PROJECT REVIEW AND WORKSHOP FOR THE INSTITUTIONAL SUPPORT CONTRACT, GENERAL ORGANIZATION FOR SANITARY DRAINAGE
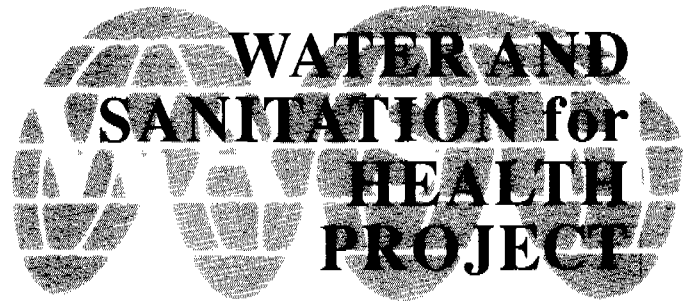
Cairo, Egypt
June 22 - July 8, 1993

WATER AND SANITATION for HEALTH PROJECT

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PROJECT REVIEW AND WORKSHOP FOR THE INSTITUTIONAL SUPPORT CONTRACT, GENERAL ORGANIZATION FOR SANITARY DRAINAGE

Cairo, Egypt

June 22–July 8, 1993

Prepared for the USAID Mission to Egypt,
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by

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RELATED WASH REPORTS

Cario General Organization for Sanitary Drainage Institutional Support Contract; Planning and Direction Workshop, June 28-30, 1992. Field Report No. 379. Prepared by Tarek Selim and James Carney. April 1992.

CONTENTS

APPENDIXES

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James Carney is a trainer and organizational development consultant with nearly 30 years of experience. He works with numerous government and private sector clients, both domestic and international, designing and implementing organizational and management development training activities. Mr. Carney's experience includes extensive work with WASH including many assignments in Egypt.
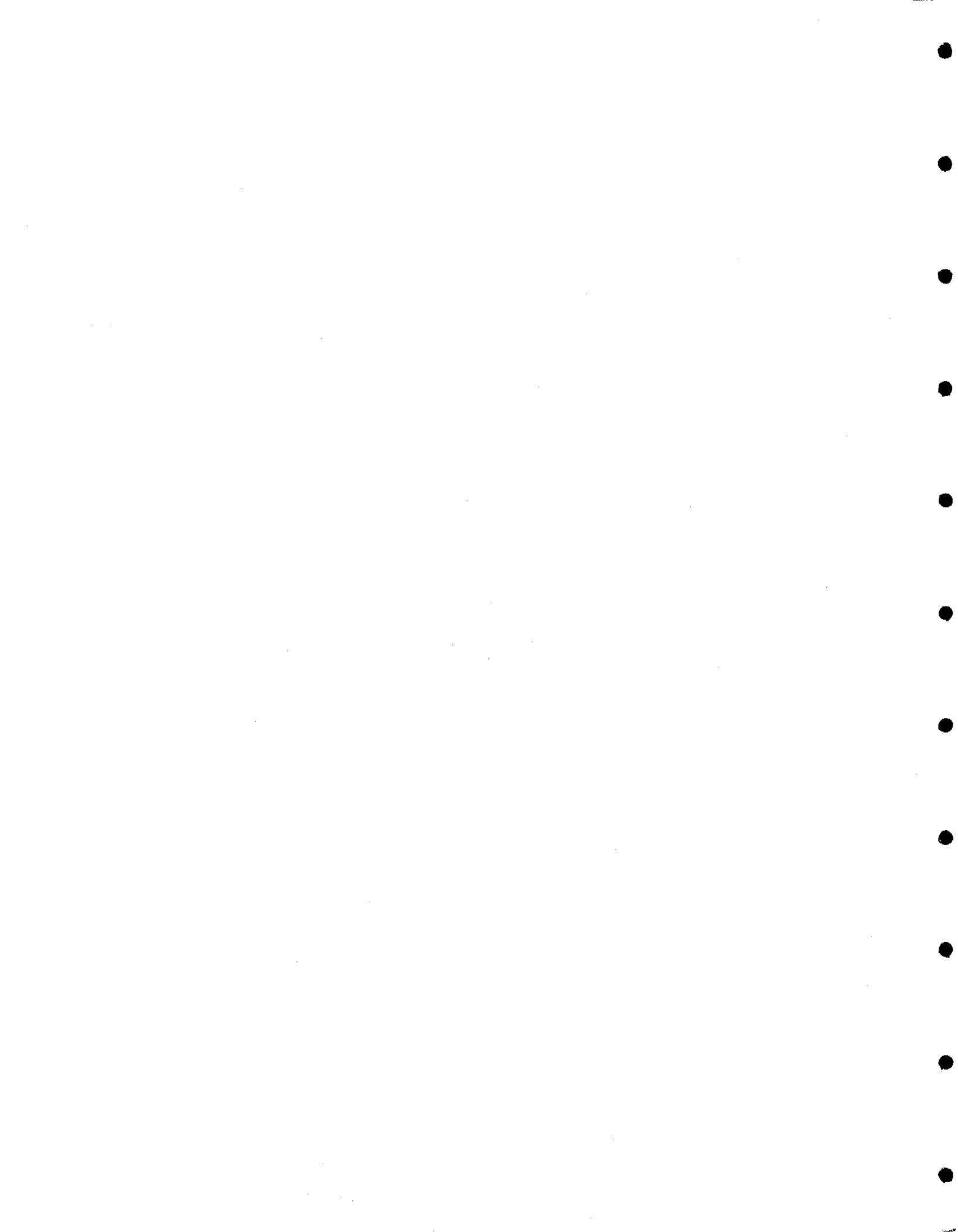
ACRONYMS

AMBRIC   American British Consultants

CAOA   Central Agency for Organization and Administration

COP   Chief of Party

CTP   Comprehensive Training Plan

CWO   Organization for the Execution of the Greater Cairo Wastewater Project

GOE   Government of Egypt

GOSD   General Organization for Sanitary Drainage

ISC   Institutional Support Contract

LE   Level of Effort

O&M   Operation and Maintenance

PIU   Project Implementation Unit

UAD   Urban Administration & Development Office

USAID   United States Agency for International Development

WASH   Water and Sanitation for Health Project
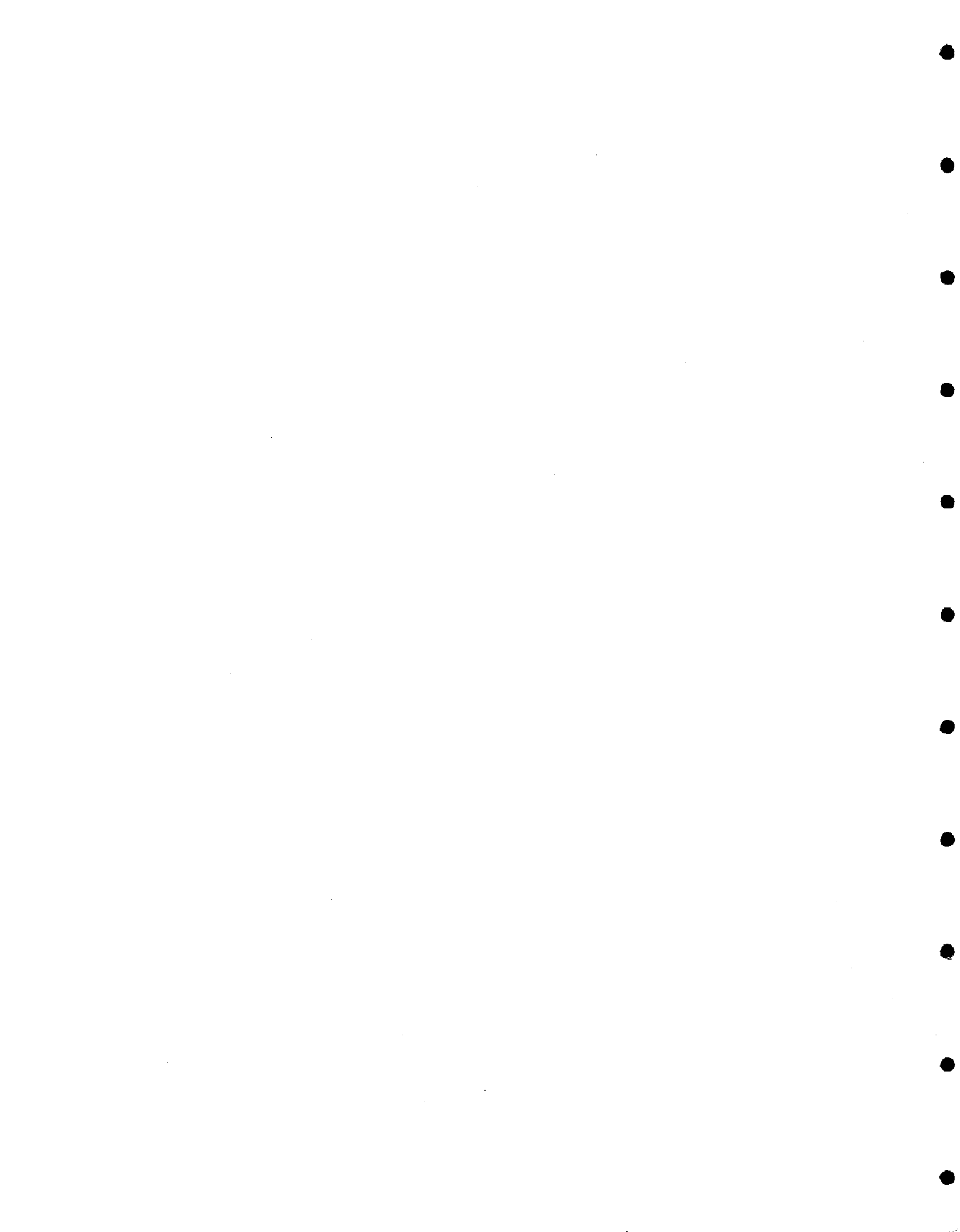
EXECUTIVE SUMMARY

In April 1993, USAID Cairo asked WASH to conduct a review workshop for the Institutional Support Contract (ISC) for the Cairo General Organization Sanitary Drainage (GOSD). The purpose of the review was to: 1) determine whether the optional third-year extension should be exercised, 2) review GOSD's progress toward autonomy and decentralization, and 3) determine the relative effectiveness of the project.

The ISC is implemented by a contractor team led by CH2M HILL International Services, Inc./OMI. The contract, which was signed in February 1992 between GOSD and the contractor, is for a 24-month period, with an optional 12-month extension. Services to GOSD are divided into 15 tasks.

To perform the review, a three-person WASH team spent about two and a half weeks in Cairo, from June 22 to July 8, 1993. The review was divided into three parts: data gathering, data analysis, and report writing and debriefing. Data gathering consisted of interview with a wide range of people from GOSD, USAID, and the Contractor; a review of written documents; and two workshops, a two-day workshop for a wide audience and a one-day workshop for project leaders.

The workshops, which took place June 28-29 and June 30, had three major purposes. The first was to gather key data for the WASH team. The second was to permit people involved in the ISC to share information and relate their experiences. The third was to review and refocus the ISC Project so that all parties understand what must be done to achieve the project's goals within the contract period. Fifty-six people attended the first workshop; 17 attended the second.

The workshops defined a new focus for project activities to promote the autonomy of GOSD. The workshops also prioritized the subtasks of the initial 24-month contract, and outlined prospective activities for the possible third-year extension.

Data analysis and report writing continued in Cairo through July 8, 1993. The WASH team conducted several clarification meetings with key participants between July 1 and July 5, and confirmed the following findings:

- Many GOSD managers perceived that little is being accomplished, and that the project is badly behind schedule. There are good reasons for this perception. The ISC Project is not problem free, and has had delays. There are indications, however, that the project is starting to move in the right direction. In addition, the project's negative image might have been avoided had there been better communications between the contractor, GOSD, and USAID.

- The Contractor and GOSD may have different criteria for measuring the "implementation" status of several tasks at the end of the contract, especially those that include training. If true, this is a serious matter for the contractor and GOSD to resolve.

After the start of the ISC project, the focus of USAID and GOSD for all project activities changed from upgrading and strengthening GOSD's effectiveness to promoting its autonomy. A year later, there are still questions about this new focus, its chances of success, and its impact on overall project results.

■ Despite the perceptions just described, GOSD has a strong commitment to the ISC project. All parties—GOSD, USAID, and the ISC contractor—are convinced of the need for the project. Further, all parties agree that the project should be extended for a third year, considering the many new systems scheduled to be implemented over the contract's last nine months of the contract.

In addition to these general findings, the review identified several tasks that were clearly behind schedule and others whose status is of concern to GOSD and USAID. The contractor is aware of these perceptions, and insists that all tasks will be completed by the contract deadline of March 1994.

The review of the ISC project led the WASH team to the following conclusions and recommendations:

■ Exercising the option year of the contract would be beneficial. The focus of that extension should be on the activities that will maximize support of GOSD's operation as a fully functional, independent entity. The additional time is needed to consolidate the gains made in the first 24 months, rather than to introduce new systems and procedures. However, the option year may also include tasks that were not completed during the first two years.

■ The contractor should provide monthly status reports on project activities to GOSD project leadership.

GOSD also needs to publicize the project goals and accomplishments within the organization. Therefore, the PIU should regularly print news of the project in GOSD's internal newsletter.

■ GOSD leaders should ensure that staff members are involved beyond just attending the training sessions. Members of the project steering committee should be encouraged to work in task forces with other GOSD managers on project topics.

In addition, the ISC staff must show more assertiveness and use local associates more effectively to capture the attention of GOSD managers.

■ A subgroup of the ISC contractor and the GOSD steering committee should forge agreement in defining end-of-contract status, and should incorporate these clarifications into the existing ISC Agreement.

■ The 12 activities proposed by the ISC project leadership to be included in the third-year extension would, if implemented, require an estimated 99 person-months of expatriate time and 178 person-months of Egyptian associate time, not including any lower-level technical or support staff.

Chapter 1

INTRODUCTION

1.1 Background

In June 1992, WASH conducted a planning and direction workshop for the Institutional Support Contract (ISC) for the Cairo General Organization for Sanitary Drainage (GOSD). This action was carried out as part of a series of workshops to review the project and provide independent technical assistance to USAID for the project.

The ISC is implemented by a contractor team led by CH2M HILL International Services, Inc./OMI. The contract, which was signed in February 1992 between GOSD and the contractor, is for a 24-month period with an optional 12-month extension.

The current agreement provides services to GOSD under the following 15 tasks:

- Management Capability
- Computerized Data Management Systems
- Financial Control Systems
- Maintenance Management Procedures
- Inventory Control and Stores Management
- Procurement of Spare Parts and Equipment
- Financial Viability
- Organizational Effectiveness
- Policies and Procedures
- Personnel Capability Improvement and Training
- Internal Training Capability
- Personnel Management Practices
- Safety Practices and Procedures
- Sewer Cleaning Department
- Twinning Relationship

In April 1993, USAID Cairo asked WASH to conduct an ISC project review and workshop. This was scheduled to take place around June 20, 1993.

1.2 WASH Scope of Work

USAID asked WASH to conduct a review of the project with the following objectives:

- *Determine whether the optional third-year extension should be exercised. If so, WASH was to determine its scope and staffing level, including*

    □ Unfinished work in the existing contract that should continue in the third year,

    □ New work that should be started,

    □ Work included in the existing scope that now appears unimportant and should be discontinued.

- Review GOSD progress toward autonomy and decentralization.

- Determine the relative effectiveness of the project.

The scope of work is included in Appendix A.

1.3 Approach

To perform this task, WASH assembled a three-person team to spend about two and a half weeks in Cairo from June 22 to July 8, 1993. The team consisted of a project management specialist, an organizational development consultant, and an environmental engineer. The review was divided into three parts: data gathering, data analysis, and report writing and debriefing.

Data gathering was conducted intensively in Cairo June 22-30, 1993. It consisted of reviewing documents, interviewing participants, and conducting a workshop for participants in the ISC project to elicit their views about the project.

Data analysis and report writing continued through July 8, 1993. The team conducted several clarification meetings with key players between July 1 and July 5. Finally, the WASH team conducted a debriefing and submitted the draft report to the USAID project officer on July 8, 1993.

Chapter 2

PROJECT REVIEW WORKSHOPS

2.1 Data Gathering and Preparation

Before leaving for Cairo, the WASH team held a team planning meeting on June 2, 1993, at the WASH offices for the two team members who were in the United States. WASH also held a series of telephone briefings with the third member of the team. A work plan was developed and conveyed to USAID in Cairo. It was agreed that, even though one of the team members could not arrive in Cairo until June 22, field work in Cairo would start on June 21, with the other two team members conducting the first day's interviews.

Two members of the WASH team arrived in Cairo on June 21. On Tuesday, June 22, they met with the project officer at USAID, receiving a clear explanation of the project's current situation. Most important, the team learned that significant changes were under way. There was to be a change in the Chief of Party (COP) implementing the ISC. The new COP was scheduled to arrive in Cairo on June 26, several days before the workshop.

This development required the WASH team to change its approach to the assessment. Instead of conducting just a project review and assessment, the team now had to factor in an orientation period.

The team then met with GOSD Chairman Ahmed Abdel Maksoud and the GOSD Project Manager, Sayed Abou El Ela. The chairman expressed his concern that some of the ISC tasks were behind schedule and that many would require a third year for GOSD to really benefit from them. He also expressed his ideas on how the ISC Project could increase the autonomy of GOSD. Later that day these views were discussed with the management of the ISC consultant team, which also briefed the WASH team about the changes since June 1992 and ISC's point of view.

The next day, Wednesday, June 23, the third member joined the WASH team in their investigations. Together, over the next two days the team held a series of extensive group interviews, drawing staff from the technical operational functions into one group, and administration, finance, and support staff into another. These groups were set up for both GOSD and ISC staff. The team also spoke with a third group of GOSD staff, which included three district general directors, representing the East Bank and Shoubra el Kheima, the West Bank, and South Cairo and Helwan. This group was also joined by the chief of the mechanical cleaning department.

After these meetings and discussions with USAID, GOSD, and ISC staff, it was decided to postpone the date of the workshop from June 27 to 28, to allow the new COP time to meet with all the main parties to the ISC project before the review workshop. It was also decided to conduct two workshops. The first was a two-day workshop for general status review and

direction for a large group representing GOSD, ISC, and USAID. The second was a one-day project leadership workshop for a smaller group.

Saturday and Sunday, June 26-27, were spent finalizing the design of the two workshops and conducting a series of briefings for USAID, GOSD top management, and ISC's new chief of party about the purpose of the workshops and their respective roles during the workshops.

2.2 Workshop Objectives

The workshops, which took place June 28-29 and June 30, had several major purposes:

- To provide the WASH team with key data from which to formulate recommendations for the GOSD ISC,

- To provide an opportunity for many of the key people involved in the ISC to share information and relate their experiences,

- To provide an opportunity to review and refocus the ISC Project so that all parties understood what must be done to achieve the project goals within the contract period.

The specific goals of the workshops were as follows:

- To review the current status of the project and determine what remains to be done under the contract,

- To determine the overall goal of the refocused project and what was required to achieve that goal,

- To reassess the project tasks in light of the overall goal, and determine priorities for subtasks and activities both within the current contract and during any possible extension,

- To establish schedules for completing the reassessed subtasks and activities,

- To present the two-day workshop findings to the leadership of GOSD, the ISC, and USAID for further consideration and action,

- For the leadership of the three organizations to develop and agree on what realistically can be completed by March 1994 (the end of the current contract) and what could be done during a third year.

2.3 Workshop Participants

Fifty-six people attended the first workshop. They represented a range of perspectives and included the GOSD staff directly involved in the project, the contractor, and USAID staff involved in monitoring the project.

These participants included:

4

- 10 GOSD members of the project steering committee, including the chairman of the organization,

- 17 key GOSD managers and department heads for the most critical functions of the organization,

- Three USAID staff members of the UAD office funding the project,

- 14 expatriate advisors from the ISC consulting group implementing the project,

- 14 local associates from the ISC consulting group.

The second workshop was confined to the leadership of the three groups involved in the ISC. Seventeen people attended these discussions, including:

- 10 GOSD members of the steering committee,

- 3 USAID staff members,

- Four members of the ISC consultant management team.

A list of workshop participants is provided in Appendix B. The site of the two workshops was the Cairo Nile Hilton Hotel.

2.4   Workshop Methodology

Because of the multiple purposes of the two workshops, the WASH team decided that the first one should focus on the status of the project and where it was going, while the second one should focus on how the project could proceed more effectively. The actual agenda for both workshops is included in Appendix C.

The two workshops promoted broad participation to elicit comments from all participants. Participants analyzed the first workshop in groups, and reported their findings in plenary sessions. During the second workshop, both the analysis and discussions were conducted in one group. The facilitators set the tasks, formed groups, monitored group work, facilitated reports, and summarized results.

2.5   Workshop Results

The workshops defined a new focus for project activities and tasks, prioritized subtasks scheduled for completion in the current contract, and characterized activities possible under a third-year extension. The specific recommendations have been integrated into the overall findings in Chapter 3.

The following are some of the most positive overall results of the workshops:

- The workshop contributed significantly to getting the ISC project refocused.

□ The focus of the ISC project is to promote the autonomy of GOSD.

□ "Autonomy" means that GOSD would be a fully functional, independent entity, whenever the legal basis is established.

□ Strengthening GOSD contributes both directly and indirectly to GOSD's ability to function successfully as an autonomous entity.

□ The requirements for autonomy are a legal base, which requires action outside of the organization, and an institutional base, which requires the following four components:

1. Financial viability to operate the total organization and its system without government subsidies,

2. Human resource capability to manage GOSD and operate its systems in a skilled, effective, and sustainable manner,

3. Operational systems, procurement, policies, and procedures that promote the successful achievement of GOSD goals,

4. A management capability that is skilled and experienced in coordinating the financial, human, and operational systems of the organization to fulfill GOSD's mission.

□ Finally, the priority of the project activities will be determined by the degree of their contribution toward autonomy.

■ GOSD staff are more aware of the project, up-to-date on the status of the various ISC tasks, and more involved.

■ Communication between the key implementers of the ISC project improved.

■ Participants helped define priorities for ISC tasks under the current contract and for the possible third-year extension.

The workshops did achieve their purposes, according to the evaluation forms returned by participants. However, there was not enough time to fully discuss the definition of "autonomy" for GOSD or how to measure it. In addition, the issue of decentralizing GOSD's management was not raised, perhaps indicating the low level of priority the issue has for the participants at this time. Decentralization is discussed in Section 3.1.2. The following section proposes a definition of autonomy and its indicators.

2.6 Definition and Indicators of Autonomy

The participants discussed the importance of achieving autonomy and reviewed how project activities, which were designed to strengthen GOSD's technical and management systems, can contribute to achieving this autonomy for GOSD. If autonomy becomes the focus of the project, however, some agreement must be reached on its definition for GOSD and on some set of indicators that can be monitored to judge progress toward its achievement. The WASH consultants offer the following proposed definition and set of indicators for consideration by USAID, GOSD, and the contractor.

Autonomy is GOSD's degree of independence from other governmental and regulatory bodies. While not without some controls, this independence must exist to allow GOSD to conduct its affairs with minimum interference from other entities. Effective autonomy is characterized by the power to make decisions about budgets, tariffs, staffing levels and compensation, policies, and goals of the organization.

With this autonomy, GOSD will have the authority and the ability to

- Formulate and implement its own organizational policies and goals,

- Prepare and obtain approval for its own capital and operating budgets, provided they are consistent with available revenues,

- Establish and obtain approval for tariffs,

- Control the revenues it generates and collects,

- Establish and maintain the staffing level it needs,

- Hire, fire, and promote employees within established policies and without outside interference,

- Establish levels of employee compensation sufficient to attract and retain qualified staff,

- Determine its own organizational structure, including roles and responsibilities.

By agreeing on such indicators, GOSD and the contractor can determine how the existing project activities support GOSD's progress toward autonomy by providing data, studies, or systems.
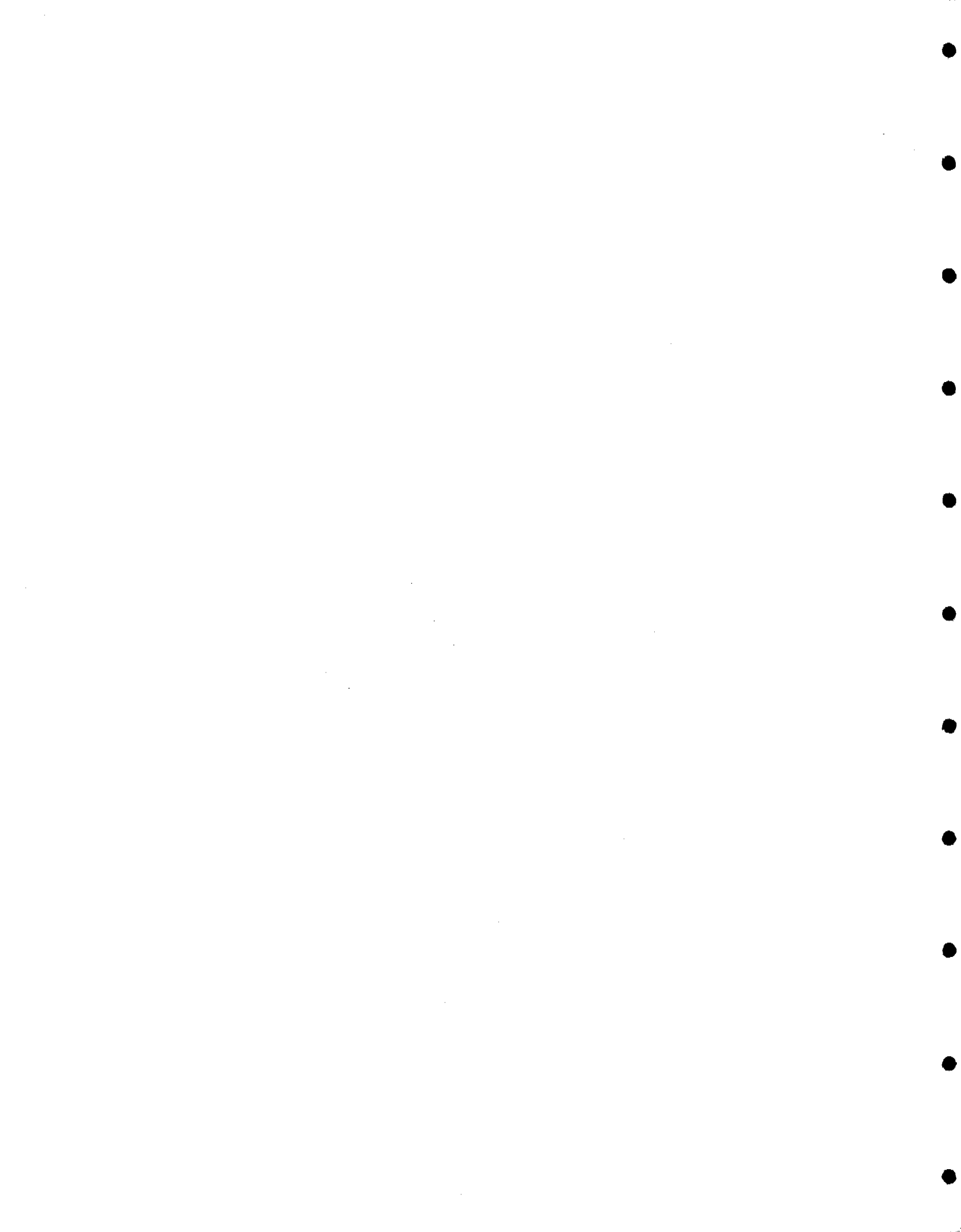
Chapter 3

FINDINGS

3.1   General Findings

The assessment of the project's status found a great deal of confusion regarding the project's objectives and progress. The most serious part of this finding is that many GOSD managers perceive that little is being accomplished and that the project is badly behind schedule.

Information and data collected through interviews and input from the workshops indicate that there are good reasons for this perception. The ISC project is not problem free, and tasks have been delayed. There are signs, however, that the project is starting to move in the right direction.

3.1.1   Perceptions of Progress

GOSD's perception of the project's lack of progress is based on the following:

- The nature of this project, as illustrated by the contractor's action plan and this plan's task schedule, causes the tangible, visible benefits to occur late in the project, mainly during its second year. Although the required intermediate outputs—mainly needs assessments, system development studies, and procurement activities—have been and are being produced, only a small number of GOSD managers and staff are in a position to recognize the extent of this progress.

- Perceptions of some GOSD steering committee members and senior managers regarding delays in the project appear to be shaped by their focus on tangible project deliverables, including commodities. This may be due to expectations formed at the June 1992 planning and direction workshop for the ISC. The most significant agreements concerned those defining cooperation between ISC and GOSD, and the concern that subtask implementation should be on a schedule compatible with the procurement of equipment under the project. In this regard, the participants in the June 1992 workshop had recommended that many tasks and subtasks, especially procurement (Task F) and computerization (Task B), be fast-tracked to produce results in the six months following the workshop.

  Quick results failed to materialize in several key areas, and this appears to have caused some GOSD steering committee members to regard the project as being unable to produce tangible project deliverables on schedule. It also increased confusion within GOSD about how the ISC project work was being accomplished.

- GOSD received reports of the ISC's progress through many meetings with the contractor, including the monthly steering committee meetings. (These were held

9

regularly for almost a year, but none had been held for about two months prior to the WASH team's arrival.) In addition, the ISC produced a revised action plan in August 1992, which was updated in June 1993, and issued quarterly reports, starting in September 1992. However, in spite of these discussions and progress reports, no clear overall picture emerged of the project's status and progress.

■ The WASH team found it very difficult to determine the current status or progress of individual tasks, or of the project as a whole. Progress of each task may be tracked using the schedules for activities and intermediate deliverables presented in the ISC action plan, together with the updates provided in the quarterly reports. However, the status so described may be misleading for several reasons. First, these reports may be weeks or months old. In fact, the time it took to finalize the quarterly reports has caused concern about the progress of the project itself. Further, the subtask notation in the consultant's action plan differs from the notation in the project's scope of work. In addition, the action plans for the tasks are not consistent in identifying milestones for implementation or in the level of detail used to describe the actions or subtasks.

More important, the task schedules in the quarterly reports and the revised action plan appear to be revised as the work progresses, without indicating the original task schedules and milestones. While this practice may indicate the schedule for each task from that point forward, it becomes difficult or impossible to track progress or delays.

■ The 50 or so GOSD senior managers receiving training under Task A seem to have received general management training that is not necessarily geared to the existing situation of GOSD. During interviews with the WASH team, several GOSD managers said they welcomed the management training they received, but found that GOSD's management culture prevented them from applying the instruction provided. Many did not seem to fully appreciate the scope and objectives of the ISC project, and of those who did, none knew the status of project implementation. It is therefore not surprising that the information these managers passed on to their respective staffs concerned the training itself and not the objectives and scope of the ISC project and the need for changes in GOSD's management mode.

■ The ISC contractor's task leaders and associates appear to have little interaction with GOSD staff other than the managers contacted for data. (Notable exceptions are Tasks A, C, E, M, and N.) The contractor expected significant interaction with GOSD personnel, hoping to work side by side on many tasks. Such interaction would facilitate the transfer of skills and allow a smooth transition for these tasks to be taken over by GOSD when the ISC ends.

Interaction on several tasks met with excellent success (see the tasks referenced above), while on others it floundered due to varying interpretations, by both the ISC and GOSD, on the need for and type of interaction required. According to the contractor, some attempts at interaction failed as GOSD interpreted their engaging in such activities as "doing the consultant's work."

Thus, for several months, the project has proceeded without agreement as to the correct level of interaction between GOSD and the contractor. This caused confusion within GOSD about the contractor's activities and progress, and obviously hindered the cooperative spirit required to implement the project.

The project's negative image, caused by many of the perceptions described above, might have been avoided by improved communications between the contractor and GOSD. This could have been achieved through a greater effort by the contractor to provide clear information about project progress to GOSD's Steering Committee and other first-level and second-level managers.

A better understanding of the contractor's efforts early in the project might also have been created had the contractor utilized the opportunities offered by various agreements reached in the June 1992 WASH workshop (especially those concerning procurement and interaction). The ISC consultant recognizes that changes are necessary to effect successful project implementation. Changes have been made in the ISC contractor's senior management and the contractor is refocusing its efforts to meet GOSD's concerns.

3.1.2   End of Contract Status

The overall purpose of the ISC project is to strengthen the institutional capacities of GOSD to better operate and maintain its physical facilities. The objective of the project has been to provide a technical assistance package to improve GOSD's management systems. As such, the ISC touches on almost all aspects of operation of GOSD and intends to implement many new systems in technical, financial, administrative, and managerial areas of the organization under the 15 tasks listed in Chapter 1.

The 24-month contract period for implementing these changes in the ISC is short, at best, by any standard for bringing about institutional change. The contract terms of reference defined implementation for each of the 15 tasks by describing what is expected at the conclusion of the project. Despite all the delays to date, the contractor believes that the project's progress and remaining schedule are adequate to allow completion of the items in the scope of work by the project deadline of March 1994. GOSD's management believes this to be unlikely given the remaining tasks. This issue is discussed further, together with the project status, by task, in Section 3.2. The existence of two opposing views raises the question whether what the contractor considers complete meets GOSD interpretation of completion. An example of the need for clarification in this area is in tasks that involve training of GOSD on new systems. It is not clear, for example, whether training 2 or 20 staff members on a new system will complete the implementation of the task. The extent to which GOSD and the contractor can reach agreement on what constitutes completion will help to avoid disagreements.

Another element that has added confusion to the participants' expectations is the change in project priorities. Since the start of the ISC project, the priorities for USAID and GOSD for all project activities changed. This change was caused by a shift in USAID's strategy for the

11

water and wastewater sector in Egypt. The most important measure of institutional change has become the willingness and ability of the organizations managing the sector to operate without government subsidy. As a result, seeking to encourage and promote autonomy for GOSD and ways to achieve this organizational change became issues of the highest priority. Better operation was no longer enough.

The contractor was notified of this new development within a few weeks of the project's start-up, and was instructed to modify his action plan to take account of the new priority. However, rather than refocusing the project's efforts on promoting GOSD's autonomy, the contractor attempted to accommodate the "autonomy" requirements within the project's existing scope of work and his original action plan.

The strategy adopted by the contractor shaped the entire first year effort, while at the same time causing confusion within GOSD regarding what the contractor was focusing on and whether GOSD management and the contractor had the same priorities. A year later the modification of the action plan remains an issue. As a result, there is now another concern about the project—whether GOSD will be nearer to autonomy at the end of the project.

In the meantime, GOSD has taken several steps towards autonomy. It has prepared and submitted to USAID an action plan for achieving autonomy and has set target dates for when it will be able to generate enough revenue to meet its obligations without government subsidies. (These actions, we understand, were first developed completely independently from the contractor. The ISC staff were brought in to translate, verify the financial numbers, and present the findings to USAID.)

Furthermore, GOSD has obtained support from the Ministry of Housing and Public Utilities, which sponsored a presidential decree amending GOSD's charter and providing it with the legal basis to become autonomous. This draft decree is now with the Council of State for legal review, and is expected to work its way through the government fairly fast. However, without identifying adequate financial sources to cover the cost of GOSD's operations, any legal autonomy will be very limited if the main sources of GOSD's funds will continue to be the Ministry of Finance.

Another issue not yet addressed by the ISC is measuring GOSD's overall performance. This is an important task if one wants to determine the extent of the project's impact on GOSD's performance. Performance indicators for measuring utility performance have been studied extensively by WASH. The WASH team therefore suggests that GOSD, the ISC, and USAID consider the following selected indicators. These indicators are fully discussed and described in WASH Field Report No. 376.

- Operational Indicators
    - Coverage in Service Area
    - Served Population Connected
    - Meters of Pipeline per Connection

12

- ❏ Persons per Connection
- ■ Personnel Indicators
  - ❏ Employees per 1,000 Connections
  - ❏ Employees per 1,000 Persons Served
  - ❏ Wastewater Collection per Employee
  - ❏ Ratio of Personnel Costs to Operating Costs
- ■ Health Indicator
  - ❏ Infant Mortality in Service Area
- ■ Financial Indicators
  - ❏ Operating Revenue per Capita Served
  - ❏ Operating Revenue per Meter^3 Collected
  - ❏ Total Revenue per Capita
  - ❏ Operating Revenue per Connection
  - ❏ Total Revenue per Connection
  - ❏ Ratio of Operating Revenue to Total Revenue
  - ❏ Operating Costs per Capita Served
  - ❏ Operating Surplus (Loss) per Capita Served
  - ❏ Operating Costs per Connection
  - ❏ Debt Service as Percent of Operating Revenues
  - ❏ Fixed Assets per Capita Served
  - ❏ Operating Ratio
  - ❏ Current Ratio
  - ❏ Quick Ratio

The above list is not meant to be exhaustive. Furthermore, these performance indicators convey the performance of the utility whether or not it is autonomous. Measuring these indicators over time will allow the mangers to determine and adopt the measures that improve performance. Currently, GOSD is collecting data for several of these indicators, especially the financial ones, so it is hoped that developing a GOSD-specific list will not prove too difficult.

13

Another result of the confusion about the project status and focus was that decentralization of GOSD has received less attention. This issue in the ISC, together with the study of autonomy, forms part of the Organizational Effectiveness Task (Task H).

Actually action has taken place, mainly in defining three operational regions within GOSD headed by a regional manager responsible for coordinating all GOSD activities in the region. Furthermore, GOSD's chairman had recently issued a decree of delegation of authority to these managers. These arrangements were done using the internal and informal powers of the chairman. The delegation of authority, however, was fairly recent, and the WASH team was not able to determine its effectiveness.

During the interviews and the workshop discussions, however, decentralization of GOSD's operation was not focused on at all by the GOSD staff, and the delegation of authority was mentioned in the context of management training rather than operations. While the decentralization of operations may be very important in improving performance and developing a consumer orientation, for GOSD this may rightly be secondary to increasing the autonomy of the whole organization. The main constraint on GOSD's performance is probably its lack of autonomy rather than its centralized management style.

Decentralization implies some delegation of decision-making and increased responsibility for performance, i.e., internal autonomy. This would require some control over budgets, revenues, staffing, and policies at the lower levels of GOSD as well as a capacity to manage the system. Furthermore, problems of inefficiency cannot be solved simply by decentralization. Institutional problems will be passed on to the new structures.

These issues are being addressed by the ISC project. Presumably, by the end of the contract some strategy for decentralization will have emerged.

3.1.3   Commitment to the Project

The WASH team found that GOSD, despite the perceptions described in Section 3.1.1, has a strong commitment to the ISC project. The chairman's involvement is apparent through his attendance at all steering committee meetings and his availability to discuss the project with USAID and the ISC contractor. He has also delegated certain responsibilities to GOSD's zonal managers. This action stemmed from recommendations of the ISC project.

Further examples of GOSD's commitment are evident from the cooperation received from the various managers working with the ISC task leaders, especially in Tasks C, E, G, M, and N, the regular attendance by more than 50 of GOSD's senior managers in the six training courses presented, and the regular attendance of between 65 and 70 staff in the four training-of-trainers courses.

The WASH team further found that all parties, and the funding agency, believe strongly in the great need for the ISC project. This need is not dependent upon GOSD becoming an autonomous agency. Rather, the project is necessary to strengthen and upgrade GOSD to operate properly and maintain the services and facilities for which it is responsible.

14

Further, all parties agree that the project should be extended for a third year to further increase GOSD's capabilities and effectiveness, especially since GOSD's future mode of operation is intended to be as an autonomous agency. The WASH team believes it is logical to extend the project for a third year, considering the many new systems that are scheduled to be implemented over the last nine months of the project.

These new systems represent an almost radical departure from GOSD's past mode of operation. It is unrealistic to believe that any such agency can completely and fully integrate and absorb such dramatic changes in such a short period of time. As a result, additional assistance for GOSD in the third year of the project is necessary to optimize the benefits provided during the first two years of the ISC project, while at the same time further strengthening the agency as it moves toward autonomy.

3.2   Task-specific Findings

3.2.1   Progress to Date

The status of the 15 tasks of the ISC project was reviewed from the draft schedules prepared by the contractor for the June 1993 quarterly report. As discussed in Section 3.1.1, these schedules have been revised by the contractor to indicate task schedules and individual subtask deadlines as of the quarter ending June 30, 1993. Thus, it is difficult to definitively determine how the task schedules compare to those previously submitted. However, these schedules represent the contractor's perception of where the project stands as of the end of the second quarter of 1993.

A review of each task indicates that, as far as the contractor is concerned, most of the tasks are on or slightly behind schedule. (This should not come as a surprise given the discussion in Section 3.1.1 above.) Notable exceptions of tasks appreciably behind schedule include Task B (Computerized Data Management Systems), Task F (Procurement of Spare Parts and Equipment), and Task I (Policies and Procedures).

The description of the J-4 subtask (Develop Programs and Conduct O&M Training), as presented in the ISC contractor's action plan, is the subtask that includes the work described in task J-3 of the contract scope of work. The ISC's action plan subtask description indicates some of the work of this task is included in other tasks. The contract scope of work appears to indicate a self-contained task. Furthermore, the description of the training to be provided under the ISC in the action plan lists training at Helwan and Berka wastewater treatment plants only, despite the fact that the scope of work requires the ISC O&M training to extend to all facilities in the East Bank and Helwan.

Another finding on training was that only a small number of GOSD staff attended the O&M training at Berka and Helwan, just five or six at each facility. This raises questions about the other employees staffing the facilities and about facilities in the East Bank. There may not be enough time in the contract to train them. This is the only instance of inconsistency found in the documents reviewed. The reason for raising this point is to indicate that the ISC contractor

15

may be tracking progress toward project completion differently from GOSD and USAID. This is another issue to resolve.

GOSD has expressed concern about the status of several tasks. Tasks of greatest concern to GOSD as ones very far behind and, in GOSD's view, in danger of not being completed by the contract deadline include:

- Task D (Maintenance Management Procedures)

- Task F (Procurement of Spare Parts and Equipment)

- Task I (Policies and Procedures)

GOSD officials also indicated concern about several other tasks they perceive as being behind schedule. These include:

- Task B (Computerized Data Management Systems)

- Task E (Warehouse and Inventory Management Systems)

- Task L (Personnel Management Practices)

- Task M (Safety Practices and Procedures)

3.2.2 Critical Tasks behind Schedule

Task B (Computerized Data Management Systems) is a critical task because many other tasks depend upon the computers being operational. Implementation of Task B is clearly dependent upon procurement of the computers—a subtask that has caused, and continues to cause, an enormous amount of difficulty for the ISC contractor. Critical work remains in procuring, installing, and testing computer hardware and software.

The present schedule for completing Task B may allow only 6 to 10 weeks to train GOSD's staff to operate both the hardware provided under Task B and the several computerized systems provided through other tasks in this project. (Note, however, that—depending on which vendor is awarded the contract to supply the computer hardware—computers may be supplied on loan for training purposes.)

The time available for training is sufficient, as far as the contractor is concerned, to comply with the terms of the contract's scope of work. (Obviously, the time required for training depends upon the systems involved and the number of GOSD staff to be trained.)

Task F (Procurement of Spare Parts and Equipment) also is behind schedule, and has caused much concern to GOSD, due in part to the high visibility of the spare parts to be furnished under this task. Task I (Policies and Procedures), is also behind schedule but is less critical than Tasks B and F.

3.2.3 Completion of Tasks within the Current Contract

The ISC contractor is aware of GOSD's concerns about the tasks discussed above. However, notwithstanding the above discussion, the contractor told the WASH team on several occasions and at the second workshop (day three), its staff will complete all tasks by the contract deadline of March 1994.

The WASH team, however, emphasizes that for the ISC contractor to complete the project within the schedule, there is no room for slippage in the critical tasks indicated in Sections 3.2.2 and 3.2.3. Further, it is essential that the issues regarding implementation, presented in Section 3.2.3, be resolved.

All the ISC tasks and subtasks were analyzed during the workshop for their contribution to the new overall focus of promoting GOSD's autonomy. The analysis constituted the review of all project subtasks, examining them from the perspective of four major groupings, each representing a capability that GOSD requires as part of its move towards autonomy. The four major groupings, as determined by the workshop participants in plenary session, were:

- Management, policy, and procedures,

- Human resources,

- Operational systems and procurement,

- Financial viability.

Workshop members organized themselves into groups that represented their main interests and analyzed all project subtasks from each group's perspective, to identify:

- The priority of each subtask,

- Which project subtasks should be completed in the current contract,

- Which project subtasks could be modified or deleted,

- Which project subtasks should be extended, either as described in the scope or modified, if the project extends to a third year,

- What new tasks should be added if the project extends to a third year.

The results of this analysis are presented in Appendix D and illustrate the reluctance to identify any tasks that should be dropped. The only notable exception was subtask I-4 (Personnel Handbook). The participants decided that this action can be dropped from the current agreement. This was based on the fact that the ISC was seeking to develop new personnel policies for GOSD and therefore no effort should be expended in codifying the existing system in a handbook.

Aside from that task, the participants did not identify any other as unimportant. This reflects the strong feeling in GOSD that all contracted tasks should be completed. However, the workshop groups, with the concurrence of participating GOSD staff, did indicate existing tasks

that could be modified and did assign priorities to these tasks. The workshops thus illustrated a flexible attitude and a realization that the project could be refocused through a contract amendment if all parties agreed to the changes.

3.2.4 Tasks Extending beyond the Current Contract

The subtask analysis, as described above, also indicates strong agreement about the nature and characteristics of the work tasks for the project if it extends to a third year. In general:

- The extension could include new elements, but it should concentrate on reinforcing, through additional training, the new skills provided under the current contract, with training extended to penetrate throughout GOSD.

- Training for GOSD managers should be extended to cover the new systems implemented in the first two years of the ISC contract. Training in facilities operation should be provided to many more staff throughout the organization.

Tasks extending beyond the current contract fall into two categories: tasks included in the current contract scope but not completed; and new tasks to be undertaken if the contract is extended for another year.

Tasks included in the contract but not completed within the deadline obviously are ones that should be extended. Tasks behind schedule were discussed in Sections 3.2.1, 3.2.2, and 3.2.3.

As mentioned in Section 3.2.3, the workshop participants identified tasks to be included if the project was extended to a third year. These tasks, shown in Appendix D, were further analyzed by the project steering committee from GOSD, USAID officials, and the contractor management team on day three of the workshop. A consensus was reached on 11 activities to propose for a third-year extension of the ISC project. A description of these tasks and an estimated level of effort for their accomplishment is presented in Section 4.2. The following list indicates whether the task is new or an extension of an existing ISC activity.

Task	New	Existing
Management Training Program		X
Internal Twinning Program	X	
Computer Training		X
Maintenance Management System		X
Inventory Computerization		X
Inventory Staff Training		X
Operation and Maintenance Training		X
Employee Orientation		X
Rehabilitation of Sewer Cleaning Equipment		X
Manhole Location Program		X
Sewer-Cleaning Staff Skill Upgrading		X
Public Awareness Program	X	

Chapter 4

CONCLUSIONS AND RECOMMENDATIONS

4.1 General Conclusions

4.1.1 Third-Year Option

The problems in project implementation described in Chapter 3 have mostly to do with implementation difficulties inherent in institutional projects such as maintaining communications. These problems, however, do not seem to have tarnished the fundamental concept of the ISC project. The overall objective of the project remains sound—strengthening GOSD's capabilities in performing its services, at a time when it has taken over major new facilities.

Amid a strong sense of need for the project, the GOSD leadership and key managers seem very committed to the project and its goal. The GOSD leadership takes an interest in the project activities, interacts continually with those involved, and monitors project tasks and activities. The ISC project was identified in the workshops as one that provides major support to GOSD and is required to strengthen GOSD as it moves towards autonomy. This view was expressed by GOSD's leadership and strongly endorsed by its chairman.

Viewing the project from this perspective, exercising the option year of the contract will be beneficial in strengthening GOSD while maximizing the benefits gained in the project's first two years. It is therefore recommended that GOSD and USAID exercise the third-year option of the ISC. The focus of that extension should be on the activities that will maximize support to GOSD's operation as a fully functional, independent entity in the four areas identified at the workshop: financial viability, human resources capability, operational systems, and management capability.

It is further recommended that the first task for the extension be the identification and agreement on measures for autonomy, as discussed in Sections 2.5 and 3.1. The contractor should, at the earliest possible time, present to GOSD and USAID a list of indicators of progress toward autonomy and overall GOSD performance. These indicators should cover all aspects of the performance of the organization and methods.

4.1.2 Communications and Progress Tracking

USAID, GOSD, and the ISC contractor recognize that institutional development is a lengthy, complicated, and involved process. The current project has had only 15 months to accomplish a lot of tasks. Building momentum and a critical number of people supporting change requires a lot of interaction and time. The ISC project is beginning to get to that point in its life cycle and needs all the actors to collaborate if the project is to achieve its objectives.

19

Communication is the main vehicle for ensuring that all actors support the project. As demonstrated earlier, it is in that particular area where the project has had its most difficult problems. While USAID has attempted to maintain good communication links with the two main parties to the ISC, both GOSD and, especially, the contractor need to show major improvements in this area.

It may be worthwhile here to remind the ISC and GOSD about the importance of informal communication between all parties. The weekly meetings between the ISC project manager and GOSD's chairman and the daily contact between the contractor and GOSD staffs both play a very strong role in promoting understanding and clarity in the implementation of the varied project activities and the multitude of subtasks. In the WASH consultant's view, these contacts may be the best vehicles to maintain focus on the big picture and not let project participants get lost in the details.

The contractor needs to find ways to improve its communication with GOSD. The quarterly reports, the most important official publication for relaying progress, must be redesigned. In addition to the difficulties with these reports described in Section 3.1.2, their quarterly publication delays discussion and corrective action. It may be useful to have a vehicle for reporting more frequently.

It is therefore recommended that the ISC contractor devise a monthly vehicle for communicating the status of project activities to the GOSD project leadership (i.e., the steering committee). These status reports, presented in graphs or written summaries, should be quick, current, and consistent. These need not be full monthly reports. Instead, these could be short status descriptions of one paragraph or one page per task, to be distributed to the project manager, the steering committee, and USAID. They should be produced as close to the end of the reporting period as possible, regardless of whether a steering committee meeting is scheduled or not. Finally, the monthly reports should show at least the planned progress, without revisions, contrasted with the actual progress.

The contractor is implementing its project improvement plan. This should be completed as soon as possible, and should also be a good time to tackle the issue of progress monitoring and reporting. Producing monthly status reports may require more effort from the ISC team than does producing the quarterly report. However, this effort will be outweighed by the benefit of having a steering committee that is more aware of the project successes and that can react to potential problems before they mushroom into crises. One way to reduce the reporting burden may be to consider redeploying ISC long-term expatriate staff and consider nominating a staff coordinator other than the project manager who would be tasked with monitoring progress and preparing the status reports.

GOSD also has to find mechanisms to publicize project goals and accomplishments within the organization. Currently, information has a difficult time filtering to the rank and file of the organization. The project implementation unit (PIU) was directed by the chairman last May to meet with various employees at their work sites to increase GOSD employees' awareness of the concept of autonomy. It is recommended that the PIU should also explain the ISC's efforts toward that goal. It is also recommended that the PIU regularly print some news about the

project in GOSD's internal newsletter. This will spread the word within the organization and make the ISC project part of the daily workings of GOSD.

USAID has to continue to maintain the close link it has established with GOSD and the contractor. USAID support and monitoring is important in ensuring that GOSD and the contractor's communication links remain clear.

4.1.3 Involvement

The involvement of GOSD staff and their sense of ownership of the project tasks is critical to the success of the ISC effort. The improved communications that will result from the earlier recommendations should go a long way toward fostering this sense of involvement. GOSD leaders should ensure that staff members are involved beyond just attending training sessions.

Likewise, the project steering committee members should get more involved in the project beyond just attending the meetings. There is a proposal to have the committee study specific issues in subcommittee format. This should clearly be encouraged; furthermore, these subcommittees should be encouraged to work as a task force with other GOSD managers to increase the level of involvement and commitment to change within the organization.

The contractor's staff, though, have to show more assertiveness and should utilize the local associates more effectively to capture the attention of GOSD managers. They should replicate successes within the project such as inventory management and safety. These successes should also be publicized within GOSD to help create the necessary support for change.

4.1.4 Flexibility

The interpretation of the scope of work and the areas that require agreement on end-of-contract status have to be identified and agreed upon as soon as possible, so that the legal requirements of the contract are clear to all parties. It was noted in the executive-level workshop that USAID rules allow for effecting changes to the existing scope.

It is recommended that a subgroup representing the contractor and GOSD steering committee address this issue and identify areas for clarification and the mechanisms available for incorporating the clarifications into the existing ISC agreement. A good starting point may be the sets of priorities identified in the workshops. An important factor determining how smoothly this will proceed is the role played by USAID. Again it is important that USAID broker this process, given the difficulty inherent in dealing with the legal aspects of the existing agreement and the responsibility of the contractor in achieving the scope items during the contract period.

4.2 Third-Year Components

4.2.1 Overall Focus

The workshops produced clear agreement that third-year activities would have to focus on continuing support for GOSD's effort toward achieving autonomy and its four components, as defined in the workshop: financial viability; human resources capability; operational policies, procurement, policies, and procedures; and management capability. Furthermore, it also became clear during the workshops that the emphasis of a third year should be on reinforcing the benefits gained during the first 24 months of the ISC project.

There is a sense that the ISC project is providing GOSD with many new systems and procedures and that, with a new focus, it may be best to consolidate the gains and intensify certain interventions. This may be the reason that the workshops did not reveal very strong support for starting any new initiatives during the third year, other than a public awareness program.

The WASH team, after reviewing the outcome of the workshops and the data gathered from the project participants, strongly concurs with the ISC leadership in their concerns about GOSD's absorptive capacity in fully exploiting the new initiatives that will all come on line at the end of the current contract. Therefore, like the ISC leadership, the WASH team believes that the emphasis of the third year should be on reinforcing the benefits gained during the current ISC. The WASH team further points out that another important priority for the third year should be to increase the impact of the ISC efforts on GOSD's ability to continue taking over the new facilities provided under the Cairo Sewerage II project.

4.2.2 Main Tasks

The 12 activities proposed by the ISC project leadership during the workshop for inclusions in the third-year extension, listed in Section 3.2, clearly reflect the concern about GOSD's absorptive capacity, described above.

Also with this in mind, the WASH team is concerned about the new financial systems being developed for GOSD. These systems are critical for the organization to manage its financial resources, and certainly contribute to the organization's financial viability which, in turn, is the cornerstone of independence. The performance of these financial systems becomes even more critical if the objective of all project activities is to support GOSD's autonomy. It is therefore recommended that a task be added to those identified by the ISC leadership in the workshops. This new task would be financial management system training, aimed at reinforcing the multitude of financial and budgeting systems currently being developed for GOSD.

Another important task that the WASH team recommends is establishing performance indicators for the organization. As discussed in Section 3 above, these indicators are critical in enabling GOSD to demonstrate progress and improvement. These indicators should have an established baseline from which progress can be measured. This new task should be added to the ISC as soon as possible. This task will not require a major level of effort to implement.

22

There may even be room for this task in the existing contract, either through short-term intervention or from savings resulting from the cancellation of Subtask J-4 (Personnel Handbook).

These tasks include the 12 identified in Section 3.2.4 and the two discussed above. The revised list has grouped three of the tasks under the heading "Sewer Cleaning and Collection System Improvement" and two tasks under "Inventory and Stores System Improvement." The list, therefore, has 11 tasks:

- Operation & Maintenance Training

- Sewer Cleaning and Collection System Improvement (which groups the three tasks identified in the workshops)

  □ Rehabilitation of Sewer Cleaning Equipment

  □ Sewer Cleaning Staff Skill Upgrading

  □ Manhole Location Program expansion

- Inventory and Stores System Improvement (which groups the following two tasks)

  □ Inventory Computerization

  □ Inventory Staff Training

- Maintenance Management System Expansion

- Financial Management Systems Training

- Management Training

- Internal Twinning

- Computer Training

- Employee Orientation

- Public Awareness Program

- Performance Measurement

4.2.3 Task Description and Scope

The following is a brief description of each of these tasks and scope elements.

Operations and Maintenance Training

This would be an extension of the current training provided under Subtask J-4 (Develop and Conduct O&M Training). The third year would be an expansion that would ensure that the benefits from GOSD's Comprehensive Training Program (CTP) are achieved and that it covers

all GOSD facilities. O&M training would be provided for GOSD staff assigned to operate major pump stations and wastewater treatment plants. The training efforts would be in accordance with GOSD's CTP, and be designed to allow GOSD employees to operate the facilities on their own. These training efforts will necessarily be coordinated with the ongoing programs being provided by AMBRIC, on both the east and west banks, and the Dorsch program at Helwan. The training would be as "hands on" as possible, with as much of the training as possible provided at the facilities. This task, if implemented, would have to continue throughout the entire year extension.

Sewer Cleaning and Collection System Improvement

Based on the success of the existing ISC interventions and the extent of GOSD's sewer network, this program would generally be an extension of three subtasks of the ISC's Task N (Sewer Cleaning Department). Continuation of sewer cleaning equipment rehabilitation to cover equipment other than that provided by USAID, however, may be extended with GOSD's own efforts. At the end of the current ISC, GOSD should be able to determine the required repairs and methods for carrying them out on its own. If the issue is financial support, this should be considered in the framework of overall capital budgeting for GOSD and whether USAID would be willing to fund these efforts.

The focus of support under this extension would be for on-the-job training of sewer cleaning staff, using sewer-cleaning bucket machines and other cleaning and monitoring equipment. The manhole location and repair effort of this task will be minimal, limited to monitoring and reporting GOSD's implementation of the program developed under the current ISC, and providing occasional technical input. If this task is extended, it will require the entire 12 months to carry out the training.

Inventory and Stores System

This program is based on the success of the current efforts of the ISC under Task E (Stores and Inventory Management), and the fact that GOSD's stored items are extensive. The program would generally be an extension of the current task, concentrating on training more staff and providing further assistance to managers in using the new system in day-to-day work. If implemented, this task can be completed within six months.

Maintenance Management System

This task would be an extension of the current ISC subtask D-1 (Development and Implementation of a Maintenance Management System for GOSD), to include preventive, corrective, and emergency maintenance. At the end of the current ISC contract, GOSD will have 19 card-file systems and five units of the computerized maintenance management system. The effort envisaged in the third year would concentrate on training more staff in applying the system and providing further assistance to managers in using the system in day-to-day work. If this is implemented, such support would probably be required for a six-month period.

24

Financial Management System

As discussed in Section 4.2.2 above, this program would be aimed at reinforcing the multitude of systems being developed for GOSD under the ISC's Tasks C (Financial Management) and G (Financial Viability). At the end of the first ISC's 24 months, several new systems will be operating in GOSD—payroll, purchasing, personnel administration, accounting, budgeting, and financial planning. Many of these will be computerized.

The effort under this task would be concentrated on training more staff in applying the systems, providing assistance to the managers in using the system, and preparing financial reports for GOSD's management. The critical element in this area is the need for the system developers to work side-by-side with GOSD staff for at least one full fiscal cycle. For budgeting, for example, this would mean an entire 12 months. This is necessary not only to fully debug and reconcile the manual and computerized systems, but also to widen the base of available system operators within GOSD. If this task is implemented, it would have to cover the 12-month extension.

Management Training Program

The continuing need for management training, the enthusiasm for the current management training, and the realization that the move toward autonomy will put added pressure on managers all indicate that a management training program is required in any third-year extension. The proposed program, however, would be somewhat different from the current ISC's effort under Task A (Management Capability). The modified program would concentrate on training senior managers in utilizing the financial and computerized systems implemented by the current ISC. General management training, as currently provided under Task A, would be extended to second line managers. If implemented, this task could be accomplished in six months.

Internal Twinning

This activity would be the mirror image of the existing ISC Subtask A-6 (Secondment of Egyptian Managers to GOSD From Other Agencies). This new activity would involve establishing an arrangement with a successful Egyptian entity whereby GOSD managers can spend time in that organization to learn from its experiences. This is an activity that GOSD's training department can probably perform on its own. It would involve identifying such an entity and establishing a relationship similar to the one GOSD had with Seattle Metro Utility under the ISC. It is expected that this task would be financed from GOSD's own budget, not the ISC project.

25

Computer Training Program

Because of the extent of the computerized systems to be implemented under the ISC in the first 24 months, this program would provide assistance to GOSD staff responsible for running the newly installed computer system, as provided under ISC's Task B (Computerization). The task leader would provide training assistance, as feasible, to GOSD managers. He would also provide input to other task leaders to design the computerized training mentioned in the several tasks above. It is expected, depending on what gets accomplished under the existing ISC, that nine months would be adequate time to provide the inputs described.

Employee Orientation

This task would involve GOSD's training department in continuing its orientation of new employees. The most important part of this orientation is to acquaint the staff with GOSD's strategies, goals, and direction. Training department staff said that they could, based on their current experience with the ISC, perform that role on their own. This would involve designing the course and developing material for its delivery. This task is not expected to require outside technical assistance.

Public Awareness Program

This program would be aimed at GOSD customers to promote proper utilization of the system. It would also be used to outline GOSD's efforts, achievements, and concerns, in an effort to garner public support for its actions and policies.

The Public Awareness Program should be implemented by an Egyptian public relations or consulting firm experienced in such efforts. The firm should be hired by GOSD, after advertising for proposals. USAID should assist in the selection process and provide a portion, say 60 to 70 percent, of the funds for the program. The level of the initial program should be about level of effort (LE) 1.5 million.

Performance Measurement

This task will involve defining performance indicators that are acceptable to all parties, and establishing systems to measure and monitor these indicators. This task will also require an action plan for implementing the measurement system and building support for using these indicators to monitor the organization's performance.

The contractor should be able to develop that plan as well as the appropriate set of indicators within a two-month period. The contractor should also be able to produce the baseline measurements for these indicators in the first quarter of the extension year.

26

4.2.4 Technical Assistance Level of Effort

Not all of these tasks will require technical assistance for implementation. Below is a list of the tasks that would require technical assistance to GOSD. A conservative estimate of the approximate level of effort required for each task is also indicated. These estimates do not cover lower-level technical or support staff.

Activity	Level of Effort	
	Expatriate	Egyptian
Operations and Maintenance Training	2M* × 12m+	6M × 12m
Sewer Cleaning and Collection System	1M × 12m	3M × 12m
Inventory and Stores System	1M × 6m	1M × 12m
Maintenance Management System	1M × 6m	1M × 12m
Financial Management System	1M × 6m	1M × 12m
Management Training Program	1M × 6m	2M × 6m
Computer Training	1M × 9m	1M × 12m
Performance Measurement	1M × 3m	1M × 3m
Chief of Party	1M × 12m	
Total	84 mm	169 mm

*M = Man or person
+m = month
mm = worker months

The chief of party would have responsibilities similar to those described in the current ISC's scope of work.

To supplement the above level of effort, it is recommended that 12 worker months of short-term expatriate time be provided as part of the effort. This number of person-months would be a contingency block of time, and could be used for TDY assignments or extensions for expatriates scheduled for less than 12 months.

4.3 Immediate Next Steps

The WASH team, having reviewed the GOSD ISC, would like to reiterate the following:

- The contractor has to implement its project improvement plan as soon as possible. There is very limited time left in the existing agreement and much yet to accomplish. The contractor will have to address the issues of progress measurement and reporting as raised in this report.

- GOSD and the contractor, with the help of USAID, must address the tasks in the existing scope that may not be completed to GOSD's satisfaction within the 24-month contract period. A joint committee from the contractor management and GOSD must

reconcile the organizations' differing expectations, as discussed earlier in the report. USAID will have to play an active role in mediating an amicable solution.

■ GOSD should ask the contractor to prepare a proposal for the third-year extension, based on the skeleton program presented in this report, for review and discussion. This proposal should define objectives for the third year that correspond with those discussed in this report.

Appendix A

SCOPE OF WORK
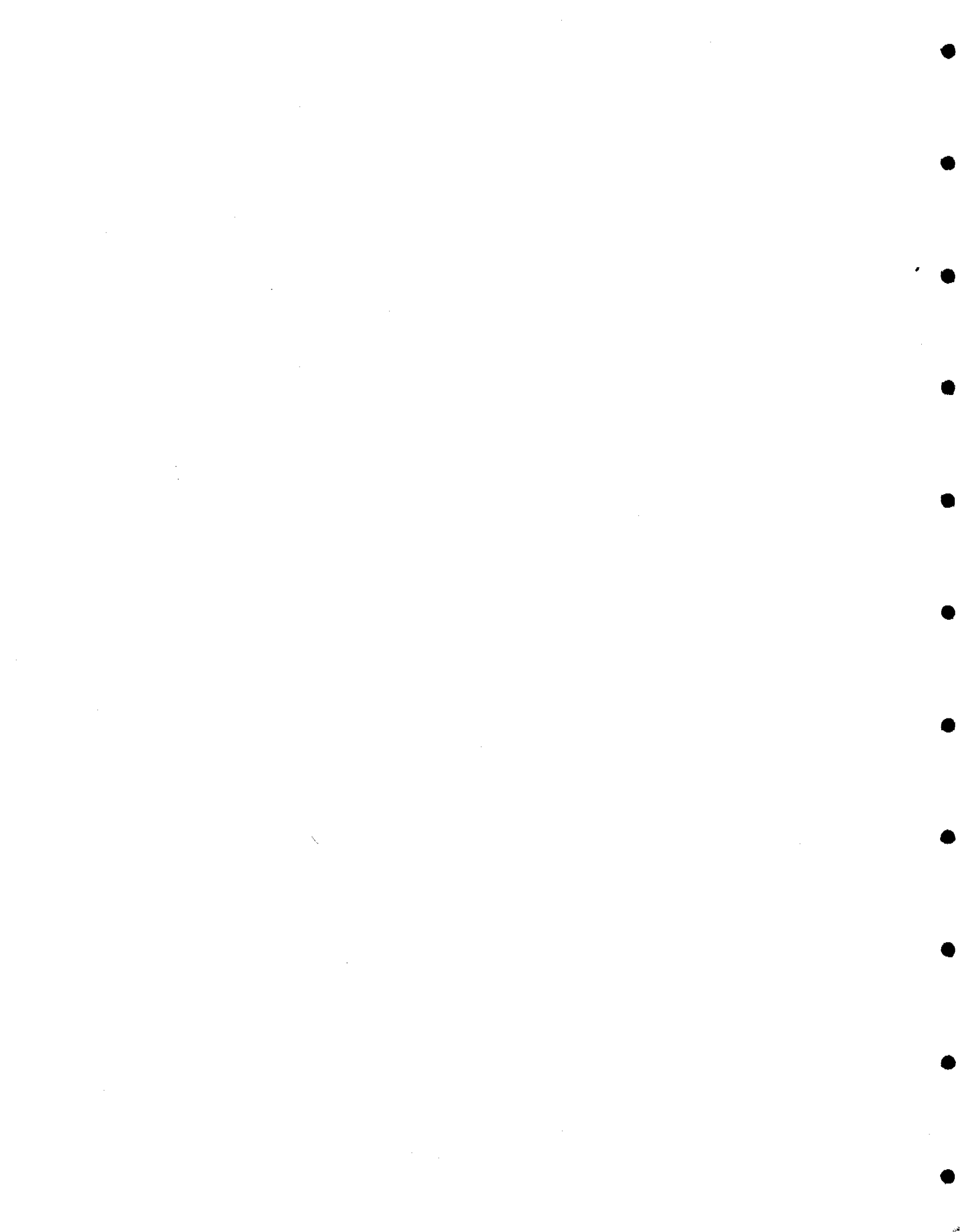
SCOPE OF WORK

EGYPT: Review and Evaluation Workshop
Cairo Sewerage II Institutional Support Contract

Background

The Greater Cairo General Organization for Sanitary Drainage (GOSD) is responsible for the operation and maintenance of the wastewater system of Greater Cairo, which includes the city of Helwan, the Governorate of Cairo, and portions of the Governorate of Kalubia and Giza. The new existing and planned systems have a design sewered population of 13.5 million people, and will have a treatment capacity of 2,880,000 CMD with 6 plants by 1993. At present, GOSD has 11,000 positions plus 2,910 auxiliary laborers. All of the 13,910 positions filled are financed from the Government of Egypt (GOE) budget, with more than half of them being unskilled, or semi-skilled.

In May 1989 WASH provided two consultants to USAID/Cairo to facilitate a workshop for top and middle management of the GOSD along with a similar workshop for the General Organization for Greater Cairo Water Supply (GOGCWS), under TAS 048. After consulting with GOSD officials, it was decided that a workshop was not necessary. Rather than drafting the TOR and RFP, as was done for GOGCWS, the consultants instead made recommendations on the design of the Cairo Sewerage II Project to USAID/Cairo.

The major works being funded by USAID/Egypt under the Cairo Sewerage II Project, and implemented by the Cairo Wastewater Organization (CWO), will be turned over to GOSD for operation and maintenance. This infrastructure represents a significant change in technology and requires institutional upgrading of GOSD.

The GOSD, under a separate long term contract, has engaged the services of a technical assistance team whose purpose will be to upgrade management and services, training, and institutional support. In June 1992 WASH provided two consultants to conduct a project start-up workshop for this project. This workshop had four primary goals:

1) Review and evaluate Institutional Support Contract (ISC) action plans and project schedules for consistency with the project Scope of Work, the wishes of GOSD, and the requirements of USAID

2) Review and develop with GOSD, USAID, and the ISC, the implementation alternatives, procedures and priorities for project deliverables

3) Establish clear communication channels and a schedule for future meetings between WASH, GOSD, the ISC, and USAID

4) Review GOSD operational goals and objectives

31

and advise regarding appropriate implementation schedules and priorities to achieve them

The goals of this workshop were successfully attained. USAID/Cairo has now requested that WASH provide three consultants to undertake a second review and evaluation workshop for the same participants.

Objectives

There will be three primary objectives for the second workshop:

*   Determine whether or not the optional third year contract extension should be exercised and, if so, determine the Scope of Work, and recommend the staffing level for the third year

*   Review and evaluate the progress of GOSD toward autonomy and decentralization during the initial project period and recommend new directions, if needed, for GOSD and the ISC to follow to accomplish policy reforms

*   Determine the relative effectiveness of the project to date and the status of completion of the tasks of the present Scope of Work. If the Scope has not been, or will not be, fully achieved, review the causes of the problems and recommend corrective action

If it is determined that the third year extension is necessary, the WASH team should identify and establish objectives and priorities for the work to be accomplished for that period. The works so identified should be categorized as follows:

1) That work which was included in the initial Scope of Work that has not been , or will not be fully accomplished during the initial two years and that is still timely and needed.
2) That work that was not identified in the initial Scope of Work and that has been determined and agreed by GOSD to be necessary and consistent with GOSD and USAID objectives.
3) That work, if any, that was included in the initial Scope of Work that has not been, or will not be fully accomplished but that is no longer critical to GOSD and USAID.

Tasks

1. Prior to departing for Egypt, read background material provided by the Mission on the GOSD and the ISC, and review the report produced after the start-up workshop.

2. Participate in a one-day Team Planning Meeting to prepare for the workshop.

3.   Interview staff from USAID, GOSD, and the Contractor prior to the workshop.

4.   Analyze the interview data and design a three-day workshop.

5.   Conduct the three-day workshop.

6.   Conduct on-site follow-up.

7.   Write a report summarizing the workshop results.

8.   Conduct a debriefing for interested USAID personnel.

Personnel and Level of Effort

Three consultants will participate in the workshop. Two of them (organizational development specialist and project management specialist) will be the same individuals who conducted the start-up workshop. The third consultant should be an institutional development specialist familiar with the management, financial, and technical aspects of wastewater utilities. The team leader should have extensive prior experience in Egypt, and should speak Arabic fluently.

It is anticipated that each of the consultants will require approximately 25 person days of effort. This includes time for background prep, the TPM, travel time each way, field work, and report finalization.

End Product

The final product of this task will be a WASH Field Report which summarizes the results of the workshop and has recommendations for the future.

Schedule

Team Planning Meeting	2 June 1993
Travel to Cairo	19 or 20 June 1993
Planning and Prep Work	21 - 26 June 1993
Workshop	27 - 29 June 1993
Follow-up and Report Writing	30 June - 3 July 1993
Return to U.S.	3 July 1993
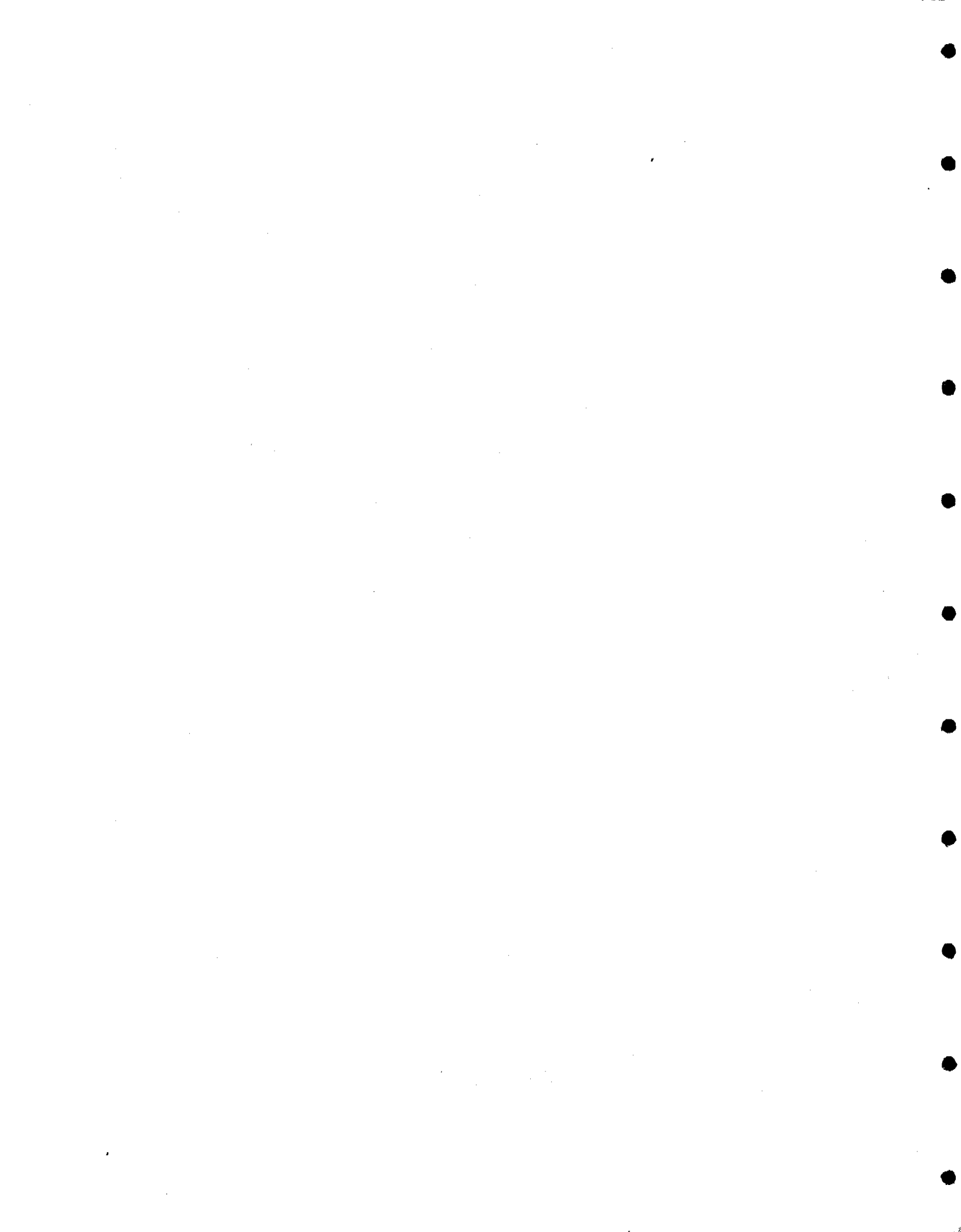
Appendix B

INTERVIEW AND WORKSHOP PARTICIPANTS

PROJECT REVIEW WORKSHOP
JUNE 28 - 30 1993
CAIRO NILE HILTON

Participant List

GOSD Participants

1.	Eng. Ahmed Abdel Maksoud*	Chairman
2.	Eng. Abdel Gawad Abou Zeid	Deputy Chairman, Dir. of Projects & O&M Director
3.	Eng. Sayed Abul Ela*	Project Manager

Operation & Maintenance Sector

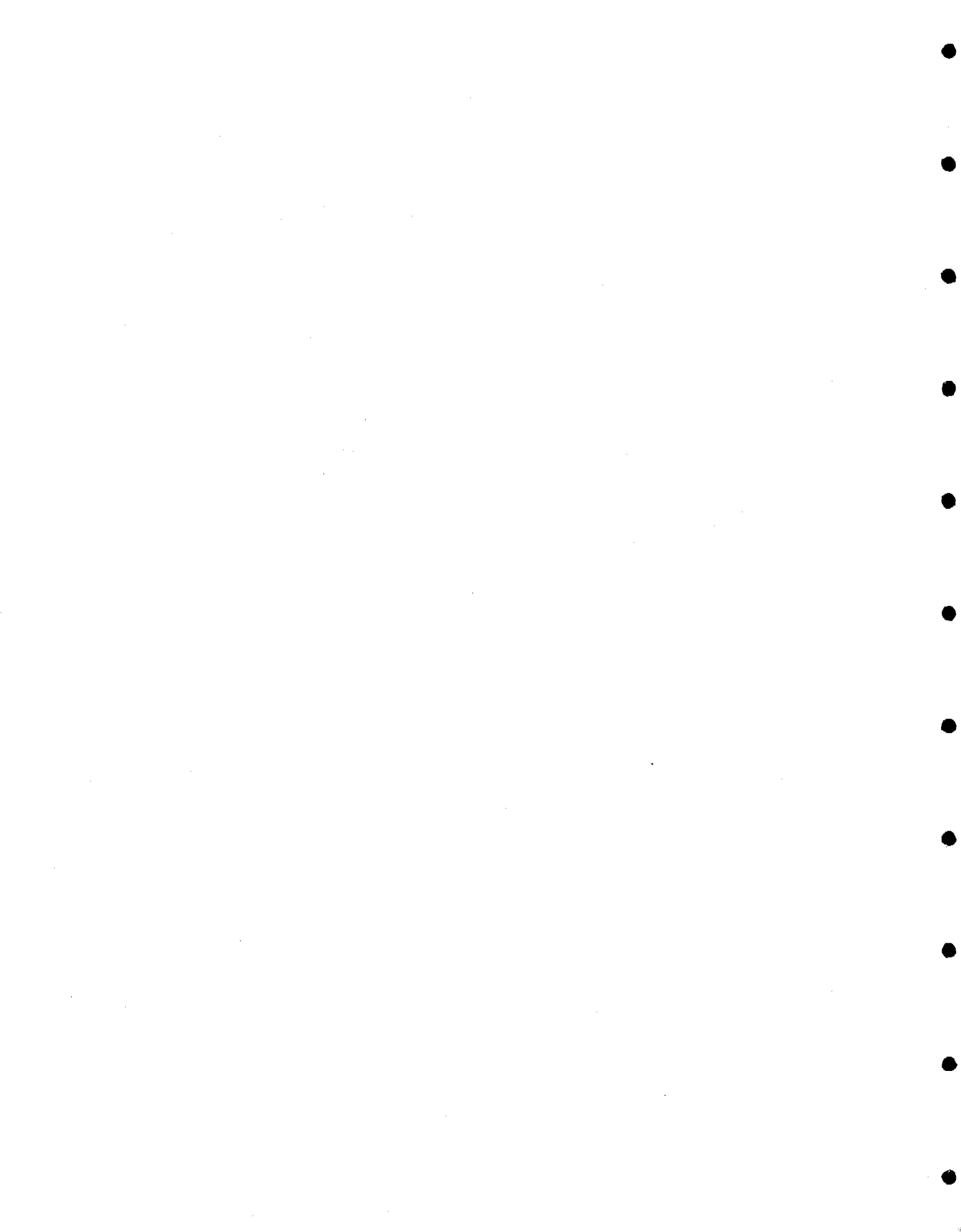| 4. | Eng. Mohamed Ahmed Abdel Rahman* & Shoubra El Kheima | General Manager Nile East |
5.	Eng. Hamdy Massoud* Cairo, Maadi & Helwan	General Manager South
6.	Eng. Samir Abdel Moniem*	General Manager West Nile
7.	Eng. Saleh Wanees*	Gen. Mgr. Major Stations
8.	Eng. Mohamed Khattab* Mechanical Cleaning Dept.	Deputy Op. & Maint.& Mgr.

Finance, Admin., Legal, Information Centre & Research Sectors

9.	Mr.	Said Ayad	Financial Gen. Mgr.
10.	Mr.	Nabil Rizk Allah	Head of Legal Sector
11.	Mr.	Mostafa Ahmed	Adminiration Gen. Mgr.
12.	Mr.	Youssry El Mesallamy	Organization & Admin.G.M.
13.	Mr.	Hussein Helmy	Personnel Manager
14.	Mr.	M. El Bayoumi Shaaban	Stores Dept. Manager
15.	Mrs.	Fatma Tork	Budget Dept. Manager
16.	Mr.	M. Nasr El Din Kassem	Purchasing & Contract Mgr
17.	Mrs.	Loulou Salama	Information Centre Mgr.
18.	Eng.	Khairy Morsi	Technical Research Mgr.
19.	Eng.	Mohamed Abdel Fattah	Mechanics & Elect. G.M.

20.	Eng. Yafei Youssef	G. M. Design
21.	Eng. Mohamed Labib	Construction Mgr.
22.	Eng. Mohamed Sami Khafagi*	Training Manager
23.	Eng. Seham Belates	Planning Dept. Mgr.
24.	Dr. Abdallh Kaoud	Purification & Agriculture Research Manager
25.	Eng. Mohamed Said Khalil	Assistant to Chairman
26.	Eng. Seoudi Abdel Ghaffar*	Project Committee ISC
27.	Mr. Tolba Mohamed Ahmed Sayed*	Project Committee ISC

(*) Indicates Participants of the Project Leadership Workshop on June 30, 1993

ISC Participants

1.	Mr. Otto Vydra*	Project Manager
2.	Mr. Don Benson*	Project Director
3.	Mr. Mokhtar Eid	Assoc. Project Dir.
4.	Mr. Colin Jones*	Personnel Spec.
5.	Mr. Gary Wood	OMI Home Office
6.	Mr. Robert Tomlinson	Finance Spec.
7.	Mr. Abdel Rahman Farid	Assoc. Person. Spec.
8.	Mr. Mohamed Ibrahim	Financial Manager
9.	Mr. Hassan Radwan	Assoc. Fin. Mgr.
10.	Mr. Gary Shreve	O&M Manager
11.	Mr. Emad Farag	Assoc. O&M Mgr.
12.	Mr. Ahmed Khalil	O&M Trainer
13.	Mr. Khairy Kenawi	Assoc. O&M Trainer
14.	Mr. Bob Rider	Maintenance Manager
15.	Mr. Adel Hassan	Assoc. Maint Mgr.
16.	Mr. Omar Afifi	Assoc. Coll. Sys. Spec.
17.	Mr. John Tatman	Safety Spec.
18.	Mr. Ron Crosby	Stores/Inventory Spec.

19.	Mr. Abdel M. Khawaga	Assoc. Stores/Inven. Spec
20.	Mr. Dick Rossiter	Computer Manager
21.	Mr. Bahgat Osman	Assoc. Computer Mgr.
22.	Mr. Bud Miller	Organizational Manager
23.	Mr. Reda Ibrahim	Assoc. Org. Mgr.
24.	Mr. Joe Cutschall	Training Centre Manager
25.	Mr. Mokhtar Noureldin	Assoc. T.C. Mgr.
26.	Mr. Dick Adamski	Training Spec.
27.	Mr. Adel Osman	Assoc. Trng. Spec.
28.	Mr. Hassan Morsi*	A. A. Warith
29.	Dr. Mohamed El Hadidi	TEAM Misr

USAID Participants

1.	Mr. Alvin Newman*	Instit. Sec. Chief/UAD
2.	Mr. Charles W. McElroy*	Project Officer/UAD
3.	Mr. Abo El Maaty Omar*	Program Specialist/UAD

(*) Indicates Participants of the Project Leadership Workshop on
June 30, 1993
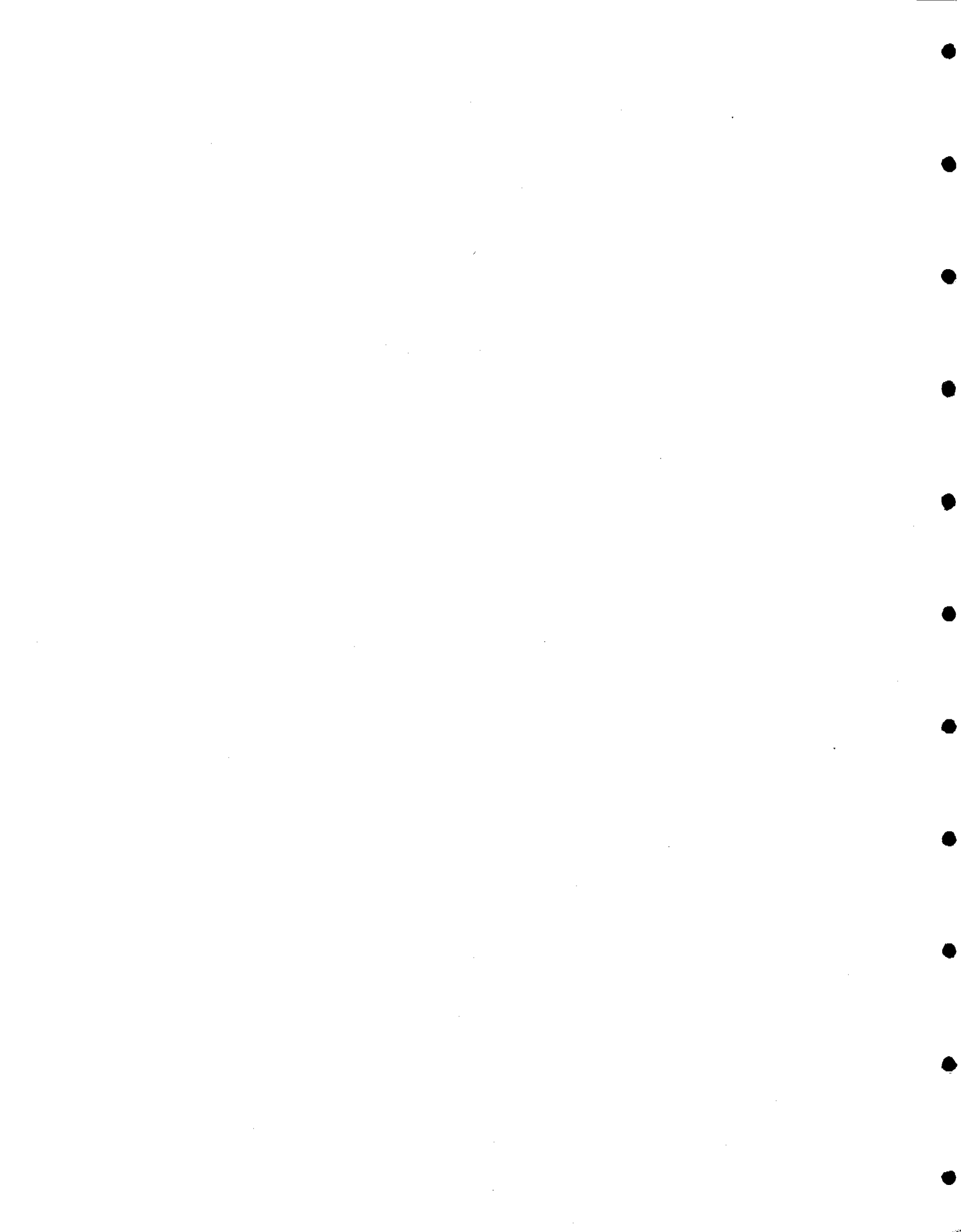
Appendix C

WORKSHOP AGENDAS
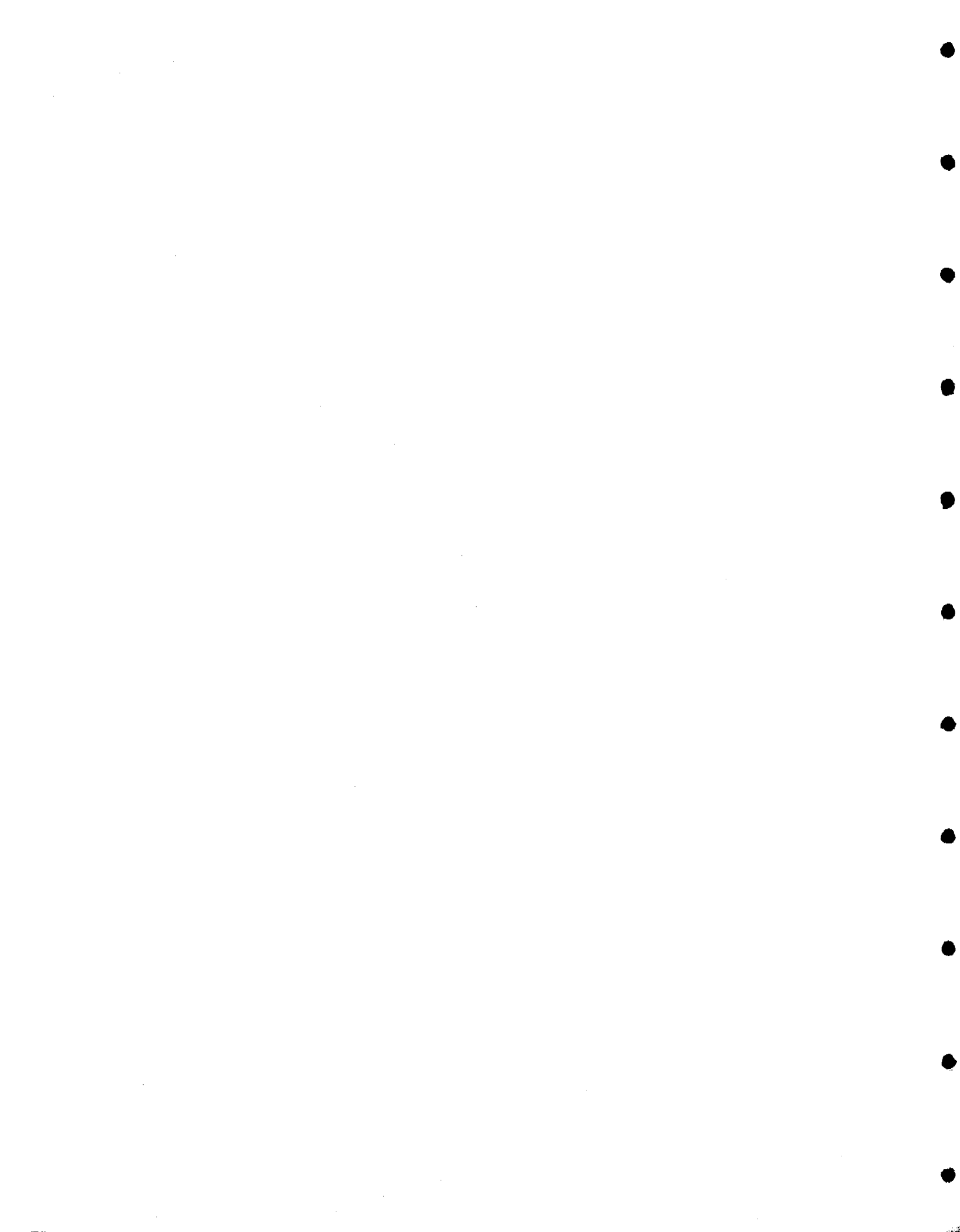
PROJECT REVIEW WORKSHOP

JUNE 28 - 30 1993

CAIRO NILE HILTON

Day 1 - Monday June 28

08:30	Session 1	Welcome and Introduction to Workshop
09:00	Session 2	Overview of Project Status
09:30	Session 3	Review of Project Status in Task Cluster Groups .

        1.   Finance, Data Systems & Procurement (Tasks B,C,F & G)

        2.   Management Organizational Development & Training (Tasks A,H,I,J,K,L & O)

        3.   Operations (Tasks D,E,M &N)

10:30	Break (on own by Cluster Group)	
11:00	Session 4	Status Review and Prepare Plenary Report
12:30	Lunch (Arousa Room)	
13:30	Session 5	Plenary Presentation of Task Cluster Groups Reports
14:30	Break	
15:00	Session 6	Project Re-Focus Discussion
17:00	Conclude Day	

Day 2 - Tuesday June 29

08:30	Session 7	Analysis of Remaining Sub-Tasks (In Working Groups)
10:15	Break (on own by Cluster)	
10:45	Session 8	Presentation of Working Group Findings
12:30	Lunch	

13:30   Session 9   Time Frames for Sub-Task Completion
                      (In Working Groups)

15:00   Break

15:30   Session 10   Presentation of Time Frame Projections
                      by Each Working Group

17:00   Session 11   Summary of First 2 Days and Next Steps
                      Closing Comments

Day 3 - Wednesday June 30

08:30   Reacquaintance with Component Group Reports

08:45   Purpose of the Day Agenda
         Expectation of Leadership Group

09:15   Component Review
         -    Identify Areas of Proposed Change

09:45   Analysis of Proposed Change (By Component)
         To Sow In Contract
         -    Should We Ever Consider This Change?
              (Yes, No, May Be)
         -    What Is The Purpose Of This Change? (Why?)
         -    What Would Be The Imparts Of This Change?
              (LOE, Program, etc)
         -    How Would We Effect This Change?
         -    Given The Above, Do We Want To Make This Change?

13:00   Lunch

14:00   Review Of Thematic Issues
         -    Communications
         -    GOSD Involvement
         -    Progress Measurement
         -    Effecting The Changes

15:00   Clarify Agreements And Commitments
         -    On Project Direction
         -    On WASH Team Needs
              (Specific Information On Status Of Tasks)

16:00   Closing Commentary.

Appendix D

WORKSHOP RESULTS
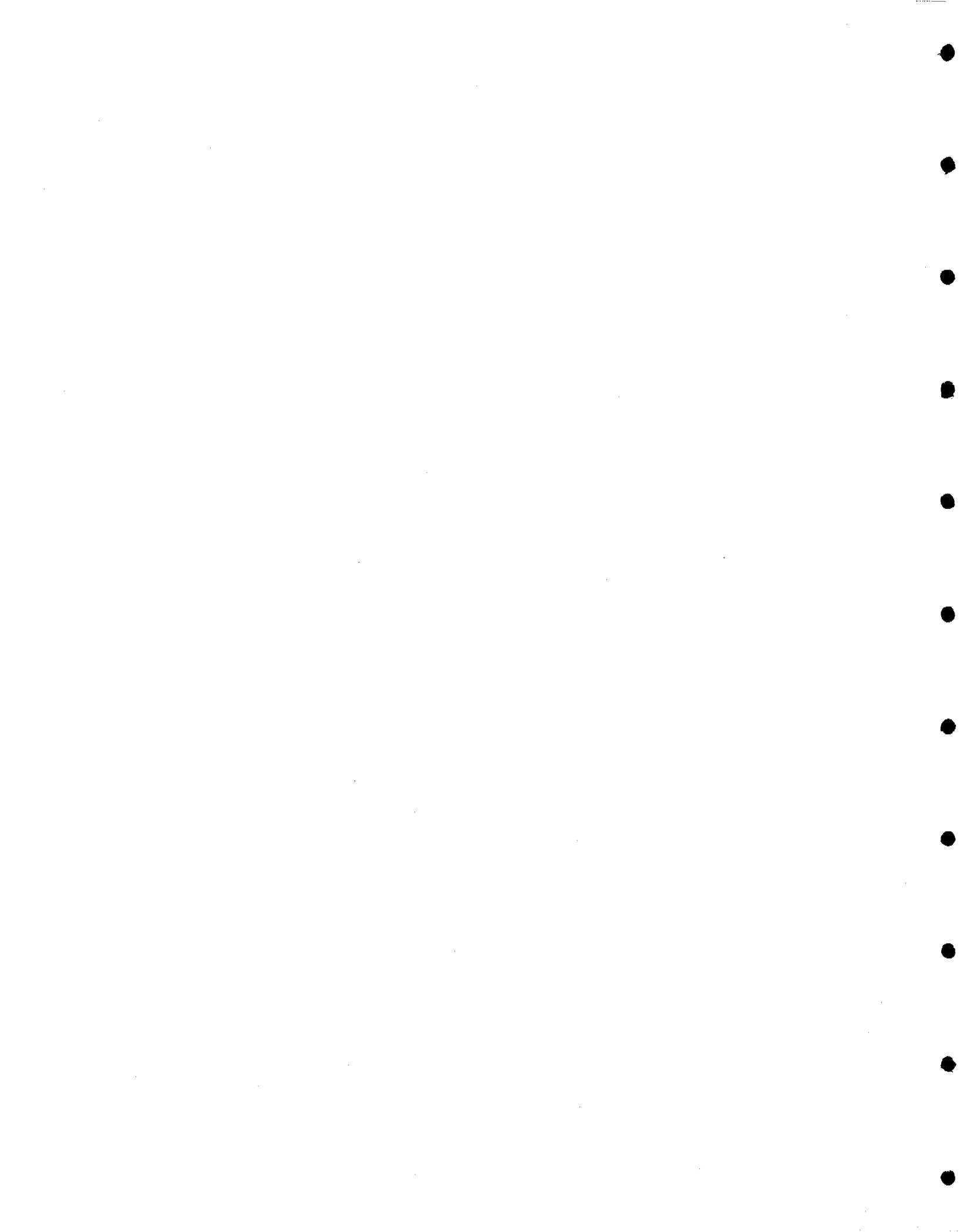
Human Resources Capability

Group Report

Subtask(1)		Nature of Task (4)	Priority (2)	Duration (3)
A-4	Management Workshop	Modify	3	21
A-5	Identify GOE Training Prog.	ASIS	2	9
A-6	Secondment	ASIS	2	21
A-7	Masters Program	ASIS	1	21
A-8	Internal Twinning (Input of twin parts to MG+TRNG)	Modify	1	21
B-7	Computer Training	ASIS	3	21
C-10	Financial Control Trng.	ASIS	3	21
D-7	Train In Use of MMS & Card File System	New	2	9
E-9	Stores Training	ASIS	3	9
I3.4	Training to Address P&P Procedures	NC	1	9
J-4	O&M Training (Admin, Finance and Shoubra)	Add	3	21
J-8	Librarian Training	New	1	9
K-2	Training Center Management Course	ASIS	1	9
K-3	TOT Continued by GOSD	NC	1	9
L3.4	Operators Certificate Trng.	Delete	1	9
M-	Safety Training	ASIS	3	9
N-6	Sewer Cleaning Training	ASIS	3	21
O-10	Twinning Training	Clarification	-	--

(1) Subtasks identified are those the group considered as most important to its function.

(2) Priority scale from 1 to 3 with 3 highest priority rating based upon group's consideration of the subtasks importance to its function.

(3) Duration of 9 months indicated the groups feeling that the task should end after the current contract. Duration of 21 months indicates the subtask should extend to third year if project is extended.

(4) New or Modify indicates the group's feeling regarding the subtask's scope of work band the nature of the scope as the work of the subtask is carried out.

Management Capabilities, Policies
& Procedures Group Report

Task	Subtask(1)		Priority	3rd
A	5	GOE Training Prog.	2	
	6	Secondment	2	
	7	Masters Program	3	
	8	Twinning	2	
H	1	C/Man Briefing		
	2	Linch Pin		
	3	CAOA	3	
	4	O+D Workshop		
	5	W & WW Combo		
	6	Needs Assessment		
I	2	Policy Statements	3	
	3	Implementation & Compliance	3	
	4	Hand Book	2	
	5	Workshops	3	
O		Training Program to be Extended		X
L	1	Review Psnl. Practices	3	
	2	Incentive Plan	3	
	3	Operator Certification	2	
	4	Employee Hand Book		
C	4	Management Reports	3	X
	7	Cost Center A/C	3	
B	8	Management Introduction to :	3	
		- Computerization		
		- Budgets		

New Tasks For Third Year:

1. Management Training Program - Specific to Autonomy (plus Sustainability Measures).

2. Implementation - Approved Structure/Staffing.

3. Public Awareness.

4. On going Development & Refinement.

5. New Employee Orientation

6. Computerization - Training & Sustainability.

7. Strengthen Projects Dep't TRG., Tech. Assistance,QA, QC,PLG

8. Strengthen Legal Dep't

9. Enhance Financial PLG Capabilities BAB3 (Future)

10. Establish Facility/System PLG Function

Notes:

(1) Subtasks identified are those the group considered as most important to its function.

(2) Priority scale from 1 to 3 with 3 highest priority rating based upon group's consideration of the subtasks importance to its function.

(3) Group believed all tasks should be completed under current contract with no change. Those marked with "X" should be extended to third year.

Operational System
& Procurement Group Report

Tasks to be Compl. B.E.C.	Subtasks (1)	Priority(2)	Extended to Third Yr(3)
B	Computer. Data Sys.	3	
C	Financial Control System		
C-1	Comp. Fin. Mgt. Functions	3	X
C-4	Dev. Prog.to Produce Mgt. Rep.	3	X
C-6	Dev.& Impl. Chart of Acct.	2	
C-7	Dev.& Impl. Responsibility Ctr.	3	
C-10	Provide Need Based Training	2	
D	Maintenance Management Procedures		
D-1	Maintenance Mgt. Sys.	3	X
D-2	Maintenance Mgt. Sys. Installed	1	
E	Inventory Control & Stores Mgt.		
E-2	Obsolete Inventory Disposal Prog.	1	
E-3	Foreign Src. Procurement Reduc.	1	
E-4	Improve Waterhousing Capability	2	
E-5	Inventory Re-Organization	3	X
E-6	Dev. Mat'l Mgt. Policies & Proced.	3	
E-7	Inventory Mgt. Computerization	3	X
E-8	Stores Dept. Mgt. Re-Organization	3	
E-9	Upgrade Staff Skills	2	
F	Procurement of Equipment & Spare Parts		
F-3	Procurement of USAID Fin. Sp. Prt.	3	X
F-4	Proc. of USAID Safety Equipment	3	
F-5	Proc. of USAID Commodities	3	
F-6	Rev. Local Manufacturing Capab.	1	
G	Financial Viability		
G-2	Prepare 0 Base Budget	1	
G-3	Cooperate W/O Modl. Cost/Tar. Stud.	1	
G-4	Prepare 5 Yr. Financial Plan	1	
G-7	Determine Capital Needs	1	
G-9	Select Rates	1	
H	Organization Structure & Effectiveness		
H-4	Organization Development W/Shop	1	

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Tasks to
be Compl.                                                               3rd
B.E.C.   Title                                          Priority        Year

I     Policies & Procedures
I-2      Preparation To Policy Statement         2
I-3      Statement Criteria                      2

J     Personnel Capab. Improvement & Trng.
J-3      Prepare A/P to Assume AMBRIC Trng.      2
J-4      Dev. Prog. & Conduct O&M Trng.          3               X
J-6      Collect Training References             1

K     GOSD Internal Trng. Capability
K-4      Equip. The Training Centers             1

L     Personnel Mgt. Practices
L-2      Incentive Plan                          2
L-3      Operator Certification                  2

M     Safety Practices & Procedures
M-8      Train Safety Dept. Personnel            3
M-10     Tr. Collection Staff on Sp. Hazards     3               X
M-11     Dev.& Impl. Accident Rprt. Sys.         2
M-12     Establish Emergency Response Proc.      3
M-13     Establish Emergency Respon. Team        3               X
M-14     Train Treatment Pump St.Staff           3               X
M-15     Train GOSD Personnel                    3               X
M-16     Provide Training To GOSD Staff          3               X
M-17     Imp. Prog. of Safety Com. & Mtng.       3

N     Sewer Cleaning Dept.
N-4      Repair & Rehab.Existing Equip.          3               X
N-5      Dev.Manhole Locating & Repair Prog.     3               X
N-6      Upgrade Staff Skills                    3               X
N-7      Rev.Spare Parts Requirements            3

O     Twinning Relationship
O-11     On Going Assess.& Feed Back Form        1
```

Notes:

(1) Subtasks identified are those the group considered as most important to its function. All tasks expected to be completed in the next 9 months, as per current scope of work.

(2) Priority scale from 1 to 3 with 3 highest priority rating based upon group's consideration of the subtasks importance to its function.

(3) Group believed all tasks listed to be completed by the end of current contract. Those marked "X" are recommended for continuation into the third year if the project is extended.

Financial Viability

Group Report

Task	Relation to Group's Focus Direct	Some	None (1)	(2) Priority	(3) Duration 9 mos.	21
A3	X			3	X	X
B	X					
C 1-10	X			3	X	X
D	X (Site Survey)			3	X	X
E All	X			3	X	X
F	X					
G	X			3	X	
H	X			3	X	X
I	X					
J	X					
K	X					
L	X					
M	X			1	X	
N	X			1	X	
O	X			1	X	

New Tasks:

1.   Add financial workshop
2.   Transportation Study
3.   Develop Financial Planning Group
4.   Refine cost data and all facilities
5.   Conduct costumer demand study
6.   Conduct capital finance study
7.   Determine billing and collection alternatives
8.   Develop GOSD bottom/up budgeting process
9.   Add structure for billing department

Notes:

(1) Subtasks identified are those the group considered as most important to its function.

(2) Priority scale from 1 to 3 with 3 highest priority rating based upon group's consideration of the subtasks importance to its function.

(3) Group believed all tasks should be completed under current contract with no change. Those marked with "X" should be extended to third year.

September 15, 1993   TAS 469

Dear Colleague:

On behalf of the WASH Project I am pleased to provide you with a copy of **Project Review
and Workshop for the Institutional Support Contract, General Organization for Sanitary
Drainage, WASH Field Report No. 414.** This is the final report by Tarek Selim, David
Laredo, and James Carney and is based on their visit to Egypt in June 1993.

The report presents the findings of a mid-course review of the project and describes a
workshop which was conducted as part of the review. The report also recommends specific
tasks for the third year extension.

If you have any questions or comments about the findings or recommendations contained
in this report, we will be happy to discuss them. Please contact Fred Rosensweig at the
WASH Operations Center. Please let us know if you would like additional copies.

Sincerely yours,

J. Ellis Turner
WASH Project Director