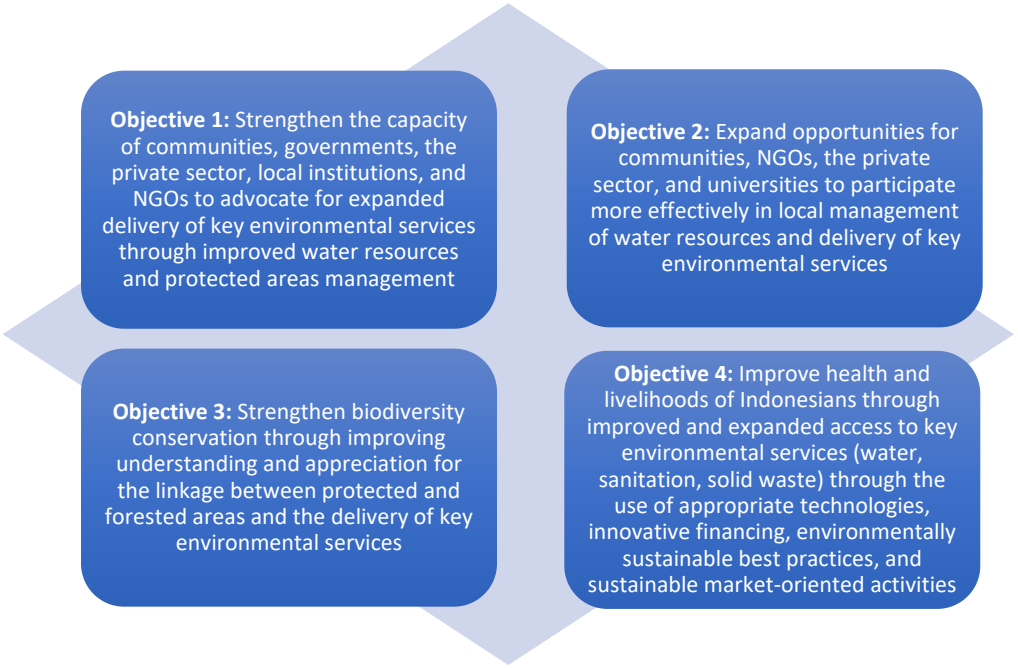
[7] DAI. 2006. Funding the Flow.

a primary source. This natural challenge to wooing new customers meant that PDAM service had to be both reliable and desirable. In parallel, Indonesia's rapid development overdrew from and polluted the watersheds that PDAMs depended on for raw water. To address these issues, DAI implemented ESP, a 64-month, $54.7 million[8] USAID–funded activity, between 2004 and 2010; $20,270,670.61 was intended for the water and sanitation components of the program. It was implemented in North and West Sumatra; Central, East, and West Java; Yogyakarta; East Kalimantan; North Sulawesi; Papua; and Nangroe Aceh Darussalam, the latter was an additional project location for post-tsunami disaster rehabilitation.

Residents in these areas typically work in the transportation and telecommunication sector, hotels and restaurants, social services, mining or quarrying, industry, finance, electricity and utilities, construction, and agriculture.[9] ESP's activities were divided into four overarching components: watershed management and biodiversity conservation, environmental services delivery, environmental services finance, and strategic communications.

ESP took a "Ridge to Reefs" approach linking water resources management with improved health. For example, ESP addressed issues of raw water conservation for upstream users and downstream use through payment for environmental services.[10] The approach was unique in Indonesia at the time because it simultaneously addressed USAID's water and biodiversity directives while also working on USAID/Bureau of Human Services' strategic objective indicator to reduce the prevalence of diarrhea for children under 3. ESP's objectives and theory of change are illustrated in Figure 2 below.

Figure 2. Indonesia Environmental Services Program Objectives



This evaluation focused on the urban water service–related activities of ESP under environmental services delivery (ESD) and environmental services finance (ESF), included in Objective 4, to enable a

[8] The Dutch Government contributed $2 million for work in Papua.
[9] Data from the Indonesia Database for Policy and Economic is available for 2010 on a district level but not earlier.
[10] Payment for environmental services refers to when people are paid to manage their resources to protect watersheds or conserve biodiversity.

more in-depth look at the project components related to water access. Sanitation and hygiene project components were not addressed so that resources could be better focused. According to ESP's final report, the following select results are related to Objective 4:

- Access to clean water increased for 295,965 households (1,887,410 people).
- Operating ratios improved for 25 PDAMs.
- Access to commercial financing improved for nine PDAMs.
- PDAMs and local banks signed 22 master agreements for microcredit programs, and 12,111 new households accessed clean water. ESP leveraged $1,211,100 for these new connections.

To achieve these results, ESP worked closely with PDAMs to improve and expand services through the course of the activity. ESP began this component by evaluating 24 PDAMs in its intervention areas for inclusion in the PDAM capacity-building program. These initial 24 PDAMs were selected because their corresponding watersheds were eligible for the biodiversity components of ESP. A baseline provided ESP with performance information; it chose to eliminate five PDAMs and work with 19. City and district PDAMs were included in the program, and at times, both the city and the district's PDAMs participated. For example, both *Kota*[11] Bogor and *Kabupaten*[12] Bogor were selected to participate, and they received different interventions over the course of implementation. Several other PDAMs entered and exited ESP through the course of implementation, and therefore all participating PDAMs do not have matching start or end dates. The characteristics of participating PDAMs varied, including types of water sources—some were gravitational, requiring no pumping or electricity to access, whereas some other sources did.

PDAM improvement in performance compared to the baseline was measured by ESP through the PDAM performance index score (PPI),[13] completed on an annual basis. At first, it was completed by PDAM staff and sent to ESP management for review, but through the years ESP managers sought to improve the quality of data by having the two managers responsible for analyzing the PPI work directly with the PDAM to complete the score. This PPI score was not intended as a means to compare one PDAM to another according to the numerical score, but rather as a tool to guide ESP support to each PDAM by identifying and monitoring changes in strengths and weaknesses over time. ESP support took the form of trainings, working with PDAM staff to develop standard operating procedures where relevant, energy efficiency audits, and general capacity building of PDAM staff. This incremental support was intended to help the PDAM management track its own progress (or lack thereof) related to the specific components, which included:

- Tariffs
- Corporate/business plan
- Non-revenue water (NRW)
- Water quality monitoring
- Management information system (MIS)
- Geographic information system (GIS)
- Finance (operating ratio)
- Human resources policy
- Customer relationship
- Cost/energy efficiency

ESP strengthened the creditworthiness of water utilities by working with targeted PDAMs to address their outstanding debt issues and improve their financial management. To improve and expand water supply services under this component, ESP facilitated access to long-term financing through the

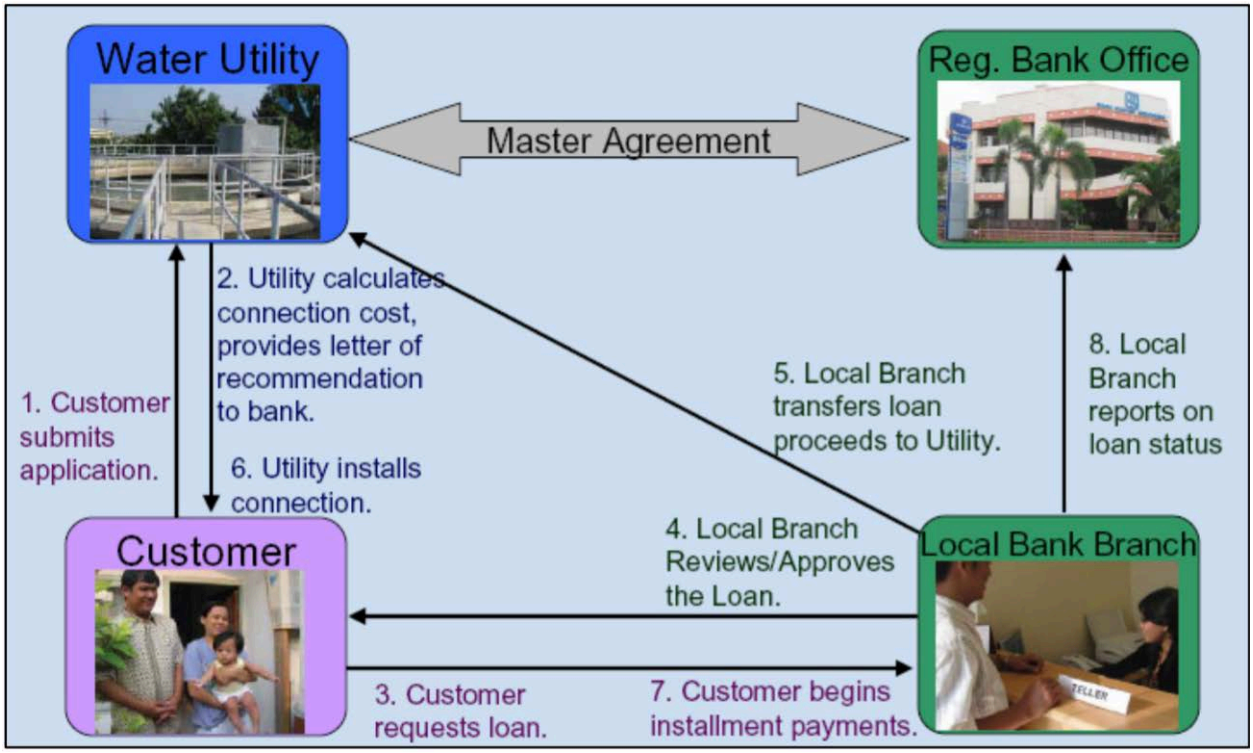
[11] Kota means city in Bahasa Indonesia. We will refer to PDAM names by their Bahasa place designation.

[12] Kabupaten (abbreviated as Kab.) means regency or district in Bahasa Indonesia.

[13] ESP's PPI was introduced before the GOI had its own assessment tool for tracking PDAM performance. In 2008, the GOI introduced the *Badan Pengawasan Keuangan Dan Pembangunan* (BPKP) Annual PDAM Performance Report. This report assigns each PDAM a performance score based on criteria including operating ratio and debt restructuring status. It also tracks technical coverage and number of connections on an annual basis.

development of business (also known as corporate) plans to access commercial financing. ESP also worked with PDAMs to develop debt restructuring plans to submit to the Ministry of Finance after approval by technical review committees, as well as financing plans for new investment. Ten PDAMs received assistance adjusting or reclassifying their tariff structures. ESP initiated energy efficiency audits consisting of cost-benefit analyses of the replacement of old pumps, both at the water treatment plant and within the distribution network. Under this component, ESP also worked with the Ministry of Finance and the regional USAID–funded program ECO-Asia to strengthen an existing regulation that improved the enabling environment for domestic investment and borrowing, particularly through municipal bonds. This type of advanced financial support was only possible for the stronger PDAMs in ESP, such as Kab. Bogor. Through ESP, Kab. Bogor obtained a stable BBB[14]-issue credit rating, which is a preliminary step toward eligibility for a municipal bond.

Figure 3. Microcredit Process Diagram from "Funding the Flow"



Finally, ESP developed a microcredit program to help poor households gain access to piped water connections and to provide them with an affordable alternative to purchasing water from vendors. The microcredit program in each PDAM was first established through a "master agreement" between the PDAM and a bank. Bank Rakyat Indonesia (BRI) was the largest partner involved in the microcredit program, in part because it has regional branches (known as microunits) across the country that can operate independently from the headquarters and establish partnerships with PDAMs, and in part because it was well known for its microcredit products. Individuals lacking a household connection were able to apply for a loan at their local BRI branch or bank to finance the PDAM connection. In the case of BRI, they would apply for a small business "KUPEDES[15] loan," a well-known BRI loan product.

[14] Credit ratings range from A to D, with AAA being the highest and D the lowest.
[15] KUPEDES (or *Kredit Umum Pedesaan* meaning rural public credit in Bahasa Indonesia) is a BRI rural credit product available across Indonesia.

Applicants had to pass an eligibility test with the bank prior to receiving the loan. Once approved, the bank would pay the PDAM for the connection, and the PDAM would install the connection in the applicant's home within a few days. ESP field assistants supported the process by promoting communication among the PDAM, the bank, and the new customer. They also tracked the progress of new customers' loan applications and, as members of the community, sensitized the community on the process of applying for such loans. Microcredit beneficiaries then had a period of 12 months during which to pay off the loan in installments, including interest. By the end of ESP, 14 PDAMs[16] had developed microcredit programs and 12,111 connections were made through this program. According to ESP's final report, the rate of failure to pay installments was under 1 percent during ESP.

Table 1. ESP Microcredit Targets in Evaluation Sites

PDAM	Partner Bank	Date of Master Agreement	Number of Household (HH) Connections	ESP Targets Achieved
Kab. Subang	BRI Cabang Pamanukan	December 2006	25	100%
Kota Sukabumi	BRI Cabang Sukabumi	November 2006	96	100%
Kab. Sukabumi	BRI Cabang Sukabumi	May 2008	67	100%
Kab. Sukabumi	BRI Cabang Cibadak	May 2008	121	100%

EXTERNAL INFLUENCERS OF PDAM ACTIVITY DURING AND SINCE ESP

During and after ESP implementation, several external events occurred that affected PDAM operations. Beginning in 2008, the Ministry of Public Works asked the BPKP to complete an annual performance report and score that ranks how each PDAM performs according to certain parameters. All of the data in the BPKP report are audited and publicly available. The score a PDAM receives determines if it is "healthy," "less healthy," or "sick." For years, the GOI has promised to forgive the debt of healthy PDAMs, which has inspired the "sick" PDAMs to improve their performance. In 2016, the GOI adopted a budget to cover the PDAMs' debt and proposed writing off the debt of 107 PDAMs, totaling 3.9 trillion Rupiah ($300 million), subject to conditions requested by the Ministry of Finance. At the time of this writing, the debt write-off is planned to be conducted through a non-fund grant from the GOI to local governments, then followed up by equity sharing from the local government to the PDAM. It is expected that PDAMs, as a result of the write-off, will become healthier and show better performance since they will no longer have to pay debts, interest, and fines.

On a national level, Indonesia has experienced rapid growth since ESP started. Across ESP implementation areas, household expenditures have risen in comparison to both 2010 and 2014.[17] Since ESP concluded, PDAM administrative service coverage has been divided in some areas where regencies (i.e., districts or kabupatens) were split into two or more entities. PDAMs are owned by the mayor (head of city) or Bupati (head of regency) and supervised by a supervisory board that changes every four years. When the administrative areas split, the management of local government also changed.

[16]The three from this study are Kab. Sukabumi, Kota Sukabumi, and Kab. Subang.
[17] Indonesia Database for Policy and Economic Research (INDO-DAPOER)

Sometimes the PDAM was also divided. This condition negatively impacted PDAM performance in many cases because newly formed and managed PDAMs had to re-establish management mechanisms.

Several other water access projects have occurred in urban Indonesia apart from ESP in recent years. In 2007, the government established the National Program for Community Empowerment (*Program Nasional Pemberdayaan Masyarakat* in Bahasa Indonesia or PNPM), through which some communities expanded water access by constructing small community-based systems in areas too small for PDAM service extension. PNPM is present in Kota Sukabumi. Since 2008, the Water Hibah Program has been offering lower income people subsidized household connections in which the program (funded by AusAid) reimburses the PDAM for the connection. Beneficiaries are only required to pay their monthly water bill. This program is occurring in four of the PDAM areas targeted for this evaluation.[18] The *Penyediaan Air Minum dan Sanitasi Berbasis Masyarakat* (PAMSIMAS) rural sanitation, water supply, and hygiene program aims to increase water access in rural areas. It is the third iteration of the Water and Sanitation for Low Income Communities Program and began its second phase in 2013. It is active in Kota Magelang, which includes some rural areas. In 2015, the GOI introduced its "100-0-100" commitment to 100 percent safe water access, 0 percent urban slum, 100 percent basic sanitation access in the National Mid-Term Development Plan.[19] The National Urban Water Supply Program (NUWSP) is an upcoming World Bank/GOI program. Investment will focus first on the improvement and expansion of piped water supply systems. The first batch of NUWSP will operate in two ESP PDAMs from this study sample, Kota and Kab. Magelang.

FOLLOW-ON ACTIVITIES TO ESP

Building upon ESP, USAID awarded DAI a follow-on activity: IUWASH from 2011–2016. Its core objective was a "significant increase of access to safe water supply and improved sanitation in Indonesia's urban areas, with a particular focus on facilitating better access to these services for the urban poor." IUWASH worked with 52 water utilities in Banten/West Java, Central Java, East Java, North Sumatra, and Eastern Indonesia. This was essentially an extension of ESP that focused on ESP's water and sanitation components and features, among others, iterations of the microcredit program, NRW training, and PDAM capacity building.[20] Following this activity, USAID funded the IUWASH PLUS activity in late 2016, also implemented by DAI. It is an initiative designed to assist the GOI in increasing access to water supply and sanitation services as well as improving key hygiene behaviors among urban poor and vulnerable populations. IUWASH PLUS also works with PDAMs on capacity building, specifically related to NRW and finance.

EVALUATION QUESTIONS

This evaluation examined the sustainability of ESP's capacity-building efforts and financial mechanisms to continue management of, and expand access to, PDAM water services in the approximately seven years following project completion. The evaluation addresses the questions below. An evaluation design matrix and data collection tools are available in Annex I and Annex II.

1. To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?

---

[18] Kab. Sukabumi, Kota Sukabumi, Kab. Magelang, and Kab. Subang.

[19] The National Mid-term Development Plan, RPJMN is *Rencana Pembangunan Jangka Menengah Nasional* in Bahasa Indonesia.

[20] Biodiversity components of ESP have continued since ESP's close through the LESTARI activity, led by the former deputy chief of party of ESP.

a. What proportion of the catchment population has access to water (household) through targeted PDAMs in 2015 compared to 2010, and how has it changed?[21]
b. To what extent have targeted PDAMs maintained or improved their management capacity using methods and materials provided by ESP?
c. To what extent has microcredit been leveraged to continue expanded access to household connections?

2. Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?

METHODOLOGY

OVERVIEW

This ex-post performance evaluation used a mixed-methods design. Data collection was conducted over a four-week period in March and April 2017 in eight purposively selected former ESP intervention areas in Central Java and West Java (Figures 4 and 5), as well as in Jakarta. Prior to fieldwork, the evaluation team conducted a desk review of ESP activity documentation, including the mid-term evaluation, endline data, and documents related to alternative financing of PDAM household connections in Indonesia. During data collection, the evaluation team received monitoring and evaluation (M&E) data and the historical ESP PPI for each PDAM in the sample. A more detailed methodological plan along with a data collection schedule, list of parties consulted, and a description of the evaluation team are available in Annexes I, II, III, and IV, respectively.

QUALITATIVE METHODS

Qualitative data collection consisted of 17 group interviews (GIs), 18 key informant interviews (KIIs), and 12 focus group discussions (FGDs), as illustrated in the table below.[22] The evaluation team developed interview guides and updated them as a group after conducting the first of each type of interview in Jakarta and in nearby Kab. Bogor (see Annex II). The four-person evaluation team split into two groups of two interviewers each (one to Central Java and one to West Java) for the duration of the fieldwork due to the distance between intervention sites and time constraints for fieldwork. Interviews with PDAM staff aimed to gain information first about the respondent's memory of ESP, about how the PDAM functions currently, and about factors that could have an impact on the sustainability of ESP's interventions. KIIs with the Regional Board of Development Planning (BAPPEDA)[23] and the PDAM supervisory board in each location provided additional insight into the functioning of the PDAM and how the PDAM is managed. The evaluation team also added a KII with a representative from Akatirta, one of the National Centers of Excellence, or training centers, for PDAM staff to learn about the ESP-generated tools that are still in use by PDAM staff.

[21] This has been modified from the original evaluation questions that were proposed in the design report to reflect that the most recent published data are for 2015 not 2017.
[22] A complete list of persons interviewed, location, and date is in Annex III.
[23] *Badan Perencanaan Pembangunan Daerah* in Bahasa Indonesian.

Due to the seven-year time gap between activity closure and this evaluation, it was challenging to find national-level ministry respondents who were familiar with ESP beyond one former employee of the National Board of Development Planning (BAPPENAS)[24] who was interviewed. Other national-level respondents from the Ministry of Public Works and BAPPENAS had a general memory of ESP, but they did not have first-hand knowledge of the project.

Figure 4. West Java ESP Intervention Areas and Evaluation Areas (circled)

The evaluation team conducted FGDs with PDAM customers to gain perspectives on water service in different areas and perceptions of access. Eligible customers for these discussions were over 30 years of age to ensure memory of PDAM service would be from a household member who either made decisions back in 2010 or paid the bill. Most of the FGDs were mixed gender depending on people's availability, except in Kab. Sukabumi and Kab. Sleman. The local evaluation team felt that given the nature of the items discussed in the FGD, separating respondents by gender was not necessary. Evaluation respondents are detailed in Table 2 below, organized by respondent type.

[24] *Badan Perencanaan Pembangunan National* in Bahasa Indonesian.

Table 2. Interview Locations, Types, and Targets

Type of Respondent	Type of Interview	Location	Number of Interviews	Male Respondents	Female Respondents
USAID	GI	Jakarta	1	0	2
ESP Staff	GI/KII	Jakarta & USA	4	6	1
Ministry of Public Works	KII	Jakarta	1	1	
BAPPENAS	GI/KII	Jakarta	2	2	2
PDAM Staff	GI	All PDAMs	8	23	6
PDAM Supervisory Board	GI/KII	All PDAMs	6	8	
BAPPEDA	GI/KII	All PDAMs	8	11	3
Bank Representative	KII	Kab. Sukabumi	1	1	
Microcredit Beneficiaries	GI, FGD	Kab. and Kota, Sukabumi, Kab. Subang	3	6	10
PDAM Customers	FGD	All PDAMs	12	40	53
PDAM Customers	KII	Kab. Magelang	3	3	
Akatirta	KII	Yogyakarta	1	1	
Total			**49**	**102**	**77**

QUANTITATIVE METHODS

At each of the eight selected PDAMs, the primary quantitative tools used by the evaluation team were the PDAM PPI and BPKP annual reports on number of water connections and proportion of population served. The PPI tool, used to answer evaluation question 1b, contains a series of close-ended questions (some yes/no, some multiple choice), using qualitative probes and requests for reference data to assist the respondents in providing accurate information. Using the PPI tool that ESP applied throughout its work, the evaluation team updated wording for seven questions and omitted the questions about PDAM participation in the GOI's obsolete benchmarking program. The wording updates were related to terminology and were therefore not expected to elicit different responses from PDAM staff than the original questions. ESP–collected and evaluation PPI scores were adjusted accordingly so that omission of the benchmarking program would not affect comparability of results. See Annex IV for the PPI used in this evaluation, including notation of changes made.

Prior to data collection, the evaluation team reviewed ESP's PPI and identified points of clarification to confirm with ESP staff. The water utility experts on the evaluation team identified the questions that could be best answered with the most recently published BPKP data. The evaluation team calibrated the

tool after meeting with ESP staff and then administered the PPI in Kab. Bogor and decided to shift the order of questions so that the director only had to be present for the beginning of the interview (the PPI portion could run up to three hours). The evaluation team asked each PDAM for the most recent performance and financial data with the hope of obtaining 2016 data, but with the expectation of using 2015 data for consistency. Limitations of this approach are discussed later in this report. To mitigate recall bias, these interviews were conducted with at least two PDAM staff in each location expected to have the strongest knowledge related to PPI topics. Because the PPI was not designed to draw comparisons between PDAMs, the findings do not attempt to classify the PDAMs in the sample as healthy or sick using the BPKP score, but just compare them to their baseline and endline values.

To answer evaluation question 1a regarding water access coverage, the evaluation team determined the most reliable and consistent source of these data was official BPKP reports. Because 2016 reports were not available at the time of data collection, the evaluation relies on 2015 data, which it compares to BPKP data from 2010.

Sampling

In consultation with USAID, selection of ESP–supported locations was restricted to those that had not yet received follow-on WASH interventions from USAID's IUWASH activity, or any other known major water intervention. The evaluation team further eliminated locations in Banda Aceh that were targeted by tsunami disaster relief activities, as lessons from this unique context would not be easily comparable to results in ESP's other targeted areas. Under these criteria, eight locations in Central and West Java were eligible (Figures 4 and 5). All were selected for data collection. Three of these locations are targeted for the new IUWASH PLUS activity[25] and four[26] are targeted for the upcoming NUWSP program; however, at the time of this sustainability evaluation no implementation other than preliminary planning had occurred.

KII and GI respondents were selected purposively based on their level of direct knowledge of interview topics. Water utility customers were selected for FGD participation with assistance from almost all PDAMs. The evaluation team was informed that in most locations, it was not allowed to meet with PDAM customers to discuss matters related to the PDAM without PDAM staff present. Respondents appeared to the evaluation team to give frank answers regarding service and problems they experienced with the PDAM, though some degree of bias may have occurred.

Analysis

All but five interviews were recorded,[27] transcribed, and translated (if conducted in Bahasa) to English. Resulting data were thematically coded using a common codebook in Max QDA 12 software. The codebook was initially drafted during data collection, revised after data collection, and shared with four coders who worked in parallel. The coders used the updated codebook on two transcripts each and then gave feedback on further revisions, leading to the final version of the codebook. The evaluation team leader took coded data from all coders and compared them for intercoder agreement, as two individuals coded each transcript. To produce a final dataset, all coded transcripts were reviewed and edited for consistency. After revising the initial coding, data were analyzed using Max QDA software's multiple query functions and comparison features. These results were triangulated with notes taken by the evaluation team. For the PPI, after each PDAM staff interview where the audited performance data

[25] Kab. Bogor, Kota Magelang, and Kab. Magelang

[26] Kab. Bogor, Kota and Kab. Magelang, and Kota Yogyakarta

[27] Five interviews were not recorded due to respondent's preference.

from 2015 were obtained, data were recorded and compared to the PDAM's baseline and endline PPI scores from ESP.

Figure 5. Central Java ESP Intervention areas and Evaluation Areas (circled)

LIMITATIONS

Several limitations should be noted with this performance evaluation. One relates to limited information about the microcredit program. Within the sample of eight eligible PDAMs, only three participated in the microcredit program. Lessons from these experiences were therefore limited and may not represent outcomes of microcredit programs in other ESP regions. There was also a lack of

documentation related to microcredit, both at the PDAM level and through BRI.[28] The evaluation team attempted to mitigate this by contacting the bank in several ways, but its efforts were fruitless. BRI apparently has a high staff turnover (quoted at every two years in an FGD) and poor record-keeping related to the microcredit program. A related limitation was the fact that the creator of the microcredit program within ESP was unavailable for an interview. A discussion with him could have provided insight on the sustainability of the program.

Respondent reporting bias is also possible. The evaluation team was unable to schedule FGDs with PDAM customers without, at a minimum, the consent of the PDAM. In most cases PDAM staff sat in the room while the FGD was conducted. Though respondents were often openly critical of the PDAM in spite of their presence in the room, it is still possible that some respondents tempered or censored their opinions to be polite or avoid conflict. Recall bias is also inherent in the seven-year gap between the close of ESP and the interviews with stakeholders. It is possible that interviewees forgot the details of their engagement with ESP, or that they were not able to recall changes that occurred in the more distant past. However, PDAM staff that were interviewed and worked at the PDAM during ESP did not claim to forget the details of the activity.

PPI data limitations constrained the evaluation team's ability to carry out comparisons as planned. Performance and financial reports from 2016 were not available for each PDAM to enable more current responses to PPI components that required references to recorded data. Therefore, the evaluation team elected to use a hybrid approach that included selected PPI questions posed by the evaluation team in 2017 and selected performance audit data from 2015 to supply data for other PPI questions. This lack of contemporaneous data means PPI scores recorded for this sustainability evaluation are not fully reflective of present-day conditions at each PDAM. The evaluation team has confidence, however, that the PDAM data in the 2015 report are similar enough to the current PDAM operational status to make statements about current PDAM performance in the findings below. In addition, the evaluation team recognizes that PPI data are prone to a degree of subjectivity and inaccuracy based on the perceptions and level of direct knowledge of the individual providing responses as well as the accuracy of PDAM data records and thoroughness of the approach taken by the entity collecting the data. The evaluation team attempted to identify the individuals best able to respond to PPI questions and encouraged PDAM staff to call on other more knowledgeable staff to respond to questions they were not qualified to answer. However, there is likely variation in both reporting and recording data that limits comparability of PPI data collected by ESP, 2015 audit data provided by PDAMs themselves, and data collected by the evaluation team.

Another limitation is the influence of external programs and government practices in the years since ESP ended, which limit the ability to pinpoint the sustainability of ESP independent from other conditions. This is a common challenge with any sustainability evaluation, particularly in cases where many years have passed. In the case of ESP, the evaluation team learned that the Water Hibah Program has offered subsidized PDAM connections to poor residents of Kab. Sukabumi, Kota Sukabumi, Kab. Subang, and Kab. Magelang. Though the evaluation team was unable to verify the scope of this project, it is likely this influenced the proportion of households with PDAM connection access at these sites. Similarly, government performance monitoring and debt restructuring plans no doubt have an influence on PDAM activities. Nonetheless, the evaluation team acknowledges this as an important real-world backdrop to

[28] The evaluation team visited two branches of BRI in Kota Sukabumi and inquired about records. None were available. It is unlikely that private customer documentation would be released for the purposes of an external evaluation.

this evaluation context and seeks to incorporate these external activities into the interpretation of findings and conclusions.

FINDINGS

EVALUATION QUESTION 1: TO WHAT EXTENT ARE THE LEVELS OF SERVICE PROVIDED BY ESP WATER-RELATED PROJECT COMPONENTS AT THE TIME OF PROJECT CLOSURE STILL OBSERVED SEVEN YEARS LATER?

FINDINGS 1A: WHAT PROPORTION OF THE CATCHMENT POPULATION HAS ACCESS TO WATER (HOUSEHOLD) THROUGH TARGETED PDAMS IN 2015 COMPARED TO 2010, AND HOW HAS IT CHANGED?

Qualitative interviews with PDAM staff, BAPPEDA, and PDAM supervisory boards provided answers to question 1a. In the table below, water connection coverage changes are indicated by percentage of the geographic area covered[29] and number of household connections according to data published in the BPKP reports in 2010 and 2015 (Table 3). The percent coverage data account for population changes over time to give a more comparable sense of changes in access to answer the evaluation question, while data on the number of household connections provide a complementary understanding of changes in the scope of service operations at each PDAM.

Among the eight PDAMs, six increased the proportion of the catchment population with household connections since ESP ended. In Kab. Sukabumi, Kab. Subang, Kab. Sleman, and Kab. Magelang both coverage and number of household connections have increased. Household coverage has more than doubled in both Kab. Sukabumi and Kab. Magelang, and more than 10,000 connections were added in Kab. Sukabumi, Kab. Subang, and Kab. Magelang. Kab. Sleman added close to 7,000 connections since 2010. Kab. Bogor and Kota Sukabumi experienced slight increases in the population covered while experiencing reductions in the overall number of household connections. In 2012, Kab. Bogor split into two PDAMs: Kab. Bogor and Kota Depok. This split explains the decrease in number of household connections since 2010 because the actual population in the coverage area decreased significantly. PDAM Kota Magelang increased the number of HH connections over time; however, this was not sufficient to maintain or expand coverage to the changing population within its catchment areas. Only Kota Yogyakarta experienced slight decreases in both coverage and number of connections since 2010. Factors affecting these changes are addressed under findings for evaluation question 2.

Table 3. Change in PDAM Household Water Connections, 2010–2015*

Region	PDAM	Coverage 2010 (% of Admin Area Population with PDAM Connection)	No. HH Connections 2010	Coverage 2015 (% of Admin Area Population with PDAM Connection)	No. HH Connections 2015
West Java	Kab. Bogor	22.8%	126,540	25.6%	119,950

[29] This is the percentage of the population living in the area the PDAM covers that has a household connection—not the percentage of the total population in the administrative area.

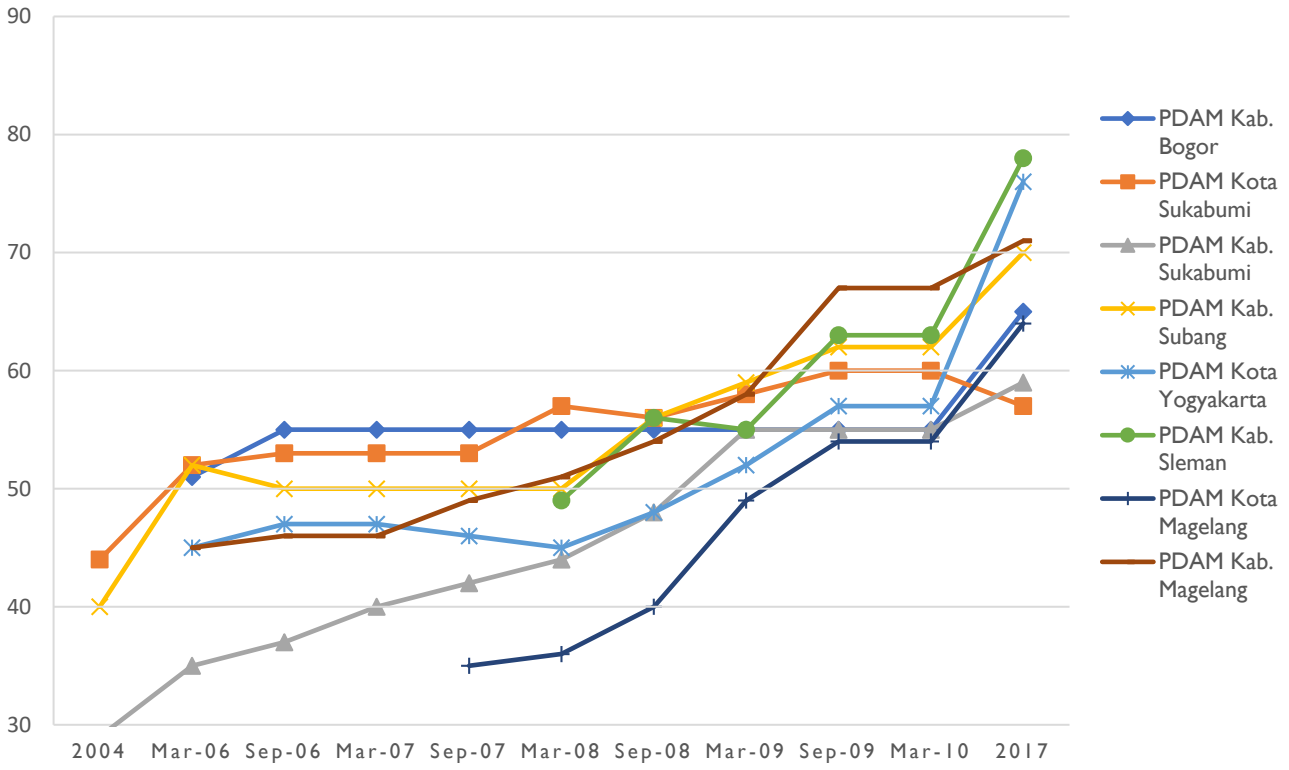
West Java	Kab. Sukabumi	12.5%	21,134	30%	32,913
West Java	Kota Sukabumi	28.4%	21,593	32.3%	20,803
West Java	Kab. Subang	43.6%	27,580	52.8%	40,420
Central Java	Kota Yogyakarta	47%	34,171	44.3%	33,871
Central Java	Kota Magelang	79.1%	25,072	76.9%	28,237
Central Java	Kab. Magelang	28.1%	40,484	60.0%	50,566
Central Java	Kab. Sleman	19.5%	20,154	24.7%	26,975

**Blue* *indicates increase, red indicates decrease.*

FINDINGS 1B: TO WHAT EXTENT HAVE TARGETED PDAMS MAINTAINED OR IMPROVED THEIR MANAGEMENT CAPACITY USING METHODS AND MATERIALS PROVIDED BY ESP?

This question was answered using PPI scores for each PDAM as well as information gleaned from qualitative interviews with PDAM staff, the PDAM supervisory boards, BAPPEDA, and FGDs with PDAM customers. Figure 6 displays overall PPI scores recorded for this evaluation in comparison to progressive PPI scores received since ESP began its support through its conclusion in 2010. Varied start and ending points for data reflect the differing years that ESP began and stopped working with each PDAM. All of the PDAMs have improved their PPI scores since 2010, except Kota Sukabumi. Average scores increased from 42.3 at the start of ESP engagement to 59.1 at the end of the ESP activity to 67.5 at the time of the evaluation (all scores were out of a total of 100). Kota Yogyakarta, Kab. Sleman, Kab. Bogor, and Kota Magelang demonstrated the greatest continued improvement since 2010, adding 19, 15, 10, and 10 points to their scores, respectively (see Annex IV).

Figure 6. PDAM Performance Index Scores Recorded Throughout ESP and at the Time of Sustainability Evaluation



The evaluation team further examined scores for each PPI category to determine the ways in which each PDAM changed its capacity over time. Table 4 shows average changes across all eight PDAMs in scores for each category, out of 100 possible points. Annex IV provides more detail for each PDAM separately, including comparative scores by category. On average, PDAMs gained 8.4 points on their overall PPI scores since 2010. The greatest improvements related to their corporate plan (3.1-point increase), tariff sufficiency and compliance (2-point average increase), and human resources policies (2.3-point average increase). On average, PDAMs experienced the greatest point reduction in the domain of financial management (3.1-point reduction), and financial management was the only category in which all eight PDAMs demonstrated lower scores than at the end of ESP. Questions in this category were focused on operating ratio, debt service/coverage ratio, current ratio, debt-equity ratio, and collection period and were classified as better, worse, or the same as the prior year.

Table 4. Average PPI Point Value Change by Category Since 2010 in Eight PDAMs

Category	Average Point Value Change Since 2010
Corporate Plan* – *Plan exists, was developed appropriately, and is being used and updated (10 points)*	3.1
Tariff* – *Sufficient to cover expenditures and compliant with regulations (10 points)*	2.0
Non-revenue water** – *Procedures in place to mitigate NRW; functionality and maintenance of water meters; NRW losses compared to previous year (10 points)*	0.6
Water quality monitoring – *Frequency and number of samples; laboratories and % of results in compliance with standards; actions taken for non-compliance (10 points)*	1.6
Management information system – *Presence of accounting and billing systems interconnected with other management systems (5 points)*	1.9
Geographic information system – *Presence of GIS system that is accurately used, regularly updated, and synchronized with MIS processes (5 points)*	0.8
Cost/energy efficiency* – *Energy and chemical consumption per m^3 water production and employee ratio to water connections, as compared to prior year (10 points)*	-0.1
Finance* – *Operating ratios, debt service coverage, and debt equity as well as collection period, as compared to prior year (10 points)*	-3.1
Human resources policy – *Existence of policies and standard procedures, administration of employee satisfaction surveys, and socialization of vision and mission (10 points)*	2.3
Staff training** – *Sufficient training budget in place, staff attendance at trainings, and variety of trainings received (financial and technical) (10 points)*	-0.4
Customer relations – *Customer engagement through satisfaction surveys, forums, information sharing; customer response procedures in place; budgeting for customer engagement (10 points)*	-0.3
Total	**8.4**

**** All PPI component data drawn from 2015 performance audit data***

***** Selected questions from PPI component data drawn from 2015 performance audit data***

Because finance was one of the PPI components gathered from BPKP 2015 performance audit data, this point reduction reflects lack of improvement in financial management between 2014 and 2015. The evaluation team was unfortunately unable to verify 2017 financial management practices using the PPI due to lack of publicly available data. Practices regarding NRW, cost and energy efficiency (measured as improvement relative to the prior year), staff training, and customer relations were sustained at similar levels to those observed in 2010.

Qualitative interviews provided further detail on the continued influence of ESP on PDAM capacity since the activity ended. Six PDAM directors (from Kab. Sukabumi, Kab. Bogor, Kab. Subang, Kota Yogyakarta, Kab. Sleman, and Kab. Magelang) had experience working with ESP, while the Kota Sukabumi and Kota Magelang directors were not in place during ESP. In qualitative interviews, Kota Yogyakarta and Kab. Subang PDAM staff credited ESP with helping it set more realistic targets in its corporate plan, and it continues to apply this practice today. Setting realistic targets means the PDAM is able to show its owner (the mayor) that it is successful and gives the PDAM a better chance of getting its budget request approved.

Kab. Sleman, Kab. Magelang, and Kab. Subang PDAM staff are all still using the standard operating procedures (SOPs) that ESP helped them to develop.[30] In Kab. Sleman, PDAM staff reported:

> *"We received three benefits from using an updated SOP. First, it helps avoid overlapping of responsibilities. Second, ensuring smooth workflow. Third, more effective internal monitoring because we have the map of procedural chain; this is the most important. As a result of such SOPs, we improve our performances. The SOPs have improved our staff productivity as well…. Our meter reading SOP ensures accurate meter reading, for example the staff will have to take a picture of meter reads as a proof using smartphones and upload to our system; that way he/she cannot play around with the number anymore."*

Kab. Magelang PDAM staff confirmed the benefits of ESP's SOP support with the following: *"We have not had any kind of SOP before ESP came in. As a result of ESP support, we have SOPs in financial, technical, and management aspects. We keep using the SOP; we have actually revised it twice to keep it updated."*

In Kab. Subang, PDAM staff believe the SOPs are the "main achievement" from ESP because they are one of the few PDAMs to have developed their own SOPs. *"Even the BPK [auditor] always ask first about SOP before they do the audit. They use the SOP as reference."* One of his colleagues added, *"ESP is really helpful, especially in building our capacity. Especially in making SOPs. Other PDAM they pay consultant to make SOPs. Bekasi [mayor] also paid consultant for making SOPs. We do it ourselves."*

According to PDAM staff, Kab. Sleman and Kab. Sukabumi first learned about NRW and how to address it through ESP. This has helped both PDAMs reduce their NRW rate. In the case of PDAM Kota Magelang, the director who was active during ESP did not apply NRW techniques at the time, but the current director (who took charge at the beginning of 2017) has begun applying ESP NRW reduction techniques and credits this with improving its operating ratio.

PDAM Staff in Kab. Subang explained that ESP's support with their business plan led to their debt relief: *"Business Plan making was aided by the ESP. And then it was monitored since that time until 2016 by the Ministry of Finance and BPP SPAM.[31] From the Public Works Agency of BPP SPAM…the result is the debt relief."* Kota Yogyakarta's director also credits ESP's assistance to develop their corporate plan as having the most impact: *"When ESP started I tried to be realist proportional because we used to be over optimistic. We were burdened to obtain 4,000 new customers, and no PDAM achieved that."*

ESP worked with PDAM Kab. Bogor to first develop a credit rating in preparation for applying for a corporate bond. The evaluation team learned from interviewing PDAM Kab. Bogor staff that the PDAM supervisory board overruled applying for the bond. USAID's Development Credit Authority was intended to act as guarantor of the bond, and the board found this suspicious. Kab. Bogor's director did not attribute any change in the PDAM's performance to ESP directly; however, he did recognize that obtaining a credit rating (with ESP's support) enabled his PDAM to take on a loan to finance a new water treatment plant.

PDAM customers provided a valuable alternative perspective on PDAM performance. Despite successes mentioned above, in all PDAM service areas PDAM customers who participated in FGDs reported that water is not continuously available. For example, in Kota Sukabumi, a customer reported, *"When it's time to sleep, the water runs smoothly, so I wait for the water. In the morning, no water."* Similarly in Kota Magelang, one customer related, *"I use a well, my neighbor also uses a well in front of my house. My water*

[30] SOPs were not part of the intervention package in Kab. Bogor, Kota Yogyakarta, Kab. Sukabumi, Kota Sukabumi, or Kota Magelang.
[31] BPP SPAM is the Development Support Agency for Water Supply System.

often does not flow, it drives me mad. So, rather than being mad, which is sinful, I prefer to make a well." Customers in all PDAMs also complained about low water pressure.

Customers in Kab. Subang and Kab. Sukabumi thought the tariff was too expensive. In Kab. Bogor, customers found PDAM water to be turbid and had a slight smell. However, they thought the PDAM was responsive when they reported a problem. Other customers in Kab. Bogor reported leaks with their water meter, thereby driving up their water bills. In Kota Yogyakarta, customers commented on the problem of "low flow" and the chlorine smell of PDAM water. In one part of Kab. Subang, FGD participants believed that the number of PDAM connections was decreasing rapidly because the well water was better, yet in another part of the district, they believed the low quality of well water was driving the increase in PDAM connections.

FINDINGS 1C: TO WHAT EXTENT HAS MICROCREDIT BEEN LEVERAGED TO CONTINUE EXPANDED ACCESS TO HOUSEHOLD CONNECTIONS?

Questions regarding microcredit were answered through qualitative interviews with PDAM staff, a former ESP staff person, microcredit beneficiaries, and one bank representative. It was found that as of 2010 Kab. Subang and Kota and Kab. Sukabumi had no active ESP microcredit program in place offering loans for household connections through a local bank. The Kota Sukabumi microcredit program, in fact, only operated for one year. These three programs collectively constituted only a minor portion (2.6 percent) of the total number of new PDAM connections financed overall by ESP's microcredit program.

Today, in Kab. Sukabumi and in Kab. Subang, the PDAM offers household connections to low-income residents through no-interest installments paid directly to the PDAM, and discounted rates. Both discounts of 25 percent and 50 percent are available, depending on the applicant's geographic zone. The evaluation team inquired about microcredit or discount programs in all PDAM staff interviews and in FGDs with customers and learned that discount programs are now common among the financially healthier PDAMs. Discount programs were also offered prior to ESP by some stronger PDAMs, such as Kab. Bogor. Such discounts are often made available for limited periods of time, such as on the anniversary of the PDAM or on the city/regency anniversary. "Free connections" are also offered for limited periods of time. However, the PDAM or city anniversary "free connection" periods sometimes result in more customers defaulting on their monthly water bills after three months.[32] Any default on pay installments is a loss for the PDAM. The evaluation team was unable to obtain data to verify how often defaults occurred.

EVALUATION QUESTION 2: WHICH FACTORS OR APPROACHES (ENACTED BY USAID, IMPLEMENTERS, COMMUNITIES, OR EXTERNAL ENTITIES) CONTRIBUTED TO OR IMPAIRED LONG-TERM SUSTAINABILITY OF THE PROJECT COMPONENTS NAMED ABOVE?

Access to Water

Through qualitative interviews, the evaluation team sought to understand why six of the eight studied PDAMs expanded their proportion of catchment households connected to piped services while coverage for other PDAMs decreased. A key driver of demand for PDAM connections is the availability of alternative sources to potential customers. For example, while PDAM Kota Magelang is trying to gain more customers, the PNPM program is offering dug wells in the same area. As PDAM stakeholders, BAPPEDA, and the PDAM supervisory boards explained, this issue is exacerbated by a lack of

[32] Across Indonesia, PDAMs give customers three months to default on payments before they cut off the household's water access.

coordination of water supply provision between government actors. The Supervisory Board in Kota Magelang relates,

"That's what our colleagues at central PDAM complain about. They asked why the central government created a program to compete with PDAM. It also happened in Bogor. You can imagine, two households living next to another, one pays PDAM tariff and the other one uses Water Hibah that doesn't require them to pay.[33] Or, they pay very little. PDAM Bogor had to lower their tariff because of this. Customers complained why their neighbors don't have to pay anything. It sparks problems among the community. At the end, PDAM had to make adjustment. They received a lot of complaints."

This lack of coordination occurs even though both PDAMs (responsible for piped water) and the local Public Works Agency (responsible for non-piped water) are required to submit plans[34] for their shared water resources through the RISPAM[35] to the regional planning agency BAPPEDA on an annual basis.

Importantly, demand is affected by the sometimes negative public perception of the reliability and quality of PDAM water, as described by PDAM customers who have experienced this directly. Staff at one PDAM lamented, *"We do, however, have to improve our services. Improvements need investments. We are trying to sell our assets but have not received approval. It's like a vicious cycle for us."* Shifting demand sometimes relates to seasonality, as the time of year has an impact on the quantity and quality of water available to people who depend on alternative water sources to PDAM water. PDAMs reported spikes in the number of new connections during droughts or when the groundwater is polluted. Conversely, in times when the alternative water source is abundant, PDAMs report customers asking to close their PDAM connection. In Kota Sukabumi, PDAM staff explained that more residents are currently seeking PDAM connections due to high levels of well contamination in the coverage area.

An FGD respondent in Kota Sukabumi explained customers' cost-benefit perspective: *"For those who live in the suburbs, I think that will be expensive. In the city area, if [PDAM] has good quality water and then people do not have water source, I think people will want to have the connection. But in kampongs,[36] well... they will say just use the well or river, because [PDAM water] is expensive. But if the quality is good, people's financial status is good, there will be no problem."* PDAM staff from Kota Magelang explained, *"Water is a gift from nature, it should be free, that what people think. Indonesia is rich for water, the water is abundant."*

Another factor affecting coverage is the recent splitting of administrative regions, such as in Kab. Bogor. Although challenges related to splitting are recent for some kota and kabupatens, in other areas they have existed unresolved for many years.

A third factor that impacts a PDAM's ability to increase technical coverage is location of a water source. Gaining access to a water source may mean purchasing land or paying the owner of the land directly for water rights. Because PDAMs must have all decisions approved by the supervisory board and the mayor, this can become a complicated issue if all decisionmakers in the chain do not agree (e.g., the Kab. Bogor Supervisory Board's disapproval of its PDAM applying for a corporate bond). Through the Kota Magelang BAPPEDA interview, the evaluation team learned that the majority of water sources for Kota Magelang are located in Kab. Magelang. This could have contributed to the decrease in total coverage of this area since 2010. Both the supervisory board and PDAM staff confirm that the distribution network is old and is leaking heavily in some places. This may be another reason for decreased coverage if

[33] The evaluation team's understanding is water is actually paid for through the Water Hibah Program, at a discounted rate.
[34] For a PDAM, this is through the corporate/business plan.
[35] RISPAM is the water resource planning tool that the government requires all kotas and kabupatens to use.
[36] *Kampong* means village in Bahasa Indonesia.

portions of the network are being replaced. Similarly, the evaluation team learned through an interview with Kab. Sukabumi's Supervisory Board that Kota Sukabumi's water sources are located in Kab. Sukabumi, but because Kota Sukabumi was established in the 1980s (well before Kab. Sukabumi), it does not pay Kab. Sukabumi for any of the water it takes from the latter's sources. Yet another example of the challenge of water source locations is the cost associated with distributing water. The Supervisory Board in Kab. Sukabumi spoke of this challenge: *"There is no spring in the port, so they take the water from the nearest river. The [operational] cost is high."* According to PDAM staff in Kota Magelang, PDAMs do not receive any discount for the electricity they consume and must pay the industrial tariff.

Shifting government priorities also play a role. Through the PDAM staff and BAPPEDA interviews, the evaluation team learned that in Kota Yogyakarta, where both household coverage and number of household connections dropped, the local government/mayor wants the PDAM to focus on increasing water access for commercial customers rather than residential. Yogyakarta is a major tourist destination, and the mayor has instructed the PDAM to focus on water for hotels. Through FGDs with PDAM customers, the evaluation team learned that many are switching to groundwater and abandoning their PDAM connection due to poor service.

Finally, the presence of the Water Hibah Program, which provided subsidized connections to some poor households in Kota Magelang and Kab. Magelang, likely had some degree of influence on water access results in these PDAM areas, as described by one respondent above. Though the scale of this program is not clear, it is likely it helped to increase the number of PDAM connections and proportion of households served by at least a small margin.

PDAM Management Capacity

PDAM staff mentioned that ESP's structured guidelines and management tools were highly valued because they met a distinct need—PDAMs did not have sufficient SOPs or advanced management systems and technologies in place prior to ESP engagement. As the first established procedures to guide performance improvements, these tools served as the foundation upon which PDAMs claim they have continued to build. The act of being measured against specific performance criteria through ESP's PPI data collection, and then through the government's BPKP score, has likely played a role in prompting efforts to continue performance achievements.

One factor that has hindered PDAMs' ability to adhere to ESP–introduced best practices is the interference of other interests. The evaluation team was warned that PDAMs would not allow it to see detailed financial records because they are often skewed to cover up corrupt management practices. Similarly, one PDAM director explained that new staff is hired without a qualification test administered. One respondent felt that these positions are filled by people without the appropriate skills to run a successful water utility, and this happens along the length of the management chain.

Microcredit

The failure to sustain the microcredit program through local banks in the three PDAM sites evaluated related primarily to the banks' reticence to engage in lending at this small scale. The one bank interview with a BRI staff member in Kota Sukabumi revealed the reluctance of large banks to offer these types of small loans (600,000 Rupiah in Kab. Sukabumi, or about $45) to individuals, given the typically strict conditions they have for lending. They are required to assess each individual's eligibility. Only after they have established trust with a customer can they be at all forgiving or accepting of late payments. For ESP's microcredit program, which involved only 10 installments to pay the household connection plus a small amount of interest, a customer would not have enough time to build up such a relationship with the bank. In some places, the total amount necessary for the microcredit loans was smaller than BRI's smallest loan. According to PDAM staff in Kab. Sukabumi, BRI did instruct the PDAM to close the connections of microcredit beneficiaries who failed to pay the monthly installment fee. Kota Sukabumi

PDAM staff confirmed that the challenge was for the bank to "trust" applicants, as they often had other loans with BRI when they applied for the microcredit loan. Many were therefore deemed ineligible for this second loan. Kota Sukabumi microcredit beneficiaries explained that advertisement of the microcredit program was insufficient. Both the PDAM and BRI were responsible for advertising the microcredit program. Some PDAM staff felt the lack of sustained microlending related in part to ESP failing to sufficiently maintain a relationship with BRI.

In Kab. Subang, the microcredit program received mixed reviews. Respondents in one Kab. Subang FGD were all rejected from the program, while respondents from a second FGD were all approved and had no complaints. One Kab. Subang PDAM staff member reported:

"Here is the case. The credit ceiling given by BRI is not appropriate, it's higher than PDAM's demand. For example, BRI provides loan as much as 5 million rupiahs. Meanwhile, our demand is only 500,000 rupiahs. But BRI wants it to be covered by PDAM. It's inappropriate. That is the very problem that makes us unable to provide a microcredit. And it is also impossible for BRI to provide only as much as our demand. The program doesn't allow to give that small amount of loan, for example 500,000 rupiahs. We are ready to cover only the 50,000 rupiahs, while BRI wants us to cover the 6 million."

In Kab. Sukabumi, the microcredit program was perceived as successful by the four interviewed participants of the program. One respondent described the time to get a PDAM household connection after bank approval as quick: *"A week after that I signed up. It was instantly approved and installed."* Prospective customers still inquire about the existence of the microcredit program in Kab. Sukabumi, showing continued customer demand. In Kota Sukabumi, FGD respondents were satisfied with the program and were approved quickly as well. However, PDAM Kab. Sukabumi staff saw this program as unsuccessful because BRI rejected many of the customers that applied and instructed the PDAM to close the connections of customers who defaulted. PDAM Kota Sukabumi staff echoed this: *"Unfortunately, although many people are interested, bank cannot trust them and this is the reason why we can't get significant number of new customers from the program."*

CONCLUSIONS

EVALUATION QUESTION 1: TO WHAT EXTENT ARE THE LEVELS OF SERVICE PROVIDED BY ESP WATER-RELATED PROJECT COMPONENTS AT THE TIME OF PROJECT CLOSURE STILL OBSERVED SEVEN YEARS LATER?

The evaluation team examined whether the PDAMs targeted by ESP were able to sustain or expand community access to water services in urban Central and West Java, Indonesia. With common hindrances to access being water resources management and affordability, the evaluation team focused specifically on whether the activities and outcomes of the PDAM capacity building and finance and microfinance components of ESP were sustained. As of 2015, six of the eight PDAMs evaluated were able to increase the proportion of population with a PDAM connection compared to the time of ESP closure in 2010, whereas the other two had reduced coverage. Kab. Magelang and Kab. Sukabumi more than doubled the proportion of population served, and each added more than 10,000 water connections. The increased proportion served in Kab. Bogor appears to be a reflection of the reduced PDAM catchment population resulting from its split into two separate PDAMs, as the simple number of connections Kab. Bogor provided since 2010 declined. Five PDAMs increased the number of household connections (including Kab. Subang, which added more than 12,000 connections). Only Kota Yogyakarta PDAM experienced slight declines in both population coverage and number of connections.

All PDAMs demonstrated continued improvement in management capacity since ESP ended, as revealed by their total PPI scores and qualitative data regarding continued reliance on ESP tools and guidelines, namely related to NRW, SOPs, and corporate plans. This indicates both the need for the tools and

procedures when they were introduced and their continued usefulness to the PDAMs over the years in spite of staff turnover. Areas of change in management capacity varied, however. Overall, the greatest improvements related to corporate plans, tariff sufficiency and regulation compliance, and human resources policies and procedures. In contrast, PPI scores related to financial health (e.g., ratios of operation, debt service coverage, debt equity as compared to the prior year) declined. Service problems reported by PDAM customers suggest critical management challenges. In all PDAM service areas, FGD participants complained about unreliable services in which water would not be available at particular times of day. Kota Yogyakarta respondents were frustrated by low water flow. Some complained of low quality or turbid water, and some felt tariffs were too high. This reflects issues that should be addressed by PDAMs to ensure reliable and safe water access.

Among ESP's commercial finance support activities, the Kab. Bogor PDAM credited ESP's assistance in obtaining a favorable credit rating, which enabled it to obtain a loan to construct a new water treatment plant and expand services after ESP closed.

USAID placed high priority on ensuring service to the poor, and a microcredit component was developed by ESP staff to increase access to household connections among lower income populations. The evaluation team learned that the participating bank, BRI, dropped the microcredit program after ESP ended. However, in recent years PDAMs have employed alternative ways to provide financial relief to the poor, through discounted connections or by permitting graduated connection payments.

EVALUATION QUESTION 2: WHICH FACTORS OR APPROACHES (ENACTED BY USAID, IMPLEMENTERS, COMMUNITIES, OR EXTERNAL ENTITIES) CONTRIBUTED TO OR IMPAIRED LONG-TERM SUSTAINABILITY OF THE ACTIVITY COMPONENTS NAMED ABOVE?

The Sustainability Index Tool methodology, which has been applied to evaluate the sustainability of some USAID–funded activities, addresses management, financial, institutional, environmental, and technical factors as common barriers to or facilitators of sustainability. The evaluation team used these factors to categorize conclusions to Evaluation Question 2 below.

MANAGEMENT: Several PDAMs attributed their continued improvements in management capacity to the tools and guidance that ESP provided, demonstrating the value of this capacity-building work and the enduring nature of these SOPs. Management capacity likely contributed to the ability of some PDAMs to expand services since ESP ended. The act of undergoing annual performance capacity measurement, first by ESP and then especially by the government through BPKP ranking reports, has likely played a role in motivating continued improvements within PDAMs from one year to the next. However, according to PDAM customers, some management challenges remain and threaten customer satisfaction and public perception of PDAM services. Customer FGD participants in all eight PDAM catchment areas complained that water service outages were common, leaving people without a water source at certain times of day. Many customers felt PDAM water quality was poor or had a bad taste compared to well water. Some FGD participants explained that people are switching to groundwater sources and cutting their PDAM connection due to poor service. As long as PDAM water services are unreliable or of poor quality, PDAMs will struggle to maintain and expand their customer base, particularly when alternatives are available.

FINANCIAL: Among all aspects of management, PDAMs struggled most to improve financial stability, as PPI scores in the finance category dropped by 2.5 points on average between 2010 and 2015. As described in the Background section of this report, the prospect of debt forgiveness has long been needed, and the evaluation team found that it continues to drive PDAMs to improve, citing the government's BPKP annual performance ranking, which has suggested debt forgiveness would be available for "healthy" PDAMs. The GOI program that has recently been introduced to absolve the debt

of PDAMs has the potential to contribute to continued management improvements and perhaps service expansion at PDAMs by removing a major operating challenge.

From the consumer side, demand continues for options that make PDAM connections more affordable to the poor. While microcredit was not sustained, PDAM discounts and graduated payment options seem to be meeting this need, at least in part. However, it is only feasible for financially stable PDAMs to offer these options, as the PDAMs bear the risk of customer payment defaults. In contrast, microcredit transfers such risk onto participating banks. In the case of ESP, the large BRI may have been a mismatched partner for this endeavor, as its lack of precedent for such small loans created approval delays not conducive to PDAM timelines. Another barrier to making microcredit work in the long term is what some stakeholders described as ESP's insufficient engagement with BRI and the lack of advertising by both parties to ensure the public was aware of the program. It is possible that a longer period of implementation with increased awareness-raising about the program may have yielded more successful results.

INSTITUTIONAL: Stakeholders from PDAMs, BAPPEDA, and the PDAM supervisory boards all felt the GOI's lack of coordination of various concurrent water access projects posed a challenge to effective PDAM planning and service delivery. They felt better coordination of where and how other water sources or related programs enter into the PDAM catchment areas would allow them to be more strategic about how they manage and expand service delivery.

Institutional priorities also drive long-term outcomes. This was true in Kota Yogyakarta, where the local government chose to prioritize commercial customers such as hotels over household connections, resulting in poor service to the latter. Consequently, many people abandoned their household connections in favor of alternative sources.

Another institutional barrier to effective service delivery for some PDAMs is the long-standing system in which a kota PDAM does not pay a kabupaten PDAM for water taken from its source. This threatens the finances and complicates management practices of the PDAM that houses the water source. Another practice that has affected water access and management is the administrative splitting of a PDAM into two entities, as in the case of Kab. Bogor. This limits a PDAMs' ability to increase coverage and number of household connections. It also changes the PDAMs' access to raw water, depending on how the geographical division happens.

ENVIRONMENTAL: Environmental factors influence sustainability of PDAM water access insofar as issues like seasonality, drought, or contamination affect the availability of alternative sources. PDAMs experienced increased demand for new connections when environmental conditions rendered alternative sources unavailable whereas customers often seek to shut off their PDAM connection when alternative clean sources are abundant.

TECHNICAL: The evaluation team did not discover technical factors impairing the sustainability of ESP's interventions. Rather, some PDAM staff praised the value of improved meter reading technology introduced by ESP, as it assisted in reducing NRW loss.

RECOMMENDATIONS

In light of findings from this evaluation the evaluation team offers a few recommendations for similar future activities.

1. Capacity-building efforts with municipal water utilities should seek to assist staff to develop products, such as SOPs, corporate plans, and other tools, as ESP did, as these resources can serve as enduring references regardless of utility staff turnover.

2. Microcredit programs to expand piped water access to the poor in Indonesia may work best in partnership with smaller banks that are accustomed to smaller loans and have less intensive borrower vetting processes, or a stronger prior relationship with the community seeking microcredit. Alternatively, financially stable PDAMs can engage the poor by offering their own pay installment programs and discounts.
3. USAID should consider ways to facilitate coordination among various GOI water access efforts to avoid competing programs or subsidies in order to ensure strategic and consistent access to water for all people in a PDAM catchment area and also to ensure PDAMs maintain operating "health" to continue and expand reliable service delivery.
4. Annual performance monitoring, particularly when accompanied by incentives for good performance, as in the case of BPKP reports, can help to motivate water utilities to continue to improve operating performance.

ANNEXES

This document was produced for review by USAID. It was prepared by ECODIT LLC and Social Impact, Inc. under the Water CKM Project, IDIQ No. AID-OAA-I-14-00069; Task Order No. AID-OAA-TO-15-00046.

ANNEX I: EVALUATION INCEPTION REPORT

INDONESIA ENVIRONMENTAL SERVICE PROGRAM

(ESP) EVALUATION REPORT

WASH Ex-Post Evaluation Series—Water Communications and Knowledge Management (CKM) Project

AID-OAA-TO-15-00046/AID-OAA-I-14-00069

February 15, 2017

This publication was produced for review by the United States Agency for International Development by ECODIT LLC and Social Impact Inc.

ACRONYMS AND ABBREVIATIONS

BAPPENAS	Badan Perencanaan Pembangunan National/National Board of Development Planning
CBO	Community-Based Organization
CKM	Communications and Knowledge Management
CP	Corporate Plan
DAI	Development Alternatives Inc.
DEC	Development Experience Clearinghouse
E3	Bureau for Economic Growth, Education and Environment
E3/W	E3's Water Office
ESP	Environmental Services Program
FGD	Focus Group Discussion
GI	Group Interview
GIS	Geographic Information System
HH	Household
KII	Key Informant Interview
KM	Knowledge Management
M&E	Monitoring and Evaluation
NGO	Nongovernmental Organization
PDAM	Perusahaan Daerah Air Minum/Municipal Water Utility
PES	Payment for Environmental Services
SI	Social Impact
SIT	Sustainability Index Tool
SO	Strategic Objective
SOW	Statement of Work
USAID	United States Agency for International Development
WASH	Water, Sanitation, and Hygiene

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Water Communications and Knowledge Management (CKM) Project is conducting a series of post-project evaluations of closed USAID–funded water programs to further USAID's understanding of why the outcomes of its completed water, sanitation, and hygiene (WASH) projects have or have not been sustained. This report details the anticipated design of the second evaluation in this series, which will examine the sustainability of the Indonesia Environmental Services Program (ESP), implemented between 2004–2010 by Development Alternatives Inc. (DAI). ESP worked with local stakeholders such as government, the private sector, NGOs, community groups, and others to improve their capacity to manage water resources and also to expand safe water access by strengthening watershed management and environmental service delivery, including clean water supply, wastewater collection and treatment, and solid waste management.

With five factors of sustainability (institutional, management, financial, technical, and environmental) in mind, this evaluation will examine the sustainability of ESP's local capacity-building efforts and financial mechanisms to continue management of, and expanded access to, water services in the approximately seven years following project completion. The evaluation will address the following questions:

3. To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?
    a. What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2017 compared to 2010?
    b. To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?
    c. To what extent has **microcredit** been leveraged to continue expanded access to household connections?
4. Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?

Qualitative methods combined with PDAM record data, where available, will be used to answer the key evaluation questions, consisting of group interviews, key informant interviews, and focus group discussions (FGDs). All interviews will be transcribed and translated, and resulting data will be analyzed using a common codebook, then triangulated with desk review results and observations. Data collection will take place in March and April 2017 and will be conducted in four former ESP intervention areas in West Java and four in Central Java, as these areas have not been affected by follow-on USAID WASH activities.

BACKGROUND

On September 17, 2015, USAID signed a contract with ECODIT for the Bureau for Economic Growth, Education and Environment (E3) Water Communications and Knowledge Management Project (AID-OAA-TO-15-00046), a five-year, $15 million task order under the Water and Development IDIQ. Under this contract, ECODIT is implementing knowledge management and communication services in support of the Water and Development Strategy and any follow-on water strategy. The project supports USAID's E3 Water Office (E3/W) and its partners in increasing water program knowledge and data capture; enhancing knowledge creation and knowledge sharing internally and among a wide range of external water sector stakeholders working in the water sector; and improving communication and outreach through diverse stakeholder engagement. As part of Task 1.1, Knowledge and Data Capture, ECODIT and its subcontractor Social Impact (SI) are conducting a series of ex-post evaluations of USAID water programs (Task 1.1.1) to further USAID's understanding of why its completed WASH projects have or have not been sustained. The series of evaluations builds from lessons learned from the development of the Sustainability Index Tool (SIT) and its application in nine countries. The second of these evaluations is an ex-post performance evaluation of the Indonesia Environmental Services Program.

Prior to ESP implementation in Indonesia, more than 100 million people lacked access to clean water, and 70 percent of the urban population was not served by existing piped water installations.[37] According to the ESP final report, "Most of the unconnected were in low income and peri-urban areas where the incidence of unemployment and social unrest was the greatest. Intensified economic activity and industrialization, increased population pressures, mismanagement of public water utilities, lack of environmental regulation and enforcement, and rapid degradation of watershed areas have led to mounting problems in water supply, water quality, and stressed water distribution systems. Poor watershed management practices have resulted in significant changes in water distribution patterns in Indonesia, as areas which once received reliable supplies of water suffer from drought, severe erosion, landslides, and often uncontrolled flooding. Meanwhile, investment in affordable clean water and sanitation services was not at pace with the ever-increasing demand."[38]

DAI implemented ESP, a 64-month, $54.7 million[39] program, between 2004 and 2010. ESP worked with government, the private sector, NGOs, community groups, and other stakeholders to improve the management of water resources and expand access to safe water by strengthening watershed management and delivery of key environmental services, including clean water supply, wastewater collection and treatment, and solid waste management. The program was implemented in Nangroe Aceh Darussalam; North and West Sumatra; Central, East, and West Java; Yogyakarta; East Kalimantan; North Sulawesi; and Papua. ESP worked with various partners and stakeholders to strengthen

[37] WHO and UNICEF. 2004. Meeting the MDG Drinking Water and Sanitation Target: The Urban and Rural Challenge of the Decade.
[38] DAI. 2010. Environmental Services Program Final Report.
[39] The Dutch Government contributed $2 million.

watershed management and the key environmental services through four interrelated project objectives represented in Figure 1 below.

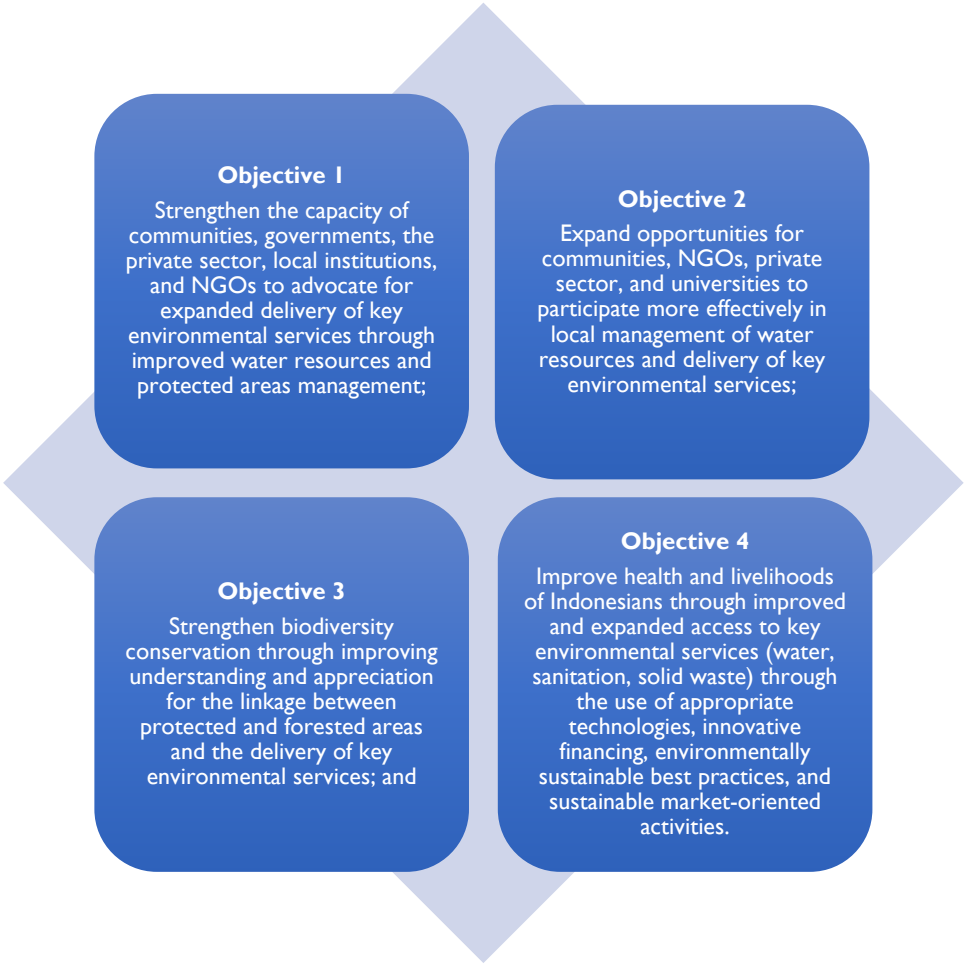


Figure 1. Indonesia Environmental Services Program objectives

To address these objectives, ESP's activities were divided into four overarching components: Watershed Management and Biodiversity Conservation, Environmental Services Delivery, Environmental Services Finance, and Strategic Communications. ESP took a "Ridge to Reefs" approach linking water resources management with improved health. For example, under Watershed Management ESP addressed issues of raw water conservation for upstream users and in parallel addressed downstream use under Environmental Services Delivery through Payment for Environmental Services (PES). This evaluation will focus on the water service-related activities of ESP under Environmental Services Delivery and Environmental Services Finance to enable a more in-depth look at the numerous project components related to water. Sanitation and hygiene project components will not be addressed so that resources can be allocated to improve the quality and focus of the evaluation.

The Environmental Services Delivery component increased access to clean water services in urban and peri-urban areas for poor families. It included working closely with Indonesian water utilities, known as

PDAMs[40], to improve and expand services through the course of the project. ESP began this activity by evaluating 24 PDAMS in its intervention areas for inclusion in the PDAM capacity-building program. This provided ESP with a baseline of performance information from which it chose to eliminate five PDAMs. Improvement was measured through the PDAM performance index score—an assessment that examined aspects of the PDAM—including its corporate plan, tariff, benchmarking, non-revenue water, water quality monitoring, management information system or geographic information system (GIS), cost efficiency, finance, human resources policy, staff training, and customer relationship. According to the ESP final report, the number of households benefiting from an improved water source in urban and peri-urban areas increased under this component.

The Environmental Services Finance component worked to strengthen the creditworthiness of water utilities by working with PDAMs to address outstanding debt issues through the submission of proposals to restructure such debt. ESP also facilitated access to long-term financing to improve and expand water supply services under this component, for example through the development of plans to access commercial financing. Under this component, ESP worked with the Ministry of Finance and the USAID–funded ECO-Asia program to strengthen an existing regulation that improved the enabling environment for domestic investment and borrowing, particularly through municipal bonds. Finally, ESP developed a microcredit program for household connections. The microcredit program was first established between a PDAM and a bank, which enabled individuals lacking a household connection to apply for a loan to finance the connection. ESP field assistants supported the process by promoting communication among the PDAM, the bank, and the new customer. They also tracked the progress of new customers' loan applications and, as members of the community, sensitized the community on the process of applying for such loans.

[40] Perusahaan Daerah Air Minum in Indonesian

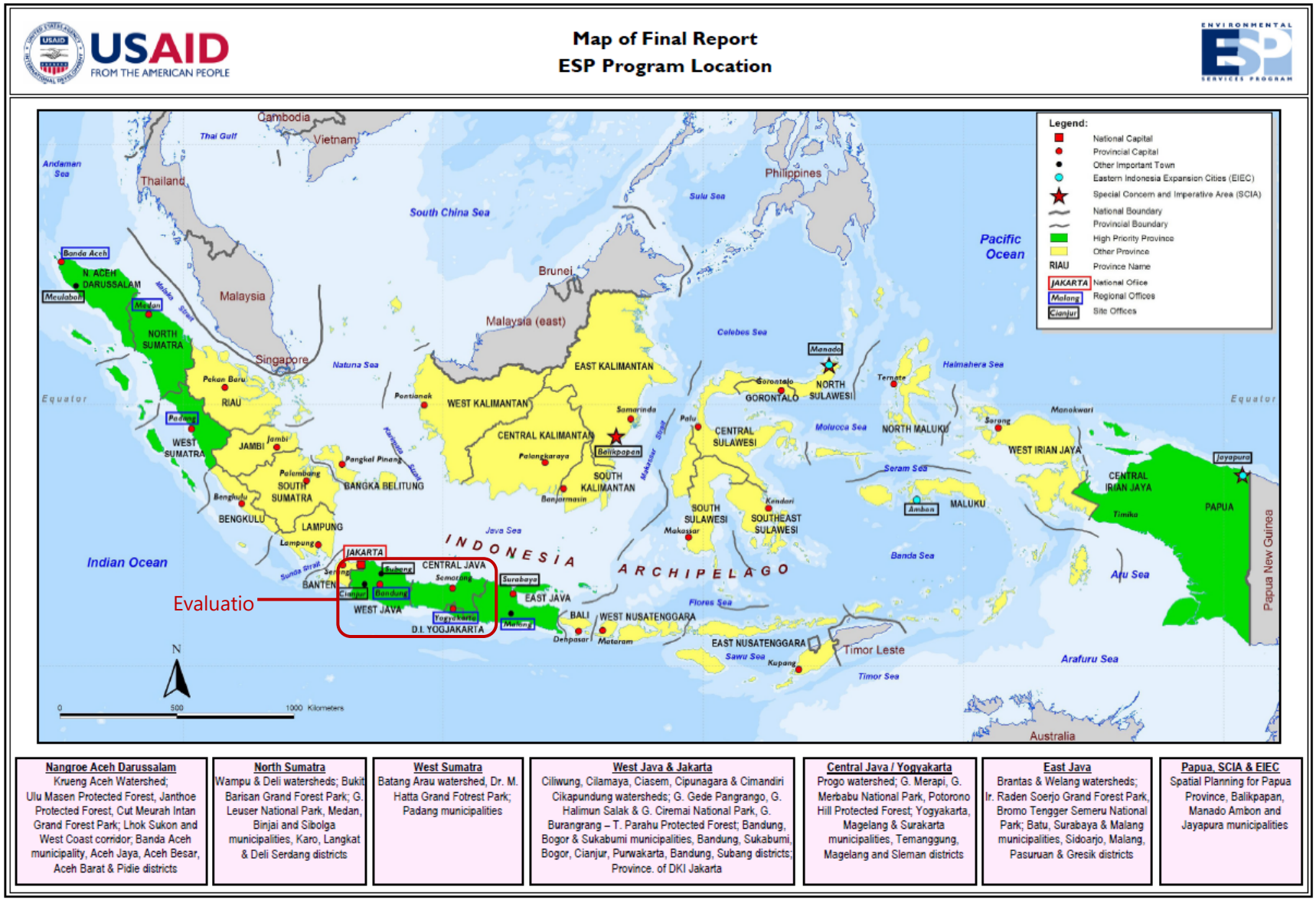


Figure 2. Map of ESP project intervention areas

EVALUATION DESIGN METHODOLOGY

Purpose

This evaluation will examine the sustainability of ESP's local capacity-building efforts and financial mechanisms to continue management of, and expanded access to, water services in the past seven years following project completion. Key intended users of evaluation findings are USAID missions, E3/W, the extended USAID/Washington WASH team, DAI, and implementers of similar follow-on projects in Indonesia and other countries, such as IUWASH PLUS. Findings from this and future evaluations will assist these intended users in determining areas for improvement in their current process of project selection, design, and implementation to ensure long-term sustainability and enable improved accountability to stakeholders.

Evaluation Questions

1. To what extent are the levels of service provided by ESP water-related project components at the time of project closure still observed seven years later?
    a. What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs in 2017 compared to 2010?
    b. To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?
    c. To what extent has **microcredit** been leveraged to continue expanded access to household connections?

2. Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?

Evaluation Methods

Table 1 provides a detailed listing of evaluation methods, data sources, tools, and risks expected for each evaluation question. The evaluation will be primarily qualitative in nature, supplemented by both quantitative utility record data (e.g., trends in number and type of water connections) and qualitative utility record data (e.g., evidence of ongoing maintenance and internal improvement), where available. Qualitative methods will include group interviews with USAID and the ESP implementer (DAI); key informant interviews with regional government, local government, PDAM staff, and participating microcredit loan banks; and focus group discussions with water utility customers. These interviews will elicit descriptions of activities, behaviors, and outcomes that have occurred since 2010 along with challenges and other perceptions.

Interviews will begin with higher level stakeholders, such as USAID, DAI, and regional governments, before moving to meso- and micro-level perspectives of other stakeholders. These interviews will help better frame issues to explore and may inform modifications to data collection instruments. The interviews with implementing partner DAI will include a thorough discussion of the project's implementation approaches to ensure the evaluators have an accurate understanding of ESP.

Interviews with PDAMs and banks will include quantitative record verification from PDAMs responsible for managing water services and from banks that participated in microcredit lending for water access. This will provide a basis for examining whether water service access has been sustained or even expanded in the past seven years. Qualitative interviews with various parties will also be used to identify potential external factors that may have influenced these outcomes.

During each PDAM interview we will request reports and other quantitative data to demonstrate changes in the number of water connections and water quantity capacity over the past seven years along with characteristics of water users, if available (e.g., geographic location, poverty status). Combining available population data for each PDAM catchment location with verification of changes in service area mapping will enable us to determine whether the proportion of households and individuals with access has been maintained, increased, or decreased. At banks participating in the microcredit program, interviewers will request reports detailing the number of microcredit products offered and provided to support water access in each of the past seven years along with repayment rates. If reports are not released to SI, we will instead rely on qualitative interviews with bank officers about general trends in microcredit product availability at their banks.

While we will aim to employ the same methodology used during ESP, constraints in time or access to PDAM information may require a modification to the PDAM assessment methodology. This will be discussed with USAID and DAI while in-country. The assessment will be completed through the subjective lens of the respondent. To mitigate the effect of this, we will complete the same assessment with at least two PDAM staff individually to compare and validate commonality of responses. We will attempt to involve PDAM staff who were present during ESP, and where not available, we will search for staff who have been with the PDAM for the longest period of time. To the extent possible, interviewers will follow up with PDAM staff about specific issues improved at their PDAM through ESP involvement, and also inquire about additional changes or assessments they have completed since 2010. The team will request written documentation such as subsequent assessment reports to verify improvements made. Such reports would provide evidence that the ESP performance index score and general support provided an enduring platform that prompted continued service improvements beyond the life of the project.

Where respondents are fluent English speakers, interviews will be conducted in English. Otherwise, interviews will be conducted in Bahasa.

Data Analysis

We will transcribe and translate qualitative interviews and then analyze them using a common codebook to coordinate identification of themes and opinions. The team will analyze and triangulate all relevant stakeholder perspectives to ensure conclusions for each evaluation question reflect multiple perspectives. We will input quantitative PDAM water user data into an Excel spreadsheet along with available population data for each PDAM catchment. The team will also document catchment service area boundary changes since 2010, and make population adjustments accordingly, to the extent feasible. Count and percentage calculations (number of users/total population) will be made in Excel for each

year of available data to answer question 1a. The PDAM assessment methodology used by ESP will be applied to the extent feasible. We will disaggregate data by region and PDAM, where applicable, and also report in aggregate.

Table 1. Evaluation Design Matrix

Evaluation question	Indicators	Data sources	Data collection tools	Analysis methods	Risks
1. To what extent are the levels of service provided by ESP water-related project components at the time of project closure still observed seven years later?					
a. What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs in 2017 compared to 2010?	Number and % of population with service connection through household tap; through community tap Description of contract, service, and coverage changes, including water quantity, and influencing factors over time Community perceptions of changes in access and related challenges	PDAM customer records; population data; service area maps Triangulation with qualitative interviews with PDAM staff and community-based organizations (CBOs) and FGDs with customers	Qualitative interview guides PDAM report and record verification Template to capture PDAM customer data	Qualitative coding, analysis Total connections/total households	Unavailable, outdated, or inaccurate records, or PDAM unwilling to disclose (as noted in ESP final report)

b. To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?	PDAM assessment score Perceptions of PDAM, government entities about capacity changes over time Evidence of PDAM assessment tools usage beyond 2010 Community perceptions of changes in access and related challenges	Replication of PDAM assessment methodology reported in ESP final report (e.g., improved operating ratio, non-revenue water loss, corporate plan, benchmarking) Triangulation with qualitative interviews with PDAM officials, PDAM mid-level staff, relevant government representatives FGDs with customers	PDAM assessment tool used by ESP Qualitative interview guides	Comparison of PDAM assessment scores to final report (overall and broken by category) Qualitative coding, analysis	Natural variance expected because assessment results depend in part on which individual is answering questions
c. To what extent has **microcredit** been leveraged to continue expanded access to household connections?	Number of new microcredit loans disbursed for water access since 2010 (if possible, disaggregated by gender, poverty) Bank descriptions of loan product availability and expansion	Participating bank records Qualitative interviews with banks, PDAM managers, beneficiaries using microcredit connections, ESP field assistants	Record data template Interview guide	Comparison of customer and loan product counts to final report Qualitative coding, analysis	Unavailable, outdated, or inaccurate records, or banks unwilling to disclose

2. Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?	Perceptions of USAID, implementer (DAI), regional government, local government, PDAMs, CBOs, community members, Water Management Forum members, ESP parties, banks Evidence of usage of the municipal bond introduced in Kabupaten Bogor	Qualitative interviews with all parties Qualitative interviews with local government and participating PDAM managers	Interview guides	Qualitative coding, analysis Placement of issues into SIT categories: institutional, management, financial, technical, and environmental	Limited to perceptions and cannot provide verifiable attribution for particular factors

Sampling Strategy

In consultation with USAID, general sampling locations will be restricted to those that have not received follow-on WASH support from USAID's IUWASH, IUWASH PLUS projects, or any other known major water intervention. We further eliminated locations that were targeted by tsunami disaster relief activities, as this unique context would not easily allow comparability between locations or generalizability of results to other contexts. Under this framework, the locations selected for data collection are shown in Table 2. The municipalities and districts shown represent all of the available locations that met our inclusion criteria. This table also estimates the number of each type of interview at these locations; however, additional information will be needed from the implementer before the final list of targets and their locations can be determined.

Table 2. Sample Targets

Location represented (e.g., province)	Sublocation/entity represented (e.g., municipality or district)	Type of interview	Total
All project areas	USAID	1 group interview (GI) with USAID/Indonesia ESP former management and USAID/Indonesia WASH lead	1 GI
All project areas	DAI	1 GI with 1-2 former ESP managers 1 key informant interview (KII) with ESP chief of party in Arlington, VA	1 GI 1 KII
National	BAPPENAS[41] and the Ministry of Public Works	1 interview with key representative of BAPPENAS 1 interview with key representative of Ministry of Public Works	2 KIIs
West Java	Ministry of Public Works or BAPPENAS	1 interview with provincial representative of BAPPENAS or Ministry of Public Works	1 KII
West Java	Kabupaten Bogor	2-3 PDAM staff 2 community FGDs	2-3 KIIs 2 FGDs
West Java	Kabupaten Subang	2-3 PDAM staff KII at 1 bank 1 KII with ESP field assistant 1 KII with microcredit connection beneficiary	5-6 KII 2 FGDs

[41] Ministry of Development Planning, commonly referred to as BAPPENAS

		2 community FGDs	
West Java	Kota Sukabumi	2-3 PDAM staff KII at 1 bank 1 KII with ESP field assistant 1 KII with microcredit connection beneficiary 2 community FGDs	5-6 KII 2 FGDs
West Java	Kabupaten Sukabumi	2-3 PDAM staff KII at up to 2 banks 1 KII with ESP field assistant 1 KII with microcredit connection beneficiary 2 community FGDs	6-7 KII 2 FGDs
Central Java	Kabupaten Magelang	2-3 PDAM staff 2 community FGDs	2-3 KII 2 FGDs
Central Java	Kota Magelang	2-3 PDAM staff KII at 1 bank 2 community FGDs	3-4 KII 2 FGDs
Central Java	Kota Yogyakarta	2-3 PDAM staff 2 community FGDs	2-3 KII 2 FGDs
Central Java	Kabupaten Sleman	2-3 PDAM staff 2 community FGDs	2-3 KII 2 FGDs
Total: **51-58 interviews** Max 40 GI/KIIs Max 18 FGDs			

Detailed Plan for Gender and Social Analysis

Access to water resources, roles in water collection or utility payment, and other practices often differ by gender or socio-economic status. Indeed, some components of the ESP project were designed to expand water access to poor or marginal groups who are typically excluded from network schemes. This evaluation will examine whether the poor or otherwise disadvantaged have continued to benefit from regular PDAM network expansion or other components of ESP such as microcredit. Interview guides will inquire about gender roles and socio-economic status to determine whether these factors play a role in how different groups benefit from ESP interventions, as measured through questions 1a and 1c, and how these factors should be addressed to improve sustainability of WASH results in the future. To understand the degree to which project outcomes have been sustained for both men and women, we will seek gender balance in interview targets to the extent possible. FGDs will be separated by gender to encourage freedom of response, and the evaluation team will be staffed with gender balance in mind. This will also allow an analytical lens that can address whether male or female respondents have differing views or experiences related to

issues discussed. We intend to obtain gender and poverty-disaggregated quantitative data where possible and when available and address any differences noted by gender or poverty status in our analysis.

Evaluation Design Limitations and Risks

A few limitations to the proposed evaluation design, as well as risks to the evaluation are noted below along with mitigation strategies. Despite these limitations, we believe this proposal includes the best possible evaluation approach for this context, given time and resource constraints.

DATA ACCESS: The ESP final report noted major challenges related to accessing data from PDAMs. PDAM representatives understandably requested an official Memorandum of Understanding and clear explanation of the purpose of data collection activities. Per the lessons learned shared in the report, it will be essential to send a formal letter from USAID to PDAMs to describe this activity at a minimum, and additional introductory work from local government may also be required. The evaluation team will work with USAID and DAI to determine the best approach to both obtain evaluation data and also ensure positive relations among all parties after the evaluation. Similar approvals and introductions will likely be required to access data from banks, CBOs, and other formal groups. In addition, some proposed data collection activities require the implementer to provide lists of participants (e.g., participants in the microcredit program).

DATA VALIDITY: The ESP final report noted inconsistencies and gaps in PDAM data. This will certainly be a limitation in our evaluation of record-based data collection. The evaluation team will be trained by a local expert to identify signs of spurious or incomplete data and to seek out alternative data sources to supplement poor record-keeping. Evaluator notes will include alerts to data that should be reviewed with skepticism. During analysis, we will determine whether record-based data should be reported on a case-by-case basis. In cases where record data are too unreliable, qualitative data will supplement our assessment. While the tool's questions are intended to be fact-based, it is possible that responses to PDAM assessments may also vary depending on the individual respondent's perspective or level of knowledge. We will therefore complete the PDAM assessment tool with at least two individuals independently at each PDAM to validate common responses. However, the comparability with results reported in the ESP final report may still be limited due to subjectivity.

INTERNAL GENERALIZABILITY: Because selected data collection locations differ from those selected for follow-on projects IUWASH or IUWASH PLUS, they are not representative of all ESP locations and may therefore be unique in their level of success, leadership, or political prioritization. Therefore, observations and views should be seen as illustrative.

MULTIPLE TREATMENT INTERFERENCE: While our location selections are free from major USAID follow-on water projects, and we are not presently aware of other major projects or initiatives in these areas, it is possible that additional projects implemented by other donors or the Indonesian government could have occurred in these locations in the past seven years. We will question respondents in each location about other water support projects or initiatives that have occurred in their areas and note the details of each. The report will document the extent to which such activities may have influenced outcomes measured through this evaluation. In cases where we discover major interference in the past seven years, we will consider discarding that location entirely from analysis. We do note that Kabupaten Bogor, Kota Magelang, and Kabupaten Magelang are participating in IUWASH PLUS, the second iteration of a follow-on project to ESP. Our understanding is that only preparatory work will have been conducted at the time of the evaluation and not any implementation; therefore, multiple treatment interference is not a major concern. However, the evaluation team will need to be

aware that this impending project may in some ways affect or bias respondents' responses if they have this future benefit in mind. This will be acknowledged in the report and mitigated to the extent possible during interviews.

Evaluation Timeline

Table 3 provides a preliminary timeline for conducting the evaluation. In-country field work will likely follow this approximate schedule, but the exact route will be determined in concert with the fully staffed evaluation team:

- Day 1: In-briefing with USAID mission; internal evaluation team planning and initial team planning meeting
- Days 2–4: Qualitative training; pilot and refinement of interview protocols; translator training for KII/FGDs
- Days 5–6: Data collection in capital
- Days 7–22: Data collection in Central and West Java, as follows:
  - **Team 1:** Senior Level Expert + 1 local WASH M&E expert (1 PDAM assessment/2 days, plus 3–4 interviews/day/team)
  - **Team 2:** Water CKM Project M&E specialist + 1 local WASH M&E expert (1 PDAM assessment/2 days, plus 3–4 interviews/day/team)
- Days 23–24: Evaluation team data debriefing and preliminary analysis
- Day 25: Mission out-briefing and preliminary results presentation

Table 3. Preliminary Evaluation Timeline

	January 2017			February 2017				March 2017				April 2017				May 2017					June 2017		
Activity and duration (working days)	*Week beginning* 16	23	30	6	13	20	27	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19
Inception report draft	1/17																						
Inception report finalization																							
Local team recruitment, logistical planning																							
Protocol, sampling frame, instrument finalization																							

Field preparation & training																							
Field data collection																							
Transcription and translation																							
Data analysis																							
Draft report																							
USAID report review																							
Report finalization																							

Illustrative Evaluation Team

The evaluation team will consist of individuals that provide sufficient collective expertise to address all needs for technical knowledge about WASH and water utilities in particular; evaluation expertise; local language expertise; and local context and logistical planning expertise. Though the team composition and individual roles may shift between members, below is an illustrative listing of a team for this evaluation. As mentioned above, we will seek gender balance in identifying team members for this evaluation.

- Annette Fay, Water CKM Project M&E specialist (SI), will lead background research, co-train local M&E experts in qualitative research methods, coordinate and conduct field visits and data collection, analyze data, and co-author the evaluation report;
- Leslie Hodel, senior technical advisor (SI), will lead the evaluation design and data analysis, and co-author the evaluation report;
- TBD senior water utility and evaluation expert will review the evaluation design, co-train local M&E experts in qualitative research methods, conduct field visits and data collection, analyze qualitative data, and write portions of the evaluation report;
- TBD two local M&E experts with water utility experience will provide feedback on evaluation tools and methods, conduct KIIs and FGDs, assist with data analysis, and submit preliminary findings matrices related to the evaluation questions;
- One translator will support the evaluation and team, as necessary;
- One local logistician will support the evaluation team in each data collection location. Based on experience from the first sustainability evaluation, logisticians will ideally have previously worked on the ESP project, as this will assist in locating targeted respondents. If not, they will have work experience in the data collection locations

UTILIZATION PLAN

The evaluation team will present a draft evaluation report to E3/W and DAI for comments prior to finalization to ensure it accurately portrays project activities and clearly and effectively presents findings and recommendations. To encourage wider utilization and ultimate compilation with other sustainability evaluation "chapters" to come later in the evaluation series, the report will be succinct and will highlight actionable recommendations for the intended users of the evaluation. The evaluation team will also give a presentation of findings to E3/W, the USAID/Indonesia Mission, DAI (by webinar connection), and other interested stakeholders. We will post the final report to USAID's Development Experience Clearinghouse and collaborate with E3/W to facilitate dissemination to key stakeholders, including USAID missions, USAID/Washington staff, and implementing partners. Findings from this evaluation, and future sustainability evaluation chapters, will be of interest to the wider WASH community and will be distributed broadly to inform sectoral discussion on sustainability. The Water CKM team will work with E3/W to identify the best channels and timing for dissemination of findings. Potential channels may include conferences, brown bags, and webinars in the water sector. We will also explore different formats for sharing findings with E3/W beyond the standard report format, including videos, podcasts, or blogs

ANNEX II: DATA COLLECTION TOOLS

1. PDAM Performance Index Tool

Data for PPI - PDAM _____

No		Indicator	Performance	Data Source
1	**Corporate/Business Plan (10)**			
	a	Availability of Corporate/Business Plan	☐ Not available (0) ☐ Prepared by third party (2) ☐ Prepared by PDAM (3)	Audit report
	b	The CP/BP is based/considered on Customer Survey Satisfaction Result	☐ No (0) ☐ Yes (2)	Audit report
	c	Prepared by involving stakeholders (like people from Public Works, local government)	☐ No (0) ☐ Yes (1)	Audit report
	d	CP use for yearly program preparation; ask about RKAP yearly plan	☐ No (0) ☐ Yes (2)	Audit report
	e	CP updated regularly	☐ No (0) ☐ Yes (1)	Audit report
	f	Informed stakeholders of the comparison between actual yearly activities/result and Corporate Plan	☐ No (0) ☐ Yes (1)	Audit report
2	**Tariff (10)**			
	a	Tariff already covered expenditure for:	☐ O&M only (1) ☐ O&M + depreciation (3) ☐ O&M + depreciation + interest/loan (5) ☐ O&M + depreciation + interest/loan + profit (7)	Audit report
	b	Customer Classification comply with government regulation (Regulation: Permendagri No. 23/2006.)	☐ No (0) ☐ Yes (1)	Audit report
	c	Tariff structure already comply with government regulation	☐ No (0) ☐ Yes (1)	Audit report
	d	Automatic tariff adjustment: Is local regulation (Perda) for tariff available?	☐ No (0) ☐ Yes (1)	Audit report

	Benchmarking (5)		
a	Did your PDAM ever participate in the benchmarking program	☐ No (0) ☐ Yes (1)	Removed from Evaluation PPI
b	Completeness/accuracy of data sent by PDAM to benchmarking provider	☐ ≤ 60% (0) ☐ ≤ 80% (1) ☐ > 80% (2)	Removed from Evaluation PPI
c	BM result use for yearly program preparation/Corporate Plan	☐ No (0) ☐ Yes (2)	Removed from Evaluation PPI
3	**NRW (10)**		
a	Any part of Organization Structure responsible for NRW	☐ No (0) ☐ Yes (1)	Qualitative interviews
b	Any Standard Operation Procedure to handle NRW	☐ No (0) ☐ Yes (1)	Qualitative interviews
c	Any NRW reduction program	☐ No (0) ☐ Yes (1)	Qualitative interviews
d	Percentage of installed main meters at locations working well (i.e., Water treatment plant, district pump, reservoir, booster, springs, deep wells)	☐ ≤ 90% (0) ☐ > 90% (1)	Qualitative interviews
e	Accuracy of master meter installed - Based on info from PDAM, what's the percentage of all main meters that have been calibrated recently?	☐ ≤ 90% (0) ☐ > 90% (1)	Qualitative interviews
f	How often were the HH water meter replaced? Was it based on consumer request?	☐ > 10 years (0) ☐ 10 > X > 7 years (1) ☐ < 7 years (2)	Qualitative interviews
g	NRW level	☐ higher than previous year (0) ☐ same as previous year (1) ☐ reduce less than 5% from previous year (2) ☐ reduce more than 5% from previous year (3)	Audit report
4	**Water Quality Monitoring (10)**		
a	At Production Facilities		

	- frequency of monitoring	☐ Not every day (0) ☐ Minimum once per day (1)	Qualitative interviews
	- water quality monitoring result	☐ <95% comply with standard/regulation (0) ☐ >95% comply with standard/regulation (1)	Qualitative interviews
	- Have you recorded monitoring? Can we see your record?	☐ not recorded regularly (0) ☐ recorded regularly (1)	Qualitative interviews
b	At Distribution Network		
	- frequency of monitoring	☐ not every month (0) ☐ minimum once per month (1)	Qualitative interviews
	- number of sample	☐ less than 1 sample for every 15,000m3 water produced (0) ☐ minimum 1 sample for every 15,000m3 water produced (1)	Qualitative interviews
	- water quality monitoring result	☐ <95% comply with standard/regulation (0) ☐ >95% comply with standard (1)	Qualitative interviews
	- Have you recorded monitoring? Can we see your record?	☐ not recorded regularly (0) ☐ recorded regularly (1)	Qualitative interviews
c	Take action when the result does not comply with standard	☐ No (0) ☐ Yes (1)	Qualitative interviews
d	Standard Operation Procedure for WQM is available	☐ No (0) ☐ Yes (1)	Qualitative interviews
e	Minimum laboratory facilities (Turbidity, residual chlorine)	☐ not comply with minimum standard (0) ☐ comply with minimum standard (1)	Qualitative interviews
5.1	**MIS (5)**		
a	Already has billing system (computerized)	☐ No (0) ☐ Yes (1)	Qualitative interviews
b	Already has accounting system (computerized)	☐ No (0) ☐ Yes (1)	Qualitative interviews

	c	Accounting system is interconnected with billing system	☐ No (0) ☐ Yes (1)	Qualitative interviews
	d	Accounting system is interconnected with warehouse system	☐ No (0) ☐ Yes (1)	Qualitative interviews
	e	Accounting system is interconnected with HR system	☐ No (0) ☐ Yes (1)	Qualitative interviews
5.2	**GIS (5)**			
	a	Already has GIS System	☐ No (0) ☐ Yes (1)	Qualitative interviews
	b	All data required have been recorded completely	☐ No (0) ☐ Yes (1)	Qualitative interviews
	c	GIS data updated regularly to keep up with changes in the system	☐ No (0) ☐ Yes (1)	Qualitative interviews
	d	GIS system is synchronized with the MIS new connection process/customer billing & accounting database and customer data	☐ No (0) ☐ Yes (1)	Qualitative interviews
	e	GIS system is connection/used for planning-maintenance purposes	☐ No (0) ☐ Yes (1)	Qualitative interviews
6	**Cost Efficiency (10)**			
	a	Energy consumption per m3 water production	☐ higher than previous year (0) ☐ same as previous year (1) ☐ less than previous year (2)	Audit report
	b	Chemical consumption per m3 water production	☐ higher than previous year (0) ☐ same as previous year (1) ☐ less than previous year (2)	Audit report
	c	Ratio of employee/1000 connection	☐ higher than/same as previous year (0) ☐ less than previous year (1)	Audit report
7	**Finance Indicator (10)**			
	a	Operating ratio	☐ higher than previous year (2) ☐ same as previous year (1) ☐ less than previous year (0)	Audit report
	b	Debt service coverage ratio	☐ higher than previous year (0) ☐ same as previous year (1) ☐ less than previous year (2)	Audit report

	c	Current ratio	☐ higher than previous year (2) ☐ same as previous year (1) ☐ less than previous year (0)	Audit report
	d	Debt-equity ratio	☐ higher than previous year (0) ☐ same as previous year (1) ☐ less than previous year (2)	Audit report
	e	Collection period	☐ higher than previous year (0) ☐ same as previous year (1) ☐ less than previous year (2)	Audit report
8	**Human Resources Policy (10)**			
	a	Conduct employee satisfaction survey (ESS)	☐ never or conducted more than 3 years ago (0) ☐ conducted less than 3 years ago (1)	Qualitative interviews
	b	Action plan/action conducted based on ESS result	☐ No (0) ☐ Yes (1)	Qualitative interviews
	c	Any career planning policy	☐ No (0) ☐ Yes (1)	Qualitative interviews
	d	Conduct evaluation of staff performance minimum every 2 years	☐ No (0) ☐ Yes (1)	Qualitative interviews
	e	Any training program	☐ No (0) ☐ Yes (1)	Qualitative interviews
	f	Any health and safety policy	☐ No (0) ☐ Yes (1)	Qualitative interviews
	g	Any incentive policy	☐ No (0) ☐ Yes (1)	Qualitative interviews
	h	Conduct socialization of company vision and mission	☐ No (0) ☐ Yes (1)	Qualitative interviews
	i	Standard Operation Procedure related with HRD	☐ not at all (0) ☐ part of it (1) ☐ complete (2)	Qualitative interviews
9	**PDAMs Staff Trained/Capacity Building (10)**			

	a	Training budget	☐ less than previous year (0) ☐ same as previous year (1) ☐ higher than previous year (2)	Qualitative interviews
	b	Percentage of training budget from total yearly budget	☐ less than 1% (0) ☐ between 1% – 3% (1) ☐ more than 3% (2)	Qualitative interviews
	c	Increasing number of staff attended the trainings	☐ less than previous year (0) ☐ same as previous year (1) ☐ higher than previous year (2)	Audit report
	d	Number of staff attended the trainings every year from total employee	☐ less than 5% (0) ☐ between 5% – 10% (1) ☐ more than 10% (2)	Audit report
	e	Type of training attended (technical, financial, other)	☐ one type (1) ☐ more than 2 types (2)	Qualitative interviews
10	**Customer Relationship (10)**			
	a	Conduct Customer Satisfaction Survey (CSS)	☐ never or conducted more than 5 years ago (0) ☐ conduct limited CSS, minimum every 2 years (1)	Qualitative interviews
	b	CSS result use for yearly program preparation/Corporate Plan	☐ No (0) ☐ Yes (1)	Qualitative interviews
	c	Any Customer Forum (CF)	☐ No (0) ☐ Yes (1)	Qualitative interviews
	d	Number of contact/meeting with customer through CF	☐ less than previous year (0) ☐ same as previous year (1) ☐ higher than previous year (2)	Qualitative interviews
	e	Any public relation/information to customer	☐ No (0) ☐ Yes (1)	Qualitative interviews
	f	Any budget for customer relationship	☐ No (0) ☐ Yes (1)	Qualitative interviews
	g	Budget for customer relationship	☐ less than previous year (0) ☐ same as previous year (1) ☐ higher than previous year (2)	Qualitative interviews
	h	Standard Operations Procedure to handle customer complaints/customer information	☐ No (0) ☐ Yes (1)	Qualitative interviews

2. Interview guides

a) Focus Group Discussion – Community (English)

Identification Section

Province: _____ **Municipality/District:** _____

Local PDAM: _____

Date of FGD:_____**Time of FGD:** _____

Name of Moderator:_____ **Name of Note-taker**:_____

Thank you for coming today. We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in this community called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about opinions and common practices related to collecting and using water. This information can help USAID improve its activities in the future throughout Indonesia.

We are inviting you to help us understand these things by participating in this group discussion. We don't need experts, but instead, what is most valuable is the opinions and experiences of regular people like yourself in this community.

This discussion will take about 1 ½ hours of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identities confidential. We will not write down your names, and when we make a report on our findings, we will not include your names or say who said what. We want you to feel free to express your opinions. We encourage everyone participating to keep this discussion confidential out of respect for your neighbors. But keep in mind we cannot guarantee confidentiality among people in this room. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

Informed consent discussion completed?: Yes_____

Do all respondents agree to participate: Yes_____ (if any do not, politely dismiss them)

Respondent demographic table (do not write names!)

Respondent ID	Gender	Tariff classification/cost of monthly bill	# of years living in this community
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Addressing the Evaluation Questions:

*1a. What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2017 compared to 2010?*

*1b. To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*

Interview Questions

1. Where do most people in this community get the water they need for their daily needs?
    a. PROBE on variation in types of sources used, multiple sources, multiple taps.
2. How has the number of people being served by this PDAM changed since seven years ago?
    a. PROBE: Has it gone up/down in proportion to the changes in overall population size of this community?
    b. What do you think is the reason for this change?
3. How has the number of people being served by other water community sources (in the PDAM) changed since seven years ago?
    a. PROBE: Has it gone up/down in proportion to the changes in overall population size of this community?
    b. What do you think is the reason for this change?

4. Which people in this community currently have access (pay for initial connection, afford in long term) to PDAM water? Do any types of people have challenges affording or receiving PDAM water? Why? PROBE:
    a. Any difference for female headed households?
    b. Ethnic groups?
    c. Specific location?
5. Have the types of people with access (pay for initial connection, afford in long term) to the PDAM water changed since 2010? PROBE on women/men; ethnicity
    a. What do you think is the reason for this change?
6. How is your level of satisfaction with the PDAM water service now compared to 2010:
    a. Continuity
    b. Quality (Smell, taste, color)
    c. Quantity
    d. Cost/Tariff (Affordability)
    e. Communication/customer relations
7. What are some of the challenges you experience with using this PDAM water source? PROBE: Follow up to get explanation of all the challenges/dissatisfaction mentioned from previous question.
8. How often is the water meter working?
    a. PROBE on times and reasons for non-functioning
9. What are the ways people pay for their water services from this PDAM source?
    a. PROBE on payment method
    b. Is your payment method convenient?
10. Is there a bank loan or microcredit programs to get a HH connection offered in this PDAM?
    a. Describe if they don't know what this means.
    b. Is there anyone in this community who used bank loans or microcredit to get a HH connection in the past seven years?
    c. PROBE on all types of loans available and ease of access to credit for this
    d. PROBE on equity of who has access to loans for water access
11. Is anyone here familiar with a project called ESP, which happened about seven years ago?
    a. FOLLOW-UP if yes: What do you know about this project?
        i. PROBE for more details. Clarify ESP was a project that helped PDAM improve its performance
    b. FOLLOW-UP if no: Is there any project you remember about seven years ago that supported PDAM performance
        i. *If still no idea, go to next question*
12. Have you noticed any other water-related changes or other projects happening in this area since ESP ended in 2010?
13. Is there anything else anyone would like to say about these topics?

Thank you for your time! Do you have any questions for us?

Observations:

b) Focus Group Discussion – Community (Bahasa)

Focus Group Discussion – Masyarakat (Pelanggan Air)

Bagian Identifikasi

Provinsi : _____ **Kota/Kab.:** _____

PDAM: _____

Tanggal FGD:_____**Waktu FGD:** _____

Nama Moderator:_____ **Nama Pencatat**:_____

Terima kasih atas kehadiran Bapak/Ibu pada hari ini. Kami disini mewakili ECODIT, sebuah organisasi dari Amerika, yang membantu USAID dalam memberikan pengertian lebih baik dari proyek yang telah dibantu beberapa tahun yang lalu yang disebut dengan ESP (*Environmental Service Program*), yang dilaksanakan oleh DAI. Kami saat ini mempelajari lebih dalam tentang keberlanjutan dari hasil proyek ini dan faktor-faktor yang mempengaruhinya. Informasi ini akan sangat membantu untuk meningkatkan kegiatan maupun program-program air bersih dimasa yang akan datang di seluruh Indonesia.

Kami berharap anda bisa membantu kami dalam memahami kondisi pelayanan air bersih di wilayah anda sekalian. Kami tidak membutuhkan seorang ahli, namun yang terpenting adalah sumbang pemikiran dan pengalaman dari masyarakat sebagai pelanggan air bersih seperti anda sekalian yang berada di wilayah ini.

Diskusi ini akan memakan waktu kurang lebih 1 ½ jam. Tidak menjadi masalah apabila anda memilih tidak ikut berpartisipasi dalam diskusi ini. Dan tidak ada keuntungan langsung untuk anda sekalian apabila anda memilihi ikut berpartisipasi, selain mengetahui bahwa anda bisa akan membantu meningkatkan kegiatan pelayanan air bersih untuk masyarakat lain pada masa datang. Apabila diperkenankan, kami akan merekam diskusi ini untuk meyakinkan bahwa kami akan menggambarkan secara benar semua pemikiran yang anda diberikan.

Kami tidak akan mendiskusikan topik diskusi yang sensitif, tetapi kami akan tetap menjaga kerahasiaan identitas anda. Kami tidak akan menulis nama anda, dan saat membuat laporan terkait hasil diskusi ini kami tidak akan memasukkan nama anda atau memberitahukan siapa dan mengatakan apa. Kami ingin anda merasa bebas mengemukan pendapat. Kami mendorong setiap orang untuk dapat berpartisipasi untuk menjaga kerahasiaan diskusi ini sekalipun kepada tetangga anda. Tetapi ingat kami menjamin menjaga kerahasiaan diantara orang yang ada di ruangan ini. Apabila anda tidak merasa nyaman untuk menjawab pertanyaan, anda bisa menolak untuk menjawab dan hal ini tidak akan menjadi masalah.

TANYAKAN: Apakah Anda mempunyai pertanyaan?

TANYAKAN: Apakah Anda bersedia berpartisipasi?

TANYAKAN: Apakah Anda bersedia direkam?

Bagian terkait kebebasan untuk tidak berpartisipasi telah disampaikan. Yes_____ (interviewer initials)

Apakah peserta setuju untuk direkam? Ya__ Tidak ___

Apakah semua responden setuju untuk berpartisipasi: Yes_____ (jika ada yang tidak bersedia, persilakanlah dengan sopan untuk meninggalkan forum)

Tabel Demografis Responden:

- jangan menulis nama!
- Umur peserta harus >27 tahun

Respondent ID	Jenis Kelamin	Klasifikasi tariff **(tertera pada tagihan bulanan)**	Lama tinggal di lingkungan ini
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Pertanyaan untuk Evaluasi:

1a. Berapa proporsi masyarakat yang telah memiliki akses terhadap air bersih (sambungan rumah atau kran umum) melalui PDAM di tahun 2015 dibandingkan tahun 2010, dan seperti apa perubahannya?

1b. Sejauh mana PDAM mempertahankan atau meningkatkan kemampuan manajemennya dengan menggunakan metode dan material yang disiapkan oleh ESP?

Panduan Wawancara

1. Dari mana sebagian besar penduduk di lingkungan ini mendapatkan air bersih untuk kebutuhannya sehari hari?
    a. PROBE apa saja variasi sumber air, apakah memanfaatkan beberapa sumber atau beberapa sumber air perpipaan.
2. Bagaimana perkembangan jumlah pelanggan PDAM dalam tujuh tahun terakhir (catatan: mulai dari cakupan wilayah terkecil sampai batas wilayah PDAM)?
    a. PROBE: apakah prosentasenya meningkat atau menurun?
    b. Menurut anda, perubahan ini disebabkan oleh apa?
3. Bagaimana perkembangan jumlah penduduk yang memanfaatkan sumber air non-PDAM dalam 7 tahun terakhir (catatan: mulai dari cakupan wilayah terkecil sampai batas wilayah PDAM)?
    a. PROBE: apakah prosentasenya meningkat atau menurun?
    b. Menurut anda, perubahan ini disebabkan oleh apa?
4. Penduduk golongan apa yang saat ini mendapatkan akses air dari PDAM? Apakah ada golongan penduduk tertentu yang menghadapi kendala untuk mendapatkan / mempertahankan akses air dari PDAM? Kenapa? PROBE:
    a. Perempuan (terutama perempuan kepala keluarga)?
    b. Groups sosial tertentu?
    c. Atau lokasi tertentu?
5. Apakah ada perubahan golongan masyarakat yang mendapatkan akses air PDAM dalam 7 tahun terakhir ini (sejak 2010)? PROBE untuk wanita /laki laki; ethnic
    a. Menurut anda, perubahan ini disebabkan oleh apa?
6. Sejauh mana tingkat kepuasan Anda terhadap pelayanan PDAM saat ini dibandingkan dengan 2010 dalam hal 4K:
    a. Kontinuitas?
    b. Kualitas (bau, rasa, warna)?
    c. Kuantitas?
    d. Keterjangkauan biaya/Tariff?
    e. Komunikasi / customer relation
7. Apakah ada kendala yang pernah Anda alami dalam memanfaatkan pelayanan air PDAM? Mohon ceritakan (khususnya untuk aspek 4K yang kurang memuaskan, yang disebutkan partisipan pada pertanyaan sebelumnya).
8. Apakah meter air selalu berfungsi?
    a. PROBE: kapan saja meter air pernah tidak berfungsi? mengapa tidak berfungsi?
9. Bagaimana masyarakat membayar tagihan PDAM?
    a. PROBE: metode pembayaran
    b. Apakah metode pembayaran ini cukup nyaman buat Anda?
10. Salah satu cara lebih banyak masyarakat mampu menjangkau layanan PDAM adalah adanya program mikro-kredit agar masyarakat bisa membayar biaya sambungan. apakah anda pernah mendengar program semacam itu? Jika ya, dalam 7 tahun terakhir ini…:
    a. Apakah ada dari antara Anda sekalian yang hadir disini yang pernah memanfaatkan program tersebut?
    b. Apakah Anda mengetahui ada warga yang memanfaatkan program tersebut?
    c. PROBE untuk semua jenis pinjaman yang ada dan kemudahan untuk mendapatkan akses kredit ini.
    d. PROBE pada kesetaraan untuk mendapatkan akses pinjaman.
11. Apakah ada yang tahu proyek yang disebut dengan ESP (khususnya komponen peningkatan kinerja PDAM dan mikro-kredit), yang telah dilaksanakan kurang lebih 7 tahun yang lalu?
    a. FOLLOW-UP bila ya: bagaimana Anda tahu proyek ini?

i. PROBE untuk lebih detai. Kegiatan apa saja yang dilakukan dalam proyek ini?

b. FOLLOW-UP bila tidak: apakah ada proyek lain yang Anda ingat dalam 7 tahun terakhir yang telah meningkatkan kinerja PDAM?
    i. *Apabila masih belum terpikir maka lanjut ke pertanyaan berikutnya*

12. Apakah anda memperhatikan adanya perubahan pelayanan air minum lainnya atau adanya proyek lain di sekitar sini dalam 7 tahun terakhir?
13. Apakah ada yang hal lainnya yang ingin disampaikan a terkait topik ini?

Terima kasih untuk waktunya! Adakah yang ingin ditanyakan?

Catatan atas pengamatan proses FGD:

- Apakah ada peserta yang samasekali tidak berpendapat?
- Apakah peserta perempuan cenderung tidak berpendapat?

c) Key Informant Interview – Bank Representative (English)

Key Informant Interview – Bank Representative

Identification Section

Province: _____ **Municipality/District:** _____

Bank Name: _____

Name: _____ **Tel Number**: _____ M/F
Name: _____ **Tel Number**: _____ M/F
Name: _____ **Tel Number**: _____ M/F

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in this community called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

ASK: Do you mind if we record you?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Question:

*1a. To what extent has **microcredit** been leveraged to continue expanded access to household connections?*

Interview Questions

1. What was the nature of your involvement with ESP's microcredit program?
2. Do you have an ongoing microcredit for water connection program?
3. What kind of data or records do you keep related to microcredit for water connections?
    a. How much detail is in these records?
    b. How long do you keep record of a former microcredit for water beneficiary?
4. Since project close, how many new borrowers have you been getting on an annual basis?
5. What is the rate of success/failure to repay?
    a. When there is failure to repay, what is the cause?
    b. What do you do when someone fails to repay?
6. Are there other new microcredit programs through your bank or others to facilitate household water connections that have been introduced in the past seven years?
7. What were the challenges to the program and what needs to improve?

Thank you very much for your time! Do you have any questions that you would like to ask us?

Observations of the interview context:

d) Key Informant Interview – Bank Representative (Bahasa)

Key Informant Interview – Bank Representative

Bagian Identifikasi

Provinsi : _____ ____ **Kota/Kabupaten:** _____

Nama Bank: _____

Nama: _____ **Telp.**: _____ L/P
Nama: _____ **Telp.**: _____ L/P
Nama: _____ **Telp.**: _____ L/P

Tanggal Wawancara :_____ **Waktu Wawancara :** _____

Nama Pewawancara :_____ **Nama Pencatat** :_____

Terima kasih atas kehadiran Bapak/Ibu pada hari ini. Kami disini mewakili ECODIT, sebuah organisasi dari Amerika, yang membantu USAID dalam memberikan pengertian lebih baik dari proyek yang telah dibantu beberapa tahun yang lalu yang disebut dengan ESP (*Environmental Service Program*), yang dilaksanakan oleh DAI. Setelah waktu berjalan, kami saat ini mempelajari lebih dalam tentang keberlanjutan dari hasil proyek ini dan faktor-faktor yang mempengaruhinya. Informasi ini akan sangat membantu untuk meningkatkan kegiatan maupun program-program air bersih dimasa yang akan datang di seluruh Indonesia. Karena Anda ikut terlibat dalam proyek ini, kami mengundang Anda untuk membantu kami dalam memahami hal-hal terkait proyek.

Diskusi ini akan memakan waktu kurang lebih 1 jam. Tidak ada menjadi masalah apabila anda memilih tidak ikut berpartisipasi dalam diskusi ini. Dan tidak ada keuntungan langsung untuk anda sekalian apabila anda memilihi ikut berpartisipasi, selain mengetahui bahwa anda bisa akan membantu meningkatkan kegiatan pelayanan air bersih untuk masyarakat lain pada masa datang. Apabila diperkenankan, kami akan merekam diskusi ini untuk meyakinkan bahwa kami akan menggambarkan secara benar semua pemikiran yang anda diberikan.

Kami tidak akan mendiskusikan topic yang sensitif, tetapi kami akan tetap menjaga kerahasiaan identitas anda. Saat membuat laporan terkait hasil diskusi ini kami tidak akan memasukkan nama anda atau memberitahukan siapa dan mengatakan apa. Kami ingin anda merasa bebas mengemukan pendapat. Apabila anda tidak merasa nyaman untuk menjawab pertanyaan, anda bisa menolak untuk menjawab atau meminta kami untuk tidak merekam pernyataan tertentu, dan hal ini tidak akan menjadi masalah.

TANYAKAN: Apakah Anda mempunyai pertanyaan?

TANYAKAN: Apakah Anda bersedia berpartisipasi?

TANYAKAN: Apakah Anda bersedia direkam?

Bagian terkait kebebasan untuk tidak berpartisipasi telah disampaikan. Yes_____ (interviewer initials)

Apakah peserta setuju untuk berpartisipasi? Ya__ Tidak ___ (jika tidak, hentikan wawancara)

Apakah peserta setuju untuk direkam? Ya__ Tidak ___

Arah Pertanyaan Evaluasi:

*1a. Sejauh mana **microcredit** telah membantu peningkatan akses air bersih melalui sambungan rumah tangga?*

Wawancara

1. Program microcredit ESP merupakan salah satu strategi agar lebih banyak masyarakat mendapatkan sambungan PDAM, yaitu melalui skema pinjaman untuk membayar biaya sambungan. Apa peran Anda dalam program Micro Credit ESP?
2. Apakah di Bank ini masih ada program microcredit untuk sambungan air bersih yang masih berjalan?
3. Data atau dokumen apa saja yang Anda simpan terkait dengan program Micro-credit untuk sambungan air bersih?
    a. Sedetail apakah dokumen yang ada?
    b. Berapa lama Anda menyimpan data-data dari penerima manfaat program Micro-credit sebelumnya?
4. Setelah proyek ini berhenti, dalam satu tahun berapa banyak pelanggan baru yang mengajukan pinjaman microcredit untuk sambungan rumah?
5. Bagaimana tingkat kesuksesan/kegagalan pembayaran pengembalian pinjaman?
    a. Jika terjadi kegagalan pembayaran, apa penyebabnya?
    b. Apa yang Anda lakukan jika seseorang gagal bayar?
6. Apa tantangan pelaksanaan program ini dan apa yang perlu diperbaiki?
7. Selain ESP, apakah ada program microcredit lainnya di Bank Anda atau bank lainnya yang memfasilitasi penyambungan sambungan air minum dalam 7 tahun terakhir ini?

Terima kasih banyak atas waktu yang diberikan.

Observasi selama wawancara:

e) Key Informant Interview – BAPPEDA (English)

Key Informant Interview – BAPPEDA

Identification Section

District/City: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in Indonesia called ESP, which was implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

ASK: Do you mind if we record?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?*
    a. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2015 compared to 2010 and how has it changed?*
    b. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
    c. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*
2. *Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?*

Interview Questions

1. How does BAPPEDA interact with the PDAM?
2. When is the last time you revised the local RISPAM? Until when is it valid?
3. What did you change in the most recent revision of the RISPAM?
4. What are your specific goals related to sustainability of water access with the RISPAM?
5. What challenges do you anticipate in water access in your area?
6. Do you have any other thoughts to share about these general issues?

Thank you very much for your time! Do you have any questions that you would like to ask us?

Observations of the interview context:

f) Key Informant Interview – BAPPEDA (Bahasa)

Key Informant Interview – BAPPEDA

Identification Section

District/City: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Terima kasih atas kehadiran Bapak/Ibu pada hari ini. Kami disini mewakili ECODIT, sebuah organisasi dari Amerika, yang membantu USAID dalam memberikan pengertian lebih baik dari proyek yang telah dibantu beberapa tahun yang lalu yang disebut dengan ESP (*Environmental Service Program*), yang dilaksanakan oleh DAI. Setelah waktu berjalan, kami saat ini mempelajari lebih dalam tentang keberlanjutan dari hasil proyek ini dan faktor-faktor yang mempengaruhinya. Informasi ini akan sangat membantu untuk meningkatkan kegiatan maupun program-program air bersih dimasa yang akan datang di seluruh Indonesia. Karena Anda ikut terlibat dalam proyek ini, kami mengundang Anda untuk membantu kami dalam memahami hal-hal terkait proyek.

Diskusi ini akan memakan waktu kurang lebih 1 jam. Tidak ada menjadi masalah apabila anda memilih tidak ikut berpartisipasi dalam diskusi ini. Dan tidak ada keuntungan langsung untuk anda sekalian apabila anda memilihi ikut berpartisipasi, selain mengetahui bahwa anda bisa akan membantu meningkatkan kegiatan pelayanan air bersih untuk masyarakat lain pada masa datang. Apabila diperkenankan, kami akan merekam diskusi ini untuk meyakinkan bahwa kami akan menggambarkan secara benar semua pemikiran yang anda diberikan.

Kami tidak akan mendiskusikan topic yang sensitif, tetapi kami akan tetap menjaga kerahasiaan identitas anda. Saat membuat laporan terkait hasil diskusi ini kami tidak akan memasukkan nama anda atau memberitahukan siapa dan mengatakan apa. Kami ingin anda merasa bebas mengemukan pendapat. Apabila anda tidak merasa nyaman untuk menjawab pertanyaan, anda bisa menolak untuk menjawab dan hal ini tidak akan menjadi masalah

ASK: Apakah ada pertanyaan?

ASK: Apakah anda ingin berpartisipasi?

TANYAKAN: Apakah Anda bersedia direkam?

Informed consent discussion completed? Yes_____ (interviewer initials)

Apakah bersedia untuk berpartisipasi? Ya_____ tidak _____ (if no, end interview)

Addressing Evaluation Questions:

1. *Sejauh mana tingkat pelayanan untuk komponen air bersih pada proyek yang berhubungan dengan ESP dan apakah masih berlanjut sampai dengan saat ini sejak 7 tahun yang lalu?*
    a. *Berapa proporsi penduduk yang telah memiliki akses ke air bersih (rumah tangga atau kran umum) melalui PDAM yang ditargetkan oleh pemerintah Indonesia pada tahun 2015 dibandingkan dengan 2010 apakah ada perubahan?*
    b. *Sampai sejauh mana target PDAM dapat dipertahankan atau ditingkatkan kapasitas manajemennya dengan menggunakan metode dan bahan-bahan yang disediakan oleh ESP?*
    c. *Sampai sejauh mana micro credit telah dimanfaatkan untuk memperluas wilayah pelayanan?*
2. *Faktor atau pendekatan apa (ditetapkan oleh USAID, pelaksana, masyarakat, external entities) yang berkontribusi atas ketidak berlanjutan dalam jangka panjang dari komponen proyek yang disebutkan di atas?*

<u>Interview Questions</u>

1. Bagaimana BAPPEDA berinteraksi dengan PDAM?
2. Kapan terakhir kali Anda merevisi RISPAM yang dilaksanakan oleh Daerah? Sampai kapan RISPAM tersebut berlaku?
3. Perubahan apa yang dilakukan terhadap RISPAM yang baru?
4. Apa tujuan yang spesifik terkait dengan keberlanjutan akses air dengan RISPAM tersebut?
5. Tantangan apa yang anda hadapi dalam mengantisipasi terhadap akses air di wilayah Anda?
6. Apakah Anda memiliki pengalaman lain untuk berbagi tentang isu-isu umum

Terima kasih waktu yang telah diberikan kepada kami!

Observations of the interview context:

g) Key Informant Interview – Microcredit Beneficiary (English)

Key Informant Interview – Microcredit Beneficiary

Identification Section

Province: _____ **District/City:** _____

Name: _____ **Tel Number**: _____ M/F
Name: _____ **Tel Number**: _____ M/F
Name: _____ **Tel Number**: _____ M/F

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in this community called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Question:

*1a. To what extent has **microcredit** been leveraged to continue expanded access to household connections?*

Interview Questions

1. How did you know of the ESP microcredit program? Who found out in your HH about the microcredit program?
    a. When did you know about it and when did you start participating?
2. Who made the decision in your HH to participate? Why?
3. What was your experience like?
    a. Did you have any trouble paying back on time?
    b. Were the terms of the agreement feasible?
4. Have any of your friends/family taken on these loans on your recommendation?
5. Do you think this program will be of interest to many people across Indonesia? If not, what should change to make it more attractive?
6. Do you have any other thoughts to share about ESP or these general issues?

Thank you very much for your time! Do you have any questions that you would like to ask us?

Observations of the interview context:

h) Key Informant Interview – Microcredit Beneficiary (Bahasa

Key Informant Interview – Penerima Manfaat Microcredit

Bagian Identifikasi

Provinsi : _____ **Kota/Kab.:** _____

Nama: _____ **Telp.**: _____ L/P
Nama: _____ **Telp.**: _____ L/P
Nama: _____ **Telp.**: _____ L/P

Tanggal Wawancara :_____ **Waktu Wawancara:** _____

Nama Moderator:_____ **Nama Pencatat**:_____

Terima kasih atas kehadiran Bapak/Ibu pada hari ini. Kami disini mewakili ECODIT, sebuah organisasi dari Amerika, yang membantu USAID dalam memberikan pengertian lebih baik dari proyek yang telah dibantu beberapa tahun yang lalu yang disebut dengan ESP (*Environmental Service Program*), yang dilaksanakan oleh DAI. Setelah waktu berjalan, kami saat ini mempelajari lebih dalam tentang keberlanjutan dari hasil proyek ini dan faktor-faktor yang mempengaruhinya. Informasi ini akan sangat membantu untuk meningkatkan kegiatan maupun program-program air bersih dimasa yang akan datang di seluruh Indonesia. Karena Anda ikut terlibat dalam proyek ini, kami mengundang Anda untuk membantu kami dalam memahami hal-hal terkait proyek.

Diskusi ini akan memakan waktu kurang lebih 1 jam. Tidak ada menjadi masalah apabila anda memilih tidak ikut berpartisipasi dalam diskusi ini. Dan tidak ada keuntungan langsung untuk anda sekalian apabila anda memilihi ikut berpartisipasi, selain mengetahui bahwa anda bisa akan membantu meningkatkan kegiatan pelayanan air bersih untuk masyarakat lain pada masa datang. Apabila diperkenankan, kami akan merekam diskusi ini untuk meyakinkan bahwa kami akan menggambarkan secara benar semua pemikiran yang anda diberikan.

Kami tidak akan mendiskusikan topic diskusi yang sensitif, tetapi kami akan tetap menjaga kerahasiaan identitas anda. Saat membuat laporan terkait hasil diskusi ini kami tidak akan memasukkan nama anda atau memberitahukan siapa dan mengatakan apa. Kami ingin anda merasa bebas mengemukan pendapat. Apabila anda tidak merasa nyaman untuk menjawab pertanyaan, anda bisa menolak untuk menjawab atau menolak dan hal ini tidak akan menjadi masalah.

TANYAKAN: Apakah Anda mempunyai pertanyaan?

TANYAKAN: Apakah Anda ingin berpartisipasi?

Informed consent discussion completed? Yes_____ (interviewer initials)

Anda setuju untuk berpartisipasi? Ya__ Tidak ___ (jika tidak, hentikan wawancara)

Pertanyaan untuk Evaluasi:

1a. Berapa proporsi masyarakat yang telah memiliki akses terhadap air bersih (sambungan rumah atau kran umum) melalui PDAM di tahun 2015 dibandingkan tahun 2010?

Panduan Wawancara

1. Bagaimana Anda tahu tentang program Microcredit dari ESP? Siapakah anggota keluarga yang pertama tahu tentang program micro credit?
    a. Kapan Anda tahu tentang hal ini dan kapan Anda mulai berpartisipasi?
2. Siapa di dalam rumah tangga yang membuat keputusan untuk berpartisipasi dalam program ini?
3. Seperti apa pengalaman Anda terkait program ini?
    a. Apakah Anda mengalami kendala pembayaran tepat waktu?
    b. Apakah persyaratan dan perjanjiannya masuk akal?
4. Adakah teman/keluarga Anda lainnya yang mengambil program pinjaman ini berdasarkan rekomendasi Anda?
5. Apakah menurut Anda program ini akan menarik bagi masyarakat secara umum di Indonesia? Jika tidak, apa yang harus diubah agar menjadi menarik?
6. Apakah ada yang hal lainnya yang ingin disampaikan terkait topik ini?

Terima kasih banyak atas waktu yang diberikan.

Observasi selama wawancara:

i) Key Informant Interview – National Government, BAPPENAS

Key Informant Interview – National Government BAPPENAS

Identification Section

Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in Indonesia called ESP, which was implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?*
    a. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2015 compared to 2010?*
    b. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
    c. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*
2. *Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?*

Interview Questions

1. Were you at all involved in ESP? How did you first learn of ESP?
    a. PROBE: Was this person involved in ESP for the entire project, even at the very early stages?
    b. Note to interviewer: Be clear that we are discussing ESP and NOT IUWASH+ with this individual. If respondent doesn't know ESP, focus on GOI questions.
2. How did ESP interact with your Ministry?
    a. How did interactions with your Ministry help the project to be sustainable?
    b. How could ESP have interacted differently with the Ministry to ensure the sustainability of approaches it introduced?
3. From a government perspective, what were the most successful and least successful aspects of ESP?
4. Have any similar programs been rolled out in Indonesia since 2010? Aside from IUWASH PLUS.
5. Do you have any other thoughts to share about ESP or these general issues?

Thank you very much for your time! Do you have any questions that you would like to ask us?

Observations of the interview context:

j) Key Informant Interview – National Government, Ministry of Public Works (English)

Key Informant Interview – Ministry of Public Works

Identification Section

Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title:_____

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in Indonesia called Environmental Services Program. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. We are studying the way ESP supported PDAM to improve their performance, increasing access to water and the microcredit program.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

ASK: Do you mind if we record?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?*
    a. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2015 compared to 2010?*
    b. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
    c. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*
2. *Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?*

Interview Questions

1. Were you at all involved in ESP? Are you familiar with the USAID-funded program ESP that occurred between 2004-10 in Indonesia?

    PROBE: Was this person involved in ESP for the entire project, even at the very early stages?

    Note to interviewer: Be clear that we are discussing ESP and NOT IUWASH+ with this individual. If respondent doesn't know ESP, skip to Question 3.

2. How did ESP interact with your Ministry?
    a. How did interactions with your Ministry help the project to be sustainable regarding the improved performance of PDAMs, increased household connections, microcredit program?
    b. How could ESP have interacted differently with the Ministry to ensure the sustainability of these approaches?
3. From a government perspective, what were the most successful and least successful aspects of ESP regarding the improved performance of PDAMs, increased household connections, microcredit program?
4. Have any similar programs working on PDAM performance improvement been rolled out in Indonesia since 2010? Aside from IUWASH PLUS.
5. Can you describe the PDAM Centre of Excellence and how the Ministry of Public Works supports it?
6. ESP assisted some PDAMs in preparing Business Plans for proposed debt restructuring. Can you describe the status of national PDAM debt restructuring?
7. Do you have any other thoughts to share about ESP or these general issues, or any final questions for us?

Thank you very much for your time!

Observations of the interview context:

k) Key Informant Interview – National Government, Ministry of Public Works (Bahasa)

Wawancara Narasumber Kunci – Kementerian Pekerjaan Umum

Identitas Narasumber

Nama:_____ **No telepon**: _____ L/P

Jabatan: _____
Nama: _____ **Tel Number**: _____ L/P

Jabatan:_____
Nama: _____ **Tel Number**: _____ L/P

Jabatan: _____

Tanggal wawancara:_____ **Waktu wawancara:**_____

Nama pewawancara:_____ **Nama pencatat**:_____

Salam. Kami mewakili sebuah lembaga dari Amerika Serikat bernama ECODIT, yang sedang melakukan studi untuk membantu USAID menarik pembelajaran terkait sebuah program yang telah selesai dilaksanakan beberapa tahun lalu di Indonesia, yaitu Environmental Service Program (ESP). Program tersebut bertujuan untuk meningkatkan kinerja PDAM, meningkatkan akses masyarakat terhadap air bersih, termasuk melalui program mikro-kredit. Kami ingin mempelajari mengenai keberlanjutan jangka-panjang hasil-hasil program yang pernah dicapai, serta faktor-faktor apa saja yang mempengaruhinya. Informasi ini akan menolong USAID untuk meningkatkan kegiatan-kegiatannya di Indonesia di masa yang akan datang. Sehubungan dengan jabatan dan pengalaman Bapak/Ibu, kami memohon kesediaannya untuk bersedia kami wawancara dan membagikan pendapat Bapak/Ibu.

Wawancara ini kami perkirakan akan berlangsung selama sekitar 1 jam. Tidak ada resiko apa-apa apabila Bapak/Ibu memang tidak berkesempatan ataupun tidak bersedia untuk berpartisipasi dalam wawancara ini. Sebaliknya, tidak ada keuntungan langsung yang akan Bapak/Ibu dapatkan apabila berpartisipasi, selain dari peluang untuk dapat memperbaiki layanan bagi masyarakat Indonesia di masa yang akan datang. Apabila diizinkan, kami akan merekam wawancara ini agar kami dapat menangkap informasi-informasi yang akan Bapak/Ibu sampaikan secara lebih tepat.

Meskipun kami tidak hendak mengarah kepada topik-topik yang sensitif, kami tetap mengupayakan kerahasiaan Bapak/Ibu. Dalam laporan kami nantinya, nama Bapak/Ibu tidak akan kami sebutkan terkait pernyataan-pernyataan yang Bapak/Ibu berikan. Hal ini semata-mata agar Bapak/Ibu dapat lebih leluasa untuk menyampaikan pendapat. Apabila nantinya Bapak/Ibu merasa enggan untuk menjawab pertanyaan-pertanyaan terntentu, Bapak/Ibu boleh memilih untuk tidak menjawab; hal tersebut tidak akan menjadi masalah.

Tanyakan: Apakah ada pertanyaan yang ingin Bapak/Ibu ajukan?

Tanyakan: Apakah Bapak/Ibu bersedia?

Informed consent wawancara lengkap? Ya_____ (inisial pewawancara)

Apakah narasumber seluruhnya bersedia diwawancarai? Ya_____ Tidak _____ (Jika 'Tidak', akhiri wawancara)

Pertanyaan Evaluasi yang hendak dijawab melalui studi ini:

1. *Seperti apa tingkat layanan penyediaan air bersih -sebagai salah satu komponen intervensi ESP dahulu- teramati setelah tujuh tahun project tersebut berakhir?*
    a. *Seperti apa perbedaan dalam hal tingkat akses masyarakat terhadap air bersih –melalui sambungan rumah ataupun kran umum yang disediakan PDAM- antara tahun 2017 jika dibandingkan dengan tahun 2010?*
    b. *Sejauh mana PDAM dampingan ESP menjaga ataupun meningkatkan kapasitas manajemennya, menggunakan metode ataupun material yang dahulu disediakan oleh ESP?*
    c. *Seperti apa program microcredit sambungan air bersih berperan dalam meningkatnya coverage sambungan rumah tangga selama ini?*
2. *Faktor-faktor / pendekatan seperti apa saja (baik oleh USAID, pelaksana, masyarakat, ataupun pihak lainnya) yang mendukung ataupun malah menghambat sisi keberlanjutan jangka panjang komponen-komponen proyek ESP tadi?*

Pertanyaan-pertanyaan untuk wawancara:

1. Apakah Bapak/Ibu cukup familiar dengan program ESP yang didanai oleh USAID antara kurun waktu 2004-2010? Seperti apa keterkaitan / keterlibatan Bapak/Ibu dalam program tersebut?
    a. PROBE: Apakah ybs terlibat dari awal sampai akhir proyek, termasuk di tahap awal?
    b. Catatan untuk pewawancara: Pastikan ybs dapat membedakan ESP dengan IUWASH atau IUWASH PLUS. Apabila ybs tidak mengerti tentang ESP, lanjutkan ke pertanyaan nomor
2. Selama berlangsungnya program ESP, bagaimanakah ESP berinteraksi dengan kementerian PU?
    a. Bagaimanakah kaitan antara interaksi ESP dengan kementerian PU selama ini, dengan tingkat keberlanjutan hasil-hasil program tersebut khususnya dalam hal: peningkatan coverage PDAM, peningkatan kinerja PDAM, dan mikro kredit.
    b. Jika menurut Bapak/Ibu ada hal-hal yang perlu diperbaiki dalam hal interaksi antara ESP dengan PU, seperti apa seharusnya interaksi tersebut?
3. Dari sudut pandang pemerintah, seperti apa sajakah kesuksesan / ketidaksuksesan program ESP dalam mencapai tujuan-tujuannya, khususnya dalam hal: peningkatan coverage PDAM, peningkatan kinerja PDAM, dan penerapan mikro-kredit sambungan air bersih.
4. Sejak tahun 2010, program-program apa sajakah yang juga menyasar peningkatan kinerja PDAM (kecuali IUWAS/PLUS)?
5. Dalam mengupayakan restrukturisasi hutang, ESP mendampingi beberapa PDAM dalam penyusunan Business Plan. Dapatkah Bapak/Ibu ceritakan perkembangan terkini mengenai upaya-upaya restrukturisasi hutang PDAM di tingkat nasional?
6. Adakah hal lain yang ingin Bapak/Ibu sampaikan terkait ESP ataupun isu-isu lain yang berhubungan?

Terimakasih banyak atas waktu dan kesediannya.

Observasi mengenai konteks wawancara:

l) Key Informant Interview – PDAM Staff (English)

Key Informant Interview – PDAM Staff

Identification Section

Province: _____ **District/City:** _____

PDAM: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

ASK: Do you mind if we record you?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2015 compared to 2010 and how has it changed?*
2. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
3. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*

Interview Questions

1. Can you tell me about your professional history since you start working at this PDAM?
    a. What was the nature of your involvement in ESP?
    b. Are there any notable changes since ESP came in? Describe.
    c. Do you think ESP contributed to that change?
2. How are your interactions with government?
3. Which government parties or agency (in the local, provincial, and central levels) have been working with the PDAM most frequently?
    PROBE: What is the nature of the interaction? How frequently do you interact with them/ on what occasions?
    a. How do you perceive such interaction having been beneficial for PDAM performance improvement?
    b. Which government entities (in the local, provincial, and central levels) do you consider most influential/crucial for PDAM's performance improvement (Probe: mayor/bupati, Bappeda, BPKP, BPKAD. DPRD)?
    c. How do you see the role of the PDAM supervisory board?
4. Can we get the audited annual reports of 2015 and un-audited report of 2016?
5. Are there any other programs that have been received/currently running, targeting PDAM performance improvement? (PROBE: who runs the program?)
6. Do you think the microcredit program is appropriate to increase your PDAM coverage? Please explain.

IF ONLY STAFF AVAILABLE, ask following questions:

1. We would like to ask about:

    Probe for each aspect listed below and fill out the table:

    i. corporate plan
    ii. tariff
    iii. benchmarking
    iv. non-revenue water
    v. water quality monitoring
    vi. management information system (MIS)
    vii. geographic information system (GIS)
    viii. cost efficiency (especially energy efficiency)
    ix. finance

x. human resources policy
xi. staff capacity building/training
xii. customer relationship

2. Since the ESP program ended, how has PDAM's coverage changed over time?
    a. What were the contributing factors behind such change? (Note: try to verify clear attribution if the factors mentioned are aspects of PDAM performance that were targeted by ESP)

If microcredit exists here:

3. Does the microcredit program still exist?
    a. If yes, how has the program changed since 2010? Have you expanded the program to work with other banks since project close?
    b. If no, why?

If municipal bond/credit rating exists here:

4. How did the option of a municipal bond help the PDAM?
5. Is this a sustainable financing method?
6. How did the issuance of a credit rating in 2007 affect the PDAM? (According to the ESP final report (p. 80), Kab. Bogor received a credit rating for the first time, and a bond was supposed to be issued but was halted due to changes in senior management.)
7. Do you have any other thoughts to share about ESP or these general issues?

Thank you very much for your time. Is there anything that you want to ask us?

Observations of the interview context:

m) Key Informant Interview – PDAM Staff (Bahasa)

Key Informant Interview – PDAM Staff

Identitas Narasumber

Nama: _____ **No telepon**: _____ L/P

Jabatan: _____
Nama: _____ **Tel Number**: _____ L/P

Jabatan:_____
Nama: _____ **Tel Number**: _____ L/P

Jabatan: _____

Tanggal wawancara:_____ **Waktu wawancara:**_____

Nama pewawancara:_____ **Nama pencatat**:_____

Salam. Kami mewakili sebuah lembaga dari Amerika Serikat bernama ECODIT, yang sedang melakukan studi untuk membantu USAID menarik pembelajaran terkait sebuah program yang telah selesai dilaksanakan beberapa tahun lalu di Indonesia, yaitu Environmental Service Program (ESP). Program tersebut bertujuan untuk meningkatkan kinerja PDAM, meningkatkan akses masyarakat terhadap air bersih, termasuk melalui program mikro-kredit. Kami ingin mempelajari mengenai keberlanjutan jangka-panjang hasil-hasil program yang pernah dicapai, serta faktor-faktor apa saja yang mempengaruhinya. Informasi ini akan menolong USAID untuk meningkatkan kegiatan-kegiatannya di Indonesia di masa yang akan datang. Sehubungan dengan pengalaman Bapak/Ibu, kami memohon kesediaannya untuk bersedia kami wawancara dan membagikan pendapat Bapak/Ibu.

Wawancara ini kami perkirakan akan berlangsung selama sekitar 1 jam. Tidak ada resiko apa-apa apabila Bapak/Ibu memang tidak berkesempatan ataupun tidak bersedia untuk berpartisipasi dalam wawancara ini. Sebaliknya, tidak ada keuntungan langsung yang akan Bapak/Ibu dapatkan apabila berpartisipasi, selain dari peluang untuk dapat memperbaiki layanan bagi masyarakat Indonesia di masa yang akan datang. Apabila diizinkan, kami akan merekam wawancara ini agar kami dapat menangkap informasi-informasi yang akan Bapak/Ibu sampaikan secara lebih tepat.

Meskipun kami tidak hendak mengarah kepada topik-topik yang sensitif, kami tetap mengupayakan kerahasiaan Bapak/Ibu. Dalam laporan kami nantinya, nama Bapak/Ibu tidak akan kami sebutkan terkait pernyataan-pernyataan yang Bapak/Ibu berikan. Hal ini semata-mata agar Bapak/Ibu dapat lebih leluasa untuk menyampaikan pendapat. Apabila nantinya Bapak/Ibu merasa enggan untuk menjawab pertanyaan-pertanyaan terntentu, Bapak/Ibu boleh memilih untuk tidak menjawab; hal tersebut tidak akan menjadi masalah.

Tanyakan: Apakah ada pertanyaan yang ingin Bapak/Ibu ajukan?

Tanyakan: Apakah Bapak/Ibu bersedia?

Informed consent wawancara lengkap? Ya_____ (inisial pewawancara)

Apakah narasumber seluruhnya bersedia diwawancarai? Ya_____ Tidak _____ (Jika 'Tidak', akhiri wawancara)

Pertanyaan Evaluasi yang hendak dijawab melalui studi ini

1. *Bagaimana proporsi cakupan akses masyarakat terhadap air bersih (melalui sambungan rumah ataupun kran umum) yang disediakan oleh PDAM dampingan ESP pada tahun 2015 jika dibandingkan dengan tahun 2010?*
2. *Sejauh mana PDAM dampingan ESP menjaga ataupun meningkatkan kapasitas manajemennya, menggunakan metode ataupun material yang dahulu disediakan oleh ESP?*
3. *Sampai sejauh mana program mikro-credit sambungan air bersih berperan dalam meningkatnya cakupan sambungan rumah tangga selama ini?*

Interview Questions

1. Dapatkah Bapak/Ibu ceritakan riwayat selama bekerja di PDAM ini?
    a. Mohon ceritakan bagaimana keterlibatan Bapak/Ibu dengan ESP?
    b. Apakah ada perubahan yang terjadi sejak adanya program ESP? mohon jelaskan. (Catatan: pastikan "kapan perubahan tersebut terjadi" tercatat)
    c. Apakah menurut Bapak/Ibu, perubahan tersebut ada karena ESP?
2. Bagaimana interaksi Bapak/Ibu dengan pemerintah:
    a. Selama ini, pihak ataupun lembaga pemerintah mana sajakah (baik di tingkat daerah, provinsi, ataupun pusat) yang dirasakan paling sering berinteraksi dengan PDAM? (PROBE: Seperti apa sifat interaksinya? Seberapa sering interaksinya/dalam kegiatan seperti apa sajakah interaksinya?)
    b. Apakah menurut Bapak/Ibu interaksi tersebut selama ini bermanfaat bagi peningkatan kinerja PDAM?
    c. Menurut pendapat Bapak/Ibu, lembaga pemerintah mana sajakah (baik di tingkat daerah, provinsi, ataupun pusat) yang dirasakan paling berpengaruh / menentukan dalam peningkatan kinerja PDAM? Mengapa demikian? (PROBE: walikota/bupati, Bappeda, BPKP, BPKAD, DPRD)
3. Seperti apa peran dari dewan pengawas PDAM selama ini menurut Bapak/Ibu?
4. Bolehkah kami mendapatkan laporan tahun 2015 (yang sudah diaudit) dan tahun 2016 (yang belum diaudit)?
5. Apakah ada program-program peningkatan kinerja PDAM lain apa sajakah yang pernah/sedang didapatkan? (PROBE: dari siapa program tersebut berasal?)
6. Apakah menurut Bapak/Ibu program mikro-kredit tepat untuk meningkatkan coverage PDAM tempat Bapak/Ibu bekerja? Mohon jelaskan.

Tanyakan pertanyaan-pertanyaan berikut ini HANYA JIKA STAF HADIR

1. Kami ingin menanyakan tentang hal-hal berikut:
   Probe untuk tiap-tiap aspek dibawah ini:
    i. *corporate plan*
    ii. *tariff*
    iii. *benchmarking*
    iv. *non-revenue water*
    v. *water quality monitoring*
    vi. *management information system (MIS)*

vii. *geographic information system (GIS)*
viii. *cost efficiency* (khususnya *energy efficiency*)
ix. *finance*
x. kebijakan *human resources*
xi. *staff capacity building / training*
xii. *customer relationship*

2. Semenjak program ESP berakhir, seperti apa perubahan yang terjadi dalam hal tingkat cakupan PDAM?
    a. Apa saja faktor yang menyebabkan perubahan tersebut? (Catatan: usahakan untuk mendapat kejelasan apakah faktor yang disebutkan ada kaitannya dengan pendampingan oleh ESP)

Apabila ada program mikro-kredit di PDAM terkait:

3. Apakah program mikro-kredit masih berjalan?
    a. Jika ya, seperti apa perubahannya sejak 2010? Adakah Bapak/Ibu mengembangkan program mikro-kredit tersebut dengan bekerjasama dengan bank-bank lain?
    a. Jika sudah tidak berjalan, kenapa?

Apabila ada program obligasi daerah/credit rating di PDAM terkait:

4. Seperti apa sajakah manfaat yang didapat PDAM dari adanya obligasi daerah?
5. Menurut Bapak/Ibu, apakah metode pembiayaan semacam ini dapat berkelanjutan dalam jangka panjang?
6. Seperti apa dampak dikeluarkannya credit rating pada tahun 2007 bagi PDAM? (menurut laporan akhir ESP (hal.80), Kab. Bogor menerima credit rating untuk pertama kali, dan sesudahnya obligasi daerah seharusnya segera diluncurkan namun terhambat karena adanya perubahan di senior management)
7. Adakah hal lain yang ingin Bapak/Ibu sampaikan terkait ESP ataupun isu-isu terkait lainnya?

Terimakasih banyak atas waktu dan kesediannya. Adakah yang ingin ditanyakan?

Observasi mengenai konteks wawancara:

n) Key Informant Interview – PDAM Supervisory Board (English)

Key Informant Interview – PDAM Supervisory Board

Identification Section

District/City: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in Indonesia called ESP, which was implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

ASK: Do you mind if we record?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?*
    a. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2015 compared to 2010 and how has it changed?*
    b. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
    c. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*
2. *Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?*

Interview Questions

1. How long have you been part of this PDAM Supervisory Board?

    PROBE: who are the three members of the board and how were they chosen?

2. How does the PDAM Supervisory Board interact with the PDAM in this district?
    a. How often do you meet with the PDAM?
3. What is your role in the PDAM's planning, i.e., budgeting?
    a. What is your process for assessing the PDAM planning?

    PROBE: Make sure to tease out if they don't approve, why/what's their reason

4. How successful was the PDAM in meeting the targets for water access?
    a. What were the main challenges it encountered?
    b. How does the local government support the PDAM to meet its targets?
5. Do you have any other thoughts to share about these general issues?

Thank you very much for your time! Do you have any questions for us?

Observations of the interview context:

o) Key Informant Interview – PDAM Supervisory Board (Bahasa)

Wawancara Informan Kunci – Badan Pengawas PDAM

Bagian Identifikasi

Kota/Kab.: _____

Nama: _____ **Telp.**: _____ L/P
Nama: _____ **Telp.**: _____ L/P
Nama: _____ **Telp.**: _____ L/P

Tanggal Wawancara :_____ **Waktu Wawancara:** _____

Nama Pewawancara:_____ **Nama Pencatat**:_____

Terima kasih atas kehadiran Bapak/Ibu pada hari ini. Kami disini mewakili ECODIT, sebuah organisasi dari Amerika, yang membantu USAID dalam memberikan pengertian lebih baik dari proyek yang telah dibantu beberapa tahun yang lalu yang disebut dengan ESP (*Environmental Service Program*), yang dilaksanakan oleh DAI. Setelah waktu berjalan, kami saat ini mempelajari lebih dalam tentang keberlanjutan dari hasil proyek ini dan faktor-faktor yang mempengaruhinya. Informasi ini akan sangat membantu untuk meningkatkan kegiatan maupun program-program air bersih dimasa yang akan datang di seluruh Indonesia. Karena Anda ikut terlibat dalam proyek ini, kami mengundang Anda untuk membantu kami dalam memahami hal-hal terkait proyek.

Diskusi ini akan memakan waktu kurang lebih 1 jam. Tidak ada menjadi masalah apabila anda memilih tidak ikut berpartisipasi dalam diskusi ini. Dan tidak ada keuntungan langsung untuk anda sekalian apabila anda memilihi ikut berpartisipasi, selain mengetahui bahwa anda bisa akan membantu meningkatkan kegiatan pelayanan air bersih untuk masyarakat lain pada masa datang. Apabila diperkenankan, kami akan merekam diskusi ini untuk meyakinkan bahwa kami akan menggambarkan secara benar semua pemikiran yang anda diberikan.

Kami tidak akan mendiskusikan topic diskusi yang sensitif, tetapi kami akan tetap menjaga kerahasiaan identitas anda. Saat membuat laporan terkait hasil diskusi ini kami tidak akan memasukkan nama anda atau memberitahukan siapa dan mengatakan apa. Kami ingin anda merasa bebas mengemukan pendapat. Apabila anda tidak merasa nyaman untuk menjawab pertanyaan, anda bisa menolak untuk menjawab atau menolak dan hal ini tidak akan menjadi masalah.

TANYAKAN: Apakah Anda mempunyai pertanyaan?

TANYAKAN: Apakah Anda ingin berpartisipasi?

TANYAKAN: Apakah Anda bersedia direkam?

Apakah pembahasan informasi persetujuan partisipasi telah diselesaikan secara lengkap? Ya_____ (inisial pewawancara)

Apakah Anda setuju untuk berpartisipasi? Ya__ Tidak ___ (jika tidak, hentikan wawancara)

Pertanyaan Evaluasi:

1. *Sejauh manakah tingkat pelayanan penyediaan air yang diberikan melalui komponen-komponen ESP terkait air yang berjalan saat penutupan proyek masih teramati tujuh tahun kemudian?*
    a. *Bagaimana proporsi cakupan masyarakat yang **memiliki akses air** (di rumah tangga atau melalui keran umum) yang disediakan oleh PDAM pada tahun 2015 dibandingkan dengan pada tahun 2010? Apa perubahan yang terjadi?*
    b. *Sejauh manakah **PDAM** target mempertahankan atau meningkatkan kapasitas manajemennya dengan menggunakan metode dan bahan atau materi yang diberikan ESP?*
    c. *Sejauh manakah **mikrokredit** dapat mengungkit perluasan akses sambungan rumah tangga yang berkelanjutan?*
2. *Faktor-faktor atau pendekatan-pendekatan apa (yang dilaksanakan oleh USAID, pelaksana program, masyarakat, atau entitas eksternal) berkontribusi atau menghalangi keberlanjutan jangka panjang dari komponen-komponen yang telah disebutkan di atas?*

<u>Wawancara</u>

1. Sudah berapa lama Anda menjadi bagian dari Badan Pengawas PDAM?
2. PROBE: siapa saja 3 anggota badan pengawas dan bagaimana mereka dipilih
3. Bagaimana Badan Pengawas PDAM berinteraksi dengan PDAM di kota/Kabupaten ini?
    a. Seberapa seringkah Anda melakukan pertemuan dengan PDAM?
4. Apa peranan Anda dalam perencanaan PDAM, seperti dalam penganggaran?
    a. Apa proses yang Anda terapkan untuk menilai perencanaan PDAM?
    b. PROBE: Pastikan menggali lebih dalam jika mereka pernah tidak menyetujui perencanaan tersebut dan mengapa/apa alasan mereka
5. Seberapa berhasilkah PDAM dalam memenuhi target akses terhadap air?
    a. Apa sajakah tantangan-tantangan utama yang ditemui?
    b. Bagaimana dukungan pemerintah daerah kepada PDAM agar PDAM dapat memenuhi targetnya?
6. Apakah ada hal-hal lain yang masih ingin disampaikan mengenai topik ini?

Terima kasih atas waktunya!

Observasi konteks wawancara:

p) Group Interview – ESP Managers

Group Interview – ESP Managers

Identification Section

Province:_____ **Municipality/District:** _____

Name: _____ **Tel Number**: _____ M/F

Title (current & during ESP): _____
Name: _____ **Tel Number**: _____ M/F

Title: _____
Name: _____ **Tel Number**: _____ M/F

Title: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in this community called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?*
    a. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs in 2015 compared to 2010 and how has it changed?*
    b. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
    c. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*
2. *Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?*

Interview Questions

1. What was the nature of your involvement with ESP?
    a. PROBE: Confirm your understanding of how ESP functioned related to your own role.
2. Remind only studying Environmental Services Delivery & Finance. Can you please describe the types of water access activities you recall from ESP under these two components?
    a. PROBE *if activities below not specifically mentioned:* Did you work through any of the following approaches? If so, please describe how this component worked and your opinions on the successes and challenges of it:
        i. Access to water (HH or community)
        ii. PDAM capacity building, especially performance index score
        iii. Micro-credit
3. What was ESP's approach to ensure quality participation during the following (PROBE on how they decided on each, who was involved):
    a. Selecting communities to target (how)
    b. Initial outreach to or consultation with targeted communities (who and how)
    c. Involvement of persons in local communities (who and how and in which activities)
    d. Involvement of government (who, how, what level)
    e. Selecting the implementation approach
    f. Monitoring and evaluation and remediation of problems (how and when and who's involved)
4. What did you anticipate would be sustainable from:
    a. Access to water gained through ESP
    b. ESP PDAM capacity building
    c. Microcredit program?
    d. FOLLOW-UP: Why do you think that? What were the key factors?

5. What were some of the challenges to sustainability identified during the project?
    a. How have you addressed these challenges during IUWASH and IUWASH PLUS?

6. Are you aware of any new programs from other donors that occurred in our sample PDAMs (Kab. Bogor, Kab./Kota SuKab.umi, Kab. Subang, Kota Yogyakarta, Kab. Sleman, Kota/Kab. Magelang) within the past seven years?
7. Do you have any other thoughts to share about ESP or these general issues?

Thank you very much for your time!

Observations of the interview context:

q) **Key Informant Interview – ESP COP or DCOP**

Key Informant Interview – ESP COP or DCOP

Identification Section

Province: _____ **City:** _____

Name: _____ **Tel Number**: _____ M/F

Title: _____

Name: _____ **Tel Number**: _____ M/F

Title: _____

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in this community called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Questions:

1. *To what extent are the levels of water service provided by ESP water-related project components at the time of project closure still observed seven years later?*
    a. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2017 compared to 2010?*

   b. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
   c. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*
2. *Which factors or approaches (enacted by USAID, implementers, communities, or external entities) contributed to or impaired long-term sustainability of the project components named above?*

Interview Questions

1. What was the nature of your involvement with ESP?
   a. PROBE: Confirm your understanding of how ESP functioned related to your own role.
2. Can you please describe the types of water access activities you recall from ESP?
   a. PROBE *if activities below not specifically mentioned:* Did you work through any of the following approaches? If so, please describe how this component worked and your opinions on the successes and challenges of it:
      i. Access to water (HH or community)
      ii. PDAM capacity building
      iii. Microcredit
3. What was your organization's approach to the following during ESP (PROBE on how they decided on each, who was involved, whether it's their typical approach):
   a. Selecting communities to target (how)
   b. Initial outreach to or consultation with targeted communities (who and how)
   c. Involvement of persons in local communities (who and how and in which activities)
   d. Involvement of government (who, how, what level)
   e. Selecting the implementation approach
   f. Monitoring and evaluation and remediation of problems (how and when and who's involved)
4. What did you anticipate would be sustainable from access to water gained through ESP, ESP PDAM capacity building, microcredit program?
5. What were some of the challenges to sustainability identified during the project?
6. Which factors do you think will have had the greatest influence on the ability to sustain access to water, improved performance of PDAMS, and microcredit introduced by ESP?
   a. FOLLOW-UP: Why do you think that?
7. Are you aware of any new programs from other donors that occurred in the same PDAMs within the past seven years?
8. Do you have any other thoughts to share about ESP or these general issues?

Thank you very much for your time!

Observations of the interview context:

r) Key Informant Interview – ESP Field Assistant

Key Informant Interview – ESP Field Assistant

Identification Section

Province: _____ **District/City:** _____

Name: _____ **Tel Number**: _____ M/F
Name: _____ **Tel Number**: _____ M/F
Name: _____ **Tel Number**: _____ M/F

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Hello! We are here on behalf of a group in the United States called ECODIT, which is doing a study to help USAID better understand a project that it supported a few years ago in this community called ESP, implemented by DAI. Now that some time has passed, we would like to learn more about the long-term sustainability of the outcomes of that project, and factors that may have affected the ability to sustain results. This information can help USAID improve its activities in the future throughout Indonesia. Because you participated in this project, we are inviting you to help us understand these things by participating in this interview and sharing your opinions.

This discussion will take about 1 hour of your time. There is no penalty or problem at all if you prefer not to participate. There is also no direct benefit to you if you do choose to participate, other than knowing you may be helping to improve activities for other communities in Indonesia in the future. If we have your permission, we would like to record this discussion to make sure we correctly capture all the ideas you share.

We do not expect to discuss sensitive topics, but regardless of that, we still plan to keep your identity confidential. When we make a report on our findings, we will not include your name alongside something you said. We want you to feel free to express your opinions. If you don't feel comfortable answering a question, you can simply refuse to answer without problem.

ASK: Do you have any questions?

ASK: Do you want to participate?

Informed consent discussion completed? Yes_____ (interviewer initials)

Do you agree to participate? Yes_____ No _____ (if no, end interview)

Addressing Evaluation Question:

*1a. To what extent has **microcredit** been leveraged to continue expanded access to household connections?*

Interview Questions

1. What was the nature of your involvement with ESP? How long were you involved with ESP? During what period of time? Where did you work?

    a. PROBE: Confirm your understanding of how ESP functioned related to your own role.
2. Describe how you supported the microcredit program during ESP.
3. What can you tell us about the current status of the water connection microcredit program?
    a. How do you have this information?
    b. PROBE: Make sure to get information on PDAM, bank, and beneficiaries level of satisfaction with microcredit program.
4. What did you anticipate would be the challenges to sustainability of the microcredit program at project close?
    a. What were the factors that encouraged you to believe it'd be successful?
5. What has changed in Indonesia since ESP closed that may impact the microcredit program?
6. What were challenges/obstacles/concerns for PDAMs to enter into Master agreements?
7. What were challenges/obstacles/concerns for banks to enter into Master agreements?
8. Do you have any other thoughts to share about ESP or these general issues?

Thank you very much for your time!

Observations of the interview context:

s) Group Interview – USAID

Group Interview – USAID

Date of Interview:_____ **Time of Interview:**_____

Name of Interviewer:_____ **Name of Note-taker**:_____

Name: _____ **Title:** _____
Name: _____ **Title:** _____

Context of the Evaluation

- Brief introduction to interviewers
- Purpose of evaluation and the interview
- Can we please record?

Addressing Evaluation Questions:

1. *What proportion of the catchment population has **access to water** (household or community tap) through targeted PDAMs (Indonesian municipal water utilities) in 2017 compared to 2010?*
2. *To what extent have targeted **PDAMs** maintained or improved their management capacity using methods and materials provided by ESP?*
3. *To what extent has **microcredit** been leveraged to continue expanded access to household connections?*

Interview Questions

1. What was the nature of your involvement with ESP?
2. What can you tell us about the activities and achievements of ESP?
    a. Make sure to specify the access to water, PDAM performance capacity building, microcredit, municipal bond.
3. In what ways, if any, did the ESP approach differ from other WASH projects before it?
    a. PROBE: What do you think of the way they handled the access to water, PDAM performance capacity building, microcredit?
4. What did you anticipate would be sustainable from access to water gained through ESP, ESP PDAM capacity building, microcredit program?
    a. What did you think would be sustainable of these approaches? Do you think it was?
    b. Were there any specific regions or municipalities where aspects of ESP were more sustainable than in other areas? Do you know why (ask for a specific example)?
5. Relate to rest of country context: what are the main barriers across the country for these types of programs?
    a. Both during ESP and now?
    b. And in these two regions?
6. Have other projects pursued the corporate revenue bond method as a financing option for PDAMs? If so, have they been successful?
    a. FOLLOW-UP: How did their approach differ from ESP's?
    b. Is this a suitable option for alternative financing of PDAMs in Indonesia?
7. Are you aware of a USAID loan guarantee program in Indonesia?
    a. Miriam to elaborate.
8. Which lessons learned from ESP helped inform the way you planned IUWASH? What were the key aspects that you wanted to change after ESP ended?

9. How was ESP's approach distinct from that of IUWASH (and IUWASH PLUS)?
10. Based on your experience with WASH in Indonesia, what are the biggest threats to sustainability for PDAM capacity building? For access to water gained through ESP? For microcredit?
    a. FOLLOW-UP: Where have you seen evidence of that? Anything in the context of ESP?
11. Are there any particular aspects of ESP we haven't yet discussed that you think we should look at closely in our study? Are there any things you'd like us to pay attention to that are of interest to the Mission?

Thank you very much for your time! Do you have any questions for us?

Observations of the interview context:

ANNEX III: DATA COLLECTION SCHEDULE AND PARTIES CONSULTED

Date	Target Group	Type of Interview	Province	District/City
March 27, 2017	ESP DCOP	KII	Jakarta	Jakarta
March 27, 2017	ESP Microfinance Specialist	KII	Jakarta	Jakarta
March 29, 2017	ESP Managers	GI	Jakarta	Jakarta
March 30, 2017	PDAM Staff	KII	West Java	Kab. Bogor
April 4, 2017	USAID	GI	Jakarta	Jakarta
April 4, 2017	Ministry of Public Works	KII	Jakarta	Jakarta
April 5, 2017	PDAM Staff	KII	West Java	Kab. SuKab.umi
April 5, 2017	PDAM Staff	KII	Central Java	Kota Yogyakarta
April 5, 2017	Aka Tirta	KII	Central Java	Kota Solo
April 6, 2017	PDAM Staff	KII	West Java	Kota SuKab.umi
April 6, 2017	Microcredit Connection Beneficiary	KII	West Java	Kab. SuKab.umi
April 6, 2017	BAPPEDA	KII	Central Java	Kota Yogyakarta
April 6, 2017	PDAM Supervisory Board	KII	Central Java	Kota Yogyakarta
April 7, 2017	Bank Representative	KII	West Java	Kota SuKab.umi
April 7, 2017	Community Members	FGD	West Java	Kota SuKab.umi
April 7, 2017	BAPPEDA	KII	West Java	Kota SuKab.umi
April 7, 2017	Community Members	FGD	Central Java	Kota Yogyakarta
April 10, 2017	Community Members	FGD	West Java	Kab. SuKab.umi

April 10, 2017	PDAM Staff	KII	Central Java	Kota Magelang
April 10, 2017	Community Members	FGD	Central Java	Kota Magelang
April 10, 2017	Community Members	FGD	Central Java	Kota Magelang
April 11, 2017	BAPPEDA	KII	West Java	Kab. SuKab.umi
April 11, 2017	PDAM Supervisory Board	KII	West Java	Kab. SuKab.umi
April 11, 2017	PDAM Supervisory Board	KII	Central Java	Kota Magelang
April 12, 2017	BAPPEDA	KII	Central Java	Kota Magelang
April 12, 2017	Community Members	FGD	Central Java	Kota Yogyakarta
April 13, 2017	PDAM Staff	KII	Central Java	Kab. Sleman
April 13, 2017	BAPPEDA	KII	Central Java	Kab. Sleman
April 17, 2017	PDAM Staff	KII	Central Java	Kab. Magelang
April 17, 2017	PDAM Supervisory Board	KII	Central Java	Kab. Magelang
April 18, 2017	Community Members	FGD	West Java	Kab. Subang
April 18, 2017	Community Members	FGD	West Java	Kab. Subang
April 18, 2017	BAPPEDA	KII	Central Java	Kab. Magelang
April 19, 2017	PDAM Staff	KII	West Java	Kab. Subang
April 19, 2017	BAPPEDA	KII	West Java	Kab. Subang
April 19, 2017	Community Members	FGD	Central Java	Kab. Magelang
April 20, 2017	Community Members	FGD	West Java	Kab. Bogor
April 20, 2017	Community Members	FGD	Central Java	Kab. Sleman
April 20, 2017	Community Members	FGD	Central Java	Kab. Sleman

April 20, 2017	PDAM Supervisory Board	KII	Central Java	Kab. Sleman
April 25, 2017	BAPPENAS	KII	Jakarta	Jakarta
April 26, 2017	BAPPENAS	KII	Jakarta	Jakarta

ANNEX IV: PDAM PERFORMANCE INDEX DATA TABLES

	Kota SuKab.umi			Kab. SuKab.umi			Kab. Bogor			Kab. Subang			Average Point Change by Category
Category (total points)	2010	Evaluation	Point change	2010	Evaluation	Point change	2010	Evaluation	Point change	2010	Evaluation	Point change	
Corporate Plan (10)	6	7	**1**	7	8	**1**	3	10	**7**	7	10	**3**	**3.0**
Tariff (10)	5	9	**4**	3	9	**6**	9	10	**1**	7	7	**0**	**2.8**
Non-Revenue Water (10)	7	3	**-4**	7	7	**0**	5	4	**-1**	4	9	**5**	**0**
Water Quality (10)	7	8	**1**	9	8	**-1**	10	9	**-1**	9	8	**-1**	**-0.5**
MIS (5)	0	2	**2**	2	1	**-1**	1	3	**2**	2	4	**2**	**1.3**
GIS (5)	0	0	**0**	0	0	**0**	2	0	**-2**	1	0	**-1**	**-0.8**
Cost/Energy Efficiency (10)	4	4	**0**	3	4	**1**	2	3	**1**	3	5	**2**	**1.0**
Finance (10)	10	6	**-4**	6	4	**-2**	8	4	**-4**	7	4	**-3**	**-3.3**
HR Policy (10)	6	6	**0**	5	6	**1**	5	6	**1**	8	9	**1**	**0.8**

Staff Training (10)	9	5	**-4**	7	5	**-2**	7	8	**1**	6	5	**-1**	**-1.5**
Customer Relations (10)	6	7	**1**	6	7	**1**	3	8	**5**	8	9	**1**	**2.0**
Total (of 100)	**60**	**57**	**-3**	**55**	**59**	**4**	**55**	**65**	**10**	**62**	**70**	**8**	**4.8**

Table 5: West Java PDAM Performance Index Comparison

Red font indicates decrease; blue indicates increase

Table 6: Central Java PDAM Performance Index Comparison

	Kota Yogyakarta			Kab. Sleman			Kab. Magelang			Kota Magelang			Average Point Change by Category
Category (total points)	2010	Evaluation	Point change	2010	Evaluation	Point change	2010	Evaluation	Point change	2010	Evaluation	Point change	
Corporate Plan (10)	7	9	**2**	10	9	**-1**	6	9	**3**	0	9	**9**	**3.3**
Tariff (10)	9	9	**0**	5	9	**4**	9	9	**0**	9	10	**1**	**1.3**
Non-Revenue Water (10)	6	9	**3**	7	9	**2**	7	6	**-1**	6	7	**1**	**1.3**
Water Quality (10)	7	10	**3**	2	9	**7**	7	9	**2**	7	10	**3**	**3.8**

MIS (5)	2	5	**3**	2	5	**3**	2	5	**3**	1	2	**1**	**2.5**
GIS (5)	0	5	**5**	2	5	**3**	2	5	**3**	2	0	**-2**	**2.3**
Cost/Energy Efficiency (10)	2	2	**0**	4	2	**-2**	4	2	**-2**	3	2	**-1**	**-1.3**
Finance (10)	8	4	**-4**	6	5	**-1**	9	3	**-6**	7	6	**-1**	**-3.0**
HR Policy (10)	4	9	**5**	7	10	**3**	6	9	**3**	5	9	**4**	**3.8**
Staff Training (10)	6	8	**2**	9	8	**-1**	7	9	**2**	6	6	**0**	**0.8**
Customer Relations (10)	6	6	**0**	9	7	**-2**	8	5	**-3**	8	3	**-5**	**-2.5**
Total (of 100)	**57**	**76**	**19**	**63**	**78**	**15**	**67**	**71**	**4**	**54**	**64**	**10**	**12.0**

Red font indicates decrease; blue indicates increase.