



**The Federal Democratic Republic of Ethiopia**



# **ONE WASH NATIONAL PROGRAM**

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**Program Operational Manual(POM)  
for the  
Consolidated WASH Account  
(CWA)Phase II**

**Volume I**

**Final September 2019**

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**ABBREVIATIONS AND ACRONYMS**

BoF	Bureau of Finance
BDA	Basins Development Authority
CFT	Community Facilitation Team
CHP	Community Health Promoter
CLTSH	Community Led Total Sanitation & Hygiene
CSOs	Civil Society Organizations
CWA	Consolidated WASH Account
DFID	Department for International Development
DPs	Development Partners
EA	Environmental Assessment
EBA	Environmental Baseline Assessment
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EPA	Ethiopian Environmental Protection Agency
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
FSM	Fecal Sludge Management
GTP	Growth and Transformation Plan
GoE	Government of Ethiopia
HEW	Health Extension Worker
H&S	Hygiene & Sanitation
IFR	Interim Financial Report
IUHSS	Integrated Urban Hygiene and Sanitation Strategy
IPs	Implementing Partners
KDC	Kebele Development Committee
KWT	Kebele WASH Team
KOICA	Korea International Cooperation Agency
M&E	Monitoring & Evaluation
MoE	Ministry of Education
MoFA	Ministry of Federal Affairs
MoF	Ministry of Finance
MoH	Ministry of Health
MoU	Memorandum of Understanding
MoWIE	Ministry of Water, Irrigation and Energy
NHES	National Hygiene and Environmental Strategy
NGO	Non-Governmental Organization
NMA	National Meteorological Agency
NRW	Non-Revenue Water
NPPPA	National Public Procurement and Property Administration Agency



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OD	Operational Directive
ODF	Open Defecation Free
OP	Operational Policy
OWNP	One WASH National Program
OWRP	One WASH Regional Plan
PPA	Public Procurement Agency
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
R-WASH	Rural Water, Sanitation & Hygiene
RWCO	Regional WASH Coordination Office
RWMC	Regional WASH Management Committee
SDG	Sustainable Development Goal
STEP	Systematic Tracking and Exchange of Procurement
T/CWB	Town/City Water Board
T/CWSC	Town/City WASH Steering Committee
T/CWTT	Town/City WASH Technical Team
TSG	Town Support Group
TWBP	Town WSS Business Plan
UAP	Universal Access Plan
UNICEF	United Nations International Children’s Emergency Fund
U-WASH	Urban Water, Sanitation & Hygiene
VHEW	Veterinary Health Extension Worker
WASH	Water, Sanitation & Hygiene
WASHCOM	WASH Committee (community level)
WDC	Water Development Commission
WCBU	WASH Capacity Building Unit
WIF	WASH Implementation Framework
WMP	Woreda Managed Project
WPMU	One-WASH Program Management Unit
WSA	Woreda Support Agent
WWC/WSG	Woreda WASH Consultants
WSS	Water Supply and Sanitation
WSSU	Water Supply & Sewerage Utility
WWT	Woreda WASH Team

# 1 PROGRAM OVERVIEW

## 1.1 One WASH National Program Overview

1. The One WASH National Program (OWNP) is the Government's main instrument to achieve the goals of Growth and Transformation Plan (GTP) for the WASH sector in a more integrated manner. OWNP aims to coordinate WASH activities and improve efficient use of resources for WASH service delivery for rural, urban, and pastoral communities, as well as for schools, health posts and health centers.
2. Phase – I of the OWNP covers the period from July 2013 to June 2015 and Phase II from July 2015 to June 2020. Phase I of OWNP, has been concluded and the Program document for the second phase has been prepared forming the basis for WASH Phase III (2021-2025) and Phase IV (2026-2030) formulation, with a plan to achieve SDG targets by 2030. OWNP Phase II makes use of the First Phase Review Report of 2017, updated strategies, plan and guidelines since 2013, to establish a baseline for access to rural and urban water supply and sanitation (WSS), and to plan short and long-term developments to meet immediate GTP II targets and longer-term Sustainable Development Goals (SDGs). The preparation of the phase II OWNP documents followed an in-depth analysis of: (i) the 2013 OWNP document, ii) WIF document, iii) GTP II goals and indicators, iv) OWNP Phase I review report, v) SDG indicators, and vi) challenges that are influencing integrated WASH approaches for sustainability.
3. As is specified in the Phase II OWNP document, the Program is designed to increase harmonization and alignment, among and between development partners (DPs) and the GoE. Phase II of the Program focuses on newly developed strategies, directives, and indicators in GTP II. The Program also looks beyond GTP II to establish sector reform and towards meeting SDGs by 2030. Any new WASH Programs or new phases of existing WASH Programs are expected to align with this Program's principles, approaches and plans.

### 1.1.1 One WASH National Program Objective

4. The OWNP's Development objective is to improve the health and well-being of communities in rural and urban areas in an equitable manner with sustainable and climate resilient water supply and sanitation access and the adoption of good hygiene practices. The long-term objective of OWNP is to achieve universal, sustainable, climate resilient and equitable access to safe and affordable water for all along with improved, low environmental impact, sanitation by 2030. The short-term objective of the Program is to achieve increased and sustained coverage of water supply and sanitation in rural and urban areas with basic WSS service levels in Ethiopia in line with the GTP II targets (2015-2020).
5. The intermediate objectives of the Program during Phase III (2021 to 2025) are directed towards attaining increased and sustained coverage of safe water supply and sanitation in rural and urban areas. This includes:

- 100% rural population using water supply with basic services of which 35% using piped water supply and 22% using safely managed drinking water supply services
  - 100% of the urban population using piped water with basic water supply services of which 58% using safely managed drinking water supply services
  - Decrease rural water supply schemes non-functionality rate to 5%.
  - 100% of Woredas having spare parts supply chain services for rural water supply schemes maintenance
  - 100% of Woredas with water quality monitoring system in place and rural water supply schemes with water safety plan
  - 60% of Woredas having the private sector and/or small and microenterprises involved in rural water supply O&M activities.
  - 72% of urban water supply utilities with NRW 20% or less (Percent)
  - 30% of urban water supply utilities with 16 hours/day or more continuity of water supply at premises.
6. OWP Phase II document specifies goals for institutional WASH for the Year 2020 and not beyond. These institutional WASH goals for 2020 are:
- To improve access to full package WASH facilities to at least 40 per cent of schools including MHM.
  - To provide improved and gender segregated sanitation facilities with hand washing to 75 per cent of primary schools and 100 per cent of high schools including MHM.
  - 100 % of health facilities have gender disaggregated full packages of WASH facilities, including MHM facilities.

### 1.1.2 OWP Program Components and Budget

7. **Program Components:** The OWP has mainly 5 components: i) Rural WASH, ii) Urban WASH, iii) Institutional WASH, iv) Climate Resilient WASH, and v) Enabling Environment, Program Management and Capacity Building. Refer the Phase II OWP document of November 2018 for details of Program components.
8. **Program Budget:** The estimated resource requirement for meeting the targets set for GTP II for the short to medium term work is estimated as USD 6,558.9million. The following figure shows the resource distributions among the components.

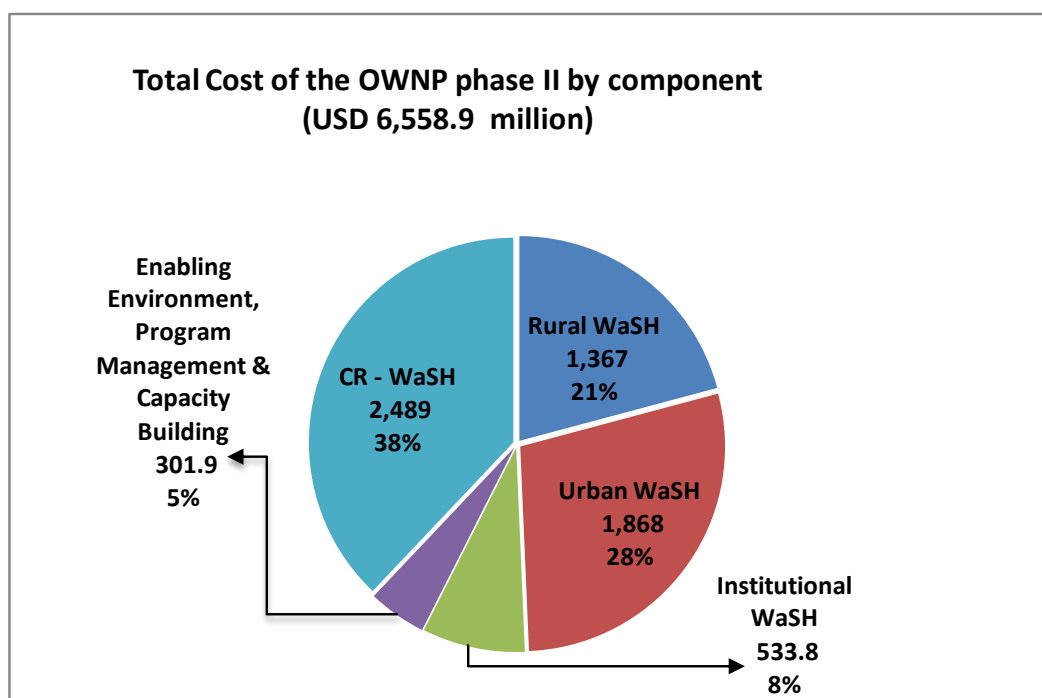


Figure 1-1: Cost of OWP Phase II

### 1.1.3 Core Guiding Principles

9. The Program is guided by the Memorandum of Understanding (MoU) and WASH Implementation Framework (WIF), signed by the Federal Ministries of Water, Health, Education and Finance. The following four guiding principles govern implementation of the Program:

**Integration of water, health, education and finance:** This principle aims to integrate safe water use with good sanitation and hygiene practices at the household level, in schools and health facilities (Institutional WASH) through synergy built among the four sectoral offices: water, health, education and finance. This includes coordinated and collaborative planning, implementation, monitoring, reporting and evaluation of Program results.

**Alignment of partners' planning and management systems and procedures with those of GoE:** The main goal of this principle is to ensure that OWP will align with the policies, priorities, strategies and plans of the pertinent Ministries, Sectoral Development Plans and with the administrative systems, standards and procedures of the Federal and Regional Governments of Ethiopia. The principle also ensures that WASH is recognized and affirmed as an integral, ongoing component of the Government's broader developmental Program; and WASH responsibilities are incorporated in the established process streams and mandates of the four sector agencies' staff at all levels. The other principle is an internal alignment of structures and procedures within government, both vertically (i.e. from federal to Kebele level) and horizontally (i.e. across the different subsectors which comprise WASH).

**Harmonization of partners' approaches and activities:** This principle leads to One WASH Plan, One WASH Budget, One WASH Report; implying to OWP. Harmonization also assumes One Consolidated WASH Account (CWA) where all Development Partners (DPs) contributions are deposited from which WASH

activities and investments would be supported. However, convergence of all DPs to a single consolidated account will be a gradual process. For those partners who desire to join CWA II Program a new account different from CWA I will be opened for the Program that will be managed by MoF. Use of ear marked account will continue in the meantime for those DPs who are expected to join CWA not now but at a later stage.

**Partnership between implementing parties:** The OWP recognizes Civil Society Organizations (CSOs) and the Private Sector as significant partners playing an essential part in attaining OWP target along with the four sector Ministries and Development Partners. This leads to strong commitment to engaging more the Civil Society Organizations (CSOs) and the Private Sectors.

#### 1.1.4 OWP General Planning Framework

10. One WASH Plan means that all major contributors (government, Development Partners, NGOs and communities) agree to be a part of a single comprehensive national WASH Program. The One Plan is built out of Strategic Plans and Annual Plans that are developed at each level and are linked to one another.

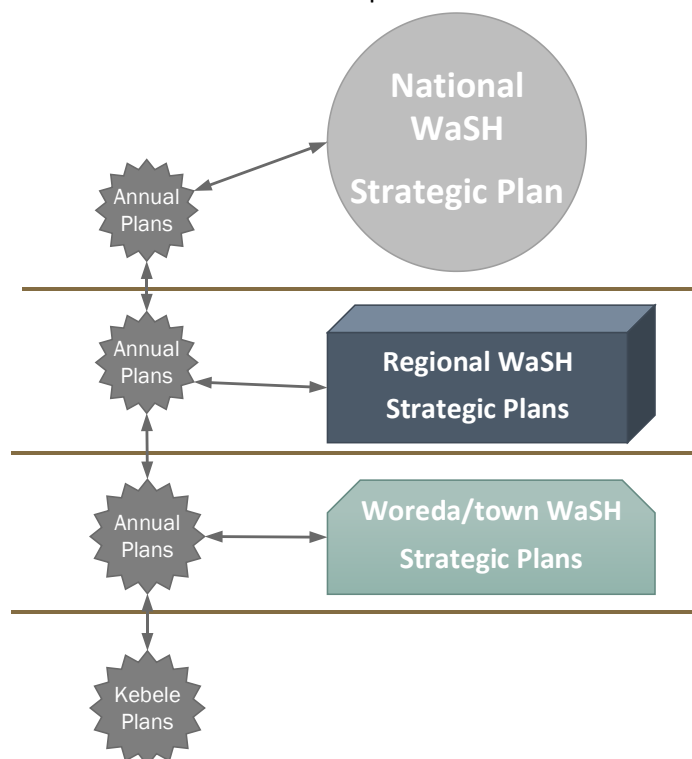
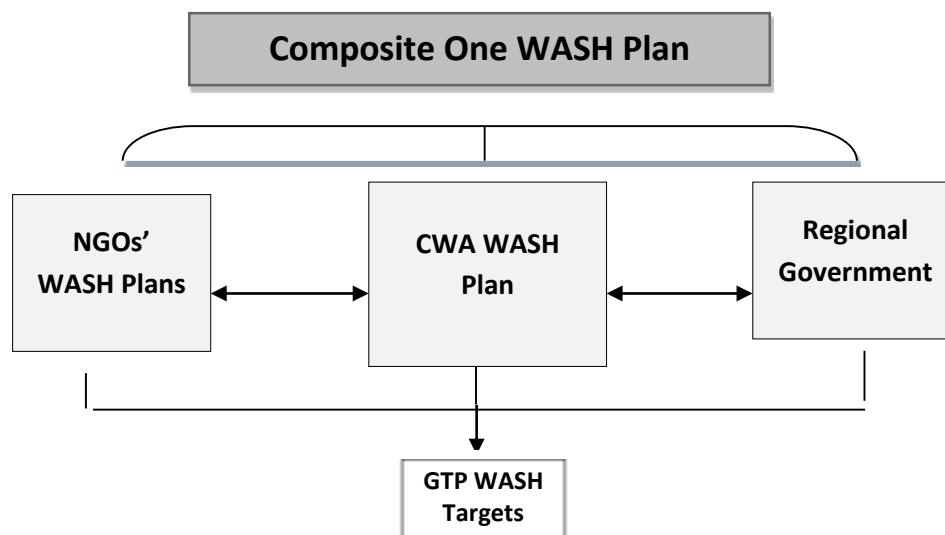


Figure 1-2: Planning Framework for OWP at National, Regional, Town and Woreda levels

11. One WASH Plan means that all major WASH activities of all implementing agencies, at each level, are included in **one composite plan**. The Consolidated WASH Account Plan, which is built by the Woreda, town, regional and federal WASH structures, is central to the Composite WASH Plans (See Figure 3.2). As NGOs are part of the composite plan, they are responsible to share information on the resource that they are allocating for various activities in the sector. However, they are not expected to contribute to the CWA.



**Figure 1-3: Composite OWP Plan**

12. **Composite One WASH Strategic Plans** have timeframe in line with the period of the national development plan of the country and include goals, targets, strategies, resources and key activities. **WASH Annual Plans** have a one-year timeframe that translate the priorities of the Strategic Plan into a set of practical activities, detailed schedules, budgets and specific outputs or results directly relating to GTP targets. Both Strategic and Annual Plans are:
- Linked** to resource mapping (of all anticipated financial and human resources)
  - Linked** to other plans (strategic-to-annual & from one level-to-next level)
  - Approved** - by the relevant federal/local government authority
  - Comprehensive** – covering all WASH activities of all implementers
  - Consistent** - with the Strategic Planning & Management approach
13. **Development of Composite One WASH Strategic Plans:** Strategic plans should be prepared at the national, regional, zonal, town and Woreda levels. All plans must be linked and mutually consistent with one another. Ideally, Kebeles should produce Strategic Plans, especially with regard to schools and health facilities. However, limited capacity at Kebeles level makes this unrealistic in most cases. Producing Strategic Plans is a three-step process consisting of; baseline establishment, target identification and resource mapping:
- Targets** - The targets that prevail in the WASH Program are those of the ONWP. These are calculated over the remaining 5-year period in the ONWP and the Program life span of the Water, Education and Health

sectors. Targets are adjusted annually based on data from the WASH Inventory and from the results of Resource Mapping i.e. the availability of funds

**Baseline** - A second critical step in planning is to establish a reliable baseline to determine, as precisely as possible, what the current level of achievement is: Where we are now, in relation to the targets that need to be achieved? What is the starting point in our Plan?

**Resource mapping** - A third essential planning step is mapping the financial resources that can be reasonably expected to be available to support the WASH Program. This mapping involves all funds from all sources that are committed, or likely to be committed to WASH activities and investments. A major portion of these funds come from Development Partners contributions to the CWA and from government Programs<sup>1</sup> and grants<sup>2</sup>. However, civil society organizations are also major partners in, and contributors to, the WASH Program.

14. It is also essential that, in the resource mapping exercise, to factor the possible resource that could be generated internally through community contribution and other means of mobilization to be considered in Program planning.
15. **Annual Plans:** Once WASH Strategic Plans are finalized, the next step is to prepare Annual WASH Plans and budgets at each level. Annual WASH Plans show how the broader objectives, priorities and targets of the Strategic Plans are translated into practical activities and detailed budgets. Annual WASH Plans are operational. Developing annual plans requires consultation at every level with major stakeholders including relevant government institutions, Development Partners, NGOs at the Woreda and Kebele levels, and with the community. WASH annual planning is done in two stages:
  - Core Planning** (August through November) establishes annual targets/outputs, and
  - Annual Work planning** (December through February) adds the specifics - activities, assignments, schedules and proposed expenditures from all sources.
16. WASH implementing agencies draft Core Plans (physical and financial) using a common format provided by the NWCO. When approved, the Core Plans serve as the basis for building detailed **Annual WASH Workplans** again, using a common format. Approved WASH annual workplans are subsequently built into the Development Plans at each administrative level.

## 1.2 The OWNP CWA Phase II

### 1.2.1 Background

17. The One WASH National Program Consolidated WASH Account (OWNP-CWA) phase II is the continuation of the Phase I ONWP-CWA Program. The ONWP supported by CWA is a harmonized funding mechanism to jointly implement OWNP activities and continues to be the major nucleus of GoE's national flagship Program that introduced a move from project-based approach to a more compressive and Programmatic sector wide approach through consolidated WASH financing. The CWA Program advocates for one plan, one budget, one reporting system and one Consolidated WASH Account (CWA). The Program supports part of the wider OWNP phase II, about 8.2% of the total financing requirement (US\$ 6.56 billion) of the Program. To-date, various development partners have expressed commitment to participate in the Phase II of CWA and pool

<sup>1</sup> Government Programs such as the Food Security (Productive Safety Net) Program invest large amounts in WASH activities. These investments must be taken into account in WASH planning and reflected in WASH budgets.

<sup>2</sup> Regions and Woredas may choose to commit a portion of their block grant to the National WASH Program.

their resources to finance part of the OOWNP. Together with the Government of Ethiopia, the World Bank, DFID, African Development Bank, UNICEF, government of Finland and Korea International Cooperation Agency (KOICA) are some of the contributors to the OOWNP-CWA Phase II with a possibility of other partners joining in the future. Other partners who are expected to join CWA for financing OOWNP in due course are expected in the meantime to increasingly align their targets, plans and activities with the Program principles and approaches. While all resources from DPs are channeled through the CWA, the resource allocated to the CWA (for example DFID's 77% of the financial aid) funding will be ring fenced to the Climate Resilience component of the Program, and that will be the basis during the annual planning.

### 1.2.2 Phase II CWA Program Development Objective

18. The development Objective of Phase II CWA Program is to “increase and sustain coverage of climate resilient and safe water supply and sanitation services and good hygiene practices in rural and urban areas in line with the SDGs. This phase will contribute to the OOWNP overall objectives of increasing climate resilient safe water supply, sanitation services and good hygiene services practice and strengthen capacity for water resource management and service delivery by 2030. The Program aims to increase and sustain access to improved WSS, using integrated approaches aimed at ensuring that investments in WSS service delivery are sustainable and resilient. The Program will focus on addressing gaps in the approach, technology choices, design and implementation from the previous CWA interventions, while adopting directives and indicators from GTP II in line with the revised OOWNP Program document.
19. The Program will also contribute to the targets indicated in the Integrated Urban Hygiene and Sanitation Strategy (IUHSS) and the National Hygiene and Environmental Strategy (NHES).

### 1.2.3 Basic Implementation Principles

20. CWA being pulled resource to support part of the OOWNP, its implementation will be based on the same core principles outlined in the OOWNP Program document and in the section 1.1.3 of this POM. Implementation of OOWNP supported through the CWA also reflects the following water policy's basic principles. These include:  
**Decentralization:** CWA financed OOWNP promotes decentralization process through fostering decisions to be more in line with local needs and giving the user communities responsibility for the management of WASH service provision.  
**Demand Responsive:** The user community receives assistance in response to its demand for improved WASH services; making informed choice on the technology options and service levels and as it demonstrates readiness to participate by taking into consideration its needs and ability to pay.



**Consistency:** CWA financed ONWP is to be consistent with the national water policy, national water strategy, Rural Hygiene and Sanitation strategy, Integrated Urban Sanitation and Hygiene Strategy as well as the national Growth and Transformation plan.

**Equity:** CWA financed ONWP addresses regional and social disparities in WASH coverage among and within regions, Woredas and urban areas giving priorities to those with lower WASH coverage (unserved and underserved communities).

**Cost Recovery and the right to access:** Access to water is a right, however, it is also recognized as an economic good, and its service must be paid for. Tariff setting however shall be site specific, depending on the particularities of the Program, location, users, cost and other characteristics of the schemes. In general, Rural WSS tariff settings should be based on the objective of recovering the operation and maintenance costs while Urban WSS tariff settings subsidies will be gradually decreased from small to medium towns, in line with GoE policies, to promote cost recovery.

**Cost effective design:** The Program avoids over-design in order to provide affordable and sustainable services.

**Transparency:** The Program includes promotional activities to ensure that the rules of engagement are well understood by all stakeholders.

**Stepped Approach:** Implementation is to follow a stepped approach, where towns, Woredas and communities will obtain assistance based on their performance as per the criteria well understood in advance by stakeholders.

**Inclusive:** The Program adopts Inclusive WASH approach that takes in to account inclusive needs of the poor, the disadvantaged groups, special needs of girls and female teachers (MHM), people with disabilities, etc. during planning investments, designing interventions, service deliveries or during monitoring services.

**Participatory Monitoring and Evaluation:** Monitoring and evaluation is to be carried out to monitor agreed indicators in a participatory manner (DPs, implementing partners, PMUs, and representatives of user communities) with dissemination of results that the Program can be improved by feedback.

**Sustainability:** The sustainability principle focuses sustaining service period and service level through ensuring services provided are easily operated and maintained at local level.

**Gender:** Activities and rules of engagement are designed to ensure participation by women in decision making and Program implementation.

#### 1.2.4 Result chain of ONWP supported by Phase II CWA Program

21. The result chain that shows the issues, activities, inputs, outputs and outcomes of ONWP-CWA II Program is shown in Table 1-1. In order to measure and track progress of specific activities towards achieving indicators of input, outputs and outcomes, and the monitoring and evaluation arrangements (M&E) is provided in Section 12 of this POM.

#### 1.2.5 Program Beneficiaries

22. Under Phase II CWA, approximately 3,973,000 people will directly benefit through the provision of climate resilient safe water supply services and 3,146,000 people through improved access to sanitation facilities. The Program will develop and rehabilitate water supply schemes in selected Woredas under Rural and CR

WASH Components. For urban areas, selected small towns will be supported with capacity building institutional development and planning activities. Upon meeting readiness criteria towns will be selected to receive financing for water supply investments. The Program will also provide financing to improve access WSS for selected schools and health facilities. The Program will strengthen all level of actors including WASHCOMs, Water Boards and utilities and will support Woreda, zonal and regional water, health, education and finance offices through enhancement of planning, budgeting and implementation capacities. The Program will also strengthen capacities of federal level OOWNP implementing agencies.

23. The number of Program beneficiaries and the results framework will be updated as needed to reflect additional financing and new donors joining the CWA in the course of implementation. New donors will join the CWA upon: i) Establishing bilateral Agreement with GoE, ii) Official notification from MoF, iii) compliance with POM, and iii) ratification by the NWSC.

### **1.2.6 Program Components and Outputs through Phase II CWA Financing**

24. The components and outputs of the OOWNP will be supported through the CWA phase II for over a five years period (July 2019 –June 2024) from funding received from development partners that have confirmed resources like AfDB, DFID, UNICEF, the WB, Government of Finland, KOICA and from new partners who are now assessing funneling contribution through CWA and whose resource allocation has yet to be confirmed. Plus, the Government of Ethiopia (GoE) that is by and large contributing about 50% to the OOWNP Program will also make 15% contribution to the CWA Phase II Program. Ear marked allocations to the CWA are provided in Table 1-2. The Program Results framework is also detailed in the M&E Section 12 of the POM.

**Table 1-1: Result Chain of OWNPN supported by Phase II CWA Program**

Issues/Challenge	Activities	Inputs	Outputs	Outcomes
Low access to safe water supply services	Investment support to rural and urban water supply service improvement	Studies and designs for improved water supply infrastructure development	Climate resilient rural and urban water supply schemes constructed/rehabilitated	Increased access to climate resilient safe water supply services
		Water source protection and development		
		Construction of water supply systems (RPS, reservoirs, water points, equipment, etc.)		
		Construction and rehabilitation of WASH packages for schools and health facilities	Improved water quality mechanisms in place	
		Provide test kits and equipment for water quality monitoring at source and supply		
		Provide materials and carry out awareness campaigns for household-level water treatment		
Low access to safe sanitation facilities	Investment support to rural and urban sanitation service improvement	Produce BCC materials and carry out awareness campaigns on sanitation and hygiene practices	Increased demand for improved sanitation	Improved hygiene practices in the intervention Woreda/town.
		Construct sanitation marketing centers, coordinate and promote business activities	Increased availability of products/materials for improved sanitation	Increased access to safe sanitation services in the intervention Woreda/town.
		Improve quality and management of public and communal latrines	Increased capacity for containment, sludge collection, transport, and safe disposal	
		Provide fecal sludge transport equipment (vacuum trucks)	Increased number of improved sanitation facilities for schools and health centers	
		Upgrade standard design for advance sanitation in schools and health facilities		
		Construction and rehabilitation of WASH packages for schools and health facilities		
				Develop O&M manuals and guidelines

Issues/Challenge	Activities	Inputs	Outputs	Outcomes
		Support development and implementation of Woreda WASH strategic plan	Reduction in non -	
		Establish and strengthen community level WASH management systems and utility model management setups for big and complex rural water supply schemes	functionality of schemes	Improved functionality of WSS schemes in the intervention Woreda/town.
		Ensure spare parts and maintenance crew for O&M are available	increased local capacity to	
		Provide training to WWTs and WASHCOMs	manage WASH services (governance/institutional, financial, and technical capacity and women participation) is strengthened	
		Ensure participation of women and girls in WASH service planning, design and management		
	TA and investment support to build capacity of Utilities and Water boards	Update business plans for utilities	Improved revenue of	Improved operational efficiency of utilities
		Support service operational improvements, including NRW reduction to save energy	utilities and controlled expenditure	
		Establish Integrated Utility MIS (billing, accounting, customer management, etc.)		
		Train and capacitate utilities and water boards		
	Limited capacity for water resource planning and emergency responses	TA and investment support to water resource planning and emergency response	Establish hydro met and early warning systems	Water resources datasets and maps produced capturing quantity and quality to support the projected population in the intervention areas)
Carry out water resource mapping, monitoring, and planning			enhanced use of WRM data for climate resilient WSS designs	
Implement emergency response mechanisms (e.g., household water storage, household water treatment, procurement of equipment, etc.)			Improved capacity on emergency preparedness and response	

25. Components and subcomponents supported by Phase II ONWP-CWA to achieve its development objectives are five broad components derived directly from the wider OOWNP Phase II Program documents namely: Rural WASH; Urban WASH; Institutional WASH; Climate resilient WASH; and Enabling Environment, Program Management and institutional strengthening components. Each of these components is further sub-divided into different sub-components to address the water supply, the sanitation and the hygiene perspectives at household/community and institutional level.
26. **Component 1 Rural WASH:** This component will support increasing access to safe and reliable water supply and sanitation services and hygienic practices in rural areas. The component is structured into two sub-components:
- a) **Subcomponent 1. A. Increasing Access to Water Supply and Sanitation Services:** This subcomponent will finance pre-construction phase support including procurement of goods and services to support rural water supply and inclusive sanitation planning and other institutional development activities: This includes (i) development of Woreda Strategic WASH Plans; (ii) support to strengthen and sustain participating Woredas' capacity to plan, coordinate, implement, and manage WSS services jointly with other OOWNP core implementing sectors; (iii) the rolling out of new BCC campaigns, and (iv) support for the establishment of community savings structures for construction and upgrading of domestic sanitation facilities. Construction phase support for rural water supply and sanitation: This includes (i) construction and rehabilitation of water supply schemes based on a sector-approved menu of technology options; ((ii) the scale-up of pilot interventions to establish sanitation marketing sheds and centers; and (iii) sanitation marketing capacity building for vocational training center s, micro-credit institutions, MSEs, local governments, etc.
  - b) **Subcomponent 1.B Enhancing Service Delivery Management Capacity:** This Program support will include, (i) scaling up of pilot interventions for spare parts, supply chain and support to strengthen the local private sectors (to support O&M of water supply facilities); (ii) strengthening community WASH committees (WASHCOMs) with at least 50% women participation and establishing networks of support, (iii) strengthen capacity to increase the number of trained and skilled facilitators (iv) enhancing water quality monitoring; and (v) promoting and enhancing O&M training curricula under vocational skills Programs
27. **Component 2 Urban WASH:** This component will improve equity focused access that enhance equity and reduce disparities to WSS services in selected urban areas (small and medium towns<sup>3</sup>) and provide support to the Urban health extension Program and strengthen operational efficiency of urban water boards and utilities to effectively manage WSS service delivery. This component will finance Pre-construction phase support including procurement of goods and services and other activities to improve urban WSS services: This includes financing of (i) preparation of Town WSS Business Plans (TWBPs) that lay out strategies for the current and future demands for WSS service delivery (including city-wide inclusive sanitation strategy); (ii) establishment and strengthening of urban WASH structures including water boards, utilities, sanitation unit to efficiently provide services and manage WSS infrastructure and assets; (iii) production of Behavioral

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<sup>3</sup> Small towns are defined as urban populations between 2,000-20,000 inhabitants; medium towns are between 20,000-100,000 people

Change Communication (BCC) materials and technical support expenses for the Urban Health Extension Program in hygiene promotion and education, and (iv) source development, preparation of feasibility and design studies for water supply and sanitation investments. This component will also provide support to regional and national technology institutes to enhance training and capacity for Program staff and implementing entities. Construction Phase support for urban water supply and inclusive sanitation: This includes (i) construction, rehabilitation and optimization of urban water production, treatment and distribution systems; (ii) construction, a rehabilitation and management structure for public and communal sanitation facilities and on-site treatment, and fecal sludge management systems; and (iii) establishment of sanitation marketing sheds and centers. The project will provide targeted support for medium-sized towns to improve operational efficiency.

28. **Component 3: Institutional WASH:** This component will support integrated access to WASH facilities in schools and health posts and centers in rural Woreda and towns, and sanitation facilities in CR- Woredas that is intended to complement interventions to improve health impacts, decrease school dropout rates, and reduce the contamination of water bodies. It will finance Pre-construction Phase Support including procurement of goods and services to support BCC and capacity building: This includes: (i) hygiene promotion and BCC activities; and (ii) support for bureaus of education and health in the procurement and construction management of proposed infrastructure to address substandard construction quality. Implementation of these activities will be incorporated into the Woreda Strategic WASH Plans or TWBPs to ensure geographic complementarities between water supply interventions and health and education sector Programs. Construction Phase support includes infrastructure investments to support the construction, upgrading, and rehabilitation of WASH packages in schools and health facilities as per the standard guidelines developed by the MoE and MoH, with special consideration given in their designs to accommodate vulnerable groups, gender and climate change adaptation criteria
29. **Component 4 Climate Resilient WASH–** This component aims to support the following sub components:
- a) **Sub-component 4.1<sup>4</sup> – Water resources monitoring and planning:**–This support include: (i) strengthening of weather and climate information, surface and groundwater data collection, hydro met and early warning systems development; (ii) institutional capacity development of pertinent institutions; (iii) service delivery aspect of the system for end users and decision-making process; and (iv) water resources planning activities that include development of analyses and guidelines for catchment management interventions for water source protection; (v)capacity building and coordination support to link with existing spatial and early warning institutional mechanisms and approaches; and (vi) improved contingency and emergency planning.
  - b) **Sub-component 4.2 – Climate- Adaptive Service Delivery:** This sub-component will provide (i) investment preparation (feasibility studies and engineering designs) for climate adaptive technologies; (ii) preparation of guidelines and technical standards to facilitate scoping, design and construction of climate adaptive water supply and community sanitation service delivery and (iii) Construction and rehabilitation of multi-village CR water supply schemes

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<sup>4</sup> While some sectoral activities captured under Component 4.1 will be supported from the DFID centrally funded CR WASH project, based on DFID’s Ministerial approval for DFID’s new Business Case, the DFID Ethiopia support in OWNP CWA Phase II Program will only focus on Program related activities.

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that create access to resilient water supply services for people within one Woreda or beyond the Woreda administrative borders.

- c) **Sub-component 4.3 – Contingency Emergency Response Component (CERC):** This sub-component is a zero budget but aims at drawing down international crisis fund managed by World Bank in case of such incidences. It will allow supporting preparedness and response plan for emergencies (floods, droughts and outbreaks of excreta and water-borne diseases).

30. Component 5 – Enabling Environment, Project Management and Capacity Building – This component will support:

- a) **Improvement of monitoring and evaluation (M&E) systems** and laying foundation for a shift to results-based approaches. This will finance capacity building support and procurement of goods and services to: (i) train, equip, and support M&E staff at regional and local levels; (ii) introduce remote sensing applications; and (iii) further improve the system to realize real-time monitoring.
- b) **Capacity Building and Program management:** This will be supported through: (i) capacity building, financing of additional implementation support and technical experts; (ii) project management and coordination between implementing agencies; (iii) procurement and contract management; (iv) financial management; (v) application of environmental and social safeguards instruments and compliance; and (vi) knowledge management and experience sharing.

**Table 1-2: Estimated Cost of Program Components and Expected Output**

No.	Component name	Total Est. cost (million USD)	Component Outputs							
			WB	DFID <sup>5</sup>	AfDB	UNICEF	KOICA	GoF	GoE	Component Outputs
1	Rural WASH	133.03	84.86	-	27.00	0.90	2.07	0.85	17.35	1.1. 3724 new water supply schemes constructed, and 1630 facilities rehabilitated
										1.2. 1.08 million new improved household sanitation facilities built through promotion carried out under the program.
										1.3. 118 supply chain for low cost water supply technologies and spare parts for operation and maintenance established and functional in Program woredas
										1.4. 290 Rural Water supply O&M crews established and functional in Program Woredas
										1.5. 220 Sanitation marketing (shade and seed material) established and functional in 50% of Program Woredas
										1.6. Community (WaSH COM) level WaSH Monitoring established and functional in all Program Woredas and schemes
										1.7. 4750 Kebeles verified and declared ODF
										1.8. BCC campaigns and hygiene behavior and sanitation trainings through CLTSH provided to 690,000 people
										1.9. WaSHCOMs established and functional in 95% constructed/rehabilitated schemes (with 50% women members) under the Program
										1.10. Regular Water quality monitoring in at least 60% of the woredas
2	Urban WaSH	96.52	81.00	-	-	-	1.80	1.13	12.59	4.1. 71 Town water supplies improved
										4.2. 17 FSM systems constructed and functional within the Program towns
										4.3. 71 Towns improved their operational efficiency, established water boards and prepared business plans
										4.4. Sanitation market center established in all small towns
										4.5. BCC campaigns and hygiene behavior and sanitation trainings through CLTSH provided to 110,000 people
										4.6. 15000 Improved HH sanitation facilities construction
										4.7. 118 Public and Communal Latrine constructed

<sup>5</sup> CWA partners have parallel TA that will support interventions concurrently. For example, DFID provides targeted complementary TA support outside of the CWA that among other things will support strengthening the management of water supply services including establishing women and youth -led service maintenance and spare part supply group in selected/priority CR WASH intervention regions. DFID will not be supporting these same activities in this ONWP CWA Phase II Program.



No.	Component name	Total Est. cost (million USD)	Component Outputs							
			WB	DFID <sup>5</sup>	AfDB	UNICEF	KOICA	GoF	GoE	Component Outputs
3	Institutional WASH	74.45	34.71	11.70	13.50	2.70	1.80	0.32	9.71	3.1. 1393 new and rehabilitated full WaSH Package facilities (water supply, improved latrine, incinerator, placenta pit and waste disposal pit) for health centers/posts
										3.2. 1453 new and rehabilitated full WaSH Package facilities (water supply, improved latrine separate for boys and girls, and MHM room) for schools
										3.3 All HF's and Schools provided with WaSH under the Program established a functional WaSH management team for regular O&M of constructed WaSH facilities
										3.4. 1453 Schools within the Program woreda Verified and declared School ODFs
4	Climate Resilient WASH	190.35	55.71	77.00	12.00	-	-	1.71	43.93	4.1. 41 large multi village RPSs constructed
										4.2. 144,000 new household sanitation facilities built through promotion carried out under the program.
										4.3. RPS management system established and operational for all multi village RPSs constructed under the Program
										4.4. Early warning systems established and operational
										4.5. Regular water resource monitoring (quality and quantity) practiced in at least 60% of the Program Woredas
										4.5 Hydrology, climate and weather service delivery strategy developed and operational for BDA and NMA
										4.6 Weather, climate and hydrology forecast and modeling systems developed/upgraded and operationalized
										4.7 Impact based Forecast and early warning information and products (WRM, flood and hydrological drought) produced and disseminated for priority woredas and sectors
4.8 A web based, and mobile application/data portal services developed and operationalized for NMA and BDA										
5	Enabling Environment, Program Management and Capacity Building	41.81	21.43	10.00	3.00	1.00	0.70	0.23	5.45	5.1 NWI updated at least on annual bases and annual WaSH reports produced
										5.2 WaSH MIS operationalized and functional
										5.2 Improvement of the MIS to realize real-time monitoring
										5.3 Result based mechanism introduced to incentivize performance
										5.4. 90% consolidated Program reports prepared at WWT, RWCO and NWCO levels on a monthly, quarterly and annual basis

No.	Component name	Total Est. cost (million USD)	Component Outputs							Component Outputs
			WB	DFID <sup>5</sup>	AfDB	UNICEF	KOICA	GoF	GoE	
										5.5. All WWT, WaSHCO and Water Board members within the program woredas and towns trained in relevant skills
										5.6 100% of newly constructed water supply and sanitation schemes completed environmental & social screening process and settled mitigations measures
										5.7 Procurement and contract management; and financial management
										5.9 Provision of logistical support for participating regions, zones and Woredas (e.g. motorbikes, vehicles, office equipment, etc.)
										5.10 Knowledge management and experience sharing
	<b>Incentive for Results/Performance</b>	33.78	22.29	1.30	4.50	0.40	0.63	0.26	4.41	
	<b>Total</b>	<b>569.94</b>	<b>300.00</b>	<b>100.00</b>	<b>60.00</b>	<b>5.00</b>	<b>7.00</b>	<b>4.50</b>	<b>93.44</b>	

## 2 OVERVIEW OF THE PROGRAM OPERATIONAL MANUAL FOR CWA PHASE II

### 2.1 Background

31. This Program Operational Manual (POM) is developed to serve as a main guiding document for both the Government of Ethiopia (GoE) and the Development Partners who would be pooling their funds into the Consolidated WASH Account to implement part of the OWP. The development partners' contribution, as outlined in the WIF will be channeled through the CWA. Detailed opening account procedure will be outlined in the specific bilateral arrangements. The POM provides common and practical planning, implementation, administration and operational guidance in the management of CWA finances. This includes steps and procedures to be adopted in the planning, budgeting, disbursement, procurement, supervision, financial management, safeguards management, and monitoring and evaluation of the Program that would be financed through the CWA Phase II Program. The Program will be implemented in compliance to the Phase II approaches of OWP. In the following sections the POM discusses in detail the implementation; financial management and disbursement arrangements; procurement procedures; administration aspect; monitoring and evaluation activities; and Environmental and Social Safeguards provisions.
32. Along with the POM, Social Assessment Report, updated Social and Environmental Management Framework, Resettlement Policy Framework Fiduciary Risk Assessment (for financial management and procurement), the signed Memorandum of Understanding (MoU) between the four sector Ministries, the WASH Implementation Framework (WIF) and the Program documents for the wider OWP phase II will also serve as guiding documents during the implementation of CWA phase II Program.

### 2.2 Implementation Modalities

#### 2.2.1 Linkages with other National Programs

33. The CWA supported Program intervention has a link with health and nutrition sensitive interventions as per the National Nutrition Plan (NNP) of the government that contributes to reducing stunting and urban development Program (Urban Local Governance Dev. Program); Woreda transformation plan for health, flagship education Program (General Education Quality Improvement Program,) etc. The baseline data collected for the preparation of this project indicate a negative correlation of WASH interventions to stunting. Sanitation facilities have also a direct impact on gender equality and inclusion. Sanitation facilities with disability access, hygiene promotion, and Menstrual Hygiene Management (MHM) at schools significantly contribute to increasing girl's school attendance and learning capacities that directly impact the performance of girls in their education. To ensure synergy, the Program has factored in these issues in the selection of Woredas and towns to be covered under the Program.

#### 2.2.2 Results-Based Mechanism to Encourage Performance

34. Ten percent (10%) of the Program resource from Rural WASH, Urban WASH and Institutional WASH components is retained during the first half of the Program phase to incentivize performance of regions. Allowing regions that are complying with the predefined requirements to access the retained 10% resource, provides a strong incentive for the regions to improve performance and achieve targets. However, there is a capacity difference in implementation between those regions that are delegated to do their own procurement and non-delegated regions where procurement is carried out by WDC. It is therefore very important to have separate grouping for this procurement delegated and procurement non-delegated regions on the bases of their performance capacity. To embed a fair resource distribution within competition, it is also important to differentiate the indicators that will be used to measure performance and the criteria that will be used to allow regions access to this retention financing. Both delegated and non-delegated regions with minimum cumulative score of at least 80% will only be eligible for accessing the additional 10% proportional resource to their regional allocation. Use of any remaining budget from the 10% retained fund after performance evaluation will be determined by the NWSC without compromising the purpose for performance incentive.
35. The performance evaluation will take place during the midterm review (MTR) based on the first two years regional accomplishment. NWCO and MTR independent consultants will be responsible for the evaluation of performance. The performance evaluation will be based on the criteria and the pointing systems defined below. Further breakdown of the criteria for marking performance is attached in Annex A of this POM. The MTR consultants will also detail as necessary the pointing system proportionally during evaluation.

**Criteria and pointing system for delegated regions:**

Criteria	Point
Establishment and functionality of OWNP-CWA Program oversight, implementation and coordination structures.	10%
Physical Performance against targets/plan: Completion of at least 85% of each of the planned activities for Rural, Urban institutional WASH, and Program management components and achieving 85% Program cumulative performance in the first two years by the end of the midterm review.	35%
Financial utilization and documentation: At least 90% utilization of the planned budget up to the MTR excluding advance payments made to the contractors in all the implementing Woredas and Towns in the first two years of implementation by the end of the midterm review.	25%
Physical and financial progress report for OWNP CWA: Regions that have timely submitted consolidated physical and financial reports (segregated by sectors and components) quarterly and annual reports in accordance with the reporting format endorsed by the RWSC. Regions producing annual performance reports including evidence on how the safeguards (Fiduciary, ESMF including the social assessment recommendations, RPF) have been applied, how inclusiveness and inclusive sanitation are addressed, and how physical performance in relation to financial disbursement is monitored.	10%
Compliance to safeguard requirements: 100% screening of all schemes and at least 85% with implemented mitigation measures	10%

Criteria	Point
Annual updating of NWI: Water, Health and Education sectors reporting on WASH indicators agreed during the NWI II for at least 90% of the Woredas and towns.	10%
<b>Total points of the 6 criteria are 100%.</b>	

#### Criteria and pointing system that will be used for the non-delegated regions:

Criteria	Point
Establishment and functionality of OWP-CWA Program oversight, implementation and coordination structures.	10%
Physical Performance against targets/plan: Completion of at least 75% of each of the planned activities for Rural, Urban institutional WASH, and Program management components and achieving 75% Program cumulative performance in the first two years by the end of the midterm review.	35%
Financial utilization and documentation: at least 75% utilization of the planned budget up to the MTR excluding advance payments made to the contractors in all the implementing Woredas and Towns in the first two years of implementation by the end of the midterm review.	25%
Physical and financial progress report for OWP CWA: Regions that have timely submitted consolidated physical and financial reports (segregated by sectors and components) quarterly and annual reports in accordance with the reporting format endorsed by the RWSC. Regions producing annual performance reports including evidence on how the safeguards (Fiduciary, ESMF including the social assessment recommendations, RPF) have been applied, how inclusiveness and inclusive sanitation are addressed, and how physical performance in relation to financial disbursement is monitored.	10%
Compliance to safeguard requirements: 100% screening of all schemes and at least 85% with implemented mitigation measures	10%
Annual updating of NWI: Water, Health and Education sectors reporting on WASH indicators agreed during the NWI II for at least 90% of the Woredas and towns.	10%
<b>Total points of the 6 criteria are 100%.</b>	

### 2.2.3 Implementation phases

36. Activities during the implementation phases are designed to ensure the effectiveness of implementation in accordance with the agreed principles, procedures and terms. In general, the implementation modality is a stepped-up approach with incremental assistance as capacities are developed and results that meet established selection and readiness criteria are achieved thus allowing Woredas and Towns to move at their own pace. Generally, there are two major Phases of implementation:

- a) Phase 1: Preparatory and planning (within the timeframe of 3 to 6 months)

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b) Phase 2: Implementation (within the timeframe of 24 to 36 months period) which normally comprises at Woreda and town level:

Stage 1 – Capacity building and Technical Assistance

Stage 2 – Infrastructure Development and Sustainable Service Delivery planning of CWA Phase II Program activities

### 3 PLANNING OF CWA PHASE II PROGRAM ACTIVITIES

#### 3.1 Background

37. It is during this preparatory and planning phase that: (i) selection of participating Woredas, Towns and CR Woredas; (ii) preparation of the 5-year CWA WASH Plan and Annual WASH Workplans; and (iii) planning for institutional setup takes place. As noted in Section 2.2.3, preparatory and planning phase may take 3 to 6 months period during the first year of implementation.

##### 3.1.1 Selection of Participating Woredas, Towns, Institutions and CR Woredas

38. As the CWA II resource is limited to meet OWP target, initial selection of participating Woredas and towns will be made by Regional administration based on a set of criteria that ensures selection of those towns and Woredas that have the least served and disadvantaged community. Selection of participating areas aims to address access gaps, provide full package of WASH interventions and put in place adequate mechanisms to ensure sustainability and management of WASH infrastructure through WASHCOMs, town water boards or utilities, and health and education institutions.
39. The Regional WASH Steering Committee will decide on the number of Woredas and small towns to be financed through grant or medium towns to be financed through sub-loan based on available resource and criteria<sup>6</sup>. Selection of CR WASH Woredas is finalized based on established criteria by MoWIE and DPs taking different dimension into consideration. The Water Development Commission (WDC) in consultation with regional administrations and other stakeholders had been responsible in the selection of drought and flood prone CR-WASH Woredas based on the selection criteria defined in the “Climate resilient WASH sub Program feasibility analysis and planning, Sept 2018” document attached as Annex B of this POM. Support to increasing and improving integrated access to WSS services and hygiene promotion and behavioral change activities in health facilities and schools in these selected Woredas and towns is intended to complement interventions to improve health impacts, decrease school dropout rates, and reduce the contamination of water bodies.
40. In order to finance interventions through CWA, rural and CR Woredas, towns and institutions with relatively low levels of WASH coverage based on these indicators will be given priority.

##### 3.1.2 Preparation of 5-year CWA Program Plan & Annual WASH Workplans

41. The Consolidated WASH Plan builds from the Composite Strategic One WASH Plan. The Consolidated WASH Plan is specific for the implementation of the CWA Program. During the implementation period, a joint annual consolidated WASH plan is to be prepared for each fiscal year in advance detailing Program activities, budget requirement and procurement plan under each component. Selected Woredas, Towns and CR- Woredas are expected to prepare their respective consolidated WASH Plan that will be compiled at regional level. Regional level planning includes review of prioritized geographic areas for Rural, Institutional and Urban WASH selected by respective Woredas and towns. The regional planning will also include joint review of selected geographic areas amongst the three sectors (health, water and education) to maximize geographic

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<sup>6</sup> The WDC will develop criteria for selecting towns eligible for grant and/or loan.

complementarities and optimize planning. Regional planning exercise shall culminate in the development of a joint plan that will be presented to respective Regional WASH Steering Committees (RWSC) prior to submission to National WASH Coordination Office for review, compilation and presentation to the National WASH Steering Committee (NWSC) for approval.

42. The planning of activities like establishment of Small Micro Enterprises for sanitation marketing and supply chain, Fecal Sludge management for clustered towns that are benefiting cluster of adjacent Woredas and towns will also be prepared in consultation with Woredas, towns and Zones at regional level. Planning includes selection of towns that best serve a wide network of Woreda, small towns, and rural Kebeles to optimize resources and generate economies of scale for these market centers. Region is also responsible for planning activities to enhancing water resources management and water quality monitoring and O&M training curricula under vocational skills Programs.
43. Regardless of the implementation modality, all sectoral ministries and bureaus; Woredas and towns will be required to take part in joint planning at the appropriate level (i.e. federal, region, zone or Woreda) for the purpose of preparing a Consolidated Annual WASH Plan and budget. Implementing Partners should report their progress and budget utilization to the relevant WASH coordinating body at their respective levels. They are also expected to participate in Program meetings, workshops and other relevant events as required. The consolidated annual workplan and budget for the following year shall be approved by the NWSC on or before April 31<sup>st</sup> of the current year.

### 3.1.3 Planning of institutional setup

44. As part of the strategic planning process there will be a capacity gap assessment to identify human resources requirements, logistics needs and refinement of existing governance, implementation and coordination structures. These structures are required to develop and endorse the proposed activities under Preparatory and Planning Phase such as selection of geographic areas and development of WASH Strategic and Annual Plans. Details of institutional set up are outlined in Section 5 of this POM.

## 3.2 Planning for Rural WASH Component

45. **Objective:** To achieve universal and equitable access to safe and affordable drinking water and sanitation facilities 'for all' communities (boys and girls, men and women, persons with disabilities, other vulnerable



groups and marginalized groups) and hygiene promotion to end open defecation within the targeted Kebele under Program Woredas.

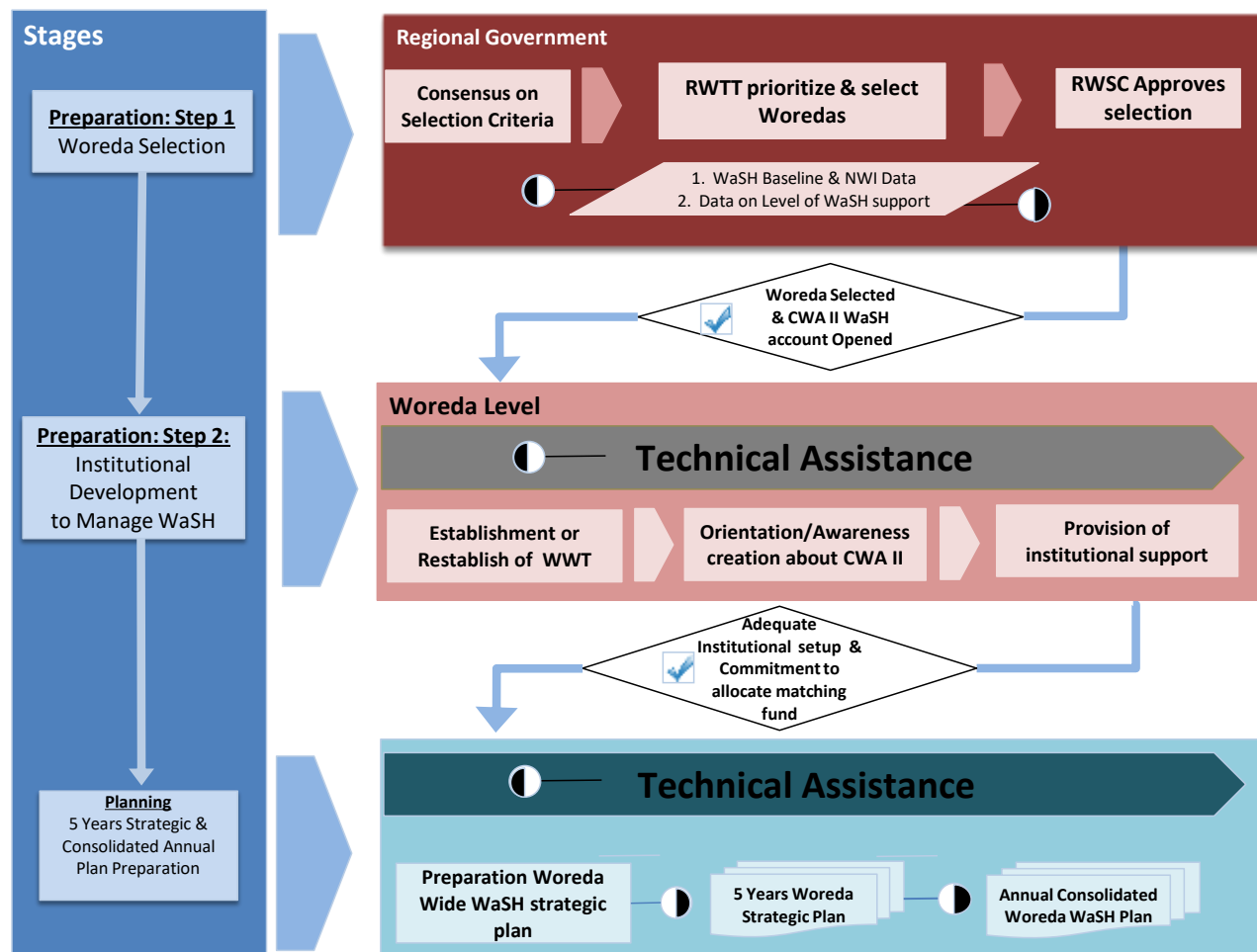


Figure 3-1: Preparatory and Planning Process

### 3.2.1 Selection of Woredas

46. As indicated in section 3.1 of this POM, the Planning and Preparatory phase activities begin with selection of Woredas based on the determined criteria. Regional WASH technical team (RWTT) assumes full responsibility in the selection of Woredas that are receiving financing from the CWA II resources for Rural WASH Program. Unserved people, who in most cases represent the poorest and most vulnerable are particularly targeted and receive greater priority than those who already have a basic level of service. The selected geographic areas will be provided with integrated interventions for community and institutional water supply, sanitation and hygiene. To ensure that the Program benefits the most disadvantaged, the region uses the priority setting criteria adopted by the RWTT in descending order but not limited to the following appropriate selection criteria.

- a) Low Level of WASH access/Coverage based on WASH baseline data compiled from regions and verified by the Federal Ministries/NWI II: Woredas with least served community and institutional WASH will be given priority. Primarily this will focus on the following indicators
  - i) the level of rural water supply coverage in line with GTP II standard, ii) HH sanitation

coverage based on MoH definition for improved HH latrine, iii) proportion of ODF Kebeles in a Woreda, iv) WASH coverage for Schools and v) WASH coverage for health facilities. To prioritize areas with poor sanitation, indicators used as proxies are level of stunting (data collected from Health MIS at Woreda level) as well as “prevalence of Acute Watery Diarrhea, data also from HMIS. Woredas with lower level of WASH coverage based on these indicators will be given priority.

- b) **Low level of ongoing assistance in the Woreda:** Woredas with no or lower level of ongoing assistance from other financing sources will be given priority to receive financing from the Program.
- c) **Non-CWA I Woredas:** Amongst Woredas that qualify under a & b criteria above, priority will be given for Non-CWA 1 Woredas.

47. Once Woredas are selected by RWTT, list of selected Woredas goes to the regional steering committee for review and approval prior to financing. Woredas selected must open a CWA II WASH account immediately at Woreda level to receive CWA II resources.



- **Woredas that are receiving resources from CWA II program are selected.**
- **Selected Woredas open CWA II WaSH account .**

### 3.2.2 Preparation of Rural WASH Plans

48. **Preparation 5 years CWA Program Plan:** A 5 years CWA Program Plan for Program Woredas will be prepared by the WWT based on gaps identified, goals set and resource available from the CWA. Inventory as necessary and rapid assessment of the Woreda WASH situation is to be conducted prior to the preparation of the WASH plan. The Woreda CWA Program Plans provide assessment of the socio-economic factors; determine affordability and outline in detail the approaches for development, construction and rehabilitation of water supply schemes and institutional sanitation facilities; articulation of hygiene promotion and behavior change activities in communities, health facilities and schools; and the roles and responsibilities for O&M. The Woreda CWA Program plan is primarily prepared by the Woreda planning taskforce formed by WWT particularly from Water, health, education, finance and other relevant sectors. The Woreda Support team that will be contracted by the Program will support WWTs in the preparation of the 5 year and annual CWA Program Plans.

49. **Outline of Woreda WASH Plans:** The Woreda plan will at least include the following sections.
- a. **Executive Summary**
  - b. **Background (Socio economic, infrastructure, etc.)**
  - c. **Analysis of existing Woreda WASH situation – Establishment of Baseline and selection targeted Kebeles and communities/institutions**
  - d. **OWNP – CWA Program Objectives**
  - e. **Program Strategies**
  - f. **Determination of service level**

Recommendation of water supply development

Identify a mix of appropriate technology

Assess available water resources to meet current demands (human consumption and livestock where necessary)

Articulate associated operation and maintenance requirements

Proposal for clustering of O&M and supply chain (linkage to nearest urban center)

**g. Develop sanitation strategy:**

BCC dissemination

WASHCOMs roles and responsibility for promoting household sanitation

Proposal for sanitation marketing implementation like clustering, financing mechanism, linkage to nearest urban center, etc.)

**h. Component based activity plans (Refer to Annexes C)**

Rural WASH (Access to increase WASH service, Sustainable service delivery)

Institutional WASH (Schools and health facilities WASH)

Program Management and Capacity Building

**i. OWNP \_CWA Results Framework (Refer to section 12.6.1)**

Outcomes

Outputs

Indicators

**j. Major Activities**

**k. Risks and mitigation measures**

**l. Work Breakdown structure**

**m. Program Schedule**

**n. Program Budget**

**o. Include contingency planning, particularly for Woredas vulnerable to floods and droughts to mitigate and reduce impacts of climate shocks**

**50. Steps for Woreda CWA Program Plans Review and Approval:** Once the Woreda 5 years CWA plan is prepared, the plan is reviewed by the WWT. Approval of the reviewed CWA plan is given by Woreda council. Approved CWA plans will be disseminated to the Kebele WASH team who then disseminates community level plans to the respected WASHCOMs. The Kebele WASH team is also responsible for monitoring implementation of approved plan at community level. Likewise, WWT takes responsibility of monitoring implementation of plan at Kebele level.

**51. Preparation of Annual WASH Workplan:** From the approved 5 years CWA plan, a joint harmonized annual Consolidated WASH plan at Woreda level will be prepared in advance detailing Program activities, budget requirement and procurement plan for rural community WASH and institutional WASH components. The primary responsibility of preparation of consolidated plan harmonized across sectors lies upon the Woreda planning taskforce from Water, health and education sectors formed by WWT. This involves joint selection of least-served Kebeles that will be receiving CWA II financing based on criteria including: i) poverty, ii) low water supply and sanitation coverage, and iii) meeting the initial ESMF safeguard screening. Selected Kebeles are given direction and assistance from the WWT to establish Kebele WASH team and jointly prepare Kebele

universal access WASH plan along with the water, health and education sectors in harmony and concurrently integrating safe water use with good sanitation and hygiene practices at the household level (Rural WASH), and in schools & health facilities (Institutional WASH). This in turn strengthens integration and synergy amongst the sectors (water, health and education). Where there is more institutional financing beyond meeting the full package<sup>7</sup> facilities for institutions within the selected Kebele health and education center may prioritize facilities that are within the selected Woreda that:

- Have no access or availability of WASH facilities in the institution;
- Have available water supply near the institution to facilitate connection to water;
- Prioritization of institutions targeted by other national Programs to increase complementarities and impacts (e.g. National Nutrition Program and Woreda Transformation Program for Health, WASH NTD (Neglected Tropical Diseases) and the General Education Improvement Program for Education)
- Institutions that are not receiving support for WASH activities through other resources; and
- Facilities that demonstrate availability of budget to cover operation and maintenance cost.

52. **Steps for Annual Consolidated Plans Review and Approval:** Once the Annual consolidated plans are prepared by the planning taskforce, the plan is reviewed by the WWT. Approval of the reviewed annual consolidated plan is given by Woreda council. Approved annual plans will be again disseminated to the Kebele WASH team by the WWT who then disseminates community level plans to respected WASHCOMs. The Kebele WASH team is also responsible for monitoring implementation of approved plan at community level. Likewise, WWT takes responsibility of monitoring implementation of plan at Kebele level.

53. As noted above, it is during this planning phase that regions review Woredas plan and select towns that best serve a wide network of Woreda, small towns, and rural Kebeles to optimize resources and generate economies of scale for the O&M and supply chain; and sanitation market centers.



- **Five –Years CWA Program Strategic Plan Prepared**
- **Annual Consolidated WaSH Plan prepared for the First Year of Implementation**
- **Clustering of Woredas for sanitation marketing, supply chain, O&M identified**

### 3.2.3 Establishment of Institutional setup

54. **Institutional** setup to plan and implement the rural WASH component includes:

**Establishment or revitalizing functionality of existing WWT:** This is immediate measure to be taken by the respective Regional (or Zonal where appropriate) WASH coordination office before any preparation for implementation at Woreda level starts. The WWT is expected to be led by the Woreda administrator or anyone delegated by the Administrator with members at least from the four WASH sector offices (Water, Health, Education, and Finance, with additional members from offices like Youth and Women Affairs,

<sup>7</sup> Full WASH Package for schools shall include provision of: (i) water supply, (ii) an improved school sanitation facility, with separate blocks for boys and girls, access for people with limited mobility, and hand WASHing facility with water and soap; and (iii) dedicated rooms for MHM. Full package for health facilities shall include: (i) water supply facility; (ii) improved sanitation facilities separate for male and female, with at least one toilet dedicated for staff, accessible to disabled people and separate for female and male, (iii) hand WASHing facility, with water and soap (iv) health-care` waste management facilities for safely treatment and disposal of sharp and infectious waste (incinerator, placenta pit, waste disposal pit).

Agriculture offices, etc. as appropriate). The WWT must also nominate one focal point to oversee process for environmental and social screening, and compliance with safeguards.

**Technical Assistance for Institutional Development:** Financing is provided after the orientation to the WWT to contract additional experts (Woreda Support Team) at Woreda level to assist in planning, implementation and management of the Woreda WASH CWA II Program. Detail of institutional set up and scope of work are outlined in Section 5 of this POM.

### 3.3 Planning for URBAN WASH Component:

55. **Objective:** To achieve universal, sustainable, climate resilient and equitable access to safe and affordable water for all within the project town, along with improved and low environmental impact sanitation.
56. The urban WASH component finances Categories 3, 4 and 5 Towns. Like Rural WASH, planning and implementation of the Urban WASH component will also follow a stepped-up approach as described in Figure 3.2:
- Stage 1 → Step 1: Technical Assistance and Capacity Building → Step 2: Studies and Design  
Stage 2 → Infrastructure Development
57. For small towns where the recovery of capital cost is unaffordable, the cost recovery policy will be implemented gradually, based on the financial capacity of the town to repay. In these small towns part of the sub-project will be financed by a grant through a combination of government grants and regional, municipal counterpart financing. For small towns that receive financing from their regional allocated CWA budget, the Regional Water Bureau in close consultation with the Town Water Board or the Regions/zones when delegated by the Town Water Board will take direct responsibility for the implementation.
58. For medium-sized towns, more robust readiness criteria are in place and access to finance will come through on-lending from a GoE credit facility - the Water Resources Development Fund (WRDF). These towns will be rigorously appraised to access loans from WRDF. WRDF will be responsible for the appraisal of proposed Program and monitoring and evaluation. The Town water utility will be the primary implementing agency with close technical support from RWBs. However, depending on the capacity of the utilities regional WB may be delegated by the towns for implementation.

#### 3.3.1 Selection of Towns

59. Urban, OWP towns are those settlements defined as towns by Central Statistics Agency (CSA). CSA defines every settlement above 2,000 population sizes and settlement of any size where the Woreda administration office resides as town. These towns in the OWP are classified into five categories on the bases of their water supply requirement and population size as shown in Table below.

**Table 3-1: Categories of Town by Management Type**

Category	Description
1	Towns/cities with a population more than 1 million to be provided with service level of 100 l/c/day up to the premises
2	Towns/cities with a population in the range of 100,000 to one million to have service level of 80 l/c/day up to the premises
3	Towns/cities with a population in the range of 50,000 -100,000), to have service 60 l/c/day up to the premises

Category	Description
4	Towns/cities with a population in the range of 20,000-50,000 to have 50 l/c/day up to the premises supplied with piped networks, and including multi-village water supply system under professional utility management
5	Towns/cities with a population less than 20,000 to be provided with 40 l/c/day within 250m

60. Selection Criteria for small towns: (to receive grant financing)

Level of WASH access and coverage

Commitment of town administration to implement TA activities, which include:

Establishment of governance structure (Board, committee or utility)

Preparation and approval of Town Water Supply and Sanitation Business Plan

Preparation of design and study of town water supply and sanitation infrastructure

Preparation of adequate environmental and social safeguard screening

Commitment from regional government to provide counterpart financing

61. **Selection Criteria for FSM system development (to receive partial grant financing):** FSM sanitation solutions will be clustered to serve selected towns (based on available resource) and will be managed by the regional water bureaus. Selection of towns to access financing for FSM system development will be based on:

Availability town wide inclusive sanitation plan

Economically viable demand for FSM

Geographical proximity of towns

Commitment of towns to finance at least 75% cost of fecal sludge collection equipment

Commitment of towns to avail land for construction of Fecal sludge treatment plants

Adequate access to safe water supply within the focal utility

62. Selection Criteria for medium towns: (to receive sub-loan through Water Resources Development Fund (WRDF))

Level of WASH access and coverage

Readiness:

Creditworthiness and approved affordable tariff structure

Utility Board and management established

Town WASH Business Plan Developed (may need updating)

Study and Design of proposed water supply infrastructure completed; including source development verified through standard water resources assessment (e.g. pump test for groundwater, hydrological flow data for surface water, etc.)

Confirmation from town administration and regional government to provide counterpart financing

63. Once participating towns are selected based on criteria set forth and available resources allocated for Urban WASH component at regional level, the list of selected small towns goes to the RWSC for review of selection and approval prior to its inclusion in the WASH Annual Workplan. For medium towns, once approved by the RWSC, each town will undergo rigorous appraisal process by WRDF to determine final approval and on-lending loan amount. Water utilities and/or towns selected must open a CWA II WASH account immediately at town level to receive CWA II resources.

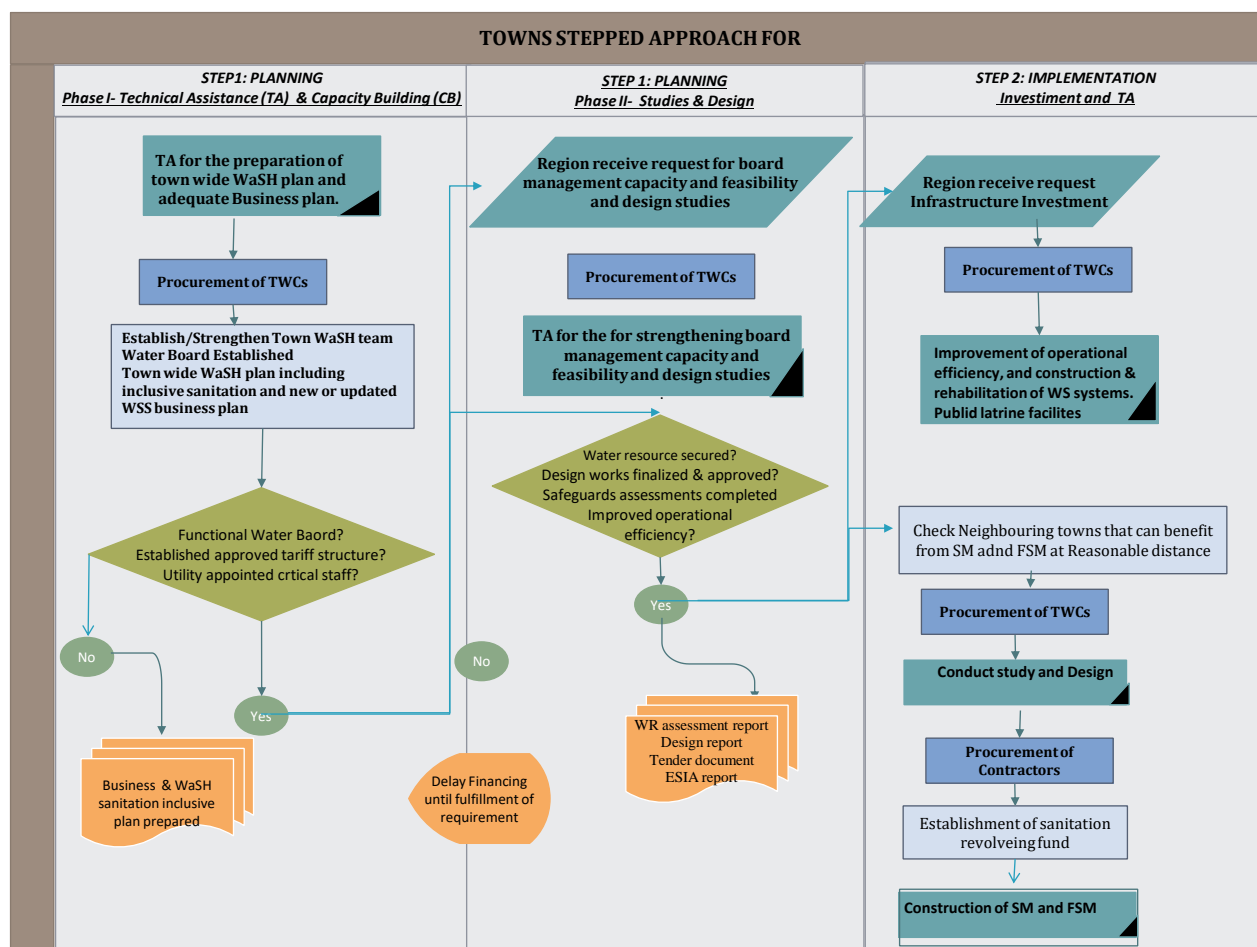


- **Towns that are receiving resources from CWA II program are selected.**
- **Selected Towns open CWA II WaSH account .**

### 3.3.2 Preparation of Urban WASH Plans

64. All selected towns may qualify for technical assistance and capacity building in Stage 1: Step 1 to support: (i) establishment of appropriate WASH management structure; (ii) preparation of Town WASH Business Plans (TWBPs) including city-wide inclusive sanitation; and Stage 1: Step 2: (iii) identify and study potential water supply and sanitation investments. Access to financing in Stage 2: - Implementation for infrastructure development is contingent upon meeting further technical, institutional, financial and social & environmental criteria.

Figure 3.2 below shows the stepped approach for WASH intervention in towns



**Figure 3-2: Stepped up approach for Urban WASH intervention**

65. **Preparation of a Town WASH Business Plans:** A five-year business plan for providing access to WASH to all members of society, school and health institutions within the town regardless of gender and those with limited mobility and other disabilities will be prepared by towns. The Program will provide financing for contracting TWCs for the task. The Business plan will be endorsed by the TWTT and water board and will be approved by the regional water bureau. The plan outlines in detail the approaches for development, construction and rehabilitation of water supply schemes, inclusive sanitation service delivery, and institutional sanitation facilities; articulation of hygiene promotion and behavior change activities in

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communities, health facilities and schools; and the roles and responsibilities for O&M. The plan for sanitation should consider adequate service delivery access through safely and sustainably collecting, conveying, treating or reusing and fecal sludge. It should also include strategic proposal for sanitation marketing. An assessment of socio-economic factors will be done to determine desired service level and affordability for



the strategic inclusive plan. The outline of the TWBPs should adopt the outline recommended in the National Guideline for business plan preparation. Key features of the TWBPs include:

**Establishment of approved tariff structure:** Financing will be provided to conduct well defined tariff structure to ensure utilities' financial viability following a process of consultation and approval of affordable tariffs in line with commercial and financial systems, and GoE tariff policies;

**Identify and study potential water supply source and sanitation investments requirement:** Financing will be provided for carrying out water resources investigation to identify potential water source. This includes identifying the potential water sources to meet the required demand, sustainability of the source to be developed, and water quality. The TWBPs also includes assessment of investment requirement for inclusive sanitation (e.g. reducing open defecation, improvement of containment, desludging services and treatment, etc.).

66. Additional technical Assistance for medium towns:

**Improvement of commercial and financial systems:** This includes support for medium town with higher establishment support to improve commercial management system including meter reading, billing, and revenue collection, availability of well-established FM system, etc.

**Improvement of customer relations:** Establishment of customer grievance and redress platforms and awareness raising.

**Technical training:** Includes training on O&M of water supply systems (e.g. water quality monitoring, repairs for electromechanical equipment, maintenance of infrastructure, etc.).

**Human resource development:** Capacity building and training.

**Behavior change communication and hygiene promotion:** In the case of medium towns where Town Health Offices exist, with Urban Health Extension Workers, BCC activities will be closely coordinated between the utility and the Health Office. TA support will be provided to implement BCC activities, which include creation of awareness; provide training for the religious and traditional leaders, elders, head of schools, head of health facilities, Kebele management members, women and youth, students, and others who will be invited for sensitization and reach in to agreement on the actions. The BCC campaigns are intended to promote hygienic practices and motivate households to upgrade or build improved sanitation facilities. Town officials will be supported by Town WASH consultants to carry out these activities.

**Establish sanitation marketing systems:** This component will provide support for the: (i) Implementation of town specific sanitation marketing business models as per the TWBP that addressed operational modality, demands, sustainability, financial viability and institutional arrangement; and (ii) capacity building of Micro and small enterprises that will operate the marketing centers.

Promotion of community savings structures to encourage household investments in the construction and upgrading of domestic sanitation facilities: The Program will extend capacity building support to mobilize communities through creating demand. Pilots to link MFI with community-led savings initiatives such as Iqob and Idir will be carried out to assess the potential for wide-scale application. Selection of pilot areas will be determined through discussion and agreements with town and regional governments.

### 3.3.3 Establishment of Institutional setup

67. While the regional OOWNP CWA regional Program management unit will be responsible for the overall management of the implementation of capacity building Program, town selected to receive financing from CWA II Program are responsible for the first step activities of the technical assistance once the Town

institutional structure for WASH is put in place. WASH activities at the town level are to be implemented by the Town WASH Technical Team (TWTT) and town water board/ utility.

68. **Towns selected also receive technical support during Step 1 for putting in place appropriate Town WASH management structures:** This includes defining roles and responsibilities of different actors in consultation with all the stakeholders and establishment or strengthening Town WASH steering committee of the town cabinets, Town WASH Technical Team and autonomous water board for the utility to manage WASH projects and services. Technical assistance is provided for the training of critical professionals and board members to enhance the management capacity for water supply and sanitation services. The utility will be accountable to the head of the municipality or in the absence of a municipal government the utility will be accountable to the Regional Water Bureaus. The utility will be mandated to ensure creation of awareness, to follow up implementation of plans, ensure implementation of endorsed plan for the short, medium and long term, keep record with respect to water and sanitation services, facilitate desludging services, coordinate with the health centers, health post, schools and other public institutions to transform the sanitation system of the town. This TA includes financing for training and awareness creation for strategic planning and integrated and inclusive WASH approach. The roles and responsibilities of each actor is further outlined in Section 5.2.3.

### 3.4 Planning for Institutional WASH Component

#### 3.4.1 Selection of Institutions

69. Health institutions and schools that will be getting Institutional WASH financing are all within the selected intervention Woreda and towns. Sanitation facilities for institutions under CR Woredas will also be included under this component while the water supply for the CR Woredas will be financed form the CR WASH component. The selection criteria to be adopted for selecting these institutions primarily are:
70. Selection criteria for schools:  
Schools that do not have minimum standard WASH package;  
Institutions targeted by other national Programs to increase complementarities and impacts (e.g. General Education Improvement Program for Education).
71. Selection criteria for health facilities:  
Health facilities that do not have minimum standard WASH package;  
Institutions targeted by other national Programs to increase complementarities and impacts (e.g., the National Nutrition Program, Woreda Transformation Program for Health).

#### 3.4.2 Preparation of WASH Plans

72. All WASH facilities for institutional WASH will follow MoH and MoE guideline and manuals with special focus on the needs of girls and female (MHM), people with disabilities, and inclusive WASH for disabled.
73. No separate planning exercise is done for institutional WASH plans but planning for rural Institutions is done as part and parcel of the Woreda WASH strategic and annual plans while in case of towns as part of the 5-year business plans. Alignment and geographic convergence of selected institutions should be planned accordingly within the Woreda WASH Strategic Plan.

#### 3.4.3 Establishment of Institutional Set-up

74. Woreda or Town WASH Teams will be responsible for planning and implementation. Woreda or Town Support Team will provide additional support in planning and implementation of Institutional WASH activities.

### 3.5 Planning for CR WASH Component

75. Priority 1 hotspot drought prone 192 Woredas are selected based on the work done by MoWIE and Donors and endorsed by the NWSC (Climate resilient WASH sub Program feasibility analysis and planning, Sept 2018, Annex B). This is selection based on four priority classification categories. These are rigorous set of criteria that was utilized to identify and map drought prone areas that could potentially be eligible for financing under this component. Based on this mapping work, the drought prone areas were grouped into the 3 priority classification categories, with priority 1 being hot spot areas requiring the most urgent intervention. The total numbers of drought prone woredas identified based on the above-mentioned task are 450 woredas in the entire country. The number of Woredas under each category is as follows.

Category 1 192 (Hotspot woredas)

Category 2 173

Category 3 85

76. Details including the geographic distribution are presented under Annex B.
77. Because of resource limitation the immediate support from the mobilized CWA resource which will be ring fenced for CR WASH component will focus on some selected priority 1 or hotspot Woredas.

Sector	Enhanced Consolidated Criteria
Health and Nutrition	<ul style="list-style-type: none"> <li>• Disease outbreak (e.g. diarrheal disease /AWD, malaria, measles &gt;1 case, etc.)</li> <li>• Under 5 Mortality Rate &gt;2/10,000 /day; or CMR 1-2/10,000/day</li> <li>• GAM &gt; = 15% OR GAM &gt;= 10% with aggravating factors</li> <li>• U5 children in TFP cases: &gt;=40 for Health Post OR &gt;=50 for Health Centre</li> <li>• Using CHD quarterly, U5 %Prevalence of MUAC &lt;11 or bilateral oedema &gt; 3%</li> <li>• Percentage change of TFP admission within the past quarter &gt;= 50%</li> <li>• The number of people requesting for external relief food assistance &gt;= 40% of the Woreda population</li> </ul>
Agriculture	<ul style="list-style-type: none"> <li>• Very high livestock deaths (&gt;=15% death of total population) and/or herd size reduction by about &gt;=30% from last 5 years average holding</li> <li>• Significant seed reserve consumption as food</li> <li>• Very poor crop condition or estimates of very high production losses (&gt;= 30% of the last five years average)</li> <li>• Very severe water and/or pasture shortage affecting &gt;40 % of livestock population in Woreda</li> <li>• Very high decline in livestock productivity (e.g. &gt;= 50% reduction in milk yield compared to normal of the area and period)</li> <li>• Emaciated livestock body condition (skinny body with almost all ribcage visible)</li> </ul>
Market	<ul style="list-style-type: none"> <li>• Significant sale of productive livestock (oxen, milking cows, female camels) and/or excessive sale of non-productive livestock</li> </ul>

Sector	Enhanced Consolidated Criteria
	<ul style="list-style-type: none"> <li>• Very high price increase of staple foods over the previous month (<math>\geq 15\%</math> above the average change of last 5 year for this specific month) or Very high decline in price of livestock (<math>\geq 15\%</math> below the average change of last 5 year for this specific month)</li> <li>• Very low market supply of staple food or very high market supply of livestock</li> <li>• Very high decline in TOT- (price ratio; livestock vs. grain; labor vs. grain, cash crop vs. grain) (<math>\geq 25\%</math> of last 5 years average of the month)</li> <li>• Very high increase in the number of daily laborers looking for work or very high decline in wage rate</li> </ul>
Water supply for human consumption	<ul style="list-style-type: none"> <li>• <math>\geq 50\%</math> of the surface water sources (ponds, streams and rivers) dry up earlier than usual (2-3 months)</li> <li>• Very high non-functionality rate of existing water schemes - potable water sources (<math>\geq 50\%</math> of non-functionality from existing schemes)</li> <li>• Long distance travel (<math>\geq 20\text{km}</math> round trip) to fetch water, or 4hrs or more walk for round trip</li> <li>• Extremely long queue period (<math>&gt;4\text{hr}</math>)</li> <li>• Very poor quality of water (highly turbid water, contaminated source verified though test)</li> <li>• Populations consider relocation/migration</li> <li>• Water Supply coverage/access <math>&lt;50\%</math> (estimated regional average for 2018)</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Very high damage on school infrastructures and educational materials for a significant number of schools</li> <li>• <math>\geq 50\%</math> of schools with no water in school premises or its surrounding</li> <li>• <math>\geq 50\%</math> families cannot afford to buy school materials</li> <li>• Very high absenteeism (<math>\geq 50\%</math> of the student for 1 months)</li> <li>• Complete and more than 10 days school closure for a significant number of schools</li> <li>• <math>\geq 50\%</math> of schools with no improved latrine facilities in school premises</li> </ul>
Flood prevalence	High Flood Prone Woredas based on the National Flood Contingency Plan (2018)
Others	<ul style="list-style-type: none"> <li>• Unusual migration of significant number of households</li> <li>• Significant increase in begging, stealing, or other demeaning occupations</li> <li>• Major disruption of livelihoods and normal functions of the community's social services, values</li> <li>• Intensified fire wood collection &amp; charcoal making</li> </ul>

### 3.5.1 Prioritization of CR WASH areas

78. As mentioned in the section above, from the 192 Priority 1 Hotspot Woredas, WDC in consultation with regions will further prioritize Woredas that will be supported under this component based on the following

criteria. The Program will assign 10% of the allocated resource for CR WASH for Source development, study and design and institutional capacity development:

**WASH access coverage:** Status of the WASH coverage in the Woreda and level of demand, those with lower WASH coverage given priority

**Proxy for water stress:** Woredas that have declared emergencies consecutively during the last 3 documented droughts based on available information from NDRMC.

**Number of unserved populations in WASH services in the Woredas:** Woredas with relatively higher number of unserved populations in WASH services,

Absence of **WASH financing from other stakeholders:** This also includes exclusion of Woredas selected to receive financing through block grant under component 1.

**Economies of scale:** Consideration of technological options that can provide sustainable water supply to multiple communities.

### 3.5.2 Preparation for CR WASH Plan

79. Separate 5 years and annual work plan will be prepared for Component 4.1 Water resources mapping, planning and monitoring and Component 4.2 CR WASH service delivery during this planning phase.
80. Planning for Component 4.1 includes assessment of available data and gaps for the preparation of water resource maps for those prioritized CR WASH areas in section 3.5.1 above while planning for Component 4.2 includes again planning for institutional development and water source identification. This may include procurement of services for undertaking pre-feasibility studies.
81. Establishment of Institutional Setup WDC will be responsible for the overall planning and implementation of CR WASH component. RWB may be delegated by WDC based on their capacity to plan and implement CR WASH component interventions. At federal level in WDC will establish a dedicated CR WASH Technical and Appraisal Team who will be responsible for: (i) the overall review and approval of technical CR WASH studies; (ii) procurement, WASH contract administration and construction supervision and (iii) appraisal of CR WASH investments. Details roles and responsibilities of WDC and RWBs and appraisal criteria are indicated under section 4.4.2 of this POM.

## 3.6 Planning for Enabling Environment, Program Management and Capacity Building Component

### 3.6.1 Selection

82. By virtue of selection or responsibility at federal, regional, zonal, town and Woreda level Program implementing and coordination bodies of CWA Phase II are eligible to benefit from the Program management and Capacity building component financing. The Program will provide additional TA support to improve implementing capacity of developing regions.
83. Capacity building is an important pillar for OWP. Implementing sectors recognize the gap to deliver the Program. Government, in, recognition to the skill gap, has established institutions dedicated to organizing and deliver staff training. Ethiopian Management Institute, Ethiopian Civil Service University, Ethiopian Water Technology Institute, Technical and Vocational Training Centers are among the major services providers. CWA also recognize existing capacity gap to deliver the Program and sustain the services delivery.

84. Despite the willingness to deliver, lack of capacity in terms of (i) system of operation, (ii) qualified staffs and (iii) shortage of logistic hinder timely accomplishment of targets set for the Program on one hand and down grade sustainability of constructed facilities. The Program is dedicated to ensuring timely implementation and sustain services both community and institution water supply and sanitation. The scope of capacity building intervention includes mainly activities related to (i) recruitment of technical staffs, (ii) availing Technical Assistance for system development (iii) staff training (national, abroad) (iv) knowledge management (v) exposure visit, (vi) provision of required logistics and (vii) backup support to regions specially to procurement non-delegated regions. Generally, as highlighted in different part of the POM capacity building intervention will:

Avail qualified staff to support implementation;

Develop systems including but not limited to development of manuals, guidelines, business and strategic plans, standards, by using technical staffs or by deploying consultants;

Organize short term training at different level (national and abroad)

Leverage and implement knowledge management through documentation and creating platform for experience sharing. Plate forms that will run through partnership with likeminded institutions

Organize exposure visit (within regions, inter-region and abroad)

Organize awareness creation and orientation among major stakeholders at federal, regional, zonal, Woreda, town and community level

Avail logistic that includes but not limited to vehicles, motor cycle, office furniture's, equipment's, such as computers, laptops, printers, photocopiers and others identified through the need assessment or gap identification.

### 3.6.2 Planning

85. **Planning for MIS system development and Institutional Strengthening:** The Program will provide support to strengthen WASH M&E and MIS system. Firstly, WDC will conduct a detailed assessment on the recently developed sector wide Water MIS system by a joint financing of DFID and AfDB. WDC's assessment will include analysis of the work performed under DFID and AfDB support; gaps assessment in regards to sustainability of MIS system such as (i) updating National WASH Inventory on annual basis and analysis of data, (ii) Integration with HMIS and EMIS for identified WASH indicators, and (iii) use of available WASH inventory data for knowledge management through annual sector wide WASH reporting; and real time monitoring of selected WASH indicators for service delivery. WDC's assessment will be the bases for planning sector wide M&E MIS WASH interventions under the Program.

86. **Planning for the Capacity Building:** The preparation for the capacity building plan will be based on the Capacity Need and Gap assessment to be conducted during the planning phase. Each region will compile the specific need of its respective regional and zonal level need for the Program Management Unit and prepare capacity building and training plan.

a) Need Assessment

87. Though capacity gaps have been highlighted under different sections of the POM, yet it is very difficult to substantiate these gaps with evidence. To identify and be certain about these gaps, and to make the planning more meaningful conducting need assessment may be required. The bases for the five-year plan shall be the findings of the need assessment. Annual plans will also be developed from the approved five years plan. The

need assessment helps use of the limited resources efficiently and to build staffs confidence to deliver timely. Any calls for improvement will be done after the midterm evaluation. The assessment must be comprehensive to provide adequate information on (i) Training (ii) TA requirement for system development, and (iii) logistic requirement. The assessment will focus on;

- Finding out staff requirement to execute the Program in the different areas of technical specialization (engineering, environmental health, procurement, financial, and safeguard);
- Finding out staff requirement to perform operation and maintenance of facilities (engineering, operational staffs, environmental health and others);
- Documenting the number and qualification of existing staffs;
- Determining specific professions that needs to be prioritized for training;
- Identifying required and available guidelines, manuals, and standards; and
- Defining logistic requirement and identify gaps.

88. Though the assessment will come up with priority areas, taking note of the experience from Phase I and assessments made by the fiduciary and safeguard team training on **Program management, financial management, procurement, contract management, monitoring and evaluation, safeguard (social and environmental), water supply design, hygiene and environmental health promotion** remain priority areas. Checklist for data collection and report format will be developed by the NWCO in consultation with Sector PMUs. Each sector will follow and guide the assessment to be carried out. Draft Checklist and report outline are attached in Annex C.

b) Capacity Building Plan Preparation

89. Capacity building intervention will be guided by the (i) five years framework plan, and (ii) annual plan. The five years framework will be developed based on the need assessment. Whereas the annual plan is guided by the five-year capacity building framework plan. Revision of the five-year plan could be made after the Program mid-term evaluation. The plan will include (i) orientations to be made at federal and region level during the entire Program planning and implementation phases and annually (ii) trainings identified from the need assessment (iii) logistics and office facilities (iv) TA support for the preparation of manuals and guidelines and (v) knowledge management and exposure visit. Annual plans will detail out and update as necessary activities. For better Program implementation, except the human resources development all other capacity building interventions will be front loaded. The five-year plan should cover the following sub components;

- Training of staffs
- System development/ improvement
- Procurement of vehicles, motor cycles, office equipment and furniture's

90. The five-year framework plan and first year annual plan will be developed within the first six months of the Program period. For the subsequent years, capacity building interventions will be prepared and endorsed along with the Program annual plan. The plan should cover all capacity building interventions at federal, regional, and woreda level. The planning is expected to align with the Program objectives of strengthening different level institutions at all sectors. Both the five year and annual plans are expected to provide information on;

- a) **Training of staffs**; training is the major component of the capacity building envisaged under component 5 of the CWA Program. The plan details training subject, estimated duration for such training, possible training modality and venue. Training abroad should be part of the plan subject to

endorsement by the NWSC. Where training is proposed, the country and institution will be specified on annual plans. The plan should be accompanied with budget and the sources of budget indicated for each of the proposed training. All the trainings may not be necessarily financed from component 5 of the Program. Planning Template is attached in Annex D of this POM. The following are key information that should be captured during the planning period.

- b) Orientation or training types,
- c) Training purpose,
- d) Number of trainee and composition,
- e) Duration of proposed training,
- f) Venue, (for the framework, it is only indicative),
- g) Estimated budget, and
- h) Mode of training (on line, class room based, hands on training)
- i) **System development** (this should be aligned with the action plan to be developed for different components)
- j) Types of guidelines, manuals or systems to be developed,
- k) The rational for the development,
- l) Approach to be employed (Individual consultants, firms or other), and
- m) Estimated budget requirement.
- n) Procurement of vehicles, motor cycles and office equipment's (should be aligned with the procurement plan)
- o) Type and number of items to be procured,
- p) Rational for the procurement,
- q) Expected time for the procurement, and
- r) Estimated budget.
- c) Duration of trainings

91. Training duration will be decided based on the specific course outline, except orientation all other trainings duration could be between 5 to 15 effective training days. Anything that will be organized for less than five days could be in the form of orientation or workshop. Orientation, follow-up and coaching should be part of annual work plans. Professionals at federal level should plan at least two to three follow up visits to each Program zones.

- d) Roles and Responsibilities

92. Initiation of capacity building plans will be from the Federal PMUs, and respective Regional PMUs, and regional Coordination offices or their equivalent. NWCO will summarize and submit to the approving body. Approval of capacity building interventions targeting Woreda, town and other local levels will be given by Regional WASH Steering Committee. While any long-term capacity building interventions for federal and regional level will be **approved** by the NWSC and submitted for clearance to the WB team.

93. **The** NWSC and the respective RWSC will be responsible for reviewing and approving need assessment reports. The Ethiopian Water Technology Institute (EWTI) may be responsible for conducting the need assessment and planning for the water sector, while other implementing sectors may conduct the assessment and prepare planning by their own task force, consultants or dedicated institution for capacity building. At regional level, the need assessment will be carried out by Regional PMU staffs in consultation



with federal sector PMUs. Regional Coordination offices will summarize regional assessment reports for official submission to the NWCO. Once NWCO summarize the gap, it will be endorsed by the NWTC.

### **3.6.3 Establishment of Institutional Set-up for Program management units**

94. **Institutions** that are responsible for the management and implementation of CWA Phase II Program as described in section 5.2.3 will be established and equipped.

## 4 IMPLEMENTATION OF CWA PHASE II PROGRAM ACTIVITIES

95. Implementation phase support is divided into two distinct categories. Category 1 includes support to increasing access to WSS services. This is implemented into two phases: support during pre-construction phase and construction phase. Phase 1: Pre-construction phase support includes activities to increasing access through capacitating established and existing WASH structures that are responsible in WASH service provision and procurement of goods and services. Phase 2: Construction phase Support includes construction phase activities for infrastructure development for water supply, inclusive sanitation, institutional and public WASH systems. Category 2 support includes support to enhance sustainable service delivery management to address aspects of functionality and O&M. It is assumed that implementation will take up to 24 to 36 months once implementation in the respective community or target areas is identified.
96. As noted above there are 5 Program components namely: Rural WASH, Urban WASH, Institutional WASH, Climate Resilient WASH, Enabling Environment, Capacity Building and Program Management. The section below outlines implementation modalities for these respective components.

### 4.1 Implementation of Rural WASH Component

97. Once Woredas are selected, implementation as noted above is carried out in two categories that include support to increasing access during pre-construction and construction phase for infrastructure development, and support to enhance service delivery management.

#### 4.1.1 Category 1: Activities to Increase WASH Access

98. This support aims to increasing access to WASH services during the pre-construction and construction phase of the Program implementation and post construction sustain service delivery. This includes:
- a) Pre-construction phase support
99. **Support to improve community water supply delivery:** This includes support to procurement of goods and services as necessary at the Woreda level for i) the study and design of new water supply systems, and rehabilitation & expansion of existing particularly RPS; ii) continuous capacity building to strengthen and sustain participating Woredas' capacity to plan, coordinate, implement, and manage WSS services jointly with other OWP core implementing sectors; and iii) to assist implementation at Kebele. For the Kebele to qualify for receiving fund for the construction of improved access to and maintenance of safe water supply communities it must: (a) establish Kebele WASH Team (KWT) comprising the Kebele administrator or Kebele manager, HEWs, Kebele Development Agents, teachers from the schools in the Kebele, youth and women association representatives, NGOs working in the Kebele (if there are any);( b) establish a trained WASHCOMMs for the entire schemes within the Kebele, at least half of whom are women<sup>8</sup>, (b) prepare an acceptable Facilities and Management Plan, (c) collect and deposit community contribution, (d) train its members for the establishment of their own bank accounts, (e) strengthen bookkeeping practices; to have and manage proper fee collection system, and (f) set standard tariff structures, etc. for O&M.
100. **Rolling out of new Behavior Change Communication (BCC) campaigns:** The BCCs are closely aligned with health and nutrition messaging, promoting gender-inclusive design, linking sanitation and GBV, and addressing issues of household water treatment and safe storage. They are also regionally tailored to ensure

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<sup>8</sup>Individual regions may agree with WDC that alternative arrangements are acceptable

that messaging is effectively delivered to targeted communities. This activity will be implemented through Health Extension Workers (HEW) and additional support from Woreda WASH Teams (WWTs)/ Community Facilitators (CFs) as necessary to effectively mobilize communities to attain and use improved sanitation services and hand Washing facilities Sanitation activities will adopt a community-centered approach, whereby communities set their own targets, monitor their progress and encourage defaulters.

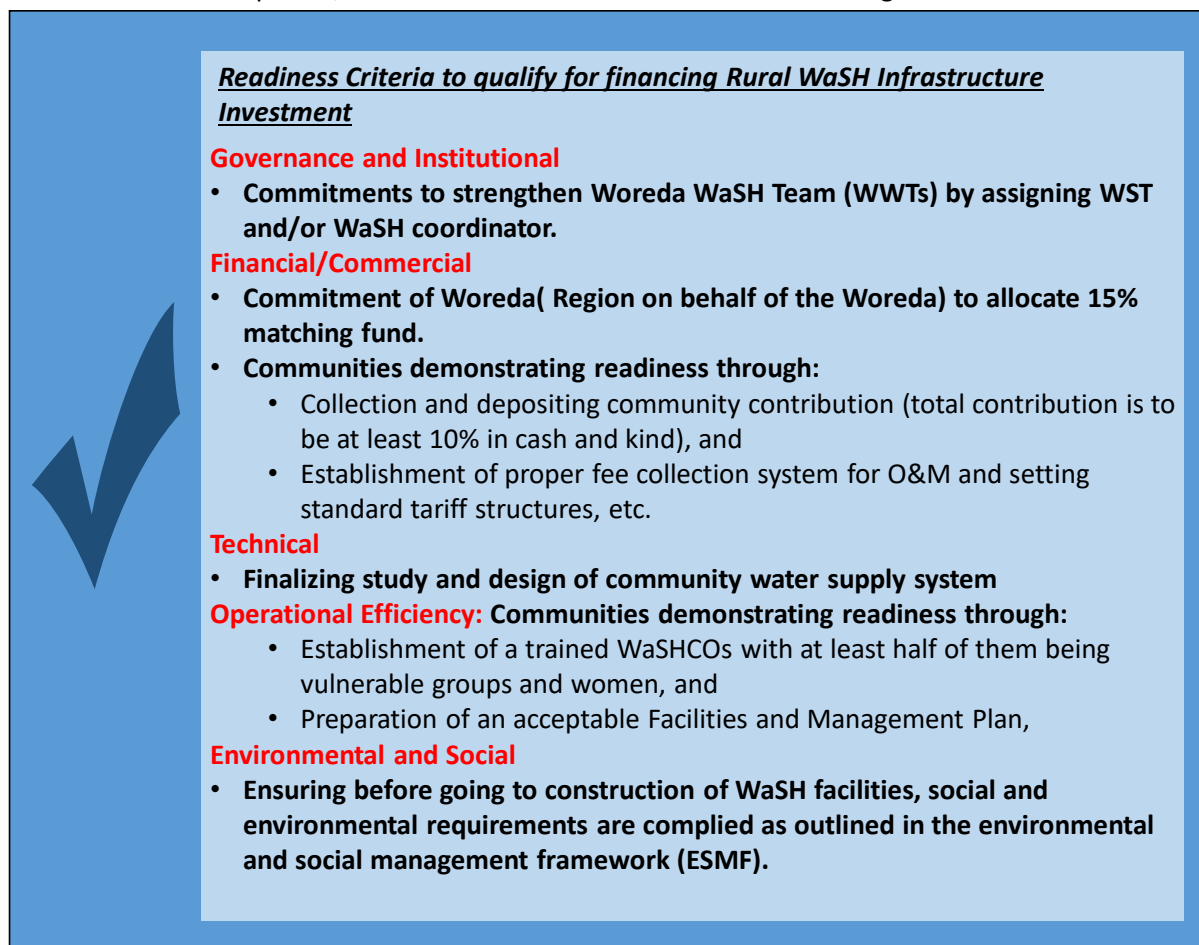
101. **Provision** of water supply will be used as a key entry point to incentivize communities to improve household sanitation through agreements with WASHCOMs. Guidelines currently in use are designed in line with the CLTSH approach. Trained facilitators and HEW were working hard to promote the use of latrine facilities, which has brought an important change to reduce open defecation. This project will encourage review of the community mobilization approach by strengthening the focus given to Community-Centered Approach (CCA), which draws support from respected community leaders. This is a complementary approach to the CLTSH. Community mobilization will be made possible with well trained and equipped facilitators. All relevant facilities and tools required to provide the training, including audio, video should be prepared in advance., Venue for meeting should be checked. An invitation should be extended by the Kebele chairperson to religious and traditional leaders, elders, HEW, head of schools, head of health facilities, Kebele management members, women and youth, students, and others for sensitization and to reach into agreement on the actions. The cost of facilitation will be covered by the project. After formal training, participants are expected to agree on clear, doable actions with clear timeframe and type of latrines to be constructed. The WASHCOM, HEW with support from WSTs will take the responsibility to follow up and monitor at the community level. Technical support will also be extended to the household through the organized MSEs.
102. Establishment of community savings structures to promote household investments in the construction and upgrading of domestic sanitation facilities: This is establishment of community saving structures such as “Eqob” and “idir”<sup>9</sup> to ensure households to have access to resources to invest in construction and upgrading of their sanitation facilities. Pilots to link MFI with community-led savings initiatives such as Iqob and Idir will be carried out to assess the potential for wide-scale application.

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<sup>9</sup>Iqob and idir are community-based savings mechanisms whereby participating community members agree to contribute a specific amount on a monthly basis and a lottery system is devised to disburse monthly collection to one member at a time.

Additional guidelines will be developed and incorporated in to trainings of WASHCOMs. Training and guidance will be part of the hygiene and sanitation BCC package.

103. **Capacity strengthening support for Sanitation marketing.** This capacity strengthening is intended to target vocational training centers, micro-credit institutions, MSEs, local governments, etc. as per the SM guideline prepared by MoH. This will be implemented by the health sector.
- b) Construction Phase support
104. After conducting pre-construction phase activities, prior to proceeding to investments in infrastructure development, communities must demonstrate the following readiness criteria.



**Readiness Criteria to qualify for financing Rural WaSH Infrastructure Investment**

**Governance and Institutional**

- **Commitments to strengthen Woreda WaSH Team (WWTs) by assigning WST and/or WaSH coordinator.**

**Financial/Commercial**

- **Commitment of Woreda( Region on behalf of the Woreda) to allocate 15% matching fund.**
- **Communities demonstrating readiness through:**
  - Collection and depositing community contribution (total contribution is to be at least 10% in cash and kind), and
  - Establishment of proper fee collection system for O&M and setting standard tariff structures, etc.

**Technical**

- **Finalizing study and design of community water supply system**

**Operational Efficiency: Communities demonstrating readiness through:**

- Establishment of a trained WaSHCOs with at least half of them being vulnerable groups and women, and
- Preparation of an acceptable Facilities and Management Plan,

**Environmental and Social**

- **Ensuring before going to construction of WaSH facilities, social and environmental requirements are complied as outlined in the environmental and social management framework (ESMF).**

105. **Community Water Supply Schemes:** This includes construction and rehabilitation of improved community water supply schemes in participating Woredas based on a sector-approved menu of technology options that are outlined in approved study and design. The selection of technology option should consider regional context and water resources availability. The approved technology options consider water quality standards; gender and vulnerable group – informed design; climate adaptation strategies; the scoping and financing of renewable energy sources, etc. The water supply schemes could be rehabilitation and expansion of existing or development of new schemes outlined in the scope for study and design. Once approved, the construction of water supply system must be submitted to regional PMU for inclusion in Annual WASH Workplan and transferred into the procurement plan. WWT is responsible for contracting local contractor for the construction and if needed additional consultancy support for supervision. For complex schemes

beyond the capacity of the Woreda, the WWT may delegate the Zone or Regional Water Bureaus to carry out implementation of water supply schemes (e.g. construction of rural piped systems).

106. Community Water Supply Schemes: Point source from:
- Lined hand dug well with raised platform fitted with hand pump,
  - Shallow wells fitted with hand pumps or fitted with motor pumps delivering at the spot.
  - Subsurface dams, haffir dams, and ponds treated with natural filtration by the side of the water storage and with water abstraction device installed (where there is no other water source option)
  - Capped spring, and
  - Rainwater harvesting from roof catchments serving public institutions.
107. Scheme with distribution for either one or multi village schemes from:
- Capped spring with distribution, and
  - Deep borehole/motorized pump with distribution.
  - Piped systems from surface water sources.
  - Water schemes with distribution network shall consider giving water connection to all health facilities and schools within the boundaries of the respected served rural communities.
108. **Community Sanitation-Scale-up of pilot interventions to establish sanitation marketing centers:**  
These activities will be guided by bureaus of health in consultation with participating Woredas to adequately select appropriate site that meet MoH guidelines and promote economies of scale. Establishment of sanitation marketing centers at sites selected during Step I -planning phase. The project will finance the construction of sanitation marketing centers to facilitate production of easily movable and light sanitation slabs and other products, storing of sanitation products and raw materials and serve as a location to coordinate business and promotion activities. Construction of sheds will be made possible at sites that best serve a wide network of Woreda, small towns, and rural Kebeles to optimize resources and generate economies of scale.
109. Roles and responsibilities of implementing bodies during and post construction:

Implementing bodies	Roles and responsibilities
WWT	<ul style="list-style-type: none"> <li>• Contract construction of water supply scheme</li> <li>• Supervise construction of water supply scheme in collaboration with WASHCOMs and sanitation market centers,</li> <li>• Monitor implementation of mitigation measures for environmental and social issues identified as part of ESMF checklist screening</li> <li>• Supports capacity building and equipping efforts, establishment SMEs for viable O&amp;M supply chain, and engagement of other service providers</li> </ul>
KWT	Supervise construction of water supply scheme in collaboration with WASHCOMs and sanitation market centers,

<b>WASHCOM</b>	Supervise construction of water supply schemes
<b>Contractor</b>	Construct water supply schemes and sanitation market centers.

#### 4.1.2 Category 2: Activities to enhance sustainable WASH Service Delivery

110. As noted above this support aims to strengthen post-construction and service delivery activities. To address persistent challenges related to high non-functionality rates, and unsustainable service delivery, including aspects of water quality. The Program will complement proposed water supply activities through the creation and strengthening of rural water supply management capacity, which include:

**Clustering of Sanitation Marketing and Water Service Supply Chain for O&M:** Planning of activities and selection of sites like establishment of Small Micro Enterprises for sanitation marketing and supply chain for the Operation and Maintenance of water supply schemes benefiting cluster of adjacent Woredas and towns will be prepared at regional level during the planning phase. This plan also includes fecal sludge treatment systems for clustered of towns in the nearby geographical areas. Planning includes selection of towns that best serve a wide network of Woreda, small towns, and rural kebeles to optimize resources and generate economies of scale particularly for the market centers. The AfDB pilot Program “Sustainability of WASH facilities through Women and Youth-led Micro and Small Enterprises (MSEs)”<sup>10</sup> and existing experiences in different regions such as Tigray and Amhara will be promoted and used for possible scale up in other regions.

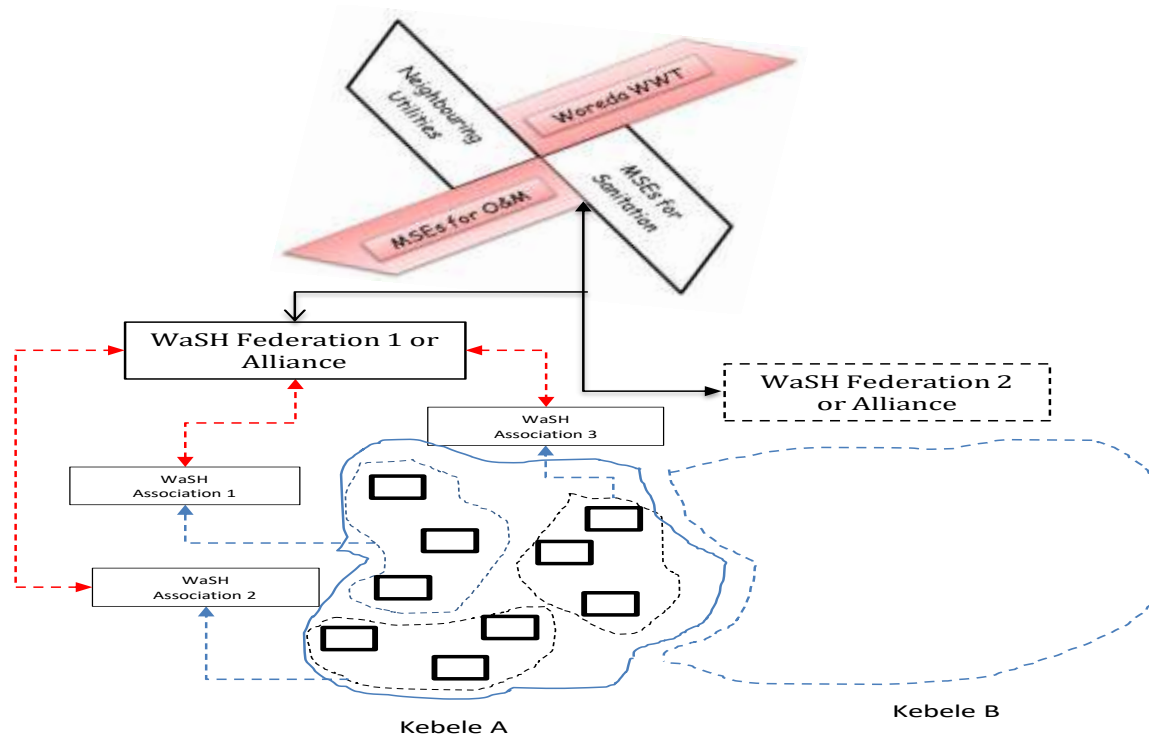
**Establishment of or strengthening an effective supply chain and O&M arrangement**<sup>11</sup>: Lack of supply and distribution of spares at local level and the additional costs to obtain spare parts from a distance often obstructs communities from maintaining and repairing their rural water supply facilities. This Program will finance the establishment, equipping and training of the local private sector (to be operated by women and youth-led micro and small enterprises (**MSEs**) **organized for supplying spare parts** and to do routine maintenance or repair works for rural WASH schemes at the request of WASHCOMs. MSEs will be established in accordance with the regional guideline and manuals by the Regional/Woreda micro and small enterprise offices up on request and discussion with the WASH implementation institutions. The possibility of expanding MSEs involvement in rehabilitation work, the supply of sanitation and hygiene products, water treatment **chemicals & other related works including maintenance of generators**, solar energy devices, and providing biogas will be explored. Together with matching fund from the Woreda, the type of materials that could be made available could go beyond various materials used for O&M and may include sustainable energy-saving technologies such as solar pumps. Establishment of supply chain and O&M crew is contingent upon: (i) adoption and development of rural water supply spare parts supply chain manual and operational guideline

<sup>10</sup> Sustainability of WASH facilities through Women and Youth-led Micro and Small Enterprises (MSEs) is two years (EFY 2010-2011) pilot project financed by African Development Bank (US\$ 20 million). The project covers 19 selected Woredas in all the regions and Dire Dawa. The project aims to improve the sustainability of water supply schemes and WASH facilities in rural Ethiopia by developing reliable and affordable supply chains and Operation and Maintenance (O&M) services through SMEs. The project is implemented by Water supply and Sanitation Directorate, Micro and Small Enterprises Mainstreaming Unit, and the Women Affairs’ Directorate Ministry of Water, Irrigation and Electricity.

<sup>11</sup>While the supply of spare parts should eventually be the role of private sector, it seems that the supply and distribution of spare parts for rural water supply schemes in rural areas of the country is not currently commercially viable.

by the regions<sup>12</sup> ; (ii) stocktaking of water supply schemes and report preparation on type, magnitude and cost of spare parts required annually (Woreda level); (iii) signing of MOU between the MSEs and Woredas; and(iv) deployment and training of WSTs (Woreda) and Water Quality monitoring expert.

**Strengthening and establishing networks of support for community WASH committees (WASHCOMs).** The support includes establishment WASH federations/Alliances at Woreda level where possible, through clustering of WASHCOMs of similar scheme types and establishment of networks for this WASH federations/alliances with their own WWT, with urban water boards and utilities, MSEs established for the O&M and sanitation within certain radius for the provision of e technical support that is beyond the capacity of the community (e.g. procurement of equipment, engagement of specialist for complex repairs, etc.). This also includes support to capacitate WASHCOMs i) to monitor and timely report non-functionality of their schemes as well as play an active role in promoting construction and upgrading of household sanitation facilities and hygiene and sanitation practices of their respective communities; ii) to build their technical capacity to respond to small scale repair and maintenance requirements through provision of technical trainings and facilitation of easy access to technical service providers (establishment of bank accounts and financial record keeping of collected fees, diversification and inclusiveness of committee members to ensure adequate representation, etc.); and iii) to facilitate legalization of the WASHCOMS including updating manuals and guidelines.



<sup>12</sup>Technical Operation and Maintenance Requirements Manual for Rural Piped System was issued by MoWIE, which identified alternative models of supply chain of spare parts for rural water supply system from which regions can select appropriate option as per their regional context.

**Establish and strengthen Water Quality Monitoring:** Water Quality is one of the major constraints compromising expected health and nutrition impacts from improved water supply and sanitation services.<sup>13</sup> Improvement in water quality is contingent upon success of other interventions such as reduction of open defecation, construction and utilization of improved latrine and improvements in hygienic practices. This sub-component will support establishment, strengthening and maintenance of water quality monitoring and reporting system in the project Woredas. To this end the Program will finance: (i) capacity building support to determine the magnitude and source of contamination from the source to consumption point for better targeting and refining interventions along the supply and consumption chain; (ii) establishment and strengthening of water quality monitoring system including, assignment or hiring of water quality expert at Program Woredas, procurement of mobile water quality test kits, provision of training, regular data collection (quarterly) and monitoring reports (reporting format will be developed in the POM); and (iii) development and adherence to source protection standards (fence, drainage, cleanliness), promotion of hygienic practices along the value chain from source to consumption point including use of Household water treatment materials.

**Build regional (zone where applicable) and Woreda level capacity on O&M.** The Water Supply O&M directorates of regional water bureaus will be provided with capacity building support to enable them strategically to respond to O&M requirements of Woredas. In this regards the project will provide: i) supports for the preparation of different guidelines including revision of the Operation and Maintenance Manuals (11 documents) prepared by MOWIE in 2018; and ii) support for the establishment of MSEs for O&M, WASH federations/Alliances at Woreda level. Although the primary responsibility for O&M lies with the WASHCOMs, zonal and regional water bureaus are expected to provide technical backstopping in O&M issues that are outside the technical and financial capacity of the WASHCOMs. All regions are expected to establish and develop a dedicated unit for post-construction support. The MIS system is aimed to support local governments in tracking functionality and directing TA.

## 4.2 Implementation of Urban WASH Component

111. Support to the Urban WASH is also be categorized into two: i) Activities to increase WASH access and ii) Activities to enhance WASH service delivery.

### 4.2.1 Activities to increase WASH Access

112. **Pre-construction phase support:** Towns will receive financing from the CWA II to cover cost of consultancy services for:  
 Conducting study and design for the water supply system and sanitation investment: One of the activities that will take place along with the study and design intervention is source development by the regional administration or water utility as part of the regional commitment and its matching fund contribution. The Program encourages the regional administration or water utility to develop water sources using counterpart matching fund contributions for medium towns. In the case of small towns that are receiving grants, resources for source development can be financed as part of infrastructure development. This activity will

<sup>13</sup>According to the findings of the 2016 Ethiopia Socio Economic Survey 70% of the samples found high risk for e-coli (11-100 CFU/100ml) at point of collection and 36% of the sample found very high risk for e-coli (>100 CFU/100 ml) at point of collection are from improved source.



include resources for environmental and social impact assessments and associated safeguards assessments (e.g. environmental management plan, resettlement action plan, etc.).

Conducting environmental and social impact assessment study.

113. **Construction Phase support - Construction or upgrading of urban water supply infrastructure:** Urban WASH implementation in small towns would be financed from regional allocated budget from the CWA while medium towns are financed from loan taken from WRDF based on the financial feasibility for creditworthiness of the investment study. For medium-sized towns, town Water Boards submits business plans to WRDF with regional guarantee and matching fund commitment. This component includes construction and expansion of water supply systems. This includes construction, rehabilitation, and optimization of urban water production, treatment, and distribution systems, to increase efficiency and resilience. All urban water systems shall consider providing water connection to all health facilities and schools within the periphery of the served urban communities.
114. Towns eligible for receiving further investment financing for construction of water supply schemes after receiving pre-construction phase support will be selected based on the available resource assigned for infrastructure construction investment financing. Selected towns will be eligible to receive financing based on their readiness. Independent verification of readiness will be put in place to ensure rigorous appraisal prior to infrastructure construction investment financing. For small towns that pursue infrastructure construction investment, towns will be selected based on a generic criterion that can be adapted to region specific but also need to focus on the following readiness criteria set for all.

**Readiness Criteria to Qualify for Urban WS Infrastructure Investment**

**Resource: (An additional criteria)**

- Regional commitment ensured to finance water source development. Resource to finance water source development will be considered as part of the matching fund and counterpart financing from regional governments.

**Governance and Institutional**

- Town WaSH team established
- Water management boards established and functional
- Critical professionals for managing the water supply are appointed and on board at the appropriate time.
- Development of town wide WaSH plan including inclusive sanitation and new or updated WSS business plan.

**Financial/Commercial**

- Approved tariff structure is established following a process of consultation and approval of affordable tariffs in line with GoE policies.


**Technical**

- Water sources secured and feasibility and detail study and design works finalized

**Environmental and Social**

- Relevant safeguards assessments completed including Environmental and social screening, Environmental Impact Assessment, Resettlement Action Plans, documentation of voluntary land donation, etc.

115. For middle towns, to qualify for loan from WRDF, the city or town would have to at least meet the following tests of creditworthiness.



**Additional Readiness Criteria to Qualify for Urban WS Infrastructure Investment for Medium Towns**

**Governance and Institutional**

- Legal personality: Existence of autonomous board.

**Financial/Commercial**

- High demand for the project (level of water shortage & size of population),
- Acceptability of the proposed system and affordability,
- Cost effectiveness of the project in comparison to other possible options,
- The capacity for the system being cost recovery, and
- Economical and financial rate of return from the new proposed system.

**Operational Efficiency**

- Availability of well-established commercial management system including improved meter reading, billing, and revenue collection;
- Availability of well-established FM system, etc. and
- Possibility of building the capacity of utility staff or other individuals from the locals to operate the system.

116. **Construction or upgrading of urban sanitation infrastructure development:** As noted in section 3.3.1 eligibility of towns selected to receive financing for sanitation infrastructure development mainly fecal sludge management (FSM) for clustered towns in the neighborhood must meet the following readiness criteria prior to FS treatment plant construction.



**Readiness Criteria to qualify for financing Urban FS treatment plant construction**

**Governance and Institutional**

- Putting in place appropriate town sanitation management structure within the focal utility.

**Financial/Commercial**

- Development of affordable tariff structure for sustainable FSM services.

**Operational Efficiency**

- Preparation/adoption for operational guideline for O&M of FSM system.

**Environmental and Social**

- Adherence to environmental and social safeguard requirements as outlined in the ESMF and RPF)


117. Amongst towns that meet the readiness criteria, second step investment resources will be provided for those towns that are able to qualify earliest to receive financing. Financing during this phase includes i) service contracts for contract administration and construction supervision, ii) works contracts for the construction of public latrine, communal latrine, centers and sheds for the sanitation marketing, onsite treatment or fecal sludge treatment sites, and iii) goods contract for to procure equipment for fecal sludge collection.

#### 4.2.2 Category 2 Activities to enhance sustainable service delivery

118. This is provision of continual technical assistance to utility staff and capacity building for the water board/committee. This includes training and capacity building efforts concerning operation & maintenance of the water supply scheme including NRW reduction, water quality management, tariff setting for water supply, financial management including billing and accounting system development, and customer management. For towns that construction FS treatment and sanitation marketing support includes capacity building support for tariff setting and for FS management.

#### 4.3 Implementation of Institutional WASH Component

119. This component will support to increasing and improving integrated access to gender and disable inclusive WSS services and hygiene promotion and behavioral change activities in health facilities and schools; particularly in those selected Kebeles and is intended to complement interventions to improve health impacts, decrease school dropout rates, and reduce the contamination of water bodies. Full WASH Package for health facilities includes: Water supply schemes, toilets, hand Washing, incinerators, placenta pit, ash pit, waste disposal pit. Based on the lessons learned from the first phase of CWA, health and educations sectors will delegate water sector to implement Institutional WASH activities as a package with new water supply contracts such as RPS.
120. This component is also categorized into two phases: i) Pre-construction Phase support and ii) Construction Phase support.
121. Prior to providing access to financing WASH infrastructure investment for institutions, institutions must meet the following readiness criteria detailed below.



**Readiness Criteria to qualify for Institutional WASH Infrastructure Investment**

- Availability of a nearby water supply to facilitate connection for water to the institution otherwise ensuring availability other water resources that is feasible and affordable to develop

#### 4.3.1 Pre-Construction Phase Support

##### 4.3.1.1.1 Health Institutions

122. Lack of improved drinking water, sanitation and hygiene facilities in health centers, health posts, clinics and public hospitals are particularly intolerable. Absence or inadequate hand washing facility before

and after patient contact or after using the toilet leads to preventable infections in the health care environment. Support to the health institution is structured into two sub components:

123. Strategic Planning and identification of health facilities that require construction and upgrading of facilities will be dimensioned in the Woreda Strategic WASH Plan. Activities related to this intervention will follow applicable guidelines prepared by MoH for health facilities. Technical support to regional and local implementing entities from the health sector will be provided to improve procurement and contract management activities to enhance quality of construction of institutional WASH services.

#### 4.3.1.1.2 Schools

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124. In this component school facilities are provided with safe water and sanitation facilities combined with hygiene education thus improving school enrolment and attendance, potentially lowering the drop-out rate and repetition rates, especially of girls. TA CWA II support includes procurement of goods and services to support BCC and capacity building. This includes hygiene promotion. These are hygiene promotion and BCC activities in schools to raise awareness in School WASH clubs and other efforts about the importance of hand Washing and hygiene practices, menstrual hygiene management [MHM], efforts to counter gender-based violence, O&M, etc. Activities include:

- a. **Implementing guidelines for water and sanitation needs as well as the management of schoolchildren WASH facilities**
- b. **Implementing gender and age sensitive curriculum on sanitation and hygiene**
- c. **Establishing health/environmental/school WASH clubs and promote children as agents of change**
- d. **Dissemination /broadcast of educational media on good sanitation and hygiene practices and participation in school health WASH clubs.**

### 4.3.2 Construction Phase Support

125. This includes as necessary service contracts for Contract Administration and construction supervision in Woredas or towns where the water sector is not delegated to implement. Support will be given to the education and health sector for service procurement where necessary for the proposed infrastructure construction to address substandard construction quality.

#### 4.3.2.1.1 Health Institutions

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126. Infrastructure investments support includes new construction, upgrading, and rehabilitation of WASH packages health facilities as per the standard guidelines developed by MoH, with special consideration given in their designs to gender and climate change adaptation criteria. The Program will also support construction of placenta pit, waste disposal pits and incinerators for effective control of infections and contaminations for health facilities wherever it becomes essential. For the water supply the priority will be given to connection where community RPS is available. If this is not feasible other technologies that are cost effective, safe and sustainable will be considered. Where there is public system near by the health facility joint planning and implementation will take place as part of the project intervention. Standard design will be employed for the construction of improved sanitation facilities for health centers and health posts. Since most hospital has access to water supply and improved latrine facilities, the Program will not avail resources for hospitals.

#### 4.3.2.1.2 School:

127. Infrastructure investments support: The project will finance integrated WSS facilities in schools through connection to existing or construction of new or rehabilitation of water supply facilities and rehabilitation of existing or construction of new improved latrine facilities. Standards for sanitation services in schools will follow MoE guidelines. Standard design will be employed for the construction of improved school sanitation facilities with disability access. The Program will also support construction of MHM rooms for schools. For the water supply the priority will be given to connection to the available community RPS. If this is not feasible other technologies that are cost effective, safe and sustainable will be considered. Where there is public system near by the school a joint planning and implementation will take place with water sector as part of the project intervention. Support to regional and local implementing entities from the education sector will be provided to improve procurement and contract management activities to enhance quality of construction of institutional WASH services

## 4.4 Implementation of CR WASH Component

128. As noted in section 1.2.6 above, this component is comprised of three subcomponents: (i) water resources mapping, planning and monitoring; (ii) climate resilient water supply solutions; and (iii) contingency response window. Some CWA contributing partners, such as DFID provide resources for Technical Assistance through parallel support activities.

### 4.4.1 Implementation of Subcomponent 4.A Water resources mapping, planning and

## monitoring

129. This component will finance services for:
- Strengthening weather and climate information, surface and groundwater data collection, hydro met and early warning systems development (Groundwater and surface water potential source area mapping and monitoring system development for water sources abstraction and implementation monitoring);
  - Institutional capacity development for pertinent institutions;
  - Strengthening the service delivery aspect of the system for end users and decision-making process;
  - Water resources planning activities that include development of analyses and guidelines for catchment management interventions for water source protection (Water sources micro-catchment protection works intervention immediate to the water intake areas); and
  - Capacity building and coordination support to link with existing spatial and early warning institutional mechanisms and approaches.
130. WDC will be responsible for activities of sub-component.4.1 including planning, implementation and reporting in collaboration with Basin Development Authority (BDA) and the National Meteorological Agency (NMA). WDC will recruit a dedicated hydro met technical coordinator under its PMU who will work together with BDA and NMA during the entire planning and implementation phase of sub-component 4.1. Annual workplan and regular progress report will be prepared jointly by WDC, BDA and NMA. These annual plans and progress reports will be submitted to the NWCO through WDC for consolidation. Among others major roles and responsibilities of WDC, BDA and NMA is indicated in the following table.

**Table 4-1: Roles and Responsibilities of WDC, BDA and NMA**

**WDC**

**BDA and NMA**

Recruitment of a dedicated hydro met technical coordinator for sub-component 4.1.

Manage finance, procurement and contract administration activities by appointing procurement and FM officers to backstop this sub-component.

Review annual action plans and regular progress reports for sub component 4.1.

Consolidate plans and progress reports with the other WDC Programs.

Provide guidance and feed backs of any strategic issues raised and discussed at SC levels concerning the planning and implementation aspect of the sub-component.

Prepare annual action plans, procurement plan and periodical progress reports;

Assign responsible focal person for implementation for sub component 4.1.

Take responsible for component 4.1 implementation including developing ToRs, specifications, taking part in technical evaluations, supervising and managing consultants.

Work closely and in tandem with WDC for effective and timely implementation of planned activities under the sub-component.

#### 4.4.2 Implementation of Subcomponent 4.2 - Climate Resilient Service Delivery

131. CR WASH budget is a ring-fenced budget transferred from MoF to WDC for projects implemented by WDC and upon approval from WDC from MoF to regional BoF for projects that will be implemented by the RWB. Accordingly, WDC may delegate RWB to implement or supervise development of water supply interventions under this component.

132. This subcomponent will finance multi village/ multi woreda water supply infrastructures and community sanitation. Based on the scoping for potential water resources during the planning process a decision will be taken to finance infrastructure through CR ring-fenced funds. For schemes that extend beyond woreda administrative boundaries, a dedicated management mechanism will be put in place to operate proposed water supply systems.

Specifically this sub-component will finance those prioritized and selected Woredas from priority 1 hotspot areas based on the criteria identified on in section 3.5 and Annex of this POM : (i) Pre construction phase activities for investment preparation (study and design); (ii) Construction phase support for water supply infrastructure (from source development to distribution); (iii) water supply connection to schools and Health facilities within the catchment of the RPS, and (iv) community hygiene and sanitation. Financing for sanitation for schools and health facilities will be from the institutional WASH component. However, for simplicity of contract management the activities will be packaged along with the CR- water supply works.

##### Implementation arrangement for financing water supply:

133. **Budget Ceiling for CR WASH Projects:** - The total budget estimated to address the WASH need in these 192 CR Woredas is estimated to be about 1.6 Billion USD. As the budget allotted from CWA Phase II project for CR-WASH is limited, financing for implementation will follow phased implementation approach

to maximize the project geographical intervention areas. Accordingly, there is a budget ceiling for individual CR-WASH projects. This ceiling budget is determined based on compliance concurrently to the criteria of maximum 140 USD cost per capita and maximum of 4.2 million USD (with at least 30% matching fund) per project. The ceiling budget for project is defined based on the assumption that: (i) there are at least 50% un-served population in the selected woreda, (ii) the project will address at least 50% of water supply need of these un-served population, and (iii) the project is within the estimated per capital cost. Based on these assumptions the Program will benefit about 1.2 million people and a minimum of 41 projects. The cost for community hygiene and sanitation activities will come from the CR WASH project cost and can go up to a maximum 3%. The sanitation budget will be disbursed to respective CR Woredas after appraisal upon approval by WDC through MoF to BoF and then to WoF.

134. **Implementation steps:** Once Woredas prioritized and selected from priority 1 hotspot areas, which are selected based on the criteria identified on Annex B (Refer to planning Section 3.5) implementation arrangement will have the following major steps as shown in Figure 4.1 below.

Source assessment and feasibility study

Source development;

Study, and design and tender document preparation;

Project appraisal;

Infrastructure development including institutional sanitation facilities; and

Institutional and staff capacity building for O&M.



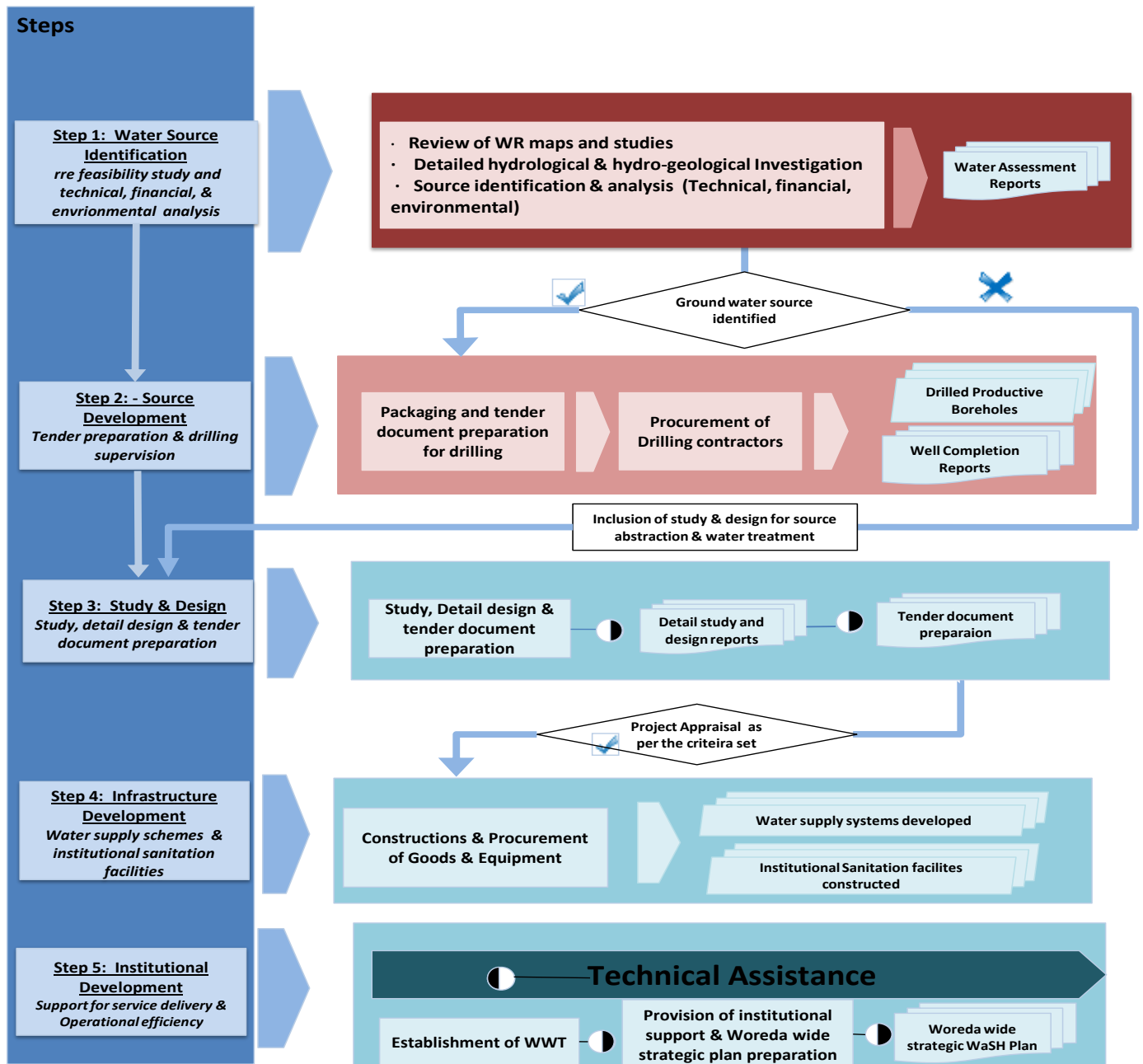


Figure 4-1: CR WASH Implementation Steps

**Table 4-2: Roles and Responsibilities for WDC and Regional Water Bureau**

WDC	Regional Water Bureaus
Validate Woredas selected by regions from the identified hotspot Woredas in each region prior to appraisal process	In close collaboration with WDC, select CR-WASH Woredas based on Woreda selection criteria as specified in section 4.1,
Prepare annual plans for sub-component 4.2	If delegated by WDC, procure water supply project study and design consultancy service for preparation of water supply project document, contract for drilling of boreholes and infrastructure investment contracts
If regions are delegated, WDC will disbursement of the sub-component finance to regions as per the financial disbursement procedure and approved work plan	Provide contract supervision and in collaboration with WDC, ensure that selected firms and contractors complete works in a satisfactory manner acceptable by the RWB and communities
Development of generic ToRs and RFPs for procurement of consultancy services, contracts for borehole drilling and infrastructure investment	Ensure matching fund is allocated by the region and utilized for the project implementation,
Procurement of consultancy service contract for project document preparation if a need arises,	Ensure environmental and social safeguard study is conducted and approved by the pertinent body before the project is approved for investment
Carry out review of project study documents at each milestone of deliverables establishing multi-disciplinary review team in collaboration with regional water bureaus,	Ensure compensation, resettlement, etc. is carried out before the beginning of project implementation and avail document on voluntary land donation,
Ensure all mitigation measures identified in the environmental and social safeguard study is implemented before, during and after the project implementation as required,	Ensure that O&M cost recovery water tariff will be implemented.
Procurement of integrated civil works, supply and installation of electromechanical equipment contracts and associated construction supervision	
Ensure the water scheme management body is established, legalized and capacitated	
Ensure sub-projects are properly commissioned and handed over to the beneficiaries (rural utilities)	
Assist regions in monitoring and construction supervision	
Carryout capacity building activities based on gap assessment	
Conduct project performance monitoring and evaluation	

135. **Appraisal Process:** The CR WASH will have to undergo through the following rigorous appraisal processes based on the following criteria:

**a. Technical:**

- Region's capacity to implement the project (tendering, procurement, contract management and supervision). Based on this assessment WDC may decide on delegation.
- Water source reliability: Prevalence of reliable and sustainable water sources particularly during dry seasons (in terms of quantity and quality);
- Technical design studies completed, including water resources investigation, technical designs of all water supply system components, schools and health institutions, sanitation facilities (engineering calculations, technical drawings, investment and O&M cost, BoQ, specifications, tender documents, etc.),

**b. Governance and Management:**

- Commitment of the woreda/zone/region to establish and legalize rural water supply utility, build their capacity and allocate start-up budget for O&M before completion of construction (which will be considered as matching fund);
- Scheme management institutional organization and staffing,
- Business plan and water tariff,
- Simplicity and cost for O&M Management, and
- Woreda/Regional's commitment to allocate start up budget and O&M fund for repairs beyond the capacity of the operator.

**c. Financial and Economic:**

- Woreda and regional commitment to allocate the 30% matching fund;
- For projects beyond the ceiling budget regional and woreda commitment to finance the additional required resources
- Project cost - with value for money;

**d. Environmental and Social**

- Environmental and social safeguard plans approved by pertinent authorities,
- Extent and documentation of stakeholder consultation: particularly the beneficiaries and pertinent government offices at all levels (Woreda, zone, region, and federal)

#### **4.4.3 Implementation of Subcomponent 4.C – Contingency Emergency Response**

## Component

136. A framework of activities to be considered under this window in cases of emergencies was discussed. MoWIE will compile detailed information on current non-functional schemes in drought-prone Woredas that can be supported under this window.
137. **Potential use of CERC:** Additional funds from CERC would be used to partially address emergencies that may disrupt development Program for water service delivery. The CERC will not replace or support humanitarian efforts that are financed through separate channels. This component will only be triggered upon formal request from the Ministry of Finance. Resources will be used to support emergency development interventions and will rely on contingency plans prepared by Woredas and towns in pre-identified hotspot Woredas.
138. Emergencies to be considered are:
- **Droughts** – leading to lack of water supply for human consumption, livestock and small-scale economic activities
  - **Floods** – destruction, contamination and limited access to water supply services
  - **Water borne disease outbreaks** – localized epidemics related to consumption of contaminated water
139. Once emergency is declared and triggered under subcomponent 4.3 of the Program, the following positive list of activities will be supported. Details of the implementation arrangement are indicated in the CERC manual attached in Annex D of this POM.
- a. Upstream of declared emergencies with early warning triggers – preparedness activities including:**
- Financing of rehabilitation of non-functional water points in areas vulnerable;
  - Augmentation of supply (drilling existing well deeper or finding new sources to avoid displacement of people if water source dries up or is likely to be damaged by floods);
  - Procurement of pre-approved equipment for local governments to facilitate continuity of water supply services (e.g. additional storage, pumps, pipes, etc.); and
  - Water quality monitoring in critical areas.
- b. Emergency response:**
- Droughts-augmentation of supply through provision of piped water from nearby communities;
  - Floods – securing water sources; emergency purification units (at source level); provision of household purification technologies to mitigate against increase of water-borne diseases; construction of latrines (to avoid exposure to contaminated flood waters); and
  - Water-borne disease outbreaks - emergency purification units (at source level); provision of household purification technologies to mitigate against increase of water-borne diseases, awareness creation/ promotion.

#### 4.5 Implementation of Program Management and Capacity Building component

140. This component will support the implementation of the Program through two sub-components: (i) ensuring establishment and operationalization of sector-wide Monitoring Information System (MIS); and (ii) Institutional Strengthening and Project Management.

##### 4.5.1 Sub Component 1: Support to the WASH M&E and MIS

141. Under the Program management and institutional strengthening component, the Program will provide support to ensure establishment, implement, sustain and operationalize the sector wide WASH M&E MIS system. The Program support under this component will build on the ongoing TA and financial support provided by CWA DPs (DFID and AfDB) that currently finance the second National WASH Inventory (NWI), development of the MIS, and procurement of monitoring equipment. As indicated in the planning section 3.6.2, support to this component will be based on the WDC's assessment and gap analysis about the ongoing MIS system and support will focus on: (i) updating the National WASH Inventory on annual basis and analysis of data, (ii) Integration with HMIS and EMIS for identified WASH indicators, (iii) use of available WASH inventory data for knowledge management through annual sector wide WASH reporting; and (iii) real time monitoring of selected WASH indicators for service delivery. The support under this component will focus on further capacity building of the IT cells both at WDC and at regional level. The support will include:

Assessment and gap analysis of the existing WaSH MIS and Implementation of proposed interventions **Institutionalization of WASH MIS** to ensure regular updating of the NWI as well as use of the data for decision making: This will include i) capacity building support to the newly established MIS directorate under the Water Development commission which will eventually go down to the regions through human resource, logistics, technical support and etc., ii) Building Woreda level capacity for regular reporting of indicators (for instance through expanding the ToR for WSTs), and iii) building data analysis, interpretation and reporting capacity at all levels through targeted trainings, and (iv) TA support for production annual sector wide WASH reports.

**Introducing a community-based monitoring tool** (focusing on few WASH indicators) to inform decision makers on sustainable service delivery. The current data collection tool can only reach up to Woreda level. Given the number and dispersed nature of schemes in a Woreda and the lack of logistics, getting real time data on service delivery indicators such as functionality will continue to be a challenge. In response for this challenge, the Program will provide support to explore options for community-based WASH data collection and sensors. The support will include: i) assessment of the different community based data collection tools/options that could complement and integrate with the WASH MIS, ii) designing (including the selection of frequently needed indicators), piloting and rolling out the selected community based data collection tool iii) institutionalizing the data collection responsibility at WASHCOM level (inclusion of this responsibility as part of the WASH COM legalization document) and iv) continuous capacity building to members of WASH COM for regular reporting.

##### 4.5.2 Sub-component 5-2: Project Management

142. Besides covering the operational expenses of Program management units at each level described for Program above, funding will be provided from the CWA to the Federal ministries, commissions, and regional,

zonal and Woreda level respective bureaus/offices of Water, Irrigation and Energy, Health, Education and Finance and Economic Development; to build the capacity of staff and consultants for Program implementation and monitoring, to equip training centers, to develop networking capabilities and to refine policies and Program implementation arrangements. Capacity building funds will be accessed up on furnishing a comprehensive and consolidated capacity building plan that is approved by the regional and national WASH Steering Committees depending on where the capacity building activity will be implemented.

143. Activities will include:
- Financing of additional implementation support and technical experts within the WASH PMUs and coordination offices;
  - project management and coordination between implementing agencies;
  - procurement and contract management to improve implementation of proposed infrastructure;
  - financial management;
  - application of environmental and social safeguards instruments and compliance;
- Provision of targeted support for emerging regions (TA, logistics, hands on support etc.)
  - Logistics support to regional, zonal and Woreda level WASH sector offices
  - Salary, travel and communication expenses of staffs' other operational expenses (utilities, stationeries etc.)
  - Development a systematic reporting tool to ensure enhanced and reliable quality of Program reporting (physical and financial) from Woredas, Zones regions and federal implementing and coordination units
  - Procurement of goods and equipment to facilitate Program management and institutional strengthening
144. Revision and updating of technical guidelines and manuals including capacity building for staff and facilitators will be carried out to align with agreed revisions in implementation modalities.

### 4.5.3 Capacity Building and Institutional Strengthening Strategy

145. **Recruitment of technical staffs:** The Program will avail resources for the recruitment of technical staff. This aims to strengthen the technical capacity and transfer of knowledge transfer for timely Program implementation. List of professionals to be availed for Program implementation is detailed out in section 10 of this POM. The term of reference for the professionals is also attached in Annex J of this POM.
146. **Technical Support:** The Program will allocate resources to strengthen the capacity of implementing agencies through availing technical support for development of guidelines, manuals, and standards. Furthermore, the Program will support translation of such guidelines to actions. Actions include establishment and strengthening operating institutions including WASHCOMMs, water boards, utilities, HEW, MSE, and sanitation marketing centers. This has been highlighted under the different sections of this POM and sub components of the Program. Activities also include dissemination, & orientation of manuals to

targeted audience, ensuring establishment and functionality of envisaged institutions, verification of functionality of developed systems as planned by all level of implementing institutions, and organization of orientations for targeted staffs. To ensure timely implementation of the Program and achievement of planned results, all sectors will establish coaching and supportive follow up systems that reach up to community level. Technical staffs who have been assigned to support Program implementation will provide technical backstopping. The purpose of backstopping is to ensure comprehension about the Program and smooth implementation of Program activities. Backstopping may include but not limited to translating newly introduced guidelines and manuals, document review, evaluation of bid, contract management etc. Technical backstopping will be extended from the respective sector PMUs or staffs relevant to the area. Backstopping will be provided starting from the federal up to the woreda level. Woredas, provide technical backstopping to community members, SMEs and HEWs. Regions extend backstopping to zonal or woreda depending on the regional arrangement. Where zonal WASH structures are established, they will be responsible to support woredas. Federal PMUs will provide special backstopping for non-delegated regions, low performing regions and constrained regions with lack of trained staffs. On top of the PMUs, each of the federal and regional government sector organization shall have responsibility to extend planned backstopping in order to ensure sustainability of the system. Following are some of the examples;

**Water Resources Development Commission:** The Water Supply and Sewerage Infrastructure Administration Directorate is expected to extend back stopping for schemes those have been handed over. Accordingly, regional bureaus directorate responsible for facilities administration will take responsibility to extend the backstopping support. The unit will be strengthened until it becomes certain that it can deliver the intended services.

Ministry of Education and Regional Education Bureaus; backstopping services will be extended by School Infrastructure Team to ensure sustainability of facilities.

Ministry of Health and Regional Health bureaus, Hygiene and Environmental Health Directorate in consultation with Public Health Infrastructure Directorates are responsible to extend back stopping service.

147. Backstopping services will be cascaded from federal to community level. In order to be more effective, thematic areas of support will be identified in consultation with the respective team. In all cases, alignment and joint planning between the implementing PMUs and sections dedicated to extending operation and maintenance activities should be there. In case of delegated regions, federal and regional PMUs must develop a joint plan that helps to coordinate implementation. In order to mainstream backstopping to the Program, all WASH actors under the Program are expected to;

**Develop checklist to guide coaching and follow up.** This will be developed by federal and regional level technical staffs.

**Organize orientation;** This will help to keep implementation smooth and with comprehension about the Program. Orientation will be organized for professionals who joined the Program, and who will oversee coaching, mentoring and follow up

**Review operational systems and document potential challenges,** this is highly relevant for WASHCOMMs, BCC, SMEs operating sanitation marketing, management of public and communal latrines, management of water supply and sanitation facilities at school and health facilities.

148. **Training:** The details about the management of trainings under the Program will be as summarized below.

**Implementation modality:** Trainings could be organized for short and medium terms. Long term trainings are not considered in this CWA Program. Workshops, online trainings, hands on training and others may be

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used as a training approach. Trainings may be organized with universities, dedicated training institutions such as Ethiopian Management Institutes, Ethiopian Water Technology Institute, by mobilizing consultants,



Program Technical staffs, inviting practitioners and others. Selection of training institutions will be carried out in line with the procurement procedure adopted for the Program.

**Requirement for the Training:** The principle for selecting trainees should be the right person for the right training. In selecting participants all regions and federal government has the responsibility to check appropriateness of training participants. Participants are expected to contribute to the Program upon their return. In order to ensure contribution, the trainee should meet the minimum requirement set for the job positioning.

**Follow up and monitoring:** Follow up and monitoring will be made to track changes that have been observed after trainings. Follow up will be used as an instrument to help trainees to translate the theory in to practice and it further helps to document the appropriateness of such trainings. Separate documentation can be made every six months, or review of changes observed can be included on quality of reports that are submitted every quarter from woredas and regions. Monitoring may also help to understand level of staff retention and identify the need for additional actions including orientation, trainings, etc. on different areas.

**Appraisal process:** Capacity building interventions including training should be reviewed by different stakeholders. The five-year capacity building plan will be reviewed at each level. The bench mark for the appraisal will be the Program document. The Program has defined targets, duration and resource. Appraisal for capacity building plan will be done at federal and regional level by respective WASH Technical Committees. Capacity building Technical Advisory Team chaired by the Federal and regional coordination offices will be established to review performance of activities related to training, and other capacity building interventions. All quarterly reports are expected to have a dedicated section on training and capacity building.

149. **Knowledge management and Exposure visit:** Experience from the first Phase of CWA shows the gap of documenting best practices that could be shared for learning both at local and global platforms. The Program attempted to collect and share such important learnings during joint monitoring Programs, which often focus on reviewing progress. Taking the advantage of TAs embedded within Phase II CWA, specific knowledge management task that includes (i) documentation of best practices, (ii) preparation of policy briefs, (iii) dissemination of findings and lessons at different national and global forums should be considered at all planning and implementation phase. Furthermore,

As part of knowledge management, the Program will support selected and approved exposure visits. Exposure visits will be organized with clear learning objectives and Training of Trainers (TOT) to help Program implementation. The objective of such visit should attribute to strengthen existing systems, scale up tested approaches, or fill identified gaps during assessment, and may be organized to learn from new innovations elsewhere in the globe.

Participants for abroad training should be obliged to develop feedback report and cascade their learning to other staffs. Information sharing and cascading will be in a form of workshop or training

Participants on such exposure visit should be staffs working for the Program either as permanent or contract staff.

Exposure visits will be organized either (i) within the region (ii) inter-regions, or (iii) abroad. In organizing exposure visit, organizers need to plan of time.

Exposure visits that take place within the region will be organized by the regional WASH Coordination Office in consultation with Regional PMUs and WASH Technical Committee.

Inter-regional exposure visits could be organized by the two respective Regional WASH Coordination offices, PMUs and support to be extended from the NWCO, as required.

The plan for all global exposure visits needs approval by the NWSC, and implementation will take place by respective sector PMUs.

In selecting local best performing learning sites, the site should be checked from technical, social, environmental, financial management and sustainability perspectives; if possible, outcomes such as behavioral change, health, education attendance etc. need to be checked. However, if there is a site with some specific areas of specialization that will also be considered for scaling up.

For exposure visit planned to take place abroad; learning country will be selected based on the best evidences demonstrated on publications, global forums, or information available at the World Bank or other CWA DPs. Countries within the continent will be prioritized, where the local situation is relevant to Ethiopia. Since such visits are expected to yield best return, it seems worth to focus on federal and regional level professionals.

150. **Logistic:** Availing logistic is part of the capacity building that is taken care of under the procurement of goods. The Program will finance procurement of field vehicles, motor cycles to enhance the supervision and implementation capacity of the Program Implementing Units. In additions, procurement of office furniture and equipment will be financed under the Program. The National Technical Committee will be responsible to review the gap assessment for the procurement of vehicles and motor cycles. The Regional Technical Committees review and decide on the type and quantity of office furniture's and equipment's to be procured. Planning and execution for the procurement of vehicles, motor cycles, office equipment and furniture will be handled in line with the procurement procedures and processes specified in section 7 of this POM.

151. **Roles and responsibilities for the implementation of Capacity building:** Capacity building interventions will be organized at three levels: federal, regional and woreda/towns. Woreda will be responsible to coordinate and organize training for (i) WASHCOMM members, water boards, SMEs, HEWs, and others similar posts. Towns will organize training for SMEs, water utility technicians and public latrine operators, and community members responsible to manage communal latrines. Woreda and Towns will be supported by Woreda and Town support groups. Regional PMUs will focus on regional and zonal training demands and will be responsible to organize orientations, training relevant to their specific areas, such as safeguard (social, environment) financial management, community mobilization, gender and inclusiveness and other technical trainings relevant to the Program. In the same way, this type of training may be organized in collaboration with federal PMUs. To take advantage from coordinated intervention, Federal PMUs will remain responsible to organize identified senior level trainings at local level and abroad. The Ethiopian Water Management institute in consultation with the Water PMU and NWCO carry out assessment, identify gaps, develop capacity building plan, and develop training modules for the water sector. Ethiopian Management institute will continue to serve as center for procurement and contract management trainings. The PMU at the Ministry of Finance will be responsible to carry out assessment, identify gaps, and plan, and implement capacity development intervention at regional and Woreda level. Since the number of staffs at the PMUs are limited, it may be worth to engage consultants who will carry out the assignment and give on the job training, review progress, etc. The ToR will be developed by the PMUs at the Ministry of finance and cleared by the WB. PMUs at the MOH and MOE as well take responsibility to plan for their respective sector capacity building. ***To be accountable and help monitoring, all training will be documented, and evaluations should be made by trainees and trainers at the end of each training.***

## 5 INSTITUTIONAL ARRANGEMENT

### 5.1 Roles and Responsibilities of GOE and Development partners joining CWA

152. The summarized roles and responsibilities of the GoE and development partners joining CWA in the implementation of OWNP are detailed here below.

#### 5.1.1 Responsibilities of GOE

153. The GOE will exert the maximum efforts to facilitate the successful implementation of the OWNP, adoption of POM and implementation of activities as outlined in the approved and adopted POM. GOE will hereunder:

- a) Have sole responsibility for the planning, administration, financial management, accountability, risk management and implementation of the OWNP, covering all the OWNP activities;
- b) Establish a foreign currency account for each contributing partner at the National Bank into which the Development Partners disburse resources from which the funds are transferred to the Consolidated WASH Account (CWA) for onward release to accounts designated in the OWNP;
- c) Develop annual plans for the allocation of funds based on clear and transparent need-based planning criteria that prioritize areas of greatest need;
- d) Be responsible for ensuring, demonstrating, reporting that international best practices, as agreed between the signatories are adhered to when planning and providing water services in areas of resettlement and in the community development Program;
- e) Follow up and ensure that all implementing agencies open project accounts for the OWNP and are kept in accordance with procedures set forth in the financial management policies and guidelines of the GOE;
- f) Timely submit the quarterly, biannual and annual progress reports (physical and financial) in accordance with the reporting format outlined in Annex...of this POM, including the outstanding balance that is how much of DP's contribution is left in the CWA and in the accounts of the implementing agencies at the end of the reporting period;
- g) Provide sufficiently qualified personnel, do its utmost to ensure the allocation and timely release of its contribution for the successful implementation of the OWNP; and ensure enough internal audit capacity in the implementing agencies and MOF to enable the timely submission of internal audit reports to the external auditors;
- h) Promptly inform the Development Partners of any condition that interferes or threatens to interfere the successful implementation of the OWNP and of any major policy or financial decision; and call for a meeting to consult with the Development Partners on remedial actions to be taken; and
- i) Undertake timely annual external financial and procurement audits of the CWA (paid from the CWA) and share reports, the management letters and plan of actions on the audit recommendations within 6 months from the end of the fiscal year.

### 5.1.2 Responsibility of the Development Partners

154. Each of the CWA contributing Development Partners establishes individual arrangement compatible with the spirit and provisions of this POM and refrains as far as possible, from setting conditions in the bilateral arrangements that contradict or diverge from the spirit of this POM. In case of any inconsistency or contradiction between the provisions and conditions of this POM and any of the bilateral arrangements, the provisions of the bilateral arrangements will prevail.
- a) The Development Partners base their actual support on the progress attained in the implementation of the OWP. Progress will be measured through the agreed key performance indicators (KPIs) as outlined in the M&E section and reporting as described in this manual;
  - b) The Development Partners ensure timely release their commitments to the CWA in accordance with the bilateral arrangements and quarterly interim financial reports (IFRs) indicated on section this manual;
  - c) Bi annually, CWA contributors jointly review CWA financed OWP performance, implementation of audit recommendation action plan, and the physical and financial plan for the next fiscal year , including the draft procurement plan, and again commit their contributions for the fiscal year as per the plans prepared by the WASH sector Ministries and approved by National Steering Committee(NSC) members and endorsed by the Chair of the National WASH Steering Committee(NWSC);
  - d) CWA contributors cooperate and communicate with each other fully and in a timely manner on all matters relevant to the implementation of the CWA financed OWP;
  - e) CWA contributors share information on aid flows data, technical reports and any other documentations/initiatives related to the implementation of CWA financed OWP and relevant to the support; and
  - f) Development Partners do not bear any responsibility and/or liability to any third party regarding the implementation of the CWA financed OWP.

**5.2 Structural Arrangement and Functions**

155. There are four major functions: Governance & Guidance, Oversight & Management, Program Implementation and Program Coordination at different levels. The schematic structural arrangement for the OWP and the institutional arrangement for each function at different levels are as detailed on Figure 5.1 below and its establishment of each units at different level is important for the implementation of CWA financed Program.

Level	Governance & Guidance	Oversight & Management	Program Implementation	Program Coordination
Federal	National WASH Steering Committee Development partners	National WASH Technical Team	Ministry of Finance, WDC and Federal Sectors WASH Program Management Units (WPMUs) 	National WASH Coordination Office 
Regional	Regional WASH Steering Committee	Regional WASH Technical Team	Bureau of Finance Regional Sectors' WASH Program Management Units (WPMUs) 	Regional WASH Coordination Office 
Special Zones (or other Zones where applicable)			Zonal WASH Program Management Units – (Water, Health, Education and of) 	Zonal WASH Coordination Office 
Woreda	Woreda WASH Steering Committee (Woreda Cabinet)		Woreda WASH Team 	

Level	Governance & Guidance	Oversight & Management	Program Implementation	Program Coordination
Town/City	Town/City WASH Steering Committee (Town Cabinet)		Town/City WASH Technical Team Municipality Health Desk Education Desk Town Water Board Town Water Utility	

Figure 5-1: Structural Arrangement and Functions for OWP Implementation

### 5.2.1 Governance & Guidance

156. To provide OWP overall governance and guidance the following bodies have been established at different levels to play the following listed roles and responsibilities.

**Table 5-1 Institutional Arrangement for overall governance and guidance of CWA implementation in compliance with the OWP**

Level	Institution /Body	Roles and Responsibilities
Federal	National WASH Steering Committee  Composition: <b>Chair:</b> H.E Minister of Water, Irrigation & Energy <b>Members:</b> State Ministers of:	<u>Role:</u> Provides OWP national guidance and governance  <u>Responsibility:</u> Reviews and endorses the National one WASH CWA Plan and Consolidated Annual WASH Plans Review and endorse OWP CWA budget allocation among regions, sectors and Program Components Oversees the proper functioning of the M&E of the one OWP CWA Ensures the establishment and functioning of WASH structures at all levels Ensure that Program activities, strategies and results are monitored, evaluated and reported as per the POM. Fosters relationships with and elicit support from external and civil society development partners; Presides over a WASH Annual Review Meeting (WARM) and follow up on the implementation of undertakings; Provides strategic direction for Program implementation; Provides recommendation on Program staffing and benefit packages

Level	Institution /Body	Roles and Responsibilities
	<p>Finance (representatives from Channel 1 Programs Coordination Directorate, Directorate of International Financial Institutions &amp; Cooperation, and Bilateral cooperation)</p> <p>Water, Irrigation &amp; Energy</p> <p>Health and Education</p> <p>Water Development Commission (WDC) commissioner</p> <p>WRDF Director General</p> <p>River Basin Authority Director General</p> <p>Upon invitation or request from representatives, the meeting may be opened in the spirit of enhanced policy dialogue and transparency to:</p> <p>CWA Development partners</p> <p>Secretary: NWCO coordinator</p> <p><b>Meets:</b> Quarterly</p>	
Federal	<p>CWA contributing Development Partners:</p> <p>Meets:</p> <p>Conducts monthly review meeting or as issues arise,</p> <p>Conduct Joint Implementation Support and Review missions with Government</p> <p>Review Quarterly reports: review of physical and financial progress, review apportionment of advance and documentation of expenditures Participate on NWSC meetings upon invitation</p>	<p><u>Role:</u></p> <p>Provide financial and technical support to the implementation of OWNP CWA.</p> <p><u>Responsibility:</u></p>

Level	Institution /Body	Roles and Responsibilities
		<p>Provide financial support on the bases of agreed actual support and on the progress attained in the implementation of the OWP-CWA based on quarterly IFRs</p> <p>Cooperate and communicate with each other and with the Government of Ethiopia in a timely manner on all matters relevant to the implementation of the OWP CWA.</p> <p>Share all information on aid flows, technical reports and any other documentation/initiative related to the implementation of the OWP CWA.</p> <p>Ensure organization and finance WASH Annual Review Meetings</p> <p>Review and Provide comments on i) the annual OWP-CWA workplans and budget, ii quarterly produced physical and financial reports</p> <p>Fiduciary (financial management and procurement) oversight following applicable World Bank policies and procedures</p> <p>Social and environmental oversight following applicable World Bank policies and procedures</p> <p>Abide by CWA Development Partner code of conduct as outlined in the POM</p> <p>Share relevant bilateral initiatives and promote complementarities and coordination to facilitate implementation and knowledge sharing with CWA activities</p>
Regional	<p>Regional WASH Steering Committee</p> <p>Composition:</p> <p><u>Chair:</u> Water Bureau Heads or other officials assigned by the regional president</p> <p>Members: Bureau Heads of:</p> <p>Water Health, Education Finance &amp;Economic Development Women, Children and Youth affairs</p> <p>Secretary: Chair of RWTT or RWCO coordinator</p>	<p><u>Role:</u></p> <p>Provides guidance and governance to OWP CWA on behalf of the Regional State Council</p> <p><u>Responsibility:</u></p>



Level	Institution /Body	Roles and Responsibilities
	<p>Reports to: Regional State Council</p> <p>Meets: Quarterly</p>	<p>Provides guidance and governance for the OOWNP CWA on behalf of the Regional State Council;</p> <p>Delegates Program management responsibilities to the Regional WASH Technical Teams</p> <p>Reviews and endorses regional consolidated strategic and Annual WASH Plans</p> <p>Communicates and informs state council and regional president on approved plans and progress on biannual basis</p> <p>Review and approve list of Woredas/towns to be covered by the Program as per the selection criteria outlined in this POM</p> <p>Review and endorse regional OOWNP CWA budget allocation among sectors and Woredas/towns. Where necessary the RWSC may reallocate budget where necessary upon approval from NWSC. Ensure organization of regional WASH Annual Review Meeting (WARM) and follow up on the implementation of undertakings;</p> <p>Oversees the proper functioning of the M&amp;E of the OOWNP at regional level</p> <p>Fosters relationships with, and elicit support from, external and civil society development partners;</p> <p>Accountable to the Regional State Council and partner agencies for the achievement of expected WASH results</p> <p>Ensures the establishment and functioning of WASH structures in the region</p>
Woreda	<p>Woreda WASH Steering Committee/Woreda Cabinet</p> <p>Meets: During its regular session at least on a Monthly basis to discusses OOWNP/CWA.</p>	<p><u>Role:</u></p> <p>Provides advocacy and guidance for the implementation of the OOWNP CWA.</p> <p><u>Responsibility:</u></p>

Level	Institution /Body	Roles and Responsibilities
		<p>Review and approve Woreda WASH Strategic and Annual Plans,</p> <p>Negotiates WASH targets and resource allocations with the RWTT</p> <p>Ensure fair access to WASH services between Kebeles and communities.</p> <p>Provides WWT with planning and budgeting parameters</p> <p>Endorses WWT requests for funds</p> <p>Assigns personnel to the Woreda WASH Team and selects Team Head;</p> <p>Ensures timely, efficient and effective logistical, administrative and financial support to the WWT</p> <p>Appraises the performance of the WWT, the WASH Coordinator and the WSTs based on results against plans and budget</p> <p>Ensure that Program activities, strategies and results are monitored, evaluated and reported within the WASH framework and systems.</p>
Town/City	<p>Town/City WASH Steering Committee (Town Cabinet)</p> <p>Meets: During its regular session at least on a quarterly basis discusses OWNPNP.</p>	<p><u>Role:</u></p> <p>Provides advocacy and guidance for the implementation of the OWNPNP.</p> <p><u>Responsibility:</u></p> <p>Negotiates WASH targets and resource allocations with the RWTT</p> <p>Provides T/CWT with planning and budgeting parameters</p> <p>Endorses T/CWT requests for funds</p> <p>Assigns personnel to the town/city WASH Team and selects Team Head.</p> <p>Appoints the town/city WASH Coordinator and the town/city WASH accountant</p> <p>Ensures timely, efficient and effective logistical, administrative and financial support to the T/CWT</p> <p>Appraises the performance of the T/CWT, the WASH Coordinator and the WASH accountant based on results against plans and budget</p>

## 5.2.2 Oversight & Management

157. To provide OWP overall oversight and management the following bodies have been established at different levels to play the following listed roles and responsibilities.

**Table 5-2 Institutional Arrangement for Oversight and Management**

Level	Institution /Body	Roles and Responsibilities
Federal	<p>National WASH Technical Team</p> <p><b>Composition:</b></p> <p><b>Chair:</b> Commissioner for the WDC</p> <p><b>Members:</b> Directors assigned by their respective Ministries:</p> <ul style="list-style-type: none"> <li>▪ Health</li> <li>▪ Education</li> <li>▪ Finance</li> <li>▪ Women, Youth and Children Affairs</li> <li>▪ National WASH coordinator</li> <li>▪ Representative from river basin authority</li> </ul> <p><b>Secretary:</b> National WASH Coordinator</p> <p><b>Meets:</b> Monthly</p>	<p><b>Role:</b></p> <p>Provides OWP managerial oversight and management and is directly accountable to the Steering Committee for WASH performance against plans, budgets and expected results.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Establish an OWP Management Unit (WPMU) and designate a WASH focal person to liaise between the WPMU and the National Coordination Office (NWCO)</li> <li>• Facilitates inter-ministry communication and cooperation</li> <li>• review mid-year performances and recommend for adjustment to the plans and budget</li> <li>• Reviews one WASH and Annual Consolidated Plan for NWSC approval</li> <li>• Oversee implementation and make strategic decisions as necessary on implementation</li> <li>• Negotiates allocation of targets and resources with the Regions</li> <li>• Analyzes and provides direction on financial and monitoring reports</li> <li>• Reviews and makes recommendations on semi-annual OWP Review Reports,</li> <li>• Supervises and supports the National WASH Coordination Office</li> <li>• Establishes and assigns responsibilities to task groups as required</li> <li>• Convenes Multi Stakeholder Forums and Joint Technical Reviews</li> <li>• Liaises with donors and seek Program support</li> <li>• Chair serves as the secretariat for the NWSC</li> </ul>
Regional	<p>Regional WASH Technical Team</p> <p><b>Composition:</b></p> <p><b>Chair:</b> Process owner/Director or assigned representative from Water Bureaus;</p>	<p><b>Role:</b></p> <p>Provides direct oversight and direction for the planning and implementation of the Regional OWP</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Negotiates allocation of targets and resources up with NWTT and down with Woredas and towns</li> </ul>

Level	Institution /Body	Roles and Responsibilities
	<p><b>Members:</b> Mus heads /Directors/process owners assigned by their respective Bureaus: Health, Education Finance Women, Youth and Children Affairs Regional WASH coordinator</p> <p><b>Secretary:</b> Regional WASH coordinator</p> <p><b>Meets:</b> monthly</p>	<ul style="list-style-type: none"> <li>• Reviews and recommends Regional one WASH plans, and annual consolidated Regional WASH plan and budget to the Regional WASH Steering Committee;</li> <li>• Reviews consolidated physical, financial and M&amp;E reports (from Regional WASH Coordination Office) and provides RWSC with analysis and recommendations;</li> <li>• Selects, supervises and supports the Regional WASH Coordination Office (RWCO).</li> <li>• Chair serves as secretariat to the RWSC.</li> </ul>

### 5.2.3 Program Implementation

158. Institutions roles and responsibilities for the implementation of OWNP at different levels are as listed below. Zonal structures for ONWP CWA II implementation are established only in regions where there are at least 5 woredas being supported from one zone.

**Table 5-3 Roles and Responsibilities of WASH Implementing Institutions**

Level	Institution	Roles and responsibilities
Federal	<p>Ministry of Finance: MoF Channel One Programs Coordination Unit (COPCU) will assign a coordinator and senior accountant who will closely monitor, evaluate and support OWNP CWA in planning, implementation and reporting of FM activities. The coordinator will be a member of the National WASH Technical Team (NWTT)</p>	<p><b>Role:</b> Ensure that federal and regional PMUs have the directions, information, systems, skills and resources necessary to carry out the OWNP-CWA implementation.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Opens foreign currency accounts for Development Partners and request and receives funds.</li> <li>• Opens a pooled Birr account and transfers Development Partners' funds into a Consolidated WASH Account.</li> <li>• Transfers funds, based on approved plans, budgets and quarterly IFRs to BoFs and WASH Ministries (health, education, water and finance) and WDC.</li> <li>• Transfer foreign currency to special accounts opened by the WASH ministries as required;</li> <li>• Ensure that Program FM requirements are adhered in WASH ministries, regions and Program Woredas and towns in accordance with the POM</li> <li>• Ensure that there is adequate capacity both at MoF and implementing agencies to enable the timely</li> </ul>

Level	Institution	Roles and responsibilities
		<p>submission of financial reports as per the reporting format provided in this POM.</p> <ul style="list-style-type: none"> <li>• Undertake timely external financial and follow up to guarantee procurement audits of the OWPNP- CWA are carried out on annual basis by independent auditors and share reports, management letters, plan of action on the audit recommendations within six months after the end of the fiscal year.</li> <li>• Ensure timely submission of financial report from federal WASH implementing agencies and BoFs disaggregated by Program components and sectors and quarterly IFR on the financial statements of the OWPNP-CWA;</li> <li>• Ensure that fund transfer and replenishment to federal implementing agencies, NWCO, BDA (through WDC) and BoFs are based on plans and budgets approved by the NWSC and the actual utilization of funds and documentation of expenditures</li> <li>• Ensure proper transfer of OWPNP-CWA fund, its utilization and timely reporting as well as documentation of expenditures.</li> <li>• Ensure that OWPNP-CWA funds are allocated to regions based on national/house of federation block grant formulas.</li> <li>• Participate in the preparation of consolidated OWPNP-CWA Program plan, annual action plan and budgets;</li> <li>• Recruit in coordination with OFAG external auditor as per the TOR in the POM and ensure the Program financial statements are audited by an external auditor.</li> <li>• Direct and follow up with all implementing entities' that internal auditors conduct internal audits;</li> <li>• Ensure that actual performance is in line with approved plan and budgets and any material deviations are adequately explained.</li> <li>• Follow up and support and take remedial actions for Regions and implementing agencies that are not using resources effectively or documenting expenditures in a timely manner.</li> <li>• Collect reports from regions and federal level implementing entities and consolidate and prepare a</li> </ul>

Level	Institution	Roles and responsibilities
		<p>Program wide financial statements/reports on a quarterly basis and as required by stake holders.</p> <ul style="list-style-type: none"> <li>• Coordinate and lead FM capacity building trainings regularly to regional BOFs and federal PMUs.</li> <li>• Assist regions to identify their financial management gaps and provide them technical assistance to fill the gap;</li> <li>• Ensure that Program FM requirements are adhered in WASH sectors, Program Woredas and towns within the region in accordance with the POM</li> <li>• Utilize the WARM for sharing information, progress reports and best practices with respect to FM of the OOWNP-CWA.</li> </ul>
Federal	<p><b>1. Water Development Commission</b></p> <p><b>2. Ministry of Health, and</b></p> <p><b>3. Ministry of Education</b></p> <p>will establish Program Management Units (PMUs)</p> <p><b>Composition:</b> The size, structure and composition of each of the PMUs will vary depending on the volume and scope of their respective assignment in implementation of OOWNP-CWA. The PMUs will be housed in their respective ministries.</p> <p>Fully dedicated PMU staffs could be assigned from regular staffs or hired as contract staff or full-time consultants.</p>	<p><b>Role:</b></p> <p>Ensure that Regional sector PMUs, Woreda and TOWN Sector Offices have the directions, information, systems, skills and resources necessary to carry out their WASH mandate and achieve expected Program results.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Opens a Birr account to receive fund from MoF for Program implementation.</li> <li>• Ensures that adequate internal controls are in place and adhered to including budget discipline.</li> <li>• Reports on use of WASH funds to MoF.</li> <li>• Ensures timely replenishment of the Consolidated WASH Account</li> <li>• Prepare and submit to the NWCO an annual workplans and Plan of Actions that outline activities for each sector.</li> <li>• Review quarterly, semi-annual and annual reports and budget follow up of their respective Ministries and regional line Bureaus.</li> <li>• Advise and assist respective Bureaus in the establishment of appropriate WASH structures at the Regional and Woreda level.</li> <li>• WDC allocate financing for regional CR WASH based on prioritized CR woredas</li> <li>• Ensure establishment and staffing of regional Program management units in all sector bureaus.</li> <li>• For key staff at federal and regional PMUs, prepare ToR and ensure selected candidate meets requirements. In the event of change in personnel, carry out review to</li> </ul>

Level	Institution	Roles and responsibilities
		<p>ensure adequate capacity is in place to fulfill Program management needs.</p> <ul style="list-style-type: none"> <li>• Assists the Regional sector bureaus identify their Program gaps and management deficits and provides them with the technical assistance or the capacity development they require.</li> <li>• Carry out annual independent procurement audit for all Program activities to be submitted no later than 6 months after the end of the fiscal year.</li> <li>• Builds linkages with and among the Regional sectors - sharing information, progress reports and best practices.</li> <li>• Demonstrates and fosters the integration and harmonization of the OWP.</li> <li>• Build linkages with and among regional sectors - share information, progress reports and best practices.</li> <li>• Ministry of Water, Irrigation and Energy specifically provides office with adequate space, office furniture, office supplies, and other facilities to National WASH Coordination Office. In the future, this arrangement may be changed based on the decision of the SC.</li> <li>• Water Resource Commission plays a leading role in establishing, strengthening and regulating supply chain system that enables the sustained use of WASH facilities.</li> <li>• Ministry of Health play a leading role in monitoring water quality, setting standards and guideline for hygiene education, on site sanitation facilities, health institution WASH</li> <li>• Ministry of Education ensures provision of full package WASH facilities in schools.</li> </ul>

Level	Institution	Roles and responsibilities
	Water Resource Development Fund	<p><b>Role:</b> Coordinate and monitor the Federal Government’s on-lending Program for urban WSS sub-projects.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Responsible for appraisal of on lending Urban WASH projects for medium towns proposed by the regions</li> <li>• conduct final appraisal of project proposals and monitor implementation.</li> <li>• Checks to confirm compliance of participating cities with the requirement of the appraisal criteria prior to signing on-lending agreement for construction of water supply systems.</li> <li>• Release funds to Cities Water Boards based on appraised projects and agreed financing schedule and upon submission of acceptable SOE and supporting documents based on payment advice from Regional OWRP.</li> <li>• Prepare consolidated project financial statements and ensure timely documentation of expenditures from regional water bureaus and selected towns.</li> <li>• Submit audited financial statements no later than six months after the close of each fiscal year to the WDC.</li> </ul> <p>Ensure that towns are providing regular progress reports (including: resource-loaded schedule, physical progress, financial progress, environmental and social mitigation measures action plan etc.)</p>
Regional	Bureau of Finance	<p><b>Role:</b></p> <p>Ensure that Woreda Sector Offices and Town Water Boards have the directions, information, systems, skills and resources necessary to carry out their WASH mandate and achieve expected Program results.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Opens a Birr account and transfers funds, based on approved plans, budgets and reports, to special accounts (WoF and ToFS.</li> <li>• Ensure that Program FM requirements are adhered in WASH sectors, Program Woredas and towns within the region in accordance with the POM</li> <li>• Prepares quarterly IFR reports and submit to RWSC, MoF and Regional Sector Bureaus</li> <li>• Ensure that actual performance is in line with budgets and any material deviations are adequately explained.</li> </ul>



Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>• Ensures timely replenishment of the Consolidated WASH Account and fund disbursement to regional implementing agencies (BoW, BoH, BoE, BoF, RWCO through RWB), WoFs, ToFs and Zones if applicable.</li> <li>• Ensure that funds transferred to regional implementing agencies, Woreda and Town/Cities are based on plans and budgets approved by the RWSC and the actual utilization of funds and documentation of expenditures</li> <li>• Follow-up and support for proper utilization of resource and timely reporting and documentation of expenditures.</li> <li>• Ensure timely submission of financial report from regional WASH implementing agencies, Woredas and towns/cities disaggregated by Program components and sectors.</li> <li>• Participate during preparation of consolidated Regional WASH plans and budgets.</li> <li>• Ensure that Program activities, strategies and results are monitored, evaluated and reported within the WASH framework and systems.</li> <li>• Facilitate Regional Program financial audit by external auditors if required.</li> <li>• Direct and follow up all implementing entities within its respective region that internal auditors conduct internal audits;</li> <li>• Play an overall and overarching role of ensuring that actual performance is in line with budgets and any material deviations are explained.</li> <li>• Fund management including querying and follow up of all implementing entities within the regions, towns and Woredas that are not using resources for a long period of time to utilize the resource and account for.</li> <li>• Collect reports from regional, Woreda and town level implementing entities and consolidate and prepare a Program wide financial statements/reports on a regular basis and as required by stake holders.</li> <li>• Play supervisory and support roles of ensuring that the government rules and regulations are adhered at region level regarding accounting, internal control, treasury management, etc. including regular monitoring and evaluation and supervisory trips to entities as necessary to ensure that all is in order.</li> </ul>

Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>• Coordinate and lead FM capacity building trainings regularly to WOFs and TOFs</li> <li>• Assist Woredas, zones (if applicable) and towns/cities to identify their financial management gaps and provides them with the technical assistance or the capacity development they require.</li> <li>• Build linkages with and among Woredas and among towns/cities – sharing information, progress reports and best practices.</li> </ul>
Regional	<p>1. Bureau of Water 2. Bureau of Health, and 3. Bureau of Education</p> <p>Each of the three Bureaus will establish a One WASH Regional Program Management Unit (RPMU) within an appropriate Department.</p> <p><b>Composition</b></p> <p>A Unit Head will be appointed for each Unit. Duties will include serving as the focal person for their Bureau in the Regional WASH Coordination Office.</p> <p>The size, structure and composition of each of the Units will vary from Bureau to Bureau depending on the magnitude and nature of the Bureau's input to the OWP. The Units will be in their respective Bureaus.</p> <p>Unit members and support staff may be regular or contract staff. The latter will be paid from OWP funds. Unit members, whether regular or contract, will be assigned to the Unit on a fulltime basis.</p> <p>The Units will be an integral part of their departments and will draw upon the</p>	<p><b>Role:</b></p> <p>Ensures that the Town/city or Woreda WASH teams have the directions, information, systems, skills and resources necessary to carry out their WASH mandate and achieve expected Program results</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Implement OWP at regional level.</li> <li>• Prepare annual workplans and submit to RWTT for review and RWSC for endorsement</li> <li>• Prepare procurement plans based on approved workplans and ensure timely updating in event of changes to proposed activities in the procurement plan</li> <li>• Recruits or nominates key PMU personnel as per the ToRs prepared by the Federal PMUs. Curriculum Vitae of selected candidate must be shared with NWTT for endorsement.</li> <li>• In the event of change in key personnel, PMUs must notify in writing to NWTT of this change and communicate nomination of new candidate promptly to ensure continuity of Program implementation</li> <li>• Opens a Birr account to receive fund from MoF for Program implementation.</li> <li>• Ensures that adequate internal controls are in place and adhered to including budget discipline.</li> <li>• Reports on use of WASH funds to MoF.</li> <li>• Ensures timely replenishment of the Consolidated WASH Account</li> <li>• Monitors implementation of WASH Program of Woredas and towns.</li> <li>• Provides support to town and Woreda WASH implementers.</li> </ul>

Level	Institution	Roles and responsibilities
	expertise/services of other units within the department and Bureau on need basis.	<ul style="list-style-type: none"> <li>• Budget follow-up and report review of WASH Program of Woredas and towns.</li> <li>• Ensures that Program strategies, activities and results are monitored, evaluated and reported within the WASH framework and systems.</li> <li>• Ensures that WASH inputs and activities for communities, schools and other institutions are effectively implemented and integrated into the One WASH Regional Plan (OWRP) at town/city and Woreda levels. Assists Woredas or Towns/cities identify their Program gaps and management deficits and provides them with the technical assistance and/or capacity development they require</li> <li>• Procures goods and services on behalf of towns and Woredas when complexity or critical mass so require;</li> <li>9. Provide safeguards oversight and ensures that ESMF checklist is applied to all sub-projects prior to starting construction of any civil works</li> <li>• Builds linkages with and among Woredas and Town/City – sharing information, progress reports and best practices</li> <li>• Demonstrates and fosters the integration and harmonization of the OOWNP</li> <li>• Regional Health play a leading role in monitoring water quality, adopting and implementing standards and guideline for hygiene education, on site sanitation facilities, health institution WASH</li> <li>• Regional Education ensures provision of full package WASH facilities in schools.</li> </ul>
Woreda	Woreda Finance Office	<p><b>Role: Overall</b> Management for the Woreda WASH budget in accordance to the approved Woreda WASH plan.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Opens a Birr account at Woreda level</li> <li>• Ensure that Program fiduciary requirements are adhered at Woreda level in accordance with the POM (accounting, internal control, treasury management, Procurement etc.)</li> <li>• Prepares quarterly IFR reports on use of WASH funds to WWSC, BoF, Regional Sector Bureaus and Zones (where applicable)</li> <li>• Ensures timely replenishment of the Consolidated WASH Account</li> </ul>

Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>• Provide monthly update to the WWSC and WWT on transfer, utilization of WASH CWA funds and documentation of expenditures disaggregated by Program components and sectors.</li> <li>• Ensure timely disbursement and settlement of funds for Program activities.</li> <li>• Contribute to preparation of consolidated Woreda WASH plans and budgets.</li> <li>• Facilitate Woreda level Program financial audit by external auditors if required.</li> <li>• Ensure that actual performance is in line with budgets and any material deviations are adequately explained.</li> <li>• Fund management including querying and follow up of all implementing entities within the Woredas that are not using the resources for a long period of time to utilize the resource.</li> <li>•</li> </ul>
Woreda	<p><b>Woreda WASH Team</b></p> <p><b>Composition:</b></p> <p>The WWT where it is not established will be established by the WWSC and will be led by the Woreda administrator or assigned person by the Woreda administrator. The WWT will consist minimally, of the heads of Woreda Water, Health, Education and Finance Offices. WWT will be supported by contracted WSTs.</p>	<p><b>Role:</b></p> <ul style="list-style-type: none"> <li>• Coordinates the Sector Offices to OWNP CWA integrated planning and implementation including post construction support;</li> <li>• Implement the day-to-day activities of OWNP CWA in the Woreda and is accountable for the achievement of planned results;</li> </ul> <p><b>Responsibility:</b></p> <p>Select communities and institutions to be covered under the Program based on the selection criteria stated in this POM</p> <ul style="list-style-type: none"> <li>• Ensure all funds allocated for WASH is utilized for the intended purpose only.</li> <li>• Contracts/assign WSTs up on approval of the WWSC, and support and supervise their performance</li> <li>• Prepares consolidated Strategic and annual Woreda WASH plans and implement upon approval</li> <li>• Review and approval of monthly OWNP-CWA consolidated physical and financial reports and submission to the WWSC, respective regional sector offices and RWCO (where applicable to respective Zones) up on approval of the WWSC</li> <li>• Supporting WASHCOMs to become legal entities.</li> <li>• Nominate safeguard focal point to ensure all the application of the Environmental and Social Screening for</li> </ul>

Level	Institution	Roles and responsibilities
		<p>social and environmental safeguards before starting any construction of civil works.</p> <ul style="list-style-type: none"> <li>• Plan and ensure sustainability of WASH services in collaboration with appropriate sector offices.</li> </ul>
	Town/City Finance Office	<p><b>Role:</b>  <u>Overall</u> management of the town WASH budget in accordance to the approved Town WASH plan.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Opens a Birr account at town level</li> <li>• Ensures that adequate internal controls are in place and adhered to.</li> <li>• Reports on use of WASH funds to BoF and other stakeholders.</li> <li>• Ensures timely replenishment of the Consolidated WASH Account</li> <li>• Communicate with the Town Administrator and WASH team on WASH funds and provide periodical update on WASH fund disbursement and settlement.</li> <li>• Ensure timely disbursement and settlement of funds for Program activities.</li> <li>• Ensure towns and regional governments are providing counterpart financing on time.</li> <li>• Prepare financial report disaggregated for water supply, and hygiene and sanitation, institutional WASH, and Program management and capacity building.</li> <li>• Contribute to preparation of consolidated Town WASH plans and budgets.</li> <li>• Ensure that Program activities, strategies and results are monitored, evaluated and reported within the WASH framework and systems.</li> <li>• Recruit in coordination with BoF external auditor and ensure the Program financial statements are audited by the external auditor.</li> <li>• Direct and follow up all implementing entities within its respective town hat internal auditors conduct internal audits;</li> <li>• Play an overall and overarching role of ensuring that actual performance is in line with budgets and any material deviations are explained.</li> <li>• Fund management including querying and follow up of all implementing entities within the Woredas that are</li> </ul>

Level	Institution	Roles and responsibilities
		<p>not using the resources for a long period of time to utilize the resource.</p> <ul style="list-style-type: none"> <li>• Prepare a Program wide financial statements/reports on a regular basis and as required.</li> <li>• Play supervisory and support roles of ensuring that the government rules and regulations are adhered at town level regarding accounting, internal control, treasury management, etc.</li> </ul>
Town/City	<p>Town/City WASH Team</p> <p><b>Composition:</b> The T/CTT is established by the town/city administration and consists of mainly representative from the town/city administration, health and education desk personnel.</p>	<p><b>Role:</b> Plan and manage the overall WASH activities in the town/city.</p> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Assesses the proposal and extent and kind of need in terms WASH submitted to it by the T/CTT.</li> <li>• Set town/city goal in terms of WASH intervention.</li> <li>• Prepare Town WASH Business Plan that outlines current and future water supply and sanitation demands and obtain approval from Town Board.</li> <li>• Apply for grants and loans for development of WASH when necessary.</li> <li>• Actively participate in the technical assistance provided for the preparation of Program proposal and capacity building particularly in the improvement of water supply and/or liquid waste management services.</li> <li>• Contract and manage consultants, contractors and suppliers for the improvement of water supply and/or liquid waste management services.</li> <li>• Carry out adequate consultation with all stakeholders (including community members, board members, other beneficiaries of proposed infrastructure development, etc.)</li> <li>• Ensure adequate Environmental and Social Screening for proposed water supply and sanitation infrastructure. Follow up on mitigation measures to address identified social and environmental issues prior to starting civil works</li> <li>• Report in case of loan to WRDF on improvement of water supply and/or liquid waste management services implementation in the case of medium-sized towns.</li> <li>• Contract and oversee utility operator, monitor and evaluate and report to city administration.</li> </ul>

Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>• Reviews and recommends town/city WASH plans (UAP and Annual Consolidated WASH Plan) for inclusion in the Town Development Plan</li> <li>• Reviews and provides comment on the consolidated financial, physical and M&amp;E reports.</li> <li>• Budget follow up and report review of WASH Program at town level.</li> </ul>
Town/City	Town City Water Board	<p>Role:</p> <p>Plan and manage the overall water supply activities in the town/city.</p> <p><u>Responsibilities:</u></p> <p>Assesses the proposal and extent and kind of need in terms water supply and fecal sludge management system improvement submitted to it by the T/CTT.</p> <p>Set town/city goal in terms of water supply and fecal sludge management system improvement intervention.</p> <p>Determine and decide on the kind of water supply and fecal sludge management system improvement intervention proposed by the T/CTT and WSSE in the town.</p> <p>Apply for grants and loans for development of water supply and fecal sludge management system improvement when necessary.</p> <p>Actively participate in the technical assistance provided for the preparation of Program and capacity building particularly in the improvement of water supply and/or liquid waste management services.</p> <p>Ensure provision of land for proposed infrastructure. In event of voluntary land donation and resettlement, review and approve plans for documentation and compensation as per the applicable Resettlement Policy Framework guidelines.</p> <p>Contract and manage consultants, contractors and suppliers for the improvement of water supply and/or liquid waste management services.</p> <p>Report in case of loan to WRDF on improvement of water supply and/or liquid waste management services implementation.</p> <p>Contract and oversee utility operator, monitor and evaluate and report to city administration.</p> <p>Budget follow up and report review of WASH Program at utility/enterprise level</p>

Level	Institution	Roles and responsibilities
Town/City	<p>Water Supply and Sewerage Service Enterprise or Authority</p> <p><b>Composition:</b></p> <p>The WSSU is an existing institution that is responsible for day-to-day operation and management of water supply systems and Fecal sludge (from containment to safe disposal) management (FSM) systems.</p>	<p><b>Role:</b></p> <ul style="list-style-type: none"> <li>• Provide clear and adequate water service to the residents, institutions and commercial centers using the revenue it generates from different sources.</li> <li>• Manages and regulate liquid waste generated in the town/city by residents, institutions and commercial centers.</li> </ul> <p><b>Responsibilities:</b></p> <p>Operate, maintain and manage day to day water supply systems and Fecal sludge (from containment to safe disposal) management systems.</p> <ul style="list-style-type: none"> <li>• Provide water supply and FSM services to residents, commercial and institutional centers.</li> <li>• Collect and manage as per the tariff, and other revenues of water and FSM services</li> <li>• Construction and management of public and communal latrines in public and Low-Income areas</li> <li>• Coordinate with the town health office on promoting construction and rehabilitation of HH improved latrines and behavioral change campaigns. Produce and report to the T/CWB on the performance.</li> <li>• Responsible for the overall technical, commercial/customer service and financial and administrative aspects of the utility.</li> <li>• Opens a Birr account to receive fund from Woreda or Town OFED for Program implementation.</li> <li>• Ensures that adequate internal controls are in place and adhered to including budget discipline.</li> <li>• Reports on use of WASH funds to BoF.</li> <li>• Ensures timely replenishment of the Consolidated WASH Account</li> </ul>
Sub city/ Keble	<p>Sub City or Kebele Development Committee (Sc/KDC)</p> <p><b>Composition:</b></p> <p>The Sc/KDC is an existing institution that would be engaged in WASH activities that would take place in its respective Sub-city or Kebele.</p>	<p><b>Role:</b></p> <p>Plan and manage the WASH activities in low income areas, school and health institutions</p> <p><b>Responsibilities:</b></p> <ul style="list-style-type: none"> <li>• Identify communities that will receive financing</li> <li>• Identify intervention in school and health institutions.</li> <li>• Engage in promotion of hygiene promotion in its respective Sub-city/Kebele.</li> <li>• Inform and provide assistance to beneficiary communities.</li> </ul>



Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>Monitors the WASH implementation in community WASH services and institutions.</li> </ul>
Community	WASHCOMs (health extension workers to provide oversight and support to WASHCOM)	<p><b><u>Role:</u></b> Responsible for Program implementation and with the community plan, implement and manage their facilities</p> <p><b><u>Responsibility</u></b></p> <ul style="list-style-type: none"> <li>Identifying needs, planning, designing and implementing the village/small towns Program proposal;</li> <li>Ensuring that all members of the community, especially women, actively participate in decision-making;</li> <li>Ensuring proper financial management;</li> <li>Procurement of hand pumps, spare parts, works and services on behalf of communities;</li> <li>Supervision of CP/WP and construction (with the help of a check-list provided by the WWT);</li> <li>Suspend construction or activities that are not satisfactory with the assistance of the WWT;</li> <li>Enter into agreement with WWT and service providers;</li> <li>Where appropriate, make revisions in consultation with its members and WWT;</li> <li>Keep an up-dated registration of members of user community with basic data;</li> <li>Ensure that the rights and obligations of members are correctly observed;</li> <li>Ensure that members gain opportunities of training regarding sanitation and the protection of the water source and related works;</li> <li>Prepare community water supply and sanitation proposal (facility management plan);</li> <li>Call the meetings of the General Assembly and report about the finances and activities of the WASHCOM;</li> <li>Employ, administer and supervise such staff as may be found necessary for the day-to-day management of the system and release the same where necessary;</li> <li>Report to KDC/ WWT and user community;</li> <li>Facilitate hygiene education within the community;</li> <li>Facilitate promotion works to be carried out in the community in collaboration with the HEWs.</li> </ul>
<b><u>Contracted Program implementation support</u></b>		
WST	<b>Woreda Support Team (WST)</b> <b>Composition:</b>	<b><u>Role:</u></b>

Level	Institution	Roles and responsibilities
	<p>WSTs will be contracted/assigned by WWSCs, to support WWTs in the process of planning implementation and follow-up of the Program including community facilitation activities. The WSTs led by the contracted coordinator who will report to the chair of WWTs. The WST will include the following full time assigned staffs</p> <ul style="list-style-type: none"> <li>▪ The Coordinator/Water supply expert (Contracted)</li> <li>▪ Accountant/clerk (Assigned from Finance office)</li> <li>▪ Community Facilitators (Assigned from water office)</li> <li>▪ Hygiene and Sanitation expert (assigned from Health Office)</li> </ul>	<ul style="list-style-type: none"> <li>• Provide overall assistance and support to the WWT during planning and implementation of OWNP CWA Program;</li> </ul> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Preparation of consolidated Strategic, 5-year CWA plan and annual Woreda WASH plans in consultation with WWSC/WWT</li> <li>• Assist WWTs in prioritizing communities and institutions (schools and health post/centers) to be covered under the Program</li> <li>• Prepare and submit monthly OWNP-CWA consolidated physical and financial (IFR) reports to the WWSC/WWTs,</li> <li>• Budget follow up of WASH Program at Woreda level</li> <li>• Train, assist and closely work with WWTs to establish reliable database for WASH, update annual WASH Inventory data and maintains Woreda database/information system</li> <li>• Conduct community Facilitations during planning and implementation of the Program</li> <li>• Work closely with assigned Environmental Health Workers and Development Agents in the Woreda to improve sanitation and hygiene practices including construction of HH sanitation facilities.</li> <li>• Ensure integration of water supply interventions with sanitation and hygiene at community level</li> <li>• Work closely with assigned safeguard focal person of the Woreda and ensure the application of the compliance with Environmental and Social Management framework of the Program before starting any construction of civil works.</li> <li>• Actively support WWTs in the implementation of BCC campaigns and sanitation marketing interventions.</li> <li>• Support WWTs during the establishment, training, equipping and engagement of a viable supply chain.</li> <li>• Plan and ensure sustainability of WASH services in collaboration with appropriate sector offices.</li> </ul> <p>Ensure that WASHCOMs are established, trained, have bylaws and care takers are assigned, trained and equipped with the necessary maintenance tools</p>
WWC	The WWC will be contracted by and accountable to the regional	Roles and responsibilities:

Level	Institution	Roles and responsibilities
	<p>Water Bureaus. One WWC will provide services to a cluster of Woredas, typically five to six Woredas at a time depending on their proximity to each other and their accessibility. The scope of the WWC services to a specific Woreda may vary depending upon the existing capacity and specific need of that Woreda. These requirements will be determined through an assessment undertaken by the WWSC/WWT in consultation with regional sector Bureaus. WWCs shall comprise the following professionals</p> <p>Water supply Engineer Hydro geologist Planning, Management and community development specialist, Sanitation and Hygiene specialist, and Other short-term specialists</p>	<ul style="list-style-type: none"> <li>• Support WWTs in the preparation of Woreda WASH CWA Strategic Plan.</li> <li>• Develop training manuals and conduct trainings in planning, implementation, Operation, and maintenance (O&amp;M) of WASH facilities for WWSCs WWTs and WSTs.</li> <li>• Conduct Study, design and tender document preparation for prioritized water supply and sanitation facilities.</li> <li>• Identification of affordable and cost-effective water supply technologies and assist in resource mapping for the implementation of the facilities</li> <li>• Site selection of water supply schemes to be constructed for each community and institutions (schools and health posts/centers).</li> <li>• Assessment and recommendation of feasible alternative renewable energy sources (solar/wind/etc.) for water supply schemes (including detail design</li> <li>• Carry out surface and ground water (deep/shallow wells) assessment and hydrological investigation including site selection</li> <li>• Conduct construction supervision during infrastructure development</li> <li>• Preparation /adoption of O&amp;M manuals</li> </ul>
TWC	<p>The TWC will be contracted by and accountable to the regional Water Bureaus. One TWC will provide services to a cluster of towns, typically five to six towns at a time depending on their proximity to each other and their accessibility. The scope of the TWC services to a specific town may vary depending upon the existing capacity and specific need of that town. These requirements will be determined through an assessment undertaken by the</p>	<p>Roles and responsibilities:</p>

Level	Institution	Roles and responsibilities
	<p>regional sector Bureaus in consultation with the town Water board/utility. TWCs shall comprise the following professionals</p> <p>Water supply Engineer Hydro geologist Structural engineer Sanitation Engineer Financial and Business Plan Expert and Other short-term specialists</p>	<p>Conduct town water supply and sanitation baseline assessment</p> <p>Conduct water supply and sanitation pre-feasibility study and identify potential immediate service improvement interventions</p> <p>Identify operational efficiency (billing and collection, asset management, accounting and FM, Customer service, MIS, NRW HR management etc.) improvement areas of the utility</p> <p>Carry out surface and ground water assessment and geotechnical and hydrological investigation including site selection</p> <p>Preparation of feasibility study and detail design for town water supply system and sanitation facilities including FSM systems.</p> <p>Preparation of specification and tender document for selected WSS infrastructure developments</p> <p>Conduct institutional capacity and gap assessment, develop capacity building Program and provide training to Town water boards and utilities</p> <p>Development/updating of Water Supply and sanitation business plan for the town</p> <p>Develop affordable tariff strictures to ensure gradual cost recovery</p> <p>Preparation of City-wide inclusive sanitation plan for the town</p> <p>Develop Performance based management agreement between Utilities and water boards</p> <p>Assist Water utilities/Water boards in identification of affordable and cost-effective water supply and sanitation technologies and assist in resource mapping for the implementation of the facilities</p>

#### 5.2.4 Program Coordination

Institutions roles and responsibilities for the Program coordination of OWP at different levels are as listed below on Table 2.5.

**Table 5-4 Institutions roles and responsibilities for the Program coordination of OWP**

Level	Institution	Roles and responsibilities
Federal	<p>National WASH Coordination Office</p> <p><b>Composition:</b></p>	<p><b>Role:</b></p> <ul style="list-style-type: none"> <li>Facilitate NWTT meeting</li> <li>Provides the NWTT with information and analyses required for strategic management decisions;</li> </ul>

Level	Institution	Roles and responsibilities
	<ul style="list-style-type: none"> <li>▪ Coordinator from each implementing ministries</li> <li>▪ Professional staff contracted to implement day-to-day activities</li> </ul> <p>The NWCO team will have combined expertise in:</p> <p>Planning and Budgeting Financial Management Communications Gender inclusive specialist and Information Systems Management Hygiene and Sanitation Rural &amp; Urban Water Supply</p> <p>All professional positions, other than ministry representatives, will be contract positions filled through a competitive process. The NWTT will approve final selection.</p> <p>The NWCO Coordinator will report directly to the Chair of the NWTT.</p> <p>All NWCO members will have specific job descriptions and will report to the Coordinator. The performance of each will be regularly appraised based on results achieved.</p> <p>The NWCO will be housed in one of the partner ministries to be selected by the NWTT</p>	<ul style="list-style-type: none"> <li>• Facilitates coordination among the three Program Management Units and MoF</li> <li>• Maintains WASH management systems</li> </ul> <p><b><u>Responsibility:</u></b></p> <ul style="list-style-type: none"> <li>• Assists the regions in preparing and implementing WASH MoUs appropriate to their respective contexts</li> <li>• Supports the establishment of Regional WASH Coordination Offices in all Regional States and ensures their proper functioning.</li> <li>• Preparation of budget allocation among regions based on block grant formula and federal Implementing Agencies (IAs) and submit for approval to the NWSC. Once approved in collaboration with MoF timely notify regions and federal as on the amount of their annual and Program budget.</li> <li>• Provides continuous support to the Regional WASH Sector Bureaus and Regional WASH Coordination Offices in planning and implementing the OWNP</li> <li>• Prepares and recommends to NWTT consolidated Strategic and Annual Workplans for the allocation of fund based on a clear and transparent needs-based planning criterion that prioritize areas of great interest</li> <li>• Prepare and submit a consolidated physical and financial report on a quarterly basis to the NWTT</li> <li>• Designs and implements a National Capacity Building Program – including preparation of manuals, guidelines and generic training materials</li> <li>• Design, implement manage a systematic tool for quality and timely reporting of physical and financial Progress of CWA</li> <li>• Makes recommendations to the NWTT on strategies and implementation arrangements based on the analysis of M&amp;E reports and other data</li> <li>• Organizes JTR, MSF and other meetings in collaboration with development partners</li> <li>• Organize WASH Annual Review Meetings in collaboration with Federal WASH sector PMUs and DPs</li> <li>• Ensures regions have consolidated WASH plans</li> <li>• Convene meetings of RWCO staff and WASH focal persons</li> </ul>

Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>• Facilitates experience-sharing within and outside the country</li> <li>• Maintains national WASH management systems and records</li> <li>• Promotes and facilitate national networks among WASH actors'</li> <li>• Conduct monthly progress review meeting among WASH sector PMUs</li> </ul>
Regional	<p><b>Regional WASH Coordination office</b></p> <p><b>Composition:</b> The RWCO staff will consist of a manager (Regional WASH Coordinator) and a team of professionals with administrative support. The RWCO coordinator will report directly to the Head of the Technical Team.</p> <p>RWCO members have specific job descriptions, will report to the Manager and their performance will be appraised based on results.</p> <p>The size and composition of the Regional Coordinating Office will vary in each Region relative to the magnitude of the Program and other factors such as distances and population density and diversity. However, whatever the size of the RWCO, it is essential that it have a core of expertise in financial management, procurement and monitoring &amp; evaluation.</p>	<p><b>Role:</b></p> <ul style="list-style-type: none"> <li>• Facilitate RWTT meeting</li> <li>• Provides the RWTT with information and analyses required for strategic management decisions;</li> <li>• Planning and budgeting and consolidating reports</li> <li>• Facilitates coordination among the three Program Management Units;</li> <li>• Maintains WASH management systems.</li> </ul> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Assists Woredas in implementing WASH MoUs appropriate to their respective contexts</li> <li>• Supports the establishment of WWT in all Woredas and ensures their proper functioning.</li> <li>• Provides support to PMUs for education, health and water sectors in consolidation of plans and monitoring</li> <li>• Provides continuous support to the WWT in planning and implementing the OWNP</li> <li>• Consolidates and recommends to RWTT the Strategic and Annual Workplans, budget and obtain approval from RWSC. In collaboration with BoF timely notify Woredas/towns and regional bureaus the amount of their annual and Program budget.</li> <li>• Consolidate and recommends to RWTT the quarter physical and financial progress report of CWA</li> <li>• Designs and implements a Regional Capacity Building Program – including preparation of manuals, guidelines and generic training materials</li> <li>• Organize WASH annual review meetings in collaboration with regional sector bureaus</li> <li>• Ensures Woredas have consolidated WASH plans</li> <li>• Facilitates experience-sharing within and outside the region</li> </ul>

Level	Institution	Roles and responsibilities
		<ul style="list-style-type: none"> <li>• Maintains regional WASH management systems and records</li> <li>• Promotes and facilitated regional networks among WASH actors</li> <li>• Conduct monthly progress review meeting among WASH Bureau PMUs</li> </ul>
Zonal	<p><b>Zonal WASH Coordination office</b></p> <p><b>Composition:</b> The ZWCO staff will consist of a manager (Zonal WASH Coordinator) and a team of professionals with administrative support. The ZWCO Manager will report directly to the Head of the Technical Team. ZWCO members have specific job descriptions, will report to the Manager and their performance will be appraised based on results. The size and composition of the Zonal Coordinating Office will vary in each Zone relative to the magnitude of the Program and other factors such as distances and population density and diversity. However, whatever the size of the ZWCO it is essential that it have a core of expertise in financial management, procurement and monitoring &amp; evaluation. The zonal structure will have combined coordination and implementation functions where needed.</p>	<p><b>Role:</b></p> <ul style="list-style-type: none"> <li>• Provides the ZWTT with information and analyses required for strategic management decisions;</li> <li>• Facilitates coordination among the three Program Management Units;</li> <li>• Provides implementation support to Woreda WASH Teams</li> <li>• Maintains WASH management systems.</li> </ul> <p><b>Responsibility:</b></p> <ul style="list-style-type: none"> <li>• Assists Woredas in implementing WASH MoUs appropriate to their respective contexts</li> <li>• Supports the establishment of WWT in all Woredas and ensures their proper functioning</li> <li>• Provides continuous support to the WWT in planning and implementing the OWP</li> <li>• Prepares and recommends to ZWTT consolidated Strategic and Annual Workplans</li> <li>• Designs and implements a Zonal Capacity Building Program – including preparation of manuals, guidelines and generic training materials</li> <li>• Ensures Woredas have consolidated WASH plans</li> <li>• Facilitates experience-sharing within and outside the region</li> <li>• Maintains regional WASH management systems and records</li> <li>• Promotes and facilitate regional networks among WASH actors</li> </ul>

## 6 FINANCIAL MANAGEMENT AND DISBURSEMENT

### 6.1 General

160. To achieve the ONWP CWA Phase 2 targets, effective institutional arrangements and procedures need to be in place to ensure the smooth flow of funds as well as the timely availability of adequate financial resources and to track their use. Independent Financial Management Manual, which contains detailed procedures, will be developed for the ONWP CWA Phase II Program. WASH It thus should be noted that this section of the Program Operational Manual (POM) would not substitute such detail Financial Management Manual. This section of the POM is designed to provide general information about Financial Management (FM) system across the implementing agencies of the One WASH Program, and to provide financial guidelines and procedure guidance specifying how planning and budgeting are processed, Financial transactions of the Program are recorded and reported by implementing agencies at federal, regional, zonal and Woreda levels, including town administrations. It discusses the procedures for receiving funds from Development Partners (DPs), the required books to be kept, keeping the funds, spending them, recording the expenditures, reporting to the appropriate entities, and safeguarding the assets acquired.
161. This section of the Manual has the following general objectives:
- Outlining the various processes and procedures to be followed by all staff involved in the FM of the Program.
  - Providing instructions to ensure that resources to be used are incorporated in the budget and adequate internal controls are in place to safeguard the use of funds during implementation.
  - Aligning the Program FM to financiers' guidelines.
  - Outlining responsibilities among the key players of the various operational aspects of the FM system.
  - Serving as a reference document for all parties involved in the implementation of the Program.



162. The government accounting system, policies and procedures are the basis of this manual financial management practice for implementing entities. This documentation would be listed in the FM manual. The government chart of account codes will be in use unless new account titles are required as a result of the unique features of the Program (new sub accounts can be used for the Program) and will be included in the FM manual. The new sub accounts are used to capture expenditures by component, sub-component, category and activity of Program expenditures.
163. This FM section sets forth the Program financial policies and procedures for the guidance of all personnel including those charged with financial responsibilities with the aim of ensuring that Program resources are properly managed and safeguarded. Channel One Programs Coordination Unit (COPCU) with the Government Accounts Directorate of consultation, should approve any modification, alteration, or change to this section including FM Manuals – in consultation with the participating DPs.
164. The content of the section also includes the general FM institutional arrangements, budgeting procedures, fund flow mechanism, internal control and audit procedures, accounting and recordkeeping procedures, Chart of Accounts, financial reporting, external audit and institutional oversight arrangements.

## 6.2 Financial Management of OWNP CWA

165. It is envisaged that ONE WASH Program CWA will allow enhancement of stronger donor partnerships in support of country-led sector reform Programs and improving the performance of institutions in managing all sector resources.
166. The FM system under ONWP CWA requires the production of timely, relevant, and reliable financial information that allows DPs, the government, and other stakeholders to plan budget and implement the CWA Program and monitor compliance with agreed procedures. To meet these requirements, the system will have the following features:
- **Budgeting.** A system to identify the short-term activities necessary to achieve the Program objectives and express these activities in financial terms.
  - **Accounting.** A system to track, record, analyses and summarize financial transactions.
  - **Funds flow arrangements.** Appropriate arrangements to receive funds from all sources and disburse the funds to the agencies involved in Program implementation.
  - **Internal control.** Arrangements, including internal audit, to provide reasonable assurance that (a) operations are being conducted effectively and efficiently and in accordance with relevant financing agreements; (b) financial and operational reporting are reliable; (c) applicable laws and regulations are being complied with; and (d) assets and records are safeguarded.
  - **Reporting.** A system that would produce enough detailed information to manage the Program and provide each donor with regular consolidated interim financial reports and annual consolidated financial statements.
  - **External audit.** Arrangements for conducting annual external audit of the consolidated financial statements for the sector on terms of reference acceptable to all the stakeholders.
  - **Financial management staffing.** Relevantly qualified financial management staff, including accounting and internal audit staff, with clearly defined roles and responsibilities to conduct financial management activities.

## 6.3 BUDGET PROCESS AND BUDGETARY CONTROL

### 6.3.1 Budget Preparation

167. As pooled resources supporting part of the OWP Program, the Government and participating Donors agree on the OWP CWA Phase II Program to be undertaken, separately identifying activities to be financed by the Government and DPs as per annual workplans and budgets.
168. The One WASH CWA Program Budgeting takes place based on forms and procedures designed by MoF. Sector Ministries and Regional sector bureaus will be responsible for preparation and requesting WASH budget. It is based on a comprehensive resource mapping of all resources available to WASH at the given level, i.e. federal, regional, zonal or Woreda/town. The basis for annual WASH budgets is based on approved annual plans, prepared at each level according to a common planning format provided by the NWCO.
169. WASH budget preparation will follow the government budget preparation schedule. The budget approval process for WASH budget will also follow existing government regulations and procedures. Budget transfer for CR-WASH for regional finance will be upon approval of WDC. A consolidated plan and budget for the following EFY shall be prepared by the NWCO and approved by the NWSC no later than April 31 of the current FY.
170. The following steps shall be followed for the annual budget process, at all levels of government.
- a) Budgeting at Federal Level**
- i. The budgeting process begins with the announcement of MoF in coordination with NWCO (which is based at WDC of the ceiling for WASH budget to MOH, MoE, WDC<sup>14</sup>-WDC and BoF.
  - ii. Based on the ceiling and the approved annual WASH plan the federal ministries of \_WDC, Ministry of Education and Ministry of Health will identify the budget requirement for federal management and federally implemented WASH activities and submit this through the NWCO to the NWSC. In addition, the NWSC through NWCO will coordinate the budget preparation process of the three sector ministries. The NWCO (own) budget will be allocated through the WDC.
  - iii. The NWSC through the NWCO will inform regions the WASH targets for the fiscal year. MoF and WDC will provide the Regions with indicative CWA budget ceilings. The NWCO will guide regions and sector ministries on strategic issues and will receive the final workplans and budget from all. The NWCO will consolidate the final budgets (that includes federal and regional level CWA budgets) and will have them approved by the NWSC.
  - iv. The NWCO though the WDC& BDA notifies the development partners, including the World Bank, of the annual plan and budget, and agreement is reached.
  - v. The three sector ministries and WDC submit their annual consolidated WASH budget, approved by the Steering committee, to MoF.

**b) Regional Level**

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<sup>14</sup>Budget of MoWIE will accommodate the budget of BDA&NMA .

- i. The NWSC through the NWCO will inform regions the WASH targets for the fiscal year. MoF and WDC will provide the Regions with indicative CWA budget ceilings.
- ii. In allocation of Regional WASH funds to the Woredas, the RWSC shall try to follow the policy of 12% for education, 18% for health and 70% for water and sanitation, and but the actual annual budget at Woreda level will be defined based on the needs and demands of the citizen the annual planning stage. *(NWCO's recent budget distribution to be used). Program management cost for finance will be covered from the water sector.*
- iii. RWCO will prepare regional consolidated annual WASH plan based on the regional targets, Woreda and town WASH plans and regional sector bureaus plans. This will be the basis for the budgeting process.
- iv. RWCO will consolidate the regional budget based on aggregated Woreda and town plans including regional WASH sector activities. The RWCO will have the budgets approved by the RWSC. Consolidated budget prepared by the RWCO and approved by the RWSC will show budget disaggregated by Woreda, towns, components and sectors involved.
- v. The regional sector bureaus then will prepare their annual budget/resource request and submit to BoF.
- vi. The RWCO budget will be allocated under the Regional Water Resource Bureau as a separate budget line.

**c) Woreda Level**

- i. WWT will prepare annual WASH plan based on a clear and transparent need-based planning criterion that prioritize areas of great interest which will eventually be approved by the Woreda Council.
- ii. The basis for annual WASH plans is the Woreda WASH targets from the region and the available financial resources.
- iii. The Woreda sector offices will prepare their WASH annual budget based on the budget ceilings provided by WoF.
- iv. The sector office budgets will be submitted to WoF. The WWT will coordinate the budget preparation process.
- v. The Woreda WASH budget will be approved by Woreda Council.

**d) Town Level**

- i. In towns there are two major WASH structures: Water Utilities and WASH Technical Team.
- ii. Their activities are coordinated by the City council/the board. The budgeting process follows the same pattern.
- iii. The town water board (responsible for the water utility) will prepare annual capital budget for water supply improvement and will be submitted to town finance and economic development office.
- iv. The health and education office will also submit their annual budget to town finance and economic development office.

- I. The town finance and economic development office will prepare the aggregate WASH budget and submit to City council for approval.

### 6.3.2 Budget Procedures for One WASH CWA

171. Funds supporting One WASH/CWA WASH activities come from the Federal government of Ethiopia, external financing Agencies Development Partners), and participating communities.
172. One WASH CWA budget preparation will follow the government budget preparation schedule. The budget approval process for WASH budget will also follow existing government regulation while the Development Partners component is budgeted at federal level the government contribution will be budgeted at respective institutional levels of government.
173. Regional budget process will also follow the same process. RWCO will prepare regional WASH plan based on Woreda and town WASH plans and regional sector bureaus plans. Based on the annual WASH plan prepared by RWCO, regional sector bureaus will submit annual WASH budget to BoF. The budget process at Woreda level will be prepared by WoF based on the annual WASH plan of WWT and earmarked budget from Development Partners and Woreda allocation and will be submitted for approval to the Woreda council
174. At federal level, the NWSC will approve national WASH plan based on regional WASH plan consistent with house of federation budget formulas, and federal sector ministries plans and determine the development partners' contribution for the national WASH intervention for the fiscal year. Consequently, federal ministries will request annual budget/resource based on the annual WASH plan agreed and approved by NWSC. The annual WASH budget aggregated to the federal ministries will be submitted to MOF and the budget will be approved by appropriate authorities in accordance with the country's laws and regulations.
175. The CWA budget for One WASH CWA (including the regional budget) shall be proclaimed at the federal level under in the name of the three WASH sector Ministries, disaggregated by regions and components under each entity. Once identified and used, the budget code for ONE-WASH shall remain unchanged throughout the Program life. The details of the budget codes will be shown in the FM Manual.
176. The annual CWA budget for One WASH CWA will be included in the Federal Government's annual budget for each fiscal year. The budget allocated to the CR WASH component will be ring fenced to exclusively support the relevant activities under this component with focus on 4.2 which will be implemented in the prioritized for drought prone woredas as indicated under section 3.5.
177. The Budget Proclamations would list the One WASH CWA budget as a special purpose grant as distinguished from the general block grant – so that these funds can only be used to implement part of the One-WASH National Program in the identified intervention woredas and towns. One WASH CWA funds would be passed on from MOF to Education, Finance, Health ministries and WDC at federal level and to Regions and from Regions to Zones (in some regions) or to Woredas and towns.

178. In order to achieve targets, set out in the ONE-WASH Program Appraisal Document, it will be necessary for One WASH - CWA to identify and cost the inputs required to achieve deliverables. Some of the inputs will recur every year and should be categorized according to the Program document. The Category includes the following:
- Goods;
  - Consultancy Services;
  - Training & Capacity Building;
  - Operating Costs;

### 6.3.3 Notification of Approved Project Budget

179. The Water Development Commission, and implementing agencies have a special role in approving and supervising the Program budget, the disbursement and accounting functions remain with MoF and the BoFs.
180. Once the budget is approved by the National WASH Steering Committee and development partners and proclaiming is performed, MoF will inform federal entities and RWCO or BoFs of the approved budget. The working budget approved at the national level needs to be disaggregated by implementing entities (federal sector ministries and WDC, regional sector bureaus, zones, Woredas, and towns). If this is not performed or when there is change in the approved budget from that initially submitted, the RWSCs need to endorse the allocation of regional budget to regional implementing entities that are sector bureaus, zones, Woredas and towns. The regional implementing entities (Woredas, towns, zones and regional sector bureaus) will also be officially notified by RWCO/BoF of the project approved budget once it endorsed by the RWSC. As budget preparation and approval process will be conducted in a timely manner following the existing government budget regulations including preparation schedule/ budget calendar, implementing entities should be notified of the approved budget on or before the beginning of a budget year.

### 6.3.4 Budget Control

- I. Provision is made in the WASH structure for each of the governmental Implementing Agencies to have their own accounting staff to administer WASH funds on a permanent and/or contractual basis. MoF, BoF, ZoF, ToFs, and WoFs as well as federal, regional and zonal sectoral offices involved in implementation are responsible for financial reporting using IBEX system; the WASH structures will be primarily responsible for monitoring WASH implementation and provision of guidance to implementers.
- II. Accounting centers are MoFs, ToFs, and WoFs as well as federal, regional, and Zonal sector offices are responsible for recording, maintaining and controlling WASH budgets at the federal, regional, zonal and Woreda levels respectively. MoF-BoFs ensures that sufficiently trained personnel are in place to handle the financial management requirements at each level.
- III. Implementing entities receiving resources through the OWP are also responsible for budget discipline and control to ensure that activities are primarily budgeted and expended as well as reported.

- IV. Budget control is exercised to ensure that WASH funds are being spent as planned with respect to categories, cost, timeliness and value for money. Primary responsibility for budget control in WASH is with the WASH accountants. However, managers at each implementing entity receiving resources at each level (WWTs, TWTs, RWTTs and the NWTT including the Woreda Sector Offices, Town Sector offices, Regional WASH Sector Bureaus and the Federal WASH Sector Offices and etc.) will review on a monthly basis the financial reports prepared by their respective budget sections and take whatever action may be required to ensure effective budget control. The main tools will be budget codes, ledger cards, and budget tracking.
- V. Budgetary control consists of (a) establishment of budgets for each functional responsibility, identifying income to be achieved and expenditure to be incurred in order to meet the agreed objectives of ONE- WASH, (b) continuous comparison of actual with budgeted results, and (c) action resulting from this comparison, either to ensure adherence to the defined objectives or to agree on some modification of the original plan.
- VI. The budget control helps to ensure that: expenditure is committed or incurred only if there is an available budget, and actual expenditure does not exceed budgeted expenditure. The main tools for budget control will be budget codes, ledger cards, and budget tracking
- VII. As explained above, the Program budget should pass through different ladders for approval. Moreover, there may be additions or reductions to the already approved budget during the operations. The control process should ensure that records are updated for all variables affecting the balance of the budgets.
- VIII. The annual budget should be broken up into quarterly budget to facilitate preparation of quarterly Interim Financial Report (IFR). The finance unit in each of the implementing agencies receiving funds for Program implementation will be responsible for preparing monthly budgetary control statements comparing actual with budgeted results and ensuring that explanations are obtained from the responsible officer on the variances. Heads of the respective agencies are responsible for examining the control statements and providing appropriate remedial action.
181. The annual Program expenditure is to be further allocated according to the Program components. Budgeting is structured in line with the major components and sub-component as depicted on Table 3.1. It should be noted that the detail budgetary codes will be made in the FM Manual:

**Table 6-1 One-WASH CWA Budget Structure**

No	Components/Subcomponents	Budget Code
<b>1</b>	<b>Component 1 – Rural WASH</b>	
1.1	<b>Increasing Access to Water Supply and Sanitation Services</b>	
1.1.1	<b>Water Supply</b>	
1.1.2	<b>Sanitation and Hygiene</b>	
1.2	<b>Sustainable service delivery</b>	
<b>2</b>	<b>Component 2 - Urban WASH</b>	
2.1	<b>Water Supply service improvement</b>	
2.2	<b>Improvement of Utility Operational Efficiency</b>	
2.3	<b>Small towns Sanitation improvement</b>	
<b>3</b>	<b>Component 3 - Institutional WASH</b>	

No	Components/Subcomponents	Budget Code
<b>1</b>	<b>Component 1 – Rural WASH</b>	
3.1	School WASH	
3.2	HF WASH	
<b>4</b>	<b>Component 4 - Climate Resilient WASH</b>	
4.1	Water resource Mapping monitoring and planning	
4.2	Climate Resilient WASH Solutions	
4.2.1	Climate Resilient Water Supply	
4.2.2	Climate Resilient Sanitation Improvement Solution	
4.3	Emergency Window	
<b>5</b>	<b>Component 5: Enabling Environment, Program Management and Capacity Building</b>	
5.1	Operationalization of sector wide WASH Monitoring Information System	
5.2	Program management and capacity building	

#### 6.4 Fund Flow Arrangement

182. WASH financial resources will flow to federal and regional beneficiaries through the existing government fund flow arrangement. Under this arrangement, each administrative level, the specialized Finance bodies, control the release of funds and report upwards on their utilization. Funds will move from the CWA Accounts and will be disbursed to the implementing agencies, based on the approved budget and agreed disbursement plan.

183. Each quarterly Interim financial report will show the relative financing of the expenditures by CWA contributing partners. By approving the reports, the WB and DPs are approving the proportion of expenditures to be financed as well as the proportions future advance (i.e. the allocations to donors of both the expenditure and future fund request). The fund flow arrangements would typically work as follows:

- Designated account managed by MoF at the National Bank of Ethiopia on terms and conditions acceptable to DPs to receive resources.
- Other Disbursement mechanisms will also be applicable when necessary and as requested by the implementing agencies (i.e. Direct payment and Special Commitment)
- Resources will also be transferred from the designated accounts to pooled CWA Birr account to be managed by MoF. It is important to maintain subsidiary ledger for fund transferred to the CWA to identify the DP whose fund deposited or disbursed into the CWA.
- MoF transfer funds to regions (BoF) and to Federal Sector ministries (WDC, MoE, MoH) and to WRDF according to approved budgets, procurement plans, and workplans for CWA as well as the rate of utilization.
- Budget transfer for CR WASH for regional Finance will be upon approval of WDC.
- BoF transfer resources to Woredas/WoF, Towns /ToFs and BoWE, BoE, BoH,
- WRDF transfer resources to medium town Water Utilities,
- The fund flow to each implementing entity will be according to the approved Annual workplans
- Disbursement to designated account is based on quarterly IFRs and bilateral agreement with CWA contributing partners.

- Shares of partners for the annual Workplan and Budget approved by the NWSC and the initial six months advance will be proportional to their overall contribution to the Consolidated WASH Account. However, subsequent financing proportions will be determined based on IFRs based on various parameters (unsettled balance, estimated cash flow for the next six months,) and based on the discussion among partners.
  - For fiduciary and safeguard procedures: (i) WB, procurement guidelines shall apply (e.g. for procurement of all contracts procured through ICB<sup>15</sup> and consultancy contracts to be financed from pooled funds in which the WB is a contributor, the WB would conduct the prior reviews *on behalf of Partners that are contributing to the CWA*). (ii) With regard to financial management, the Bank reviews and clear all audits, IFRs, and ToR for audit firms and (iii) regarding safeguards, the WB’s safeguard policies shall apply and Bank to lead the monitoring of the compliance to the agreed instrs.
  - MoF prepares Program financial statement, MoF will submit Interim Financial Reports to the Bank 60 days of the end of the quarter.
  - Annual audited financial statements and audit report using auditors acceptable to the Bank
184. Fund flow Arrangements for Consolidated WASH Account

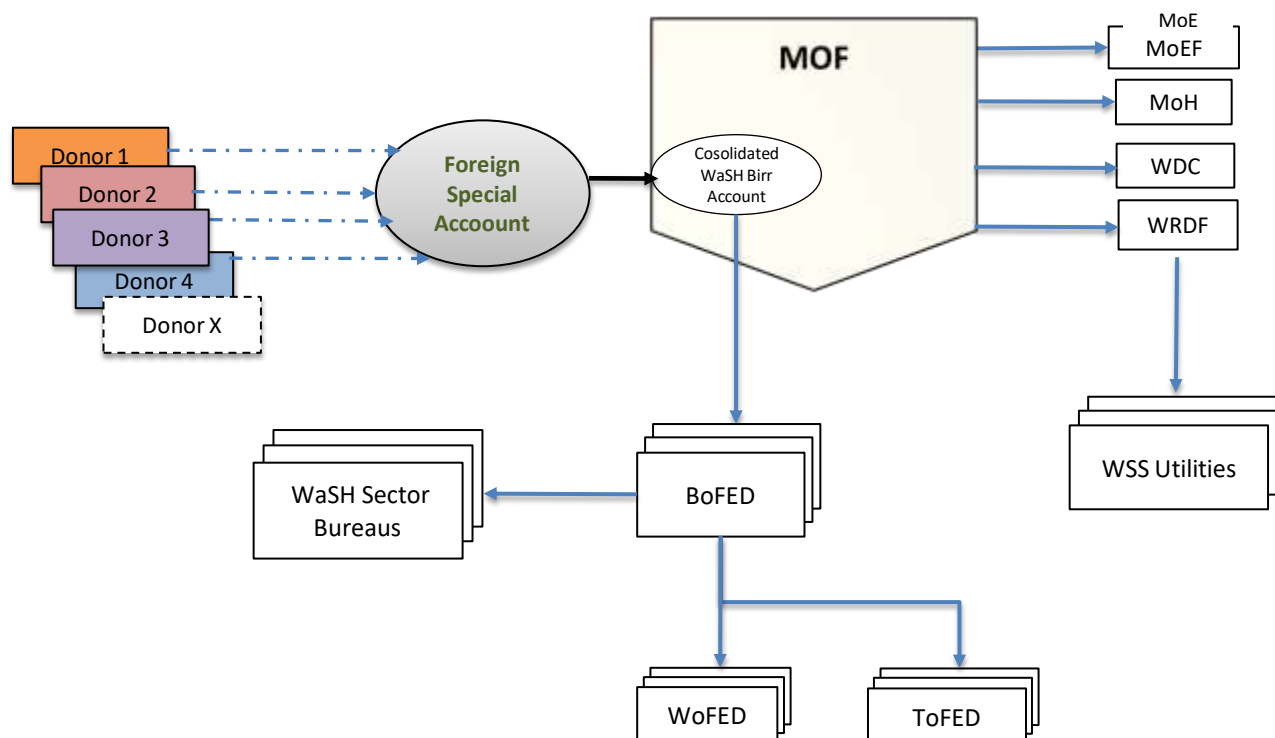


Figure 6-1: Fund Flow Arrangement of CWA

<sup>15</sup> Most of the contracts are expected to fall under NCB which follows government procurement procedures.



## 6.5 Disbursement Arrangement

### 6.5.1 Consolidated WASH Account

185. The DPs' initial deposits into the Program Foreign Currency Special Accounts with National Bank of Ethiopia constituted their advances to the Program. Contributions will be converted into Birr and transferred to the Consolidated WASH Account managed by MoF.
186. MoF disburses funds, as advances for the first six months of the Program, into WASH accounts established for implementing agencies at the federal and regional levels according to their respective annual workplan and budget approved by the regional WASH Steering Committee.
187. Exclusive of advance deposit and any subsequent disbursement from DPs to CWA and from CWA to implementing entities require submission of interim financial reports (IFRs).
188. Disbursement to the designated account based on report (IFR) will include gross forecasts for 6 months and deducting ending balances will effectively avail a net resource enough to cover one quarter need. Details will be included in the FM manual. For example, Based on Q-1 IFR, MoF after 60 days of end of the quarter will forecast a gross requirement for 6 months (Q2 and Q3) and will deduct ending balances at Q1 to arrive at a net requirement. If the cash balance position in the CWA accounts exceeds the funds required for the fund request period, no transfer of fund need to be made from the Development Partners to the foreign currency account of the CWA. The replenishment request for the period must take into consideration the outstanding balance at the end of the reporting period.
189. The call of fund for the first disbursement and the subsequent replenishments request from MoF will be supported by:
- An approved consolidated annual workplan, accompanied by the annual procurement plan of the CWA
  - Financial and physical reports of the previous quarter.
  - Financial and procurement external audit reports of the previous fiscal year, due six months after the end of the fiscal year and serving six months of the previous quarters; management letters and an agreed plan of action of audit recommendation.
  - Annual performance reports including evidence on how the safeguards (Fiduciary, ESMF including the social assessment recommendations, RPF) have been applied.

190. Upon receipt of replenishment from the Development Partners MoF transfers funds to the Implementing Agencies as per their cash flow plans, workplans, utilization rates, etc. Even though budget transfers to regions will be allocated based on the federal grant formula, actual transfers will be made based on performance and in this case least and poorly performing regions will face loss of their share and best performers will have chance of getting more funds from the 10% unallocated to regions at the beginning of the Program and redistributed at midterm to well performing regions based on performance criteria indicated in section.

### 6.5.2 Implementing Agencies' Accounts

191. MoF's (and BoFs') disbursement of funds to the WASH governmental implementing agencies follows the same pattern.
192. Each implementing agency of the Program is required to open a special account for the Program. Initially, each implementing agency received a 1<sup>st</sup> quarter and 2<sup>nd</sup> quarter advance based on its approved Annual Workplan and Budget. At the end of 1<sup>st</sup> quarter the agency prepared a report on expenditures together with, and a request for, replenishment to cover the amount budgeted for the 3<sup>rd</sup> quarter less the amount of unexpended funds from the 1<sup>st</sup> quarter. This "roll over" system means that implementing agencies always have in hand their budget for the upcoming quarter.
- 1) Request/reports are vetted and approved at a higher level in each instance and consolidated into the Quarterly Report and Request for Replenishment presented by MoF to the Development Partners.
  - 2) Woredas and Towns selected to receive CWA funds will be agreed jointly by Government and CWA contributing partners during the Annual Planning Workshop.

## 6.6 Financial Reporting

193. Interim financial reports and annual financial reports will be prepared in accordance with the reporting formats for WASH. The timely submission of quality financial reports is necessary to ensure that cash resources flow to the Program as required by the Annual Plan. Financial reports trigger the replenishment of the CWA. Because of this, it is vital that WoFs, ToFs, BOFs, and MOF including the other implementing entities work diligently to submit quality reports on time. The financial reports need to show clearly and separately cash flow for each of the implementing sectors, and Program management units at Woreda, Town, Zonal, Regional, Federal levels. If IFRs are not received on or before the due date and are of insufficient quality, disbursements from the Development Partners may be delayed to all regions, until reports of adequate quality are received.
194. Financial reports will be prepared and submitted quarterly. Financial reports will be prepared by all implementing entities receiving funds at federal or regions, towns, zones or Woredas. WoF and ToF report to BoF and MoF will follow up with these entities to report. WoF and ToF reports to BoF and BoF reports to MoF. MoF compiles and reports to Development Partners. The financial reporting at each level shall facilitate the distinction of budget utilization to the sources of the fund. Financial plans will be prepared at each level indicating the source of finances. The financing plan then will be the basis for financial reporting and budget control.
195. The Program's financial statements would be prepared in respect of each accounting year (which is the Ethiopian fiscal year (July 7- July 6) for the purpose of providing information, including the source and use of funds during the year and financial position at the end of the year then ended. The content of the annual financial statements is agreed with the WB and will be included in the FM Manual. MoF shall be responsible for preparing the final accounts by consolidating the various financial reports received from BoFs, WDC, MoH, MoE, WRDF and other federal entities implementing the project. Thus, amounts shown in the final accounts shall equal the aggregate of amounts shown in the quarterly financial reports submitted to DPs subject to adjustments. In case of variances between the IFRs and the audited report, there should be a justification and adjustment should be passed on accounts/reports as necessary.
196. Management information is required in order to control financial resources. DPs require monitoring based on internationally accepted accounting principles. Likewise, monitoring physical performance in relation to financial disbursement is important in order to establish the value for money. At the operational level, reporting is essential to facilitate routine activities of the Program.
197. The Program shall prepare and submit to DPs within 60 days after the end of each quarter Interim unaudited Financial Reports (IFRs) the format of which is included in the FM Manual. The following are the minimum statements that need to be included:
- Statement of Sources and Uses of Funds (for the quarter and cumulatively for the year-to-date and the Program);
  - Statement of Uses of Funds by Program Activity (Component), including comparisons with budget and explanations for significant variances
  - Statement of Designated Account Activity Statements;
  - Program Cash Forecast. and
  - Notes / explanation and various schedules supporting the IFR.

198. Consistent to the Government reporting requirement, each of the implementing agencies shall prepare and submit the standard reports to either the BoFs or MoF on a monthly basis. These reports are mandatory reports required by the government, to be prepared and submitted by each of the implementing agencies following the government reporting formats, details of which will be stated in the FM manual.
199. These reports submitted at end of each quarter shall, however, reflect reporting requirements in the project which will be outlined in the FM manual and shall be consolidated into the Program's IFR formats at MOF, and they shall be used to prepare quarterly reports required to be submitted to the CWA contributing DPs. Thus, the proposed quarterly financial reporting arrangement for the One WASH, is built on the existing government reporting system, with additional features as per reporting requirement in the project.
200. Although every implementing entity that receive fund is accountable for reporting on implementation, MoF shall take the overall responsibility for the preparation of IFRs. Apart from its use for monitoring and follow-up Program implementation, the IFR shall be used for making disbursements for the Program. Hence, completeness and accuracy of the IFR is of paramount importance in serving the intended purpose.

### 6.6.1 Reporting Procedures

201. An upward reporting stream, in which reports flow from lower level to higher level, shall be implemented for the WASH as described below:
- 1) WoF and ToF/Utilities will prepare the standard monthly government financial reports (i.e. trial balance, expenditure reports, revenue reports, etc.) and send them to the respective BoFs.
  - 2) WASH Sector Bureaus will send monthly financial reports to BoFs using the IFR standard reporting formats.
  - 3) Quarterly reports, however, need some additional features to report in line with the reporting requirement in the project that will be outlined in the FM manual; BoFs will summaries the standard government reports received from WoFs, ToFs and WASH Sector Bureaus, on a quarterly basis, send these summarized reports to MOF and National and regional sectors.
  - 4) Federal implementing Agencies shall prepare the standard monthly financial reports and send to MoF. Their quarterly reports, however need to be prepared with additional feature to report in line with the reporting requirements in the project which will be outlined in the FM Manual;
  - 5) MoF will consolidate the above reports received from BoFs and WASH Sector Ministries and other Federal reporting entities and prepare and send to donors a consolidated IFR for the Program within 60 days after the end of the quarter. The format of these IFR will be included in the FM Manual.

- 6) The development partners led by the WB will be responsible for reviewing and clearing the quarterly IFRs.

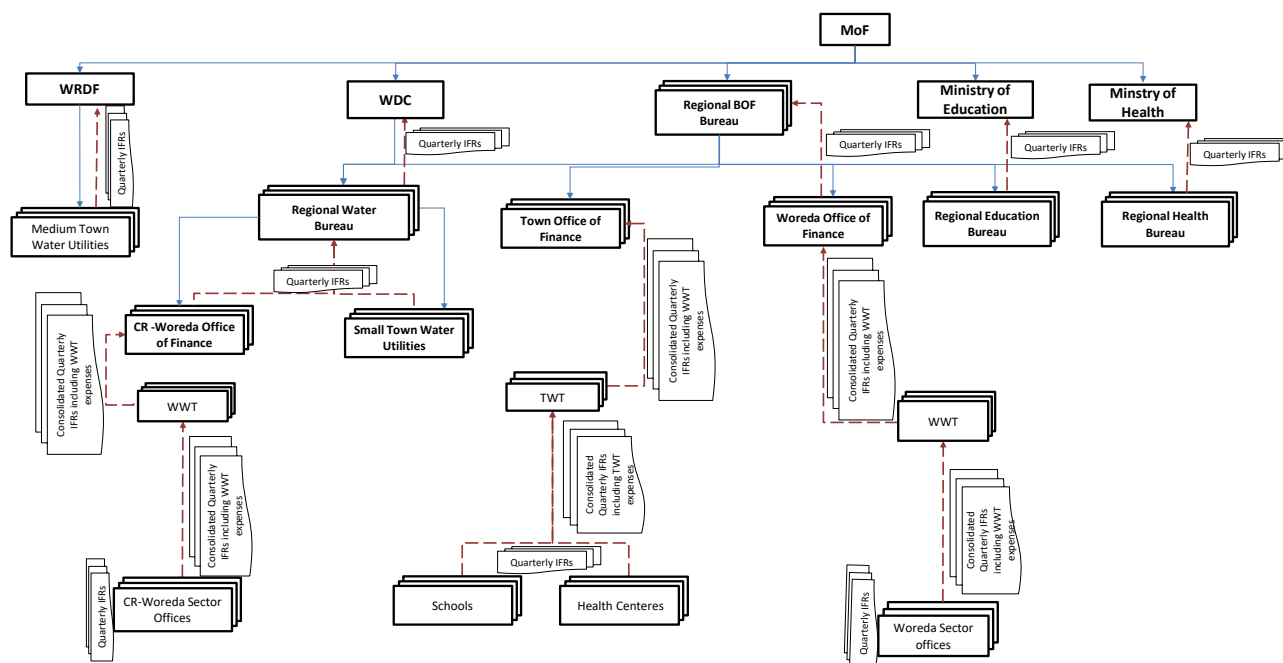


Figure 6-2: Fund flow and reporting arrangement

### 6.6.2 Periodicity of Reporting

202. **Monthly reporting:** As explained above, monthly reporting shall comprise reporting using the standard government reporting formats. The timeline for sending the monthly reports is as follows:
- WoFs, ToF and Utilities, and implementing sector bureaus shall send the reports to BOFs within 15 days of the last day of the month; and
  - Implementing sector Bureaus shall send the reports to BoFs within 15 days of the last day of the month
  - Implementing sector ministries shall send the reports to MOFs within 15 days of the last day of the quarter.
203. **Quarterly IFRs:** The IFRs shall constitute the quarterly financial reports for the Program. MOF will submit consolidated IFR to World Bank which is delegated by all DPs within 60daysafter the end of the quarter. The timeline for reporting is described below:
- 45 days after the end of each quarter, BOF submits consolidated financial reports to MOF.
  - 60 days after the end of each quarter, MoF prepares consolidated ONE-WASH IFR. This consolidated IFR will be based on financial reports from federal implementing agencies. Sector ministries and BOFs, own expenditures, and federal government contributions and receipts from DPs.

204. **Annual reports:** These are mainly prepared for audit purposes. The reporting formats for the annual reports are very similar to the formats used for the quarterly IFRs. The annual report will be the consolidated report of the four quarters subject to adjustments. The final (annual) accounts shall be prepared and submitted to external auditors no later than 3 months after the end of the fiscal year.

## 6.7 Auditing

### 6.7.1 Internal Audit

205. **Internal auditing** is a profession and activity involved in helping organizations achieve their stated objectives. It does this by utilizing a systematic methodology for analyzing business processes, procedures and activities with the goal of highlighting organizational problems and recommending solutions.
206. The scope of internal auditing within an organization is broad and may involve topics such as the effectiveness of operations, the reliability of financial reporting, deterring and investigating fraud, safeguarding assets, and compliance with laws and regulations
207. As per regular government procedures, the internal auditor of each agency (i.e. MoF, BoFs, WoFs, ToF, Utilities, sector Ministries, sector Bureaus, and other implementing agencies) shall perform an internal audit on the Program fund. Thus, all the internal audit units of the mentioned agencies shall routinely include the Program in their workplan and conduct regular audit on the Program funds. The report of the implementing agencies' internal auditors shall be addressed and submitted to the head of the Agency. However, major findings during an audit shall be communicated through the head of the Implementing agencies to MoF immediately for corrective action.
208. The audit includes a periodic review (post audit) of effectiveness and compliance with financial and accounting policies and procedures and internal control mechanisms; the overall reliability of accounting system, data and financial reports.
209. It is imperative that the internal auditors carry out the financial audit for the Program. Internal auditors shall keep a copy of the proceeding internal audit report and make them available for external auditors and the DPs' supervision missions.
210. Past lessons indicate that the internal audit function in all regions and Woredas visited was found to be especially weak. These weaknesses are systemic and well-recognized by MoF, and many reform activities are planned and underway by the EMCP/MoF to improve the internal audit system. In the meantime, through this Program certain mitigation measures are agreed:
- Hire/assign internal auditors at MoF and BoF to conduct internal audits;
  - The recruited Internal Auditors will supervise the Program's internal control system every six months and furnish the status report to MOF within 45 days and MOF will compile and submit to the WB within 60 days of the end of the semester.
  - Conduct capacity building trainings on internal audits along with the FM Manual trainings;
  - The WB/DPs will continue to track the performance of internal auditors as to whether the Program was subject to internal audit reviews.

## 6.7.2 External Audit

211. **External Audit** is a periodic examination of the books of accounts and records of an entity conducted by an independent third party (an auditor) to ensure that they have been properly maintained, are accurate and comply with established concepts, principles, and accounting standards, and give a true and fair view of the financial state of the entity. The objective of audit of Program
212. Financial Statements is thus to enable the auditor to express a professional opinion on the financial position of the Program at the end of the accounting year, and on funds received and expenditures incurred for the relevant accounting period. The accounting system, books and records provide the basis for preparation of the Program financial statements by the Program implementing entity and are established to reflect the financial transactions in respect of the Program.
213. According to the Ethiopian Constitution, the Office of Federal Auditor General (OFAG) is responsible for carrying out the audit of all the financial transactions of the federal government and subsidies to the regions. Each of the regions has a regional Auditor General responsible for auditing financial transactions in the region. Although the responsibility for the preparation of financial statements of the Program and for getting them audited rests with MOF, every Program implementing entity has responsibility to cooperate with external auditors. MoF will have the Program financial statements audited by OFAG or an auditor assigned by OFAG. When OFAG decide to assign independent audit firm to handle the financial audit, the auditor to be selected should be on a competitive basis and acceptable to the World Bank. There should be rotation of auditors and an independent audit firm should be allowed to audit the Program financial statements for a maximum of three years.
214. The auditor is responsible for forming and expressing opinion on the financial statements. The audited financial statement will include all sources of funds for the Program, including the Government. The auditor will prepare a workplan to ensure adequate coverage of the various institutions that receive Program funds and cover all the major risk areas. The audit of the Program will be carried out in accordance with the terms of reference for external audit and International Standards on Auditing (ISA) promulgated by the International Federation of Accountants (IFAC), and with relevant World Bank guidelines, and will include such tests and auditing procedures, as the auditor will consider necessary under the circumstances. In complying with International Standards on Auditing, the auditor is expected to pay attention to fraud and corruption, laws and regulations, governance and risks. The content of the Program financial statements is all included in the audit TOR agreed with the Bank. This ToR can be found in the FM Manual.
215. The audit report should include follow up on the audit recommendations noted by audit reports at the different implementing entities. In addition to the audit of the Program Financial Statements, the auditor is required to verify IFRs used as a basis for the submission of loan withdrawal applications to the World Bank. The auditor will apply such tests and auditing procedures as considered necessary under the circumstances.
216. The auditor will prepare audit report (that includes the audited financial statements, the opinion on the financial statements and a complete Management Letter) in a form and content satisfactory to the WB/DPs and will submit the report to MoF. MoF will then submit the complete audit report to the World Bank within 6 months after the end of each Fiscal year. The World Bank is to review, give comments, if any, and clear the audit report and share with DPs.

217. Audit reports shall be addressed to MoF. MoF will be responsible for preparing action plan for follow up to development partners within two months of submission of audit report. All the relevant public bodies at all levels should respond immediately to recommendations and findings to which they are responsible to enable MoF submit action taken and would be taken in time to the development partners.



## 7 PROCUREMENT

### 7.1 Introduction

#### 7.1.1 Background

218. This section of the Project Operation Manual (POM) provides procurement implementation guidelines that will be applicable for CWA II financed One WaSH Program. The implementation of One WaSH Program under CWA Phase II project (here after referred as “the Project”) involves numerous procurement activities in order to achieve the development objective of the program. Procurable items under the program include Civil Works, contracts related to provision of water supply and sanitation schemes both in urban and rural areas; Goods such as pipes and fittings and electromechanical equipment, capacity building items such as vehicles, motor bikes, IT equipment etc.; and Consultancy services for design and supervision of the water supply related works, audits, different studies and various assessments.
219. The One WaSH Program (The Project) is financed through the CWA II is expected to follow Sector Wide Approach (SWAP), which is a mechanism by which development partners collaborate to support sector programs that are based on a country’s long-term vision for its development. Under the SWAP development, partners and government funds are pooled for disbursement through channel one. Since the Program funds will be deposited into and disbursed from a common account, a common procurement arrangement is agreed to be implemented as presented in this section.

#### 7.1.2 Purpose of the Procurement Section

220. The procurement section is to guide the procurement staff and other officials responsible for and involve in the execution of the project in their day to day work of procurement in line with the Financing Agreement and governing procurement Regulation. The need to procure the items identified in the project and the use of the funds allocated for the project in an efficient, transparent and fair manner consistent with the core procurement principles and agreed procedures is important for the achievement of the Development Objectives of the project.
221. This chapter describes the agreed procurement rules and procedures for the effective and efficient implementation of the ONWP CWA Phase II project. It provides step-by-step guidance to the procuring entities about the procurement of goods, works and non- consulting services, and procedures for selecting consultants required for the project. The chapter captures the latest development and changes in the procurement environment and addresses practical procurement issues at all levels.

#### 7.1.3 Main Objective

222. The main objective of this Procurement section is to document policies, Regulations and procedures that will ensure:
- that the funds provided under the ONWP CWA Phase II project for procurement of goods, works and non- consulting services and consulting services are used for the intended purpose, in consistence

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with the core procurement principles without any regard to political and other non-economic influences and considerations.

- The Procurement chapter is based on the principles of economy, efficiency, transparency and equal opportunity, fairness and fit for purpose obligation. To achieve these objectives the use of fit for purpose competitive procedures in bidding for goods, works and non-consulting service and the selection of consultants is required.

223. This procurement chapter thus explains these Regulations, and procedures to ensure that there is consistency, transparency and accountability on the part of those involved in managing and implementing the project.

#### **7.1.4 Architecture of the Procurement Section**

224. The Procurement section is meant to set out the procurement procedures and processes to be applied by IAs during implementation of the project. Hence, the contents of the section would concentrate

by and large to provide guidance to procurement personnel of IAs on the procurement procedures and processes to be followed.

225. The section is structured as follows: It starts with Part I which consists of Project Background and Context, Purpose, Scope and Structure of the Manual. Part two highlights the Applicable Policies and Rules, Procurement requirements including Fraud and Corruption. Part 3 deals with Procurement Institutional Arrangements which includes Roles and Responsibilities for procurement at all level and Internal Controls and Quality Assurance. Applicable Procurement Thresholds and Methods, Procurement Processes and Procedures, Procurement Planning and monitoring through Systematic Tracking and Exchange of Procurement (STEP), Procurement Processes and Procedures are dealt in Parts 4, 5, 6, and 7, respectively. Finally, Part 8 discusses about Contract Process Trail and Accountability. For any discrepancy between the provision stipulated in this section and in the World Bank's **Procurement Regulations for IPF Borrowers" July 2016, revised November 2017 and August 2018**; the provisions in the World Bank's Procurement Regulation shall prevail.

## 7.2 Contract Process Trail and Accountability

### 7.2.1 Oversight Arrangements

226. CWA II Development Partners (DPs) have elected World Bank as the lead agency for fiduciary oversight over procurement. In its role as lead agency World Bank will be responsible for overall oversight of procurement activities through prior and post review of procurement documents and contract transaction as per agreed thresholds. World Bank oversight will be supplemented by government ownership of the whole procurement process and contract management activities and monitoring of procurement activities.
227. WDC has an overall responsibility to ensure that the procurement process is carried out as per the Financing Agreement (FA) and the World Bank's New Procurement Framework for IPF projects (revised August 2018). Therefore, MoWIE –WDC will have a procurement ownership and oversight role in the program through periodic monitoring and supervision of project's procurement activities, identifying procurement capacity gaps of the implementing institutions at all levels (federal, Regional, towns, woredas, etc.) and organizing tailored trainings to build capacity of these institutions at regional level.
228. The heads of project implementing institutions at all levels have a vital role in setting up a properly functioning procurement system including the procurement unit, procurement staff and Bid Endorsing Committee (BEC) and an adhoc evaluation committee depending on the type of and scope of procurement. Therefore, those all involved in the project procurement have to keep themselves aware of the process, procedures and agreed rules of procurement and should actively lead procurement implementation in accordance with the agreed procedures. The Heads of project implementing institutions at all levels ultimately have the major responsibility of ensuring that:
- The procurement is handled based on the agreed procurement regulations and procedures;
  - All procurement staffs, tender committee members, procurement and contract management process owners, project accountants, internal auditors and others involved in the project procurement at all levels are trained and are aware of the agreed procurement requirements and procedures applicable to the project;

- All staff should receive the copy of the Program Operational Manual (POM) and other legal documents of the project including the World Bank's New Procurement Framework for IPF projects (revised August 2018), and all SPDs;
  - Internal control and quality assurance system are established within the procurement environment and function properly.
  - The necessary system is established to effectively track procurement implementation;
  - Proper procurement and contract management monitoring and follow-up mechanism is in place so that any pitfall can be traced and corrected in time;
  - Continuously track and address procurement and contract management capacity problems at all levels;
  - An adequate control and safe keeping of procurement documents and a well-functioning documentation system has been established to track the access and movement of the documents;
  - An internal control system is established to check the quality and legality of each procurement process at each stage.
  - Ensure proper complaint handling mechanism is established
229. The Heads of project implementing institutions at all levels are particularly responsible to actively follow up and overlook overall procurement implementation and should also organize the procurement function with clear segregation of duties and responsibilities among different players.
230. At reasonable time intervals, the Heads of the project implementing institutions should seek the service and encourage the internal auditors to assess the implementation of procurement activities of the project and should implement those recommendations that are found to be practicable.

### 7.2.2 Procurement Monitoring and Supervision Procedures

231. A very important part of good project management is the continuous monitoring of project implementation against the agreed schedule and milestones and the use of procured goods, works and services by the project beneficiaries. Therefore, at all IAs structure, the functions of continuous monitoring

and supervision of procurement activities shall be performed by the Internal Audit units and a copy of their reports made available to the MoWIE -WDC. The objectives of the Procurement Monitoring Unit shall be:

- To provide continuous feedback and on procurement implementation at all levels (federal, regional, Towns, woreda) levels;
- To timely take corrective/remedial measures including adjustment to the procurement process, where necessary.

232. The IAs at all levels are required to produce quarterly, biannual and annual procurement and contract management activities report. The report should cover, at least the progress against plan, challenges and recommendations to improve the challenges. Each IA (IA) will be responsible for initiating, monitoring and recording its procurement activities. The head of IA must satisfy itself that procurement activities are executed in accordance with the governing procurement rules, approved procurement plan and budget. Each IA will then compile its progress reports on procurements made and submit to the higher level for subsequent consolidation by MoWIE WDC. The WDC will submit the consolidated biannual procurement and contract management progress report to the World Bank.

233. The procurement specialists operating at MoWIE - WDC and other IAs, shall prepare quarterly **Procurement & Contract Management Report (PCMR)** that provides information on the following areas:

- Progress of planned works, goods, non-consulting and consulting services compared with agreed schedules;
- Physical delivery of goods, structures (works) and services and their respective costs;
- Implementation of the action plan to rectify the procurement audit findings if any during the reporting period;
- Provide general information on the status of contract commitments and expenditures.
- Any challenges encountered, action taken and recommended remedial action that need higher levels attentions.

234. Deviations from procurement plan and governing procurement rules and procedures shall be reported in the PCMR and a diagnostic study shall be carried out by the IAs themselves to reveal causes and suggested remedial actions. The PCMR shall include a procurement and contract management progress summary sheet.

235. The PCMR prepared by the Procurement Monitoring Unit and the reports of the MoWIE-WDC shall be made available to Bank's Implementation Support missions and the Federal and Regional Public Procurement and Property Administration Agencies.

236. Independent Procurement Audits will also be carried out once a year, by an independent procurement consultant and all procurement implementing bodies shall provide all the required documentation and supports to the Independent Procurement audit. The MoWIE – WDC will select the procurement audit firm for the independent procurement audit and submit the audit report within four months after end of the audit period.

### 7.2.3 Accountability Framework

237. WDC shall be accountable and responsible for overall procurement and contract management of the project. The WDC will promote good procurement practices consistent with agreed rules and procedures and ensure that adequate capacity is maintained at all times and at all levels of program implementation.

Specifically, the WDC will be responsible for (i) ensuring that procurement rules and procedures are disseminated to all project implementing entities (ii) procurement rules are adhered to and take remedial actions for any deviations from the agreed procurement rules and procedures. (iii) consistently register and update all contracts financed by the project (iv) independent procurement auditors are timely employed and carried out procurement audits and final reports shared with World Bank along with actions to be taken on the identified deficiencies (v) Review the complaints filed by the bidders as per the complaint handling procedure and respond quickly with comprehensive responses (vi) share with the World Bank any allegations of fraud and corruption including actions taken (vii) ensure that all contracts, whether subject to the Bank's prior review or post review, the project IAs shall publish a public notice of award of contract (Contract Award Notice) within 10 (ten) Business Days from the Notification of Contract Award to the successful Bidder/Proposer/Consultant.

### 7.3 Applicable Policies, Regulations and Rules

#### 7.3.1 Applicable Procurement Regulation

238. Procurements of Goods, Works, Non-Consulting Services and Consulting services under the project shall be carried out in accordance to **“World Bank’s Procurement Regulations for IPF Borrowers” July 2016, revised November 2017 and August 2018** (here after referred as *“the Procurement Regulation”*); Procurement will also comply with *“Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”* revised as of July 1, 2016; and the provisions stipulated in the General Conditions of the Legal Agreement.
239. When approaching the national market, as agreed in the Procurement Plan, the procedures of GOE’s Federal Government Procurement and Property Administration Proclamation No. 649/2009 and the Federal Government Public Procurement Directive issued by the Minister of Finance and Economic Development June 2010 may be used. These procurement procedures shall be consistent with the Bank’s Core Procurement Principles and ensure that the Bank’s Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in the Legal Agreement apply. For national open competitive procurement, the requirement provided under section 5.4 of the World Bank’s Procurement Regulation for IPF Borrowers shall apply.

#### 7.3.2 List of SPD, SRFPs and different templates

240. The following lists of World Bank’s and the Federal Governments Standard Procurement Documents (SPDs) are applicable to the project.
- Goods, Works and non-consulting services
- RFB for Procurement of Goods (one envelope process): Revised October 2017
  - Request for Bids - Small Works (1 envelope process) October 2017

- Standard Request for Quotation (RFQ) Format issued by FPPPA (2006)
- Standard Bidding Document for the Procurement of Goods and related services (NCB) issued by the FPPPA (Version 1, January 2006 revised April 2011)
- SPD for the Supply and Installation of Information System (October 2017)
- Standard SPN template

#### Consultancy Services

- Standard Request for Proposals: Selection of Consultants – Revised October 2017.
- Sample Form of Evaluation Report: Selection of Consultants – October 1999.
- Standard REOI Template
- Standard GPN Template

241. For Open International Competitive Procurement, the project IAs shall use the Bank's Standard Procurement Documents (SPDs), available on its external website at [www.worldbank.org/procurement/standarddocuments](http://www.worldbank.org/procurement/standarddocuments). For Procurement involving national competitive Procurement, the project IAs may use its FPPPA SBD provided that the bidding documents are prepared to the satisfaction of the World Bank.

242. List of SPD, guidance notes and different templates can be found from the World Bank's website ([www.worldbank.org/procurement](http://www.worldbank.org/procurement)).

## 7.4 Procurement Implementation Arrangement

### 7.4.1 Institutional Arrangement and Organization for the Procurement Function

243. Procurement under the Program shall be implemented in a decentralized arrangement. The following shows the function of various implementers.

**Table 2.1: Function of the Procurement Implementing Agencies**

Procurement IA	Function
At Federal level	

Procurement IA	Function
MoWIE - WDC	<ul style="list-style-type: none"> <li>• Over all responsible for the coordination of project implementation including procurement and contract management including interface between the World Bank and the program Coordination. Monitoring of procurement performance, Capacity building, compile PPs and contract registers, Facilitate Open International Bids with quality assurance. Oversee and support Open national and other low value contracts. Develop procurement tracking and contract administration formats. Regularly monitor and report on procurement implementation. Central procurement of Vehicles</li> <li>• Interface between the Bank and the program</li> <li>• Execute procurement and contract administration process</li> <li>• Monitor, supervise and coordinate procurement performance</li> <li>• Review, consolidate and submit Procurement Plans (PPs) of the implementing entities for review and clearance to the Bank as deemed appropriate;</li> <li>• Capacity building</li> <li>• Facilitate the procurement through open international market approach with quality assurance</li> <li>• provide support and guidance, monitor, oversee and ensure that all IAs at all levels carry out the procurement in accordance to the governing procurement rules and procedure.</li> <li>• Develop procurement tracking and contract administration formats</li> <li>• Regularly monitor and report on procurement and contract management implementation</li> </ul>
Water Resource Development Fund	<ul style="list-style-type: none"> <li>• Review Business Plans determine eligibility of town utilities. Monitor Implementation of Sub Projects, Review PPs, BDs, BERs, Contract Admin.</li> </ul>



Procurement IA	Function
<ul style="list-style-type: none"> <li>At Regional Level</li> </ul>	
Regional WRDBs (WSS Program Management units)	<ul style="list-style-type: none"> <li>Responsible to manage their own Procurement processes.</li> <li>Prepare procurement plan, Update PPs, upload information in STEP and contract registers.</li> <li>Execute and manage procurements in Towns and woredas.</li> <li>Regularly monitor and report on procurement implementation</li> <li>Execute Procurement and contract administration processes</li> <li>Oversee, support and ensure the towns, regional IAs, and woredas carry out procurement in accordance to the governing procurement rules and procedures.</li> <li>Oversee and support procurements in Woredas and towns</li> <li>Regularly monitor and report on procurement implementation</li> </ul>
Bid Evaluation Committee	<ul style="list-style-type: none"> <li>An adhoc committee established to examine and evaluate the bids and proposals and prepare the evaluation report including recommendations for award of contract.</li> <li>Submits the evaluation result with its recommendation to the bid endorsing committee</li> <li>A technical committee may be established by the head of the IA to assist and advice the adhoc evaluation committee in the technical evaluation of bids.</li> </ul>
Bid Endorsing Committee	<ul style="list-style-type: none"> <li>A committee that is established by the IA to review and endorse, the procurement plan, bidding documents/REP, in light of the procurement rules and procedures as well as against the requirements of the Bidding Document Request for Proposals.</li> </ul>
<ul style="list-style-type: none"> <li>At Town Level</li> </ul>	
Towns	<ul style="list-style-type: none"> <li>Execute small value and low risk procurement activities as appropriate (Request for Quotation (RFQ)) and contract administration process or delegate the regional PMUs for procurement</li> <li>Prepare and update PPs and contract registers</li> </ul>
Woredas	<ul style="list-style-type: none"> <li>Implementation of small-scale scheme as appropriate (procurement under RFQ threshold only).</li> </ul>

## 7.5 Governance

### 7.5.1 Governance

244. The governance of procurement in One WaSH Program –CWA II operations shall be managed through clear and transparent lines of accountability, and the clear definition of the roles and responsibilities of each party.
245. The steps and the responsibilities of the procurement process at the federal level are as follows:

**Table 1.3: Steps and Responsibilities of Procurement at Federal Level**

Step	Activity	Responsibility		
		WDC	MoH	MoE
1	Preparation of PP	Procurement Specialist, WDC		
2	Approval of PP	Director, WDC and World Bank		
3	Preparation of BDs/RFPs	Procurement Specialist, WDC		
4	Approval of BDs/RFPs	BoC/BEC of each WDC	TEC of MoH	
5	Bid/proposal opening	Boc/BEC of each WDC	BOC of MoH	
6	Bid/proposal evaluation	Technical/TEC of WDC	Technical Committee, MoH	Technical/TEC of MoE
7	Approval of evaluation reports	Head of each IA		
8	Preparation of contract document	Procurement Specialist of Each IA		
9	Contract award/signature	Head of each IA		

The steps and the responsibilities of the procurement process at regional levels are as follows:

**Table 1.4: Steps and Responsibilities of Procurement at Regional Level**

Step	Activity	Responsibility
1	Preparation of PP	Procurement Specialist (WRDB)
2	Approval of PP	Head/Process Owner of WRDB
3	Preparation of BDs/RFPs	Procurement Specialist (WRDB)
4	Approval of BDs/RFPs	BAC/BEC of WRDB
5	Bid/proposal opening and evaluation	BoC/BEC of RWB
6	Approval of evaluation reports	TEC/Head/Process Owner WRDB
7	Preparation of contract document	Procurement Specialist
8	Contract award/signature	Head/Process Owner of IAs

246. The steps and the responsibilities of the procurement process at city/town level are as follows:

**Table 1.5: Steps and Responsibilities of Procurement at City/Town level**

Step	Activity	Responsibility
1	Identification of procured items and services	Utilities,
2	Compilation of the procurement requirements from different sectors and submission to Regional Procurement section	city procurement officers or the Procurement specialist from the RWRDB
3	Preparation of PP	Regional Procurement Section
4	Approval of PP	RWRDB, WDC & WB
5	Preparation of BDs/RFQ	Regional Procurement section, Consultant
6	Approval of BDs/RFQ	RWB & WDC, and to WB for ICB
7	Bid/quotation opening and evaluation	BoC/BEC of RWRDB
8	Approval of evaluation reports/price comparison report	RWRDB, WDC, WRDF, and WB for ICB
9	Preparation of contract document	RWRDB
10	Contract award/signature	RWRDB

## 7.5.2 Roles and Responsibilities

### 7.5.2.1 Project IAs (IAs)

247. Project IAs are responsible for carrying out procurement activities in accordance with the Legal Agreement, Procurement Regulation, this POM and Project Procurement Strategy of the project. This includes planning, strategizing, seeking and evaluating Applications/Quotations/Bids/Proposals, and awarding and managing contracts. The IAs at all levels shall retain all Procurement Documents and records, as required in the Legal Agreement.

### 7.5.2.2 World Bank

248. To ensure that the project funds are used only for the purposes for which the financing was granted, the World Bank carries out its procurement functions, including implementation support, monitoring and procurement oversight, under a risk-based approach.

The World Bank also carry out prior and post reviews of procurement activities undertaken by project IAs to determine whether they comply with the requirements of the Legal Agreement. The Bank may use a third party such as a supreme audit institution, consultants acceptable to the Bank, to carry out post reviews. Any such third party shall carry out the reviews in accordance with the terms of reference (TOR) provided to it by the Bank.

249. The requirement for a prior or post review shall be specified in the Procurement Plan. During project implementation, the World Bank monitors and reassesses the risk and risk mitigation measures. If necessary

and appropriate, as determined by the World Bank, the Bank may require the project IAs to revise the prior and/or post review requirements in the Procurement Plan.

### Prior and Post Review

250. The Bank carries out prior reviews of procurement activities that are of high value and/or high risk to determine whether the procurement is carried out in accordance with the requirements of the Legal Agreement as indicate Annex II of *“Procurement Regulations for IPF Borrowers” July 2016, revised November 2017 and August 2018.*

### Due Diligence concerning the Bank’s Sanctions Policies and Procedures

251. When conducting the evaluation of Bids/Proposals, project IAs shall check the eligibility of Bidders/Proposers/Consultants from the lists of firms and individuals debarred and suspended by the Bank that are posted on the Bank’s external website in those cases of debarred firms and individuals, and Bank’s Client Connection website and/or other sources of information that the Bank may make available for listing of suspended firms or individuals.
252. The project IAs shall apply additional due diligence by closely supervising and monitoring any on-going contract (whether under prior or post review), executed by a firm or individual which has been sanctioned by the Bank after such contract was signed. Project IAs shall neither sign any new contracts nor sign an amendment, including any extension of time for completion or a change or variation order, to an on-going contract with a suspended or debarred firm or individual after the effective date of the suspension or debarment without the Bank’s prior review and no objection.
253. The project will only finance additional expenditures if they were incurred before the completion date of the original contract or the completion date as revised;
- for prior review contracts, in an amendment to which the Bank has given its no objection; and
  - for post review contracts, in an amendment signed before the effective date of suspension or debarment.
254. The project will not finance any new contract, or any amendment introducing a material modification to any existing contract that was signed with a suspended or debarred firm or individual on or after the effective date of suspension or debarment.

**Table 1.6: Thresholds for the Prior review and market approach**

Category	Prior Review (US\$ millions)	Open International	Open National	RFQ	Shortlist of National Consultants	
					Consulting Services	Engineering and Construction Supervision
Works	≥5.0	≥7.0	<7.0	≤0.2	n.a.	n.a.
Goods, IT, and Non-Consulting services	≥1.5	≥1.5	<1.0	≤0.1	n.a.	n.a.
Consultants (Firms)	≥0.5	n.a.	n.a.	n.a.	0.2	0.3

Individual Consultants	≥0.2	n.a.	n.a.	n.a.	n.a.	n.a.
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### Independent Procurement Audit

255. MOWIE-WDC shall select the independent procurement audit consultant to carry out independent annual procurement audits of the project procurement activities, each year until completion of the project, all in accordance with the terms of reference agreed with the World Bank. The IPA reports for each such period shall be furnished to the World Bank not later than four (4) months after end of such period.

### 7.5.3 Conflict of Interest

256. The Bank requires that firms or individuals involved in project procurement shall not have a conflict of interest.

#### Goods, Works, and Non-consulting Services

257. A firm shall be considered to have a conflict of interest if the firm:
- a) **is providing Goods, Works, or Non-consulting Services resulting from, or directly related to, Consulting Services that it provided for the preparation or implementation of a project, or where such services were provided by an affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm. This provision does not apply to the various firms (Consultants, contractors, or suppliers), which together are performing the contractor's obligations under a turnkey or design and built contract;**
  - b) **including its personnel, has a close business or family relationship with a professional staff of FDRE, or of the project IA, or of a recipient of a part of the Bank's financing, or any other party representing or acting on behalf of the FDRE who:**
    - is directly or indirectly involved in the preparation of the Procurement Documents or contract specifications, and/or the evaluation process of such contract;
    - would be involved in the execution or supervision of such contract, unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Bank throughout the procurement process and execution of the contract; or
    - does not comply with any other conflict of interest situation as specified in the Bank's Standard Procurement Documents relevant to the specific procurement process.

#### Consulting Services

258. The project requires that Consultants:
- a. provide professional, objective and impartial advice;
  - b. at all times hold the project IAs 's interests paramount, without any consideration of future

work; and

- c. in providing advice they avoid conflicts with other assignments and their own corporate interests.

259. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of being unable to carry out the assignment in the best interests of the project IAs. Without limitation on the generality of the foregoing, Consultants shall not be hired under the circumstances set forth below:

- i. a firm that has been engaged by the project IAs to provide Goods, Works, or Non-consulting Services for a project (or an affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm), shall be disqualified from providing Consulting Services resulting from, or directly related to, those Goods, Works, or Non-consulting Services. This provision does not apply to the various firms (Consultants, contractors, or suppliers), which together are performing the contractor's obligations under a turnkey or design and build contract;
- ii. a firm that has been engaged by project IAs to provide Consulting Services for the preparation or implementation of a project (or an affiliate that directly or indirectly controls, is controlled by, or is under common control with that Consulting firm), shall be disqualified from subsequently providing Goods, Works, or Non-consulting Services resulting from, or directly related to those Consulting Services. This provision does not apply to the various firms (Consultants, contractors, or suppliers), which together are performing the contractor's obligations under a turnkey or design and build contract;
- iii. neither a Consultant (including personnel and sub-consultants), nor an affiliate (that directly or indirectly controls, is controlled by, or is under common control with that Consultant), shall be hired for any assignment that, by its nature, creates a conflict of interest with another assignment of the Consultant;
- iv. Consultants (including their experts and other personnel, and sub-consultants), that have a close business or family relationship with a professional staff of CWA II IAs , or of the project IA, or of a recipient of a part of the Bank's financing, or any other party representing or acting on behalf of the project IAs , that is directly or indirectly involved in any part of:
  - the preparation of the TOR for the assignment;
  - the selection process for the contract; or
  - the supervision of the contract may not be awarded a contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Bank throughout the selection process and the execution of the contract.

#### 7.5.4 Unfair Competitive Advantage

260. Fairness and transparency in the selection process require that Consultants or their affiliates, competing for a Consulting assignment do not derive a competitive advantage from having provided Consulting Services related to it. To that end, the CWA II implementing agencies shall make available to all

short-listed Consultants, together with the request for proposals document, all information that would give a Consultant a competitive advantage.

### 7.5.5 One Bid/Proposal per Bidder/Proposer/Consultant

#### Goods, Works, and Non-consulting Services

261. A firm shall not submit more than one Bid/Proposal, either individually or as a joint venture partner in another Bid/Proposal, except for permitted alternative Bids/Proposals. Submitting or participating in more than one Bid/Proposal results in the disqualification of all Bids/Proposals in which the firm is involved. This does not limit the inclusion of a firm as a subcontractor in more than one Bid/Proposal. However, for certain types of procurement, the participation of a Bidder/Proposer as a subcontractor in another Bid/Proposal may be permitted as allowed by the Standard Procurement Documents applicable to such types of procurement.

#### Consulting Services

262. Consultant shall not submit more than one Proposal, either individually or as a joint venture partner in another Proposal. If a Consultant, including a joint venture partner, submits or participates in more than one Proposal, all such Proposals shall be disqualified. However, this does not preclude a firm's participation as a sub-consultant, or an individual's participation as a team member, in more than one Proposal when circumstances justify and if permitted by the request for proposals document.

### 7.5.6 Eligibility

263. The project permits eligible firms and individuals from all countries to offer Goods, Works, Non-consulting Services, and Consulting Services.

264. In connection with any procurement to be financed in whole or in part by the project, the IAs shall not deny participation of, or award to, an Applicant/ Bidder/Proposer/Consultant for reasons unrelated to its capability and resources to successfully perform the contract; or conflict of interest situations covered under Paragraphs 1.5.3 of this POM and para 3.14 to 3.17 (Conflict of Interest) of the World Bank's the procurement regulation.

265. As exceptions to Paragraphs 3.21 and 3.22 of The World Bank Procurement (Procurement Regulation):

**a. Firms or individuals from a country, or Goods manufactured in a country, may be excluded if:**

- As a matter of law or official regulation, the FDRE prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of Goods, Works, Non-consulting Services, or for the procurement of Consulting Services. When the procurement is implemented across jurisdictional boundaries (more than one country is involved in the procurement), exclusion of a firm or individual on this basis by one country may be applied to that procurement across other countries involved if the Bank, and all project IAs involved in that procurement, agree; or
- by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the FDRE prohibits any import of Goods from, or payments to, a particular country, person, or entity. When the FDRE prohibits payments to

a particular firm or for particular Goods by such an act of compliance, that firm may be excluded.

**b. State-Owned Enterprises (SOEs) or institutions of the FDRE may be eligible to compete and be awarded contracts only if they can establish, in a manner acceptable to the World Bank, that they:**

- are legally and financially autonomous;
  - operate under commercial law; and
  - are not under supervision by the agency contracting them.
- i. As an exception to Paragraph 3.23 b of *the Procurement Regulation*, when the Goods, Works, Non-consulting Services, or Consulting Services provided by SOEs, state-owned universities, research centres, or institutions are of a unique and exceptional nature because of the absence of suitable private sector alternatives, or as a consequence of the regulatory framework, or because their participation is critical to project implementation, the Bank may agree to the contracting of these entities on a case-by-case basis.
- ii. On a case-by-case basis, the Bank may agree to the hiring of government officials and civil servants of the FDRE under Consulting contracts, either as individuals or as members of the team of experts proposed by a Consulting firm, only when:
- the services of the government officials and civil servants of the FDRE are of a unique and exceptional nature, or their participation is critical to project implementation;
  - their hiring would not create a conflict of interest; and
  - their hiring does not conflict with any laws, regulations, or policies of the FDRE.

**c. A firm or individual declared ineligible sanctioned pursuant to the Bank's Anti-Corruption Guidelines and in accordance with its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework. For details see Annex IV of *the Procurement Regulation*, Fraud and Corruption**

266. If requested by the FDRE, the Bank may agree that in Bank-financed contracts, the request for bids/request for proposals document states that a firm or individual that is under a sanction of debarment from being awarded a contract by the proper judicial or administrative authorities and pursuant to its relevant laws is ineligible to be awarded a Bank-financed contract, provided that the Bank concludes to its satisfaction that the debarment relates to Fraud or Corruption and follows a judicial or administrative proceeding affording the firm or the individual adequate due process.

### 7.5.7 Noncompliance

267. If the Bank determines that the IAs have not complied with the procurement requirements set out in the Legal Agreement, the Bank may, in addition to exercising the legal remedies set out in the Legal Agreement, take other appropriate actions, including declaring misprocurement (for example, due to the failure to address complaints in accordance with applicable requirements).

268. Even once the contract is awarded after obtaining a no objection from the Bank, the Bank may still take appropriate actions and exercise legal remedies, regardless of whether the project has closed or not, if it concludes that the no objection or the notice of satisfactory resolution was issued on the basis of



incomplete, inaccurate, or misleading information furnished by the IAs or the terms and conditions of the contract had been substantially modified without the Bank's no objection.

### 7.5.8 Procurement-related complaints

269. Procurement-related complaints (Complaints) should be submitted to the project IAs in a timely manner, at the appropriate stage of the procurement process, and when so submitted, the IAs shall address them promptly and fairly. Timeliness, in both the submission of Complaints and their resolution, is of critical importance in order to avoid undue delay and disruption in the project of which the procurement is a part. All Complaints shall be recorded by the IAs at all levels in the appropriate tracking and monitoring system, as agreed between the Bank and the IAs.
270. Those Complaints arising in connection with contracts for which the Bank's Standard Procurement Documents (SPDs) are required to be used, shall be administered and handled in accordance with Annex III of *the Procurement Regulation*, Procurement-related Complaints. The contracts where the IAs shall use the Bank's SPDs shall be specified in the Procurement Plan for the project. Whenever the Bank's SPDs are required to be used, a Standstill Period shall apply.
271. Complaints, other than those covered under Annex III of *the Procurement Regulation*, Procurement-Related Complaints, are to be handled by the IAs in accordance with the applicable complaint review rules and procedures as agreed by the Bank.
272. A Complaint that includes allegations of Fraud or Corruption may require special treatment. The IAs and the Bank shall consult to determine any additional actions that may be necessary.

### 7.5.9 Fraud and Corruption

273. The Bank and the IAs requires application of, and compliance with, the Bank's Anti-Corruption Guidelines including without limitation the Bank's right to sanction and the Bank's inspection and audit rights. As indicated in Annex IV of *The World Bank Procurement Regulation*.

## 7.6 Procurement Provisions

### 7.6.1 Procurement Planning and Tracking Tools

274. The project IAs shall use the Bank's online procurement planning and tracking tool, Systematic Tracking of Exchanges in Procurement (STEP) to record all procurement actions, including preparing,

updating and clearing its Procurement Plan, and seeking and receiving the Bank's review and No-objection to procurement actions as required. The STEP is accessed via STEP.worldbank.org

275. Each IA will be required to prepare its procurement plan based on the ONWP CWA II agreed project plan and submit to the concerned-up level for consolidation.
276. The procurement plan prepared by public bodies has to be approved by the head of the public body concerned and communicated to the relevant departments of the public body and the Agency until Hamle 30 (August 6) of the Ethiopian Calendar. The approved procurement activities shall be uploaded in STEP once the procurement plan is review and approved by the head of the IAs.
277. The procurement plan in STEP including the updates shall include at least following information.
- **A brief description of the activities/contracts**
  - **Procurement category**
  - **The selection method**
  - **Market approach**
  - **Cost estimate**
  - **Banks review requirement (post or prior review)**
  - **Procurement classification**
  - **Time schedule and**
  - **Any other relevant procurement information**
278. WDC is responsible to consolidate the procurement plans of the IAs at the federal level and subsequent updates, upload in STEP and submit the procurement plan to the World Bank for review and approval. Once approved by the World Bank, the procurement plan will serve as a management and monitoring tool and the procuring units shall implement the Procurement Plan in the manner in which it has been approved by the Bank and regularly upload the documentation for all initiated contract in STEP. Expenditures under contract for Goods, Works, Non-Consultancy Services, and Consultancy Services that have not been awarded in accordance with the provisions elaborated in the Procurement Plan may lead to mis-procurement of the particular contract.

## 7.6.2 Language

279. For Open international competitive procurements, all Procurement Documents shall be prepared and issued in English Language. The project IAs may also issue translated versions of these documents in another language, which should be the National Language. The National Language is, either:
- the national language of the FDRE; or
  - the language used nationwide in the FDRE for commercial transactions, and the Bank is satisfied that this is the language used.
280. The IAs shall take full responsibility for the correct translation of the documents into the National Language. In case of any discrepancy, the text in English prevails. If Procurement Documents are issued in two languages, potential Applicants/Bidders/Proposers/ Consultants may submit their Applications/Bids/Proposals in either of those two languages.
281. For international competitive procurement that is subject to prior review the IAs have the responsibility to furnish to the Bank an accurate translation of the evaluation report for

Prequalification/Initial Selection/Shortlisting/Bid/Proposal, draft contract and the conformed copy of the contract in the internationally used language specified in the request for bids/request for proposals documents, that is, English. The IAs shall also furnish to the Bank an accurate translation of any subsequent modifications of such contracts.

282. For national procurement, Procurement Documents may be in the National Language. When the Procurement Documents are in the National Language, the Bank may require the project IAs to provide, for its review, an accurate translation in English.
283. The contract signed with the winning Bidder/Proposer/Consultant shall always be written in the language in which the Bid/Proposal was submitted, which shall be the one that governs the contractual relations between the IAs and the winning Bidder/ Proposer/Consultant. The contract shall not be signed in more than one language.

### **7.6.3 Confidential Information**

284. Without prejudice to the principle of transparency and other obligations pursuant to the World Bank and FPPPA Procurement Regulations, in particular those relating to the publication of the Contract Award Notice and debriefing of unsuccessful Bidders/Proposers/Consultants, the project IAs shall not disclose information provided by Applicants/Bidders/Proposers/ Consultants in their Applications/Bids/Proposals, which they have marked as confidential. This may include proprietary information, trade secrets and commercial or financially sensitive information.

### **7.6.4 Release of Evaluation Information**

285. CWA II IAs shall treat information relating to the examination, clarification, and evaluation of Applications/Bids/Proposals in such a way as to avoid disclosure of their contents to any other Applicant/Bidder/Proposer/Consultant participating in the selection process, or any other party not authorized to have access to this type of information, until the IAs notifies the outcome of evaluation of Applications/Bids/Proposals, in accordance with the procedures in the applicable Procurement Documents.

### **7.6.5 Communication**

286. Communications between the CWA II IAs and Applicants/Bidders/Proposers/ Consultants during the different stages of the Procurement Process shall be in Writing with proof of receipt. The IAs shall keep a written record of meetings, such as: exploratory/clarification meetings.

### **7.6.6 Publication of Procurement Opportunities**

287. Timely notification of procurement opportunities is essential in competitive procurement. A General Procurement Notice (GPN) is required for all procurement financed by the project that is expected to involve open international competitive procurement. the WDC is required to prepare and submit to the Bank a GPN before beginning any procurement activity under a project. The Bank arranges for the publication of the GPN

in UN Development Business online (UNDB Online) and on the Bank's external website. The GPN contains the following information:

- the name of the project IAs;
- the purpose and amount of the financing;
- the scope of procurement reflecting the Procurement Plan;
- The IA's contact point;
- if available, the address of a free-access website on which the subsequent Specific Procurement Notice/s (SPNs) will be posted; and
- if known, an indication of the scheduled dates for the specific procurement opportunities.

288. The project IAs shall advertise the SPN:

- on its free-access website, if available;
- in at least one newspaper of national circulation in FDRE; or
- in the official gazette.

289. For open international competitive procurement:

- The project IAs shall also publish the SPN in UNDB online and, if possible, in an international newspaper of wide circulation; and
- the Bank arranges for the simultaneous publication of the SPN in UNDB and on its external website.

### 7.6.7 Standards and Technical Specifications

290. Standards and technical specifications in applicable Procurement Documents shall promote the broadest possible competition, while ensuring performance or other requirements for the procurement. To the extent possible, in international competitive procurement, the IAs shall specify internationally accepted standards with which the equipment, materials or workmanship shall comply. When such international standards do not exist or are inappropriate, national standards may be specified. In all cases, the

Procurement Documents shall state that equipment, material, or workmanship meeting other standards that are at least substantially equivalent to the specified standards will also be accepted.

### 7.6.8 Use of Brand Names

291. Specifications shall be based on relevant technical characteristics and/or performance requirements. References to brand names, catalogue numbers, or similar classifications shall be avoided. If it is justified to specify a brand name or catalogue number of a particular manufacturer to clarify an otherwise incomplete specification, the words 'or equivalent' shall be added after such a reference to permit the acceptance of offers for Goods that have similar characteristics and performance at least substantially equivalent to those specified.

### 7.6.9 Contract Types and Arrangements

292. The selection of contract types and arrangements takes into account the nature, risk, and complexity of the procurement, and VfM considerations. Applicable contract types and arrangements include: lump sum, unit price or time-based. For details see Annex VIII of *The World Bank Procurement Regulation*, Contract Types.

### 7.6.10 Contract Conditions

293. The conditions of contract in procurement financed by the Project shall provide an appropriate allocation of rights and obligations, risks and liabilities, informed by an analysis of which party is best placed to manage the risks, bearing in mind the costs and incentives of risk allocation. For details see Annex IX of *The World Bank Procurement Regulation*, Contract Conditions in International Competitive Procurement. The contract documents shall clearly define the:
- Scope of work to be performed;
  - Goods, Works, Non-consulting Services, or Consulting Services to be provided;
  - Rights and obligations of the contracting parties; and
  - Other appropriate conditions.
- c)

### 7.6.11 Incoterms

294. In international competitive procurement, Incoterms shall be used for the procurement of Goods. The Procurement Documents shall specify the applicable version of the Incoterms that shall be used.

### 7.6.12 Clarification of Procurement Documents

295. Potential Applicants/Bidders/Proposers/Consultants may request, In Writing, clarifications of Procurement Documents issued by the IAs. The IAs response to a request for clarification shall not divulge information that might give an unfair advantage. All clarifications and addenda of prequalification/ request

for bids/request for proposals documents, shall be In Writing and shall be sent simultaneously to each recipient of the original documents and all potential Applicants/Bidders/Consultants on record, in sufficient time to enable them to take appropriate action.

Any modification to issued Procurement Documents shall be introduced in the form of an addendum which shall be In Writing. If necessary, the deadline for Application/Bid/Proposal submission should be extended.

### **7.6.13 Bid/Proposal Security**

#### **Goods, Works, and Non-consulting Services**

296. For the procurement of Goods, Works, or Non-consulting Services, the IAs may require a Bid/Proposal security. Such a security shall be in the amount and form specified in the request for bids/request for proposal document and shall remain valid for a period sufficient to provide reasonable time for the IAs to act if the security is to be called upon. This period is generally four (4) weeks beyond the validity period for the Bids/Proposals. The Bid securities of unsuccessful Bidders/Proposers shall be released once the contract is signed with the successful Bidder/Proposer.
297. Bid/Proposal securities shall be issued by a reputable bank, or a non-bank financial institution (such as an insurance, or bonding or surety company), located in any eligible country, selected by the Bidder/Proposer. If the Bid/Proposal security is issued by a non-bank financial institution located outside the FDRE and is not enforceable in the FDRE, the financial institution shall have a correspondent financial institution located in the Federal Democratic Republic of Ethiopia to make it enforceable. Bidders/Proposers shall be allowed to submit Bid/Proposal securities in the form of bank guarantees directly issued by the bank of their choice located in any eligible country.

### **7.6.14 Bid/Proposal Preparation Period and Submission**

298. The time allowed for the preparation and submission of Bids/Proposals shall be determined with due consideration of the particular circumstances of the project and the magnitude, risk, and complexity of the procurement. The minimum period allowed for preparation of Bids/Proposals shall be thirty (30) Business Days for open international competitive procurement, unless otherwise agreed with the Bank. For complex procurement, the IAs may arrange a pre-Bid/pre-Proposal conference in which potential Bidders/Proposers/Consultants may meet with IAs representatives to seek clarifications. The IAs should also provide reasonable access to project sites for prospective Bidders/Proposers/Consultants.
299. The deadline and place for the receipt of Bids/Proposals shall be specified in the SPN and the request for bids/request for proposal document. Potential Bidders/ Consultants may submit Bids/Proposals by mail or in person.

### **7.6.15 Joint Ventures**

300. Firms participating in the project contracts may form joint ventures with domestic and/or foreign firms to enhance their qualifications and capabilities. A joint venture may be for the long term (independent of any particular procurement), or for a specific procurement. All the partners in a joint venture shall be jointly and severally liable for the entire contract. The project does not accept conditions of participation in

a procurement process that require mandatory joint ventures or other forms of mandatory association between firms.

### 7.6.16 Bid/Proposal Validity

301. The Bid/Proposal validity period specified in the request for bids/request for proposal document shall be sufficient to enable the IAs to:
- complete the comparison and evaluation of Bids/Proposals;
  - obtain necessary approvals within the IAs 's entity;
  - allow for the Bank's prior review, if required in the Procurement Plan; and
  - award the contract.

### 7.6.17 Bid/Proposal Opening

302. The date and time for the Bid/Proposal opening shall be the same as for the deadline for receipt of Bids/Proposals or promptly thereafter, and shall be announced, together with the place for Bid/Proposal opening, in the request for bids/request for proposals document and/or the SPN. In a single stage, two-envelope process, the date, time and place for opening the second envelope shall also be appropriately announced.
303. Normally, Bid/Proposal openings are undertaken in public. At the Bid/Proposal opening, the IAs shall neither discuss the merits of any Bid/Proposal nor reject any Bid/Proposal that has been received on time. In a single stage, one-envelope process, the IAs shall:
- a. open bids marked as "ORIGINAL" in public all Bids received by the submission deadline; and
  - b. read aloud and record the name of each Bidder/Consultant that submitted a Bid/Proposal, the total amount of each Bid/Proposal and currencies of bid, any discounts, Bid/Proposal Security, Bid/Proposal securing declaration, if required, and any alternative Bids/Proposals offered if they have been requested or permitted. The read out should be from the bids/proposals marked as "ORIGINAL".
304. A copy of the record of Bid/Proposal opening shall be promptly sent to all Bidders / Consultants whose Bids/Proposals were opened and, if subject to prior review, to the Bank. Bids/Proposals not opened and read out at the Bid/Proposal opening shall not be considered. The bids/proposals marked as "ORIGINAL" shall be signed by the bid/proposal opening committee and kept in safe place for further reference. The bids/proposals marked as "COPY" shall be used for the evaluation by the evaluation committee. If there is a discrepancy between the bids/proposals marked as "COPY" and "ORIGINAL", the provisions in the bids/proposals marked as "ORIGINAL" shall prevail.

### 7.6.18 Late Bids/Proposals

305. Bids/Proposals received after the date and time deadline for receipt shall not be considered.

### 7.6.19 Evaluation Criteria

306. Evaluation criteria and methodology shall be specified in detail in the request for bids/request for proposals/RFQ document. The evaluation criteria and methodology shall be appropriate to the type, nature, market conditions, and complexity of what is being procured. For open international competitive procurement, the project's requirements for the submission of Bid/Proposal prices (format, structure and details), and method of comparison and evaluation of Bid/Proposal prices (including treatment of taxes levied in FDRE for procurement of Goods, Works, Non-consulting services, and Consulting Services), are detailed in the appropriate Bank's Standard Procurement Documents. For details see Annex X of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018*, Evaluation Criteria.
307. **Evaluation of bids – Works, Good and Non-Consulting Services:** The project IAs should establish an evaluation committee, consisting of a minimum of three qualified members who should work in a secure office where all bidding documents can be kept. There may be a considerable advantage if the same members participated in the preparation of the bidding documents.
308. **Bid Validity:** The duration of the validity of each bid should be the one specified in the BD and should be confirmed in the signed (form of) bid. If exceptional circumstances occur in which award cannot be made within the validity period, extensions in writing should be requested of bidders, in accordance with the BD. Extensions to the validity of bid security should also be requested of bidders, if necessary. Note that for fixed price contracts subject to prior review, a no-objection by the Bank is necessary for extensions longer than twenty-eight (28) days and for any subsequent extensions.
- Principles of Evaluation;* After the public opening of bids, information relating to the examination, clarification, and evaluation of bids shall not be disclosed to bidders or other persons not officially concerned with this process until the successful bidder is notified of the award of contract.



309. The Bid Evaluation Committee may request clarifications from bidders concerning ambiguities or inconsistencies in the bid. As required in the BD, such requests shall be in writing, and no change in the price or scope of the originally offered goods, works, or services shall be sought or accepted, except for the correction of arithmetic error. The responses from bidders shall also be in writing. No circumstances shall justify meetings or conversations between responsible authorities of the project implementing institutions and bidders during the bid evaluation process.
310. Bidders frequently attempt to contact the project IAs during bid evaluation, directly or indirectly, to query progress of evaluation, to offer unsolicited clarifications, or to provide criticisms of their competitors. Receipt of such information should be acknowledged as to receipt only. Project IAs must evaluate bids on the basis of the information provided in the respective bids. However, additional information provided may be useful in improving the accuracy, speed, or fairness of the evaluation. Nonetheless, no changes in the bid price or substance are allowed. The tables mentioned in the following sections refer to the tables from the sample bid evaluation and reported template.
311. **Preliminary Examination of Bids:** The evaluation process should begin immediately after bid opening. The purpose of preliminary examination is to identify and reject bids that are incomplete, invalid, or substantially nonresponsive to the bidding documents and therefore are not to be considered further. The following checks should be applied:
- (a) **Verification:** Attention should be directed toward deficiencies that, if accepted, would provide unfair advantages to the bidder. Sound judgment must be used: for example, simple omissions or mistakes arguably occasioned by human error should not be grounds for rejection of the bid. Rarely is a bid perfect in all respects. However, the validity of the bid itself, for example, its signatures, must not be in question. If the bidder is a joint venture, the joint venture agreement must be submitted; if the bidder is an agent, an authorization from the supplier or manufacturer must be provided in addition to any documentation required of the supplier or manufacturer itself. All copies of the bid should be compared with the original and corrected accordingly, if necessary. Thereafter, the original should be kept in a safe location, and only copies should be used in evaluation.
- (b) **Eligibility:** The bidder must be a national or a juridical entity from an eligible source country as defined in eligibility section of this manual and the eligibility provision provided in the bidding document or request for Proposals. All partners to a joint venture shall be from an eligible source country, and the joint venture shall be registered in an eligible source country. All goods and services shall originate from eligible source countries. In the case of plant and equipment, this eligibility test is applied only to the finished product offered in the bid and to its major and clearly identifiable components. The bidder (including all members of a joint venture and subcontractors) may be disqualified if affiliated with a firm that has provided related consulting services on the project, or if the bidder is a publicly owned enterprise of the GoE, lacking legal and financial autonomy.
- (c) **Bid Security:** The bidding document may require submission of a bid security. If so, the bid security must conform to the requirements of the BD, and it must accompany the bid. If the bid security is issued as a bank guarantee, it must be consistent with the wording of the bid security form provided in the bidding document. Submission of a copy of the security or submission of a counter-guarantee naming the GoE's bank instead of the Project implementing institutions is unacceptable. Furthermore, securities for an amount smaller (by substantial amount) or for a period shorter (significant) than the one specified in the ITB are not acceptable.

The security for a bid submitted by a joint venture should be in the name of all of the partners of the joint venture.

**(d) Completeness of Bid:** Unless the bidding documents have specifically allowed partial bids—permitting bidders to quote for only select items or for only partial quantities of a particular item—bids not offering all of the required items should ordinarily be considered nonresponsive. However, under works contracts, missing prices for occasional work items are considered to be included in prices for closely related items elsewhere. If any erasures, interlineations, additions, or other changes have been made, they should be initialed by the bidder. They may be acceptable if they are corrective, editorial, or explanatory. If they are not, they should be treated as deviations and should be analyzed as per the provision outlined below. Missing pages in the original copy of the bid may be cause for rejection of the bid, as may contradictions in model numbers or other designations of critical supply items.

**(e) Substantial Responsiveness:** Major deviations to the commercial requirements and technical specifications are a basis for the rejection of bids. As a general rule, major deviations are those that, if accepted, would not fulfil the purposes for which the bid is requested, or would prevent a fair comparison with bids that are properly compliant with the bidding documents. Examples of major deviations include:

- i) Stipulating price adjustment when fixed price bids were called for,
- ii) Failing to respond to specifications by offering instead a different design or product that does not offer substantial equivalence in critical performance parameters or in other requirements
- iii) Phasing of contract start-up, delivery, installation, or construction not conforming to required critical dates or progress markers
- iv) Subcontracting in a substantially different amount or manner than that permitted
- v) Refusing to bear important responsibilities and liabilities allocated in the bidding documents, such as performance guarantees and insurance coverage
- vi) Taking exception to critical provisions such as applicable law, taxes and duties, and dispute resolution procedures

312. Bids that offer deviations may be considered substantially responsive—at least as to the issue of fairness—if the deviations can be assigned a monetary value that would be added as a penalty during the detailed evaluation process and if such deviations would be acceptable in the eventual contract.

313. The results of preliminary examination should be presented in Table 5 of the sample bid evaluation reporting format (to be provided in a separate volume). If the bid fails preliminary acceptance, the reasons must be clearly explained in footnotes or in an attachment, as necessary. Project IAs may find it useful to include additional tables for itemization of responsiveness to a list of technical or commercial specifications. These should be attached to Table 5 of the bid evaluation and reporting template.

314. **Detailed Examination of Bids:** Only those bids surviving preliminary examination need to be examined in this phase.

**(a) Corrections for Errors:** The methodology for correction of computational errors is described in the ITB. The read-out bid prices and their corrections should be noted in Table 6, column d of bid evaluation and reporting template. The corrections are considered binding on the bidder. Unusual or large corrections that could affect the comparative ranking of bids should be explained in footnotes.

**(b) Corrections for Provisional Sums:** Bids may contain provisional sums set by the project implementing institutions for contingencies or for nominated subcontractors, etc. As these sums are the same for all bids,

they should be subtracted from the read-out prices in Table 6, column e to allow for a proper comparison of bids in subsequent steps. However, those provisional sums set aside for Day work, where priced competitively, should not be included in the deductions.

**(c) Modifications and Discounts:** In accordance with the BD, bidders are allowed to submit, prior to bid opening, modifications to their original bid. The impact of modifications should be fully reflected in the examination and evaluation of the bids. These modifications may include either increases or discounts to the bid amounts that reflect last-minute business decisions. Accordingly, the original bid prices should be modified at this point in the evaluation. Discounts offered in accordance with the BD that are conditional on the simultaneous award of other contracts or lots of the contract package (cross-discounts) shall not be incorporated until the completion of all other evaluation steps. The effect of unconditional discounts (or alternatively, increases) should be shown as in Table 6 (columns g and h). Any discount expressed in percent must be applied to the appropriate base specified in the bid (i.e., check to see if it applies to any provisional sums).

**(d) Evaluation Currency:** The remaining bids as corrected for computational errors and as adjusted for discounts should be converted to a common evaluation currency, as described in the BD. The exchange rates to be used in the calculations are to be listed in Table 7. If multiple exchange rates exist for a particular currency (for commercial, government transactions, etc.), indicate which applies, with reasons for the choice. Where exchange rates for a particular currency are not available from the specified authority or publication, identify the secondary source, as well as any necessary conversion calculations.

**(e) Additions:** Omissions to the bid should be compensated for by adding the estimated costs for remedying the deficiency. Where items missing in some bids are present in others, an average of quoted prices could be used to compare competitors' bids. Alternatively, external sources, such as published price lists, freight tariff schedules, etc., may be appropriate. The cost determined should be expressed in the evaluation currency and shown in Table 10, column c.

**(f) Adjustments:** The ITB specifies which, if any, performance or service factors will be taken into account in the bid evaluation. The methodology used in evaluation of these factors should be precisely described in the bid evaluation report and should be fully consistent with the ITB provisions. Bonuses or additional credits that reduce the evaluated bid price will not be given in the bid evaluation for features that exceed the requirements stated in the bidding documents, unless specifically provided for in the BD. The value of adjustments will be expressed in terms of cost, for all works and most goods contracts, and should be shown in Table 10, column d and expressed in the evaluation currency.

**(g) Priced Deviations:** As discussed above, bids with minor deviations may be considered substantially responsive if their further consideration assigns a monetary cost or penalty to the bid for the purpose of bid comparison:

- i) Requests for deviations that are expressed by the bidder in vague terms, such as "we would like an increase in the amount of mobilization advance" or "we wish to discuss changes in the completion schedule" should ordinarily be ignored in bid evaluation. However, a categorical statement by the bidders taking exception to a requirement in the bidding documents should be treated as a deviation.
- ii) If a bid requires a faster payment stream than specified in the bidding documents, the penalty is based on the prospective benefit to the bidder. This situation assumes use of a discounted cash flow

using the prevailing commercial interest rates for the currencies of the bid, unless the ITB foresees the eventuality and specifies a rate.

- iii) If a bid provides for a delivery or completion that is beyond the date specified in the bidding documents but that is nonetheless technically acceptable to the Project IAs, the time advantage given should be assessed a penalty specified in the BD or, if one is not provided, based on the rate of liquidated damages specified in the bidding documents.

315. The deviations should be priced in the evaluation currency in Table 10, column e.

316. **Determination of Award:** In the comparison of bids for works and for most goods, the corrected and discounted bid prices, together with adjustments for omissions, deviations, and specified evaluation factors, have been noted in Table 10. The bidder with the lowest total is the lowest evaluated cost bidder at this stage, subject to:

- Application of domestic preference, allowed only for Open International I bidding contracts;
- Application of any discounts, contingent on the simultaneous award of multiple contracts or lots; and
- Post-qualification evaluation,

317. Bid Evaluation Report (BER) Submission

- (i) *Prior Review:* In accordance with the financing agreement, the Project IAs must submit the completed bid evaluation report containing the required summary to the World Bank through STEP as soon as possible prior to the expiration of the bid validity period. The report should include the appropriate section and should be complete and comprehensive.
- (ii) *Post Review:* For contracts not subject to prior review, the Project IAs may award the contract upon completion of bid evaluation whereby the evaluation report and other documents are kept by the project IAs and upload at each stage in STEP, subject to future review by the Bank staff or its designated consultant.

## 7.6.20 Domestic Preferences

### Goods and Works

318. When open international competitive procurement is used to procure Goods or Works, a margin of domestic preference may be provided in the evaluation of Bids/Proposals for the following:

- Goods manufactured in FDRE, compared with Goods manufactured abroad. The preference is fifteen percent (15%) added to the Carriage and Insurance Paid (CIP) price of the Goods manufactured abroad; and
- Works in member countries below a specified threshold of per capita gross national income (as defined annually by the Bank), when comparing Bids/Proposals from eligible domestic firms with those from foreign firms. The preference is seven and a half percent (7.5%) added to the price offered by the foreign firms.

319. Domestic preference shall not be applied to Plant.
320. The use of domestic preference is agreed in the Procurement Plan and set forth in the request for bids/request for proposals document. For details see Annex VI of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Domestic Preference*.

### 7.6.21 Currency

321. In international competitive procurement the Procurement Document shall state that a Bidder/Proposer/Consultant may express the Bid/Proposal price in any currency. A Bidder/ Consultant may express the Bid/Proposal price as a sum of amounts in local currency and/or no more than three different foreign currencies. The IAs may also require Bidders/Consultants to state the portion of the Bid/Proposal price representing local costs incurred in the currency of the FDRE (local currencies).
322. Payment of the contract price shall be made in the currency or currencies in which payment has been requested by the Bidder/Proposer/Consultant specified in the Bid/Proposal.

### 7.6.22 Price Adjustments

323. The request for bids/request for proposals document shall state that either:
- the Bid/Proposal price will be fixed; or
  - price adjustments will be made to reflect any changes in major cost components of the contract, such as labor and materials.
324. For details see Annex IX of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Contract Conditions in International Competitive Procurement*.
325. **Evaluation of Proposals: Consultancy Service - Consideration of Quality and Cost;** The evaluation of the proposals shall be carried out in two stages: first the quality, and then the cost. Evaluators of technical proposals shall not have access to the financial proposals until the technical evaluation is concluded. Financial proposals shall be opened only thereafter. The evaluation shall be carried out in full conformity with the provisions of the RFP issued to the shortlisted consultants.

#### **Evaluation of the Quality**

326. Given the need for high quality services, the quality of the evaluation of technical proposals is paramount. The Project IAs shall evaluate each technical proposal using an evaluation committee of at least 3 (three), and normally no more than 5 (five), members including qualified specialists in the sector of the assignment under consideration. Each member of the committee shall not be in a conflict of interest situation as per the provisions outlined in this manual and certify to that effect before participating in the evaluation. The technical evaluation shall take into account the criteria and sub criteria indicated in the RFP. The RFP shall describe each criterion and sub-criterion along with their relative maximum scores and disclose the overall minimum technical score below which a proposal will be rejected as nonresponsive. The indicative range for the overall minimum technical score is 70 to 85 (seventy to eighty-five) on a scale of 1 to 100 (one to one hundred). The maximum score for each criterion and the minimum overall technical score shall be determined based on the nature and complexity of the specific assignment. The criteria shall include:

- a. adequacy of methodology and work plan;
- b. relevant experience and qualifications of key staff; and
- c. relevant experience of the firm and
- d. the transfer of knowledge, if required in the TOR, and
- e. (e) the extent of the participation of nationals among key experts in the performance of the assignment.

327. They shall be within the indicative range of scores specified below, except with the no objection of the Bank. The maximum score for the “Participation by national experts” as indicated below shall not exceed 10 (ten) points.

Relevant experience of the firm:	0 to 10
Adequacy of methodology and work plan:	20 to 50
Relevant experience and qualifications of key staff:	30 to 60
Transfer of knowledge:	0 to 10
Participation by national experts:	0 to 10
Total:	100

328. The Project implementing institutions shall normally divide these criteria into sub-criteria. Each criterion shall then be scored on the basis of the weights assigned to respective sub-criteria. For example, sub-criteria under methodology might be *innovation* and *level of detail*. However, the number of sub-criteria should be kept to the essential. The project recommends against the use of exceedingly detailed lists of sub-criteria that may render the evaluation a mechanical exercise more than a professional assessment of the proposals. The weight given to experience can be relatively modest, since this criterion has already been taken into account when short-listing the consultant. More weight shall be given to the methodology in the case of more complex assignments (for example, multidisciplinary feasibility or management studies).

329. Only the key experts should be evaluated. Since they ultimately determine the quality of performance, more weight shall be assigned to this criterion if the proposed assignment is complex. The Project implementing institutions shall review the qualifications and experience of proposed key experts in their *curricula vitae*, which must be accurate, complete, and signed by an authorized official of the consulting firm and the individual proposed. The individuals shall be rated in the following three sub-criteria, as relevant to the task:

- a) General qualifications: general education and training, length of experience, positions held, previous assignments as team expert, experience in developing countries, and so forth;
- b) Adequacy for the assignment: education, training, and experience in the specific sector, field, subject, and so forth, relevant to the particular assignment; and
- c) Experience in the region: knowledge of the local language, culture, administrative system, government organization, and so forth.

330. The technical evaluation committee shall evaluate each proposal on the basis of its responsiveness to the TOR. A proposal shall be considered unsuitable and shall be rejected at this stage if it fails to comply with important aspects described in the RFP.

331. The members of the evaluation committee shall evaluate proposals in accordance with the evaluation criteria specified in the RFP, independently of each other, and without any external influence from

any person or entity. A proposal shall be rejected if it fails to achieve the overall minimum technical score specified in the RFP. At the end of the evaluation process, the technical evaluation committee shall prepare a Technical Evaluation Report using the World Bank's standard form of evaluation report or another report acceptable to the Bank. The report shall substantiate the results of the evaluation and justify the total technical scores assigned to each proposal by describing the relative strengths and weaknesses of the proposals. Large differences in the individual scores given to a proposal for the same criterion or sub-criterion by different members shall be addressed and a justification be provided in the technical evaluation report. In the case of contracts subject to prior review, the technical evaluation report including the detailed evaluation sheets of each committee member shall be submitted to the Bank for its review and no objection. All records relating to the evaluation, such as individual score sheets shall be retained.

332. **Opening of Financial Proposals and Evaluation of Cost;** After the Technical Evaluation Report is completed (after the Bank has issued its no objection for prior review contracts), the Project IAs shall inform consultants whose proposals did not meet the minimum qualifying technical score or were considered nonresponsive to the RFP and TOR that their financial proposals will be returned unopened after the signature of the contract. In addition, the Project IAs shall inform each of the above consultants of their overall technical score as well as scores obtained for each criterion and sub-criterion if any. The Project IAs shall simultaneously notify the consultants that have secured the minimum overall technical score of the date, time, and place set for opening the financial proposals. The opening date shall be set allowing sufficient time for consultants to make arrangements to attend the opening of the financial proposals. The financial proposals shall be opened in the presence of representatives of the consultants who choose to attend (in person or online). The name of the consultant, the technical scores, including the break-down by criterion, and the offered total prices shall be read aloud (and posted online when electronic submission of proposals is used) and recorded when the financial proposals are opened.
333. The Project IAs shall then evaluate and compare the financial proposals in accordance with the procedures stipulated in the RFP. Prices shall be converted to a single currency selected by the Project IAs (local currency or fully convertible foreign currency) as stated in the RFP. The Project IAs shall make this conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the national Bank of Ethiopia) or by an internationally circulated newspaper for similar transactions. The RFP shall specify the source of the exchange rate to be used and the date of that exchange rate, provided that the date shall not be earlier than four weeks prior to the deadline for submission of proposals, nor later than the original date of expiration of the period of validity of the proposal. For a time-based contract, any arithmetical errors shall be corrected, and prices shall be adjusted if they fail to reflect all inputs that are included in the respective technical proposals. For a lump-sum contract, the consultant is deemed to have included all prices in its financial proposal, so neither arithmetical corrections nor price adjustments shall be made, nor the total price, net of taxes, included in the financial proposal shall be considered as the offered price.
334. For the purpose of evaluation, the offered prices shall exclude local identifiable indirect taxes on the contract and income tax payable to the GoE on the remuneration of services rendered in Ethiopia by non-resident experts and other personnel of the consultant. In exceptional circumstances, when indirect taxes cannot be fully identified by the Project IAs when evaluating the financial offers, the project may agree that prices, for the purpose of evaluation only, include all taxes payable to the FDRE. The offered total price shall include all consultants' remuneration and other expenses such as travel, translation, report printing, or secretarial expenses. The proposal with the lowest offered total price may be given a financial score of 100

(one hundred) and other proposals are given financial scores that are inversely proportional to their prices. Alternatively, a directly proportional or other methodology may be used in allocating the scores to the financial proposals. The methodology to be used shall be described in the RFP.

335. **Step 9: Combined Quality and Cost Evaluation;** The total score shall be obtained by weighting the quality and cost scores and adding them. The weight for the “cost” shall be chosen, taking into account the complexity of the assignment and the relative importance of quality. Except for the type of services specified in Section III, the weight for cost shall normally be 20 (twenty) points out of a total score of 100 (one hundred). The proposed weightings for quality and cost shall be specified in the RFP. The firm obtaining the highest total score shall be invited for negotiations.
336. The proposals evaluation and reporting format can be obtained from the Bank’s website ([www.worldbank.org/procurement](http://www.worldbank.org/procurement)) and all tables mentioned below refers this reporting format.
337. **Negotiations and the Award of Contract;** Negotiations shall include discussions of the TOR, the methodology, Project IA’ inputs, and special conditions of the contract. These discussions shall not substantially alter the original scope of services under the TOR or the terms of the contract, lest the quality of the final product, its price, and the relevance of the initial evaluation be affected. Major reductions in work inputs should not be made solely to meet the estimated cost or available budget. The final TOR and the agreed methodology shall be incorporated in the “Terms of Reference” which shall form part of the contract.
338. The selected firm should not be allowed to substitute key experts, unless both parties agree that undue delays in the selection process make such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key experts were included in the proposal without confirming their availability, the firm may be disqualified, and the process continued with the next ranked firm. The key experts proposed for substitution shall have qualifications equal to or better than the key experts initially proposed.
339. Financial negotiations shall include clarification of the consultants’ tax liability in the FDRE (if any) and how this tax liability has been or would be reflected in the contract. Payments under lump-sum contracts are based on the delivery of outputs (or products), hence the offered price shall include all costs (experts’ time, overhead, travel, hotel, etc.). Consequently, if the selection method for a lump-sum contract included cost as a factor in evaluation, the offered price shall not be negotiated.
340. In the case of time-based contracts, payment is based on inputs (experts’ time and reimbursable) and the offered price shall include experts’ rates and an estimation of the amount of reimbursable. When the selection method includes cost as a factor in evaluation, negotiations of experts’ rates shall not take place, except in special circumstances, like for example, experts’ rates offered are much higher than typically charged rates by consultants for similar contracts. Consequently, the prohibition of negotiation does not preclude the right of the project implementing institutions to ask for clarifications, and, if the fees are very high, to ask for their change. Reimbursable are to be paid on actual expenses incurred at cost upon presentation of receipts and therefore are not subject to negotiations. However, if the project IAs want to define ceilings for unit prices of certain reimbursable (like travel or hotel rates), they should indicate the maximum levels of those rates in the RFP.
341. If the negotiations with the highest ranked consultant fail, the Project IAs shall inform the concerned consultant in writing of all pending issues and disagreements and provide them a final opportunity to respond in writing. Contract negotiations shall not be terminated only for budget considerations. If there is still disagreement, the Project implementing institution shall inform the consultant in writing of its intention to terminate negotiations. Negotiations may then be terminated, and the next ranked consultant invited for



negotiations. For prior review contract, the Project implementing institutions shall furnish to the World Bank for review the minutes of negotiations and all relevant communications, as well as the reasons for such termination. For post review contract, the IAs should maintain all record for further review during post procurement review. Once negotiations have commenced with the next ranked firm, the Project implementing institution shall not reopen the earlier negotiations. After negotiations are successfully completed, the Project implementing institutions shall promptly notify other firms on the short list that they were unsuccessful.

### 7.6.23 Rejection of Bids/Proposals

#### Goods, Works, and Non-consulting Services

342. Rejection of all Bids/Proposals is justified (for contracts subject to prior review, with the Bank's no-objection), when:
- d) effective competition is lacking;
  - e) all Bids or Proposals are not substantially responsive to the requirements of the Procurement Documents;
  - f) the Bids'/Proposals' prices are substantially higher than the updated cost estimate or available budget; or
343. Lack of competition shall not be determined solely on the basis of the number of Bidders/Proposers. Even when only one Bid/Proposal is submitted, the process may be considered valid, if:
- g) the procurement was satisfactorily advertised;
  - h) the qualification criteria were not unduly restrictive; and
  - i) prices are reasonable in comparison to market values.
344. If the IAs rejects all Bids/Proposals, they shall review the causes justifying the rejection of all Bids/Proposals and make appropriate revisions to the request for bids/request for proposals document or to the PPSD (if needed) before requesting new Bids/Proposals. The IAs shall not reject all Bids/Proposals and invite new Bids/Proposals using the same request for bids/request for proposals document solely to obtain lower prices. If the Most Advantageous Bid/Proposal exceeds the updated cost estimates by a substantial margin, the IAs shall analyze the causes for the discrepancy and consider requesting new Bids/Proposals. Alternatively, the IAs may negotiate with the Bidder/Proposer with the Most Advantageous Bid/Proposal to try to obtain a satisfactory contract through a reduction in the scope and/or a reallocation of risk and responsibilities that can be reflected in a reduced contract price. However, a substantial reduction in the scope or a modification to the contract documents may require rebidding.

#### Consulting Services

345. Rejection of all Proposals is justified (for contracts subject to prior review, with the Bank's no-objection), if:
- a) all Proposals fail to respond to important aspects of the TOR; or present major deficiencies in complying with the TOR;
  - b) all Proposals fail to achieve the minimum technical score; or

- c) the offered price of the successful Proposal is substantially higher than the available budget or a recently updated cost estimate.

346. Rather than re-inviting Proposals, the II IAs, in consultation with the Bank, should investigate the possibility of increasing the budget or scaling down the scope of services with the Consultant. However, any substantial reduction in the scope of services requires a re-invitation. If cost is a factor in the evaluation of a time-based contract, the number of person-months proposed by the Consultant may be negotiated, provided that a change does not compromise quality or adversely affect the assignment.

#### **7.6.24 Seriously Unbalanced or Front-loaded Bids/Proposals**

##### **Works Contracts**

347. For Works Contracts, if the Bid that results in the lowest evaluated cost is, in the IAs opinion, seriously unbalanced or front-loaded, the IA may require the Bidder to provide written clarifications, including detailed price analyses to demonstrate the consistency of the prices with the scope of Works, proposed methodology, and schedule. After evaluating the detailed price analyses (for contracts subject to prior review, with the Bank's no-objection), the IAs may as appropriate:

- accept the Bid;
- require that the total amount of the performance security be increased, at the expense of the Bidder, to a level not exceeding twenty percent (20%) of the contract price; or
- reject the Bid.

#### **7.6.25 Abnormally Low Bids/Proposals**

##### **Goods, Works, and Non-consulting Services**

348. An Abnormally Low Bid/Proposal is one in which the Bid/Proposal price, in combination with other elements of the Bid/Proposal, appears so low that it raises material concerns with the IAs as to the capability of the Bidder/Proposer to perform the contract for the offered price.

349. Where the IAs identifies a potentially Abnormally Low Bid/Proposal, the IAs shall seek written clarification from the bidder/proposer including detail price analyses of its Bid/Proposal price in relation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities, and any other requirements of the request for bids/request for proposals document.

350. If, after evaluating the price analyses, the IAs determines that the Bidder/Proposer has failed to demonstrate its capability to deliver the contract for the offered price, the IAs shall reject the Bid/Proposal.

#### **7.6.26 Most Advantageous Bid/Proposal**

351. The IAs shall award the contract to the Bidder/Consultant offering the Most Advantageous Bid/Proposal, in accordance with the applicable selection method.

##### **Goods, Works, and Non-consulting Services**

352. The Most Advantageous Bid/Proposal is the Bid/Proposal of the Bidder that meets the qualification criteria and whose Bid/Proposal has been determined to be:
- substantially responsive to the request for bids/request for proposals document; and
  - the lowest evaluated cost.

### Consulting Services

353. The Most Advantageous Proposal is the best evaluated Proposal.

## 7.6.27 Notification of Intention of Award

354. **Goods, Works and Non-consulting Services:** Following the decision to award the contract, the IAs shall promptly and simultaneously provide, by the quickest means available, and as further specified in the request for bids/request for proposals document, written notification of the IAs intention to award the contract to the successful Bidder/Proposer (Notification of Intention to Award). Such notification shall be sent to each Bidder/Proposer that submitted a Bid/Proposal, (unless the Bidder/Proposer has previously received notification of exclusion from the process at an interim stage of the procurement process).
355. For contracts subject to prior review by the Bank, the IAs shall transmit the Notification of Intention to Award only after receiving the Bank's no-objection to the evaluation report, as required under paragraph 7.1 of Annex II of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018*, Procurement Oversight.
356. The IAs Notification of Intention to Award shall provide to each recipient, as a minimum, the following information as applicable to the selection method, and as further specified in the relevant request for bids/request for proposals document:
- the name and address of the Bidder(s)/Proposer(s) submitting the successful Bid/Proposal;
  - the contract price, or where the successful Bid/Proposal was determined on the basis of rated criteria (where price and technical factors are rated), the contract price and the total combined score of the successful Bid/Proposal;
  - the names of all Bidders/Proposers that submitted Bids/Proposals, and their Bid/Proposal prices as read out, and as evaluated;
  - a statement of the reason(s) why the recipient's Bid/Proposal was unsuccessful. CWA II IAs shall not divulge any other Bidder's/Proposer's confidential or proprietary information such as: cost breakdown, trade secrets, manufacturing processes and techniques, or other confidential business or financial information;
  - instructions on how to request a debriefing and/or submit a complaint during the Standstill Period, as set out in the request for bids/request for proposals document; and
  - the date the Standstill Period is due to end.

357. **Consulting Services:** Following the initialing of the draft negotiated contract by the successful Consultant, the IAs shall promptly and simultaneously provide, to each Consultant whose financial Proposal was opened, the Notification of Intention to Award to the successful Consultant with whom the IAs successfully negotiated the contract.
358. For contracts subject to prior review, such Notification of Intention to shall be provided promptly after receiving the Bank's no-objection to the draft negotiated contract initialed by the successful Consultant the Bank's no-objection to the evaluation report.
359. The IAs Notification of Intention to Award shall provide to each recipient, as a minimum, the following information as relevant to the selection method, and as further specified in the request for proposals document:
- the name and address of the Consultant with whom the IAs successfully negotiated a contract, and the contract price;
  - the names of all Consultants included in the short list, indicating those that submitted Proposals;
  - where the selection method requires, the price offered by each Consultant as read out and as evaluated;
  - the overall technical scores and scores assigned for each criterion and sub-criterion to each Consultant;
  - the final combined scores and the final ranking of the Consultants;
  - a statement of the reason(s) why the recipient's Proposal was unsuccessful. IAs shall not divulge any other Consultant's confidential or proprietary information such as: cost breakdown, trade secrets, methodology or other confidential business or financial information
  - instructions on how to request a debriefing and/or submit a complaint during the Standstill Period, as set out in the request for proposals document and in accordance with the requirements of Annex III of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Procurement-related Complaints*; and
  - the date the Standstill Period is due to end.

#### 7.6.28 Standstill Period

360. To give Bidders/Consultants time to examine the Notification of Intention to Award and to assess whether it is appropriate to submit a complaint, a Standstill Period shall apply. Transmission of the IAs Notification of Intention to Award begins the Standstill Period. The Standstill Period shall last ten (10) Business Days after such transmission date, unless otherwise extended in accordance with Paragraph 5.82 of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018*. The contract shall not be awarded either before or during the Standstill Period.
361. Notwithstanding Paragraph 5.78, of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018* there shall not be a requirement for a Standstill Period in the following situations:
- only one Bid/Proposal was submitted in an open competitive process;
  - direct selection;

- Emergency Situations recognized by the Bank.

### 7.6.29 Debriefing by CWA II Implementing Agencies/Procuring Entities

362. On receipt of the IAs Notification of Intention to Award an unsuccessful Bidder/Consultant has three (3) Business Days to make a written request to the IAs for a debriefing. The IAs shall provide a debriefing to all unsuccessful Bidders/ Consultants whose request is received within this deadline.
363. Where a request for debriefing is received within the deadline, the IAs are required to provide a debriefing within five (5) Business Days, unless the IAs decides, for justifiable reasons, to provide the debriefing outside this timeframe. In that case, the Standstill Period shall automatically be extended until five (5) Business Days after such debriefing is provided. If more than one debriefing is so delayed, the Standstill Period shall not end earlier than five (5) Business Days after the last debriefing takes place. The IAs shall promptly inform, by the quickest means available, all Bidders/Consultants of the extended Standstill Period.
364. For contracts subject to prior review, the IAs shall simultaneously send the information on the extended Standstill Period to the Bank.
365. Where a request for debriefing is received by the IAs later than the three (3) Business Day deadline procuring entities should provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of Contract Award Notice. Requests for debriefing received outside the three (3) Business Day deadline shall not lead to an extension of the Standstill Period. Debriefings of unsuccessful Bidders/Consultants may be done In Writing or verbally. The IAs shall not impose undue formal requirements that would restrict the Bidder's/ /Consultant's ability to receive a timely and meaningful debriefing. The Bidder/ Consultant shall bear their own costs of attending a debriefing meeting.
366. As a minimum, the debriefing shall repeat the information contained in the Notification of Intention to Award and respond to any related question(s) from the unsuccessful Bidder/Consultant. The debriefing shall not include:
- point-by-point comparisons with another Bidder's/Proposer's/Consultant's Bid/Proposal; and
  - information that is confidential or commercially sensitive to other Bidders/ Consultants.
367. A written summary of each debriefing shall be included in the official procurement records, and copied to the Bank for contracts subject to prior review

### 7.6.30 Conclusion of Standstill Period and Contract Award

368. At the end of the Standstill Period, if the IAs have not received any complaint from an unsuccessful Bidder/Consultant, the IAs shall proceed to award the contract in accordance with its decision to award, as previously communicated through the Notification of Intention to Award. For contracts subject to prior review, when no complaints are received by the IAs within the Standstill Period, the IAs shall proceed to award the contract in accordance with the award recommendation that had previously received the Bank's no-objection. the IAs shall inform the Bank within three (3) Business Days of such award.

369. The IAs shall transmit the notification of award to the successful Bidder/ Consultant with the selected Bidders/Consultants, along with other documents as specified in the request for bids/request for proposals document for the contract.
370. If the IAs does receive a complaint from an unsuccessful Bidder/Consultant within the Standstill Period, the IAs shall not proceed with the contract award until the complaint has been addressed, as set forth under paragraph 3.6 of Annex III of The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Procurement-related Complaints.
371. For contracts subject to prior review by the Bank, he CWA II IAs shall not proceed with contract award without receiving the Bank's confirmation of satisfactory resolution of complaint.

### 7.6.31 Contract Award Notice

372. For all contracts, whether subject to the Bank's prior review or post review, the IAs shall publish a public notice of award of contract (Contract Award Notice) within 10 (ten) Business Days from the Notification of Contract Award to the successful Bidder/Consultant.
373. The Contract Award Notice shall include, at a minimum, the following information as relevant and applicable for each selection method:
- name and address of the IAs Project Implementing Unit undertaking the procurement, and if different, the contracting agency;
  - name and reference number of the contract being awarded, and the selection method used;
  - names of all Bidders/Consultants that submitted Bids/Proposals, and their Bid/Proposal prices as read out at Bid/financial Proposal opening, and as evaluated;
  - names of all Bidders/Consultants whose Bids/Proposals were rejected either as nonresponsive or as not meeting qualification criteria, or were not evaluated, with the reasons therefor;
  - the name of the successful Bidder/Consultant, the final total contract price, the contract duration and a summary of its scope; and
  - Successful Bidder/Consultant's Beneficial Ownership Disclosure Form for those contracts as indicated in the Procurement Plan, in the form required in the Procurement Documents.
374. The Contract Award Notice shall be published on the FPPPA's and CWA II IAs website with free access, or, if not available, in at least one newspaper of national circulation in the FDRE country, or in the official gazette. In the case of international competitive procurement, the Contract Award Notice shall also be published by the IAs in UNDB online. For contracts subject to the Bank's prior review, the Bank will arrange the publication on its external website upon receipt from the IAs of a conforming copy of the signed contract.

### 7.6.32 Debriefing by the Bank

375. If, after publication of the Contract Award Notice, a Bidder/Consultant who has not received a satisfactory explanation from the IAs as to why its Bid/Proposal was not successful, may request a meeting with the Bank. Such request should be addressed to the Accredited Practice Manager for the Africa Region (East) , who will arrange a meeting at the appropriate level and with relevant staff. The purpose of such

meeting is not to discuss the Bids/Proposals of competitors or, in the case of prior review contracts, the Bank's position that has been conveyed to the IAs.

### **7.6.33 Contract Management**

376. The aim of contract management is to ensure that all parties meet their obligations. Contracts shall be actively managed by the IAs throughout their life to ensure that contractor/suppliers/consultants

performance is satisfactory, appropriate stakeholders are informed and all contract requirements are met. A step by step contract management guidance note shall be issued separately.

### 7.6.34 Records

377. The IAs shall keep records of all proceedings of the Procurement Process in accordance with the requirements of the Legal Agreement.
378. Absence of procurement documentation in all contracts financed by the project may affect the effectiveness of the contract management process, the quality of procurement audit and the ability of the management to make timely and appropriate decision.
379. Proper recordkeeping of procurement processes is essential for a successful outcome. The experience is that lack of an efficient filing system causes long and costly delays in the search for documents at critical moments when procurement issues arise or when procurement audits and post reviews need to be done.
380. Procurement filing has specific characteristics. Files must be based on the three procurement categories (Works, Goods and Non-consulting services and Consultant services) and span the entire procurement process per contract in each category in an efficient and easily accessible manner (from advertising to contract signature and final payment to completion report). This system should best be maintained professionally in order to remain useful.
381. Procurement files should be managed by the procurement team at all levels; procurement files should be separated from financial records. While the finance department may need to keep the original receipts to support payments, the procurement files must contain copies of the receipts and the original procurement documents (bidding documents, bids, quotations, contract agreements, etc.).
382. Filing structure
- Create File Boxes or drawers according to the procurement categories Works contract, Goods and Consulting Services/Training.
  - A general box or large solid folder, labelled general box or large solid folder, labelled as Works, Goods and Consulting Services/Training, as well as the list of reference numbers for bulky bid documents and contracts for the three categories. These bulky documents should be kept in a separate box;
  - Computer Printed labels should be used on all filing boxes/drawers for clarity
  - Each contract is filed in the relevant box for the project (a contract for works contract in a “Works” box, a contract for Goods and Non-consulting in a “Goods” box, and a consultant contract in a “Consultants” box), and each box carries the contract name.
  - Each procurement category box per contract contains individual folders for (i) each procurement package, (ii) a folder for complaints and (iii) a folder for procurement reviews or technical audits
  - For each contract, separate larger procurement document boxes are created to keep bulky bidding and contract documents, which are given reference numbers. The reference numbers of the prequalification, bidding, consultant proposal and contract documents are listed on a “Bidding Document Sheet” or “Proposal Document Sheet”, which is placed in each Procurement General box for the project. This is to ensure that such documents will always be rapidly traceable.

**Table1.7: Important Records to be Kept for Procurement of Goods, Works, and Non-Consulting Services**



	Description	Open International	Open National	Shopping
1	Copy of the GPN with publication date	√	√	
2	Copy of the SPN with publication date	√	√	
3	No objection from World Bank to draft BD	√		
4	Modifications/addenda to BDs (if any)	√	√	√
5	Final BDs/RFQ issued to bidders	√	√	√
6	Bid opening report	√	√	
7	Head of IAs notice on composition and establishment of Bid Evaluation Committee (BEC)	√	√	
8	Clarifications required from bidders and written replies	√	√	√
9	Final Bid Evaluation Report (BER)/quotation comparison report	√	√	√
10	Analysis of BER and recommendation	√	√	
11	Comments by the World Bank and/or no objection to the BER	√		
12	Contract award/Letter of Acceptance	√	√	√
13	Copy of signed contract	√	√	√
14	Copy of letter to the World Bank transmitting signed contract for disbursement	√		
15	Publication of Award in UNDB online and <i>dgMarket</i> or national press	√	√	
16	Contract amendments	√	√	√
17	Inspection report	√	√	√
18	Payment authorization	√	√	√
19	Completion certificates	√	√	√
20	Copies of guarantees	√	√	
21	Claims and disputes	√	√	√

Table1.8: Important Records to be Kept for Selection of Consultants (firms and IC)

	Description	Selection of consulting firm	Selection of IC
1	Terms of Reference	√	
2	Advert for request for EOI and publication date	√	
3	List of Consulting firms expressed their interest	√	
4	Documentation provided by consultants (EOI)	√	
5	report on the evaluation of EOIs (short listing report)	√	
6	Comments/no-objection from the World Bank to proposed short list	√	
7	Approved RFP as sent to the consultants	√	
8	No-objection/Comments by the World Bank to draft RFP	√	
9	copy of the proposals received and minutes for opening of technical proposals	√	
10	letter for the appointment of TEC	√	
11	Technical Evaluation Report	√	
12	No objection/comments by the World Bank on the TER	√	
13	Minutes of Opening of Financial Proposals.	√	
14	Combined Technical and Financial Evaluation Report	√	
15	No-objection by the World Bank to negotiated initialed draft contract and minutes of negotiation	√	
16	Copy of signed contract	√	
17	Publication of Award	√	

	Description	Selection of consulting firm	Selection of IC
18	Contract Amendments	√	
19	Consultant/technical assistance Reports	√	
20	Claims and Disputes	√	
21	Folders for Contracts with ICs for technical assistance and training: Name on a folder for each ICs, TOR, request for EOI, short list, CVs and evaluation report		√

## 7.7 Approved Selection Methods: Goods, Works and Non-consulting Services and Arrangement

### 7.7.1 Approved Selection Methods:

383. The following are the approved selection methods for Goods, Works and Non-consulting Services applicable to the project:
- j) Request for Bids (RFB)
  - k) Request for Quotations (RFQ)
  - l) Direct Selection
384. **Request for Bids (RFB):** A RFB is a competitive method for the solicitation of Bids. It should be used when, because of the nature of the Goods, Works, or Non-consulting Services to be provided, the IAs are able to specify detailed requirements to which Bidders respond in offering Bids.
385. Procurement under this method is conducted in a single-stage process. Qualifying criteria (minimum requirements normally evaluated on a pass/fail basis) are normally used with RFB. For details see Annex XII of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018*, Selection Methods, Figure 6.
386. **Request for Quotations (RFQ):** A RFQ is a competitive method that is based on comparing price quotations from firms. This method may be more efficient than the more complex methods for procuring limited quantities of readily available off-the-shelf Goods or Non-consulting Services, standard specification commodities, or simple civil Works of small value. For details see Annex XII of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018*, Selection Methods.
387. **Direct Selection:** Proportional, fit-for-purpose, and VfM considerations may require a direct selection approach: that is, approaching and negotiating with only one firm. This selection method may be appropriate when there is only one suitable firm or there is justification to use a preferred firm. Direct selection may be appropriate under the following circumstances:
- a) an existing contract, including a contract not originally financed by the Bank, for Goods, Works, or Non-consulting Services, awarded in accordance with procedures acceptable to the Bank, may be extended for additional Goods, Works, or Non-consulting Services of a similar nature, if:

- it is properly justified;
  - no advantage could be obtained through competition; and
  - the prices on the extended contract are reasonable;
- b) there is a justifiable requirement to re-engage a firm that has previously completed a contract, within the last 12 months, with the IAs to perform a similar type of contract. The justification shall show that:
- the firm performed satisfactorily in the previous contract;
  - no advantage may be obtained by competition; and
  - the prices for the direct contracting are reasonable;
- c) the procurement is of both very low value and low risk, as agreed in the Procurement Plan;
- d) the case is exceptional, for example, in response to Emergency Situations;
- e) standardization of Goods that need to be compatible with existing Goods may justify additional purchases from the original firm, if the advantages and disadvantages of another brand or source of equipment have been considered on grounds acceptable to the Bank;
- f) the required equipment is proprietary and obtainable from only one source;
- g) the procurement of certain Goods from a particular firm is essential to achieve the required performance or functional guarantee of an equipment, Plant, or facility;
- h) the Goods, Works, or Non-consulting Services provided in FDRE by an SOE, university, research center or institution of country are of a unique and exceptional nature in accordance with Paragraph 3.23 c of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018.*; or
- i) direct selection of UN Agencies in accordance with Paragraphs 6.47 and 6.48 of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018.*

388. In all instances of direct selection, the IAs shall ensure that:

- a) the prices are reasonable and consistent with the market rates for items of a similar nature; and
- b) the required Goods, Works, or Non-consulting Services are not split into smaller-sized procurement to avoid competitive processes.

### 7.7.2 Market Approach Options

389. **Open Competition:** An open competitive approach to market is the Project's preferred approach as it provides all eligible prospective Bidders/Proposers with timely and adequate advertisement of the project's requirements and an equal opportunity to bid/propose for the required Goods, Works, or Non-consulting

Services. Any approach, other than open competition, shall be justified by the IAs. Any such approach shall be stated in the Procurement Plan.

390. **Limited Competition:** A limited competitive approach to market is by invitation only, without advertisement. It may be an appropriate method of selection where there are only a limited number of firms or there are other exceptional reasons that justify departure from open competitive procurement approaches.
391. **Approaching the International Market:** Approaching the international market (international competitive procurement), is appropriate when the participation of foreign firms will increase competition and may assure the achievement of best VfM and fit-for-purpose results.
392. Open international competitive procurement, for which international advertisement is required in accordance with these Procurement Regulations, is the preferred approach for complex, high-risk, and/or high-value contracts. The Bank has set specific thresholds for this purpose. (table 1.5 above page 10).
393. **Approaching the National Market:** As agreed in the Procurement Plan, approaching the national market may be appropriate when the procurement is unlikely to attract foreign competition because of:
- the size and conditions of the market;
  - the value of the contract;
  - activities that are scattered geographically, spread over time, or are labor- intensive; or
  - the Goods, Works, or Non-consulting Services are available locally at prices below the international market.
394. Approaching the national market may also be appropriate when the advantages of approaching the international market are clearly outweighed by the administrative or financial burden involved.

## National Procurement Procedures

395. When approaching the national market, as agreed in the Procurement Plan, the FDRE procurement procedures may be used. These procurement procedures shall be consistent with the Bank's Core Procurement Principles and ensure that the Bank's Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply.
396. For national open competitive procurement, the following requirements apply:
- open advertising of the procurement opportunity at the national level;
  - the procurement is open to eligible firms from any country;
  - the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank's Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights;
  - Procurement Documents include provisions, as agreed with the Bank, intended to adequately mitigate against environmental, social (including sexual exploitation and abuse and gender-based violence), health and safety ("ESHS") risks and impacts;
  - contracts with an appropriate allocation of responsibilities, risks, and liabilities;
  - publication of contract award information;
  - rights for the Bank to review procurement documentation and activities;

- an effective complaints mechanism; and
- maintenance of records of the Procurement Process.

397. When approaching the national market, the Federal Democratic Republic of Ethiopia's own procurement procedures may be used, as specified in Paragraphs 5.3 to 5.6 of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018*.

398. Other national procurement arrangements (other than national open competitive procurement), that may be applied by the project IAs (such as limited/restricted competitive bidding, request for quotations/shopping, direct contracting), shall be consistent with the requirements set out in paragraph 5.3 of *the Procurement Regulation*.

399. In all cases, the national procurement procedures to be used shall give due attention to quality aspects

#### **Prequalification and Post Qualification**

400. Prequalification is a process used to shortlist Applicants in the procurement of Goods, Works and Non-consulting Services. The process ensures that only those with appropriate and adequate capacity, capability and resources are invited to submit Bids/Proposals. In undertaking a Prequalification, the IAs shall use the Bank's Standard Prequalification document.

401. Prequalification is appropriate for large or complex contracts, or in other circumstances, such as: the need for custom-designed equipment, Plant, specialized services, some complex information and technology, procurement under turnkey, design and build, or management contracting in which the high costs of preparing detailed Bids/Proposals could discourage competition.

402. The assessment of an Applicant's qualifications shall not take into consideration the qualifications of other firms such as its subsidiaries, parent entities, affiliates, subcontractors (other than specialized subcontractors if permitted in the Prequalification), or any other firm different from the firm that submitted the Prequalification Application.

403. When the time elapsed between the IAs decision on the list of prequalified Applicants and the issuance of request for bids/request for proposals documents is longer than twelve (12) months, the IAs may require that a new Prequalification process is conducted through re-advertisement.

404. Prequalification is normally used with Requests for Bids and is optional depending on the nature and complexity of the Goods, Works or Non-consulting Services. In Prequalification, minimum requirements are normally assessed on a pass/fail basis against such criteria as: eligibility, experience, technical capability and financial resources. These take into account objective and measurable factors such as: experience, satisfactory past performance, successful completion of similar contracts over a given period, capability of construction and/or manufacturing facilities, financial situation, and eligibility. All Applicants that substantially meet the minimum qualification requirements are invited to submit a Bid.

405. At the end of the Prequalification process, CWA II IAs shall inform all Applicants of the results of the Prequalification. The invitation to submit a Bid to a prequalified Applicant shall include the names of all prequalified Applicants.

#### **Post-Qualification**

406. If Bidders/Proposers have not been prequalified, the IAs shall specify appropriate qualification requirements in the request for bids/request for proposals document to verify that a Bidder/Proposer that would be recommended for contract award has the capability and resources to effectively carry out the contract. Similarly, the post qualification criteria take into account objective and measurable factors such as:

experience, satisfactory past performance, successful completion of similar contracts over a given period, capability of construction and/or manufacturing facilities, financial situation, and eligibility. The assessment of a firm's qualifications shall not take into consideration the qualifications of other firms such as its subsidiaries, parent entities, affiliates, subcontractors (other than specialized subcontractors if permitted in the request for bids/request for proposals document), or any other firm different from the firm that submitted the Bid/Proposal.

### **Single Stage One-Envelope**

407. Single-stage procurement is most appropriate when the specifications and requirements are sufficient to enable submissions of complete Bids/Proposals. Single stage-one envelope procurement requires submission of both technical and financial Bids/Proposals in one envelope.

## **7.7.3 Particular Types of Approved Selection Arrangements**

408. The particular procurement features, procedures and approaches as applicable to the following:
- a) UN Agencies;
  - b) Force Accounts.

### **UN Agencies**

409. The project IAs may select UN Agencies directly in situations where their expertise or rapid mobilization on the ground is critical.
410. When entering into a contract with a UN Agency, the IAs shall use a standard form of agreement between the IAs and the UN Agency or a case-specific template approved by the Bank.

### **Force Accounts**

411. Force Account might be applicable in some cases, such as drilling of wells, construction of some water supply activities in remote areas, etc. carried out by a department of the IAs using its own personnel and equipment, may be the only practical method of procurement under specific circumstances. A government-owned construction unit that is not managerially, legally, or financially autonomous can be considered to award a contract through a Force Account arrangement. The use of Force Account requires that the IAs apply the same rigorous quality checks and inspection as for contracts awarded to third parties.
412. Force Account shall be justified and may only be used, after the Bank's no-objection, under any of the following circumstances:
- a) the quantities of construction and installation works that are involved cannot be defined in advance;
  - b) the construction and installation works are small and scattered or in remote locations, so that qualified construction firms are unlikely to bid at reasonable prices;
  - c) the construction and installation works are required to be carried out without disrupting ongoing operations;
  - d) the risks of unavoidable work interruption are better borne by the IAs than by a contractor;

- e) as a matter of FDRE's law or official regulations in such areas as: national security, specialized Non-consulting Services such as aerial surveys and mapping can be carried out only by specialized branches of the government; or
- f) urgent repairs are needed requiring prompt attention to prevent further damages or works need to be carried out in conflict-affected areas where private firms may not be interested.

## 7.8 Approved Selection Methods: Consultancy Services

### 7.8.1 Approved Selection Methods

413. Table below provides an overview of the approved selection methods, particular types of approved selection arrangements, and market approach options available for the selection of Consulting Services.

414. The following are approved selection methods for consulting firm:

- Quality Cost Based Selection (QCBS);
- Fixed Budget Based Selection (FBS);
- Least Cost Based Selection (LCS);
- Quality Based Selection (QBS);
- Consultant's Qualifications Based Selection (CQS); and,
- Direct Selection.

415. The market approach options for different types of selection methods are shown below.

**Table 1.9: Market Approach Options**

Consulting Services Approved selection methods and arrangements	Market approach options					
	Open	Limited	Direct	International	National	Shortlist
<b>Selection methods</b>						
Quality Cost Based Selection	✓	X	X	✓	✓	✓
Fixed Budget Based Selection	✓	X	X	✓	✓	✓
Least Cost Based Selection	✓	X	X	✓	✓	✓
Quality Based Selection	✓	X	X	✓	✓	✓
Consultant's Qualifications Based Selection	✓	✓	X	✓	✓	X
Direct Selection	X	X	✓	X	X	X
<b>Selection Methods for Individual Consultants</b>						
Selection of Individual Consultants	✓	✓	✓	X	X	X

- ✓ This market approach option is available  
 X This market approach option is not available

#### Quality and Cost-based Selection (QCBS)

416. QCBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. The request for proposals document shall specify the minimum score for the technical Proposals. The relative weight to be given to the quality and cost depends on the nature of the assignment. Among the Proposals that are responsive to the requirements of the request for proposals document and are technically qualified, the Proposal with the highest combined (quality and cost) score is considered the Most Advantageous Proposal. For details see Annex XII of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Selection Methods, Consulting services*.

#### **Fixed Budget-based Selection (FBS)**

417. Like QCBS, FBS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. In the request for proposals document, the cost of services is specified as a fixed budget that shall not be exceeded. FBS is appropriate when:

- the type of Consulting Service required is simple and can be precisely defined;
- the budget is reasonably estimated and set; and
- the budget is sufficient for the firm to perform the assignment.

418. The request for proposals document specifies the budget and the minimum score for the technical Proposals. The Proposal with the highest technical score that meets the fixed budget requirement is considered the Most Advantageous Proposal. For details see Annex XII of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Selection Methods, Consulting services*.

#### **Least Cost-based Selection (LCS)**

419. Similar to QCBS, LCS is a competitive process among Shortlisted consulting firms under which the selection of the successful firm takes into account the quality of the Proposal and the cost of the services. LCS is generally appropriate for assignments of a standard or routine nature (such as engineering designs of non-complex Works), for which well-established practices and standards exist.

420. The request for proposals document specifies the minimum score for the technical Proposals. Among the Proposals that score higher than the minimum technical score, the Proposal with the lowest evaluated cost is considered the Most Advantageous Proposal. For details see Annex XII of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Selection Methods, Consulting services*.

#### **Quality-based Selection (QBS)**



421. Under QBS, the Proposal quality is evaluated without using cost as an evaluation criterion. If the request for proposals requests both technical and financial Proposals, the financial Proposal of only the highest technically qualified firm is opened and evaluated to determine the Most Advantageous Proposal. However, if the request for proposals document requests only technical Proposals, the firm with the highest-ranked technical Proposal is invited to submit its financial Proposals for negotiations.
422. QBS is appropriate for the following types of assignments:
- complex or highly specialized assignments for which it is difficult to define precise TOR and the input required from the firm, and for which CWA II IAs expects the firm to demonstrate innovation in its Proposals;
  - assignments that have a high downstream impact; and
  - assignments that can be carried out in substantially different ways, so that Proposals will not be comparable. For details see Annex XII of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018, Selection Methods, Consulting services*.

### **Consultant's Qualification-based Selection (CQS)**

423. The IAs shall request expressions of interest (REOI), by attaching the TOR to the REOI. At least three qualified firms shall be requested to provide information about their relevant experience and qualifications. From the firms that have submitted an EoI, the IAs selects the firm with the best qualifications and relevant experience and invites it to submit its technical and financial Proposals for negotiations. Advertisement of REoIs is not mandatory.
424. CQS is appropriate for small assignments or Emergency Situations in which preparing and evaluating competitive Proposals is not justified.

### **Direct Selection**

425. Proportional, fit-for-purpose, and VfM considerations may require a direct selection (single-source or sole-source selection), approach, that is: approaching and negotiating with only one firm. This selection method may be appropriate when only one firm is qualified, a firm has experience of exceptional worth for the assignment, or there is justification to use a preferred firm.
426. Direct selection may be appropriate under the following circumstances:
- an existing contract for Consulting Services, including a contract not originally financed by the Bank but awarded in accordance with procedures acceptable to the Bank, may be extended for additional Consulting Services of a similar nature, if it is properly justified, no advantage may be obtained by competition, and the prices are reasonable;
  - for tasks that represent a natural continuation of previous work carried out by a Consultant within the last 12 months, where continuity in the technical approach, experience acquired, and continued professional liability of the same Consultant may make continuation with the initial Consultant preferable to a new competition, if performance has been satisfactory in the previous assignment(s);
  - there is a justifiable requirement to reengage a firm that has previously completed a contract with the IAs to perform a similar type of Consulting Service. The justification shows that the firm performed satisfactorily under the previous contract, no advantage may be obtained by competition, and the prices are reasonable;

- the procurement is of both very low value and low risk, as agreed in the Procurement Plan;
- in exceptional cases, for example, in response to Emergency Situations;
- only one firm is qualified, or one firm has experience of exceptional worth for the assignment;
- the Consulting Services provided in FDRE by an SOE, university, research center, or institution of the FDRE are of a unique and exceptional nature, in accordance with Paragraph 3.23. c of *The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018.*; or
- direct selection of UN Agencies in accordance with Paragraphs 7.27 and 7.28 of The World Bank Procurement Regulation for IPF Borrowers, July 2016, revised November 2017 and August 2018.

427. In all instances of direct selection, CWA II IAs shall ensure fairness and equity, and shall have in place procedures to ensure that:

- the prices are reasonable and consistent with the market rates for services of a similar nature; and
- the required Consulting Services are not split into smaller-size procurements to avoid competitive processes.

### 7.8.2 Approved Selection Methods for Individual Consultants

428. Individual Consultants are selected for an assignment for which:

- a team of experts is not required;
- no additional home office professional support is required; and
- the experience and qualifications of the individual are of paramount requirement.

429. When coordination, administration, or collective responsibility may become difficult because of the number of individuals, it is advisable to employ a firm. When qualified individual Consultants are unavailable or cannot sign a contract directly with the IAs because of a prior agreement with a firm, the IAs may invite firms to provide qualified individual Consultants for the assignment. In all cases, individual Consultants selected to be employed by OWP-CWA IAs shall be the most experienced and best qualified among the candidates and shall be fully capable of carrying out the assignment. The evaluation shall be based on the relevant qualifications and experience of the individual Consultant.

#### Open Competitive Selection of Individual Consultants

430. Advertisement through REOs is encouraged, particularly when the IAs does not have knowledge of experienced and qualified individuals, or of their availability, the services are complex, there is potential benefit from wider advertising, or advertising is mandatory under national law.

431. REOs shall include complete TOR. Individual Consultants are selected from those that expressed interest in response to a REoI.

#### Limited Competitive Selection of Individual Consultants

432. When the project IAs have knowledge of experienced and qualified individuals and their availability, instead of issuing a REoI, it may invite those individual Consultants that it deems qualified to provide the required Consulting Services. The complete TOR shall be sent with the invitation. Individual Consultants shall be selected from those that expressed interest in response to the invitation.

#### **Direct Selection of Individual Consultants**

433. Individual Consultants may be selected on direct selection basis, with due justifications, under the following circumstances:

- tasks that are a continuation of previous work that the individual Consultant has carried out after being selected competitively;
- assignments with a total expected duration of less than six months;
- urgent situations; or
- when an individual Consultant has relevant experience and qualifications of exceptional worth to the assignment.

#### **Project Implementation Support Personnel**

434. Project implementation staff, individuals contracted by the IAs to support project implementation, other than individual consulting positions identified in the Legal Agreement, may be selected by the Borrower according to its personnel hiring procedures for such activities, as reviewed and found acceptable by the Bank.

## **7.9 Contracts Register**

435. Contract register should be maintained by each IA under the Program throughout the program life. Contract Register has to be recorded and updated as frequently as possible and be kept as one of the procurement files. Major procurement processes should be registered in the Contract Register and kept for future procurement audits and reviews by the Bank. Recording and maintaining of Contract Registers is the responsibility of the Procurement Specialist/Officer at MoWIE-WDC, MOH, MOE, RWBs, Woredas, and utilities of the small and medium towns. The following items are the major procurement process which should be captured in the contract register that will be prepared by each IA.

- Contract Reference Number
- Contract Description
- Procurement Plan Cost Estimate
- Procurement Method Used
- Market approach
- Date, Month and Year of Invitation

- Name and address of Supplier/Contractor/Consultant
- Date, Month and Year of Contract Signing
- Contract Amount
- Date, Month and Year of Completion of Contract

436. Contract registers shall be consolidated annually at the region level and shall be sent to the MoWIE – WDC PMU. The PMU shall consolidate all contract registers from all Executing Agencies and shall avail the consolidated Program Contract Register for Bank and for Auditors.

## 8 FIDUCIARY ASSESSMENT AND RISKS

437. An integrated fiduciary assessment for the proposed Program was carried out on the fiduciary systems of the government and a sample of participating regional and urban local governments that will implement the ONEWASH. A special survey was designed for assessing the financial management performance of Regions and city administration.
438. The fiduciary assessment entailed a review of the capacity of the sample participating entities on their ability to (a) record, control, and manage all Program resources and produce timely, understandable, relevant, and reliable information for the Borrower and the World Bank; (b) follow procurement rules and procedures, capacity, and performance focusing on procurement performance indicators and the extent to which the capacity and performance support the Program development objectives and risks associated with the Program and the implementing agency; and (c) ensure that implementation arrangements are adequate and risks are reasonably mitigated by the existing framework.
439. The assessment identified key risks for which a Fiduciary Risk Mitigation Plan is agreed. The key risks identified, and mitigation action plan are attached in Annex G to this POM.

## 9 FRAUD AND CORRUPTION

440. The main factor that leads to fraud and corruption is a weak fiduciary environment. Improving this environment in the participating ONEWASH is a specific goal of the Program and will be addressed directly through various Program design features. Specifically, these are:

- *Minimum conditions and performance indicators.* The annual performance assessment will include as minimum conditions and performance indicators measures related to the (a) quality of financial management and procurement systems, (b) adequacy in handling grievances related to fraud and corruption, and (c) transparency and accountability in procurement and financial management.
- *Capacity building Program:* Elements of the capacity building Program will focus on accountability and monitoring at all three government levels to minimize the fraud and corruption risk.
- *Value for money audits:* Value for money audits will be conducted as part of the annual assessment.

441. There is a robust legal framework for addressing fraud and corruption in Ethiopia. The government has established the Federal Ethics and Anti-Corruption Commission (FEACC) with a mandate to expand and promote ethics and anti-corruption education, to prevent corruption (through review of working procedures and systems), and to investigate and prosecute alleged corruption offences since 2001. The government has also declared that it follows a zero-tolerance policy toward corruption. The FEACC has received political support at the highest level in the country. Since 2007, all the nine regional governments have established their own Regional Ethics and Anti-corruption Commission (REACC) as per the regional laws. FEACC is responsible for coordinating efforts of Anti-corruption across regions including and preparing a national report on anti-corruption efforts across the country.
442. *Complaints handling mechanisms:* Complaints handling mechanisms are in place at all levels of government, as per the requirement of two national proclamations (433/2005 and 434/2005), and institutional level operational guidelines. These proclamations clearly define the procedures to follow for suspected corruption offences as well as for administrative complaints related to the Program. There are a number of ways engaging citizens in complaints handling, and in promoting transparency. At the grassroots level, citizens have experience in forming community groups, or in appointing committees or representatives to liaison with government and seek solutions. Some ULGs have created forums to promote dialogue between citizens and service providers, and for joint monitoring and assessment of performance. Although the system of complaints handling is very well established in Ethiopia, the Sector ministries and the regional and local governments will take full responsibility in ensuring that the Program beneficiaries are regularly informed about the complaints system—an important requirement that will help in ensuring the Program meets its development objectives.
443. *Complaints regarding the Program:* These can be received from internal or external clients through various channels, including in person or in writing. Complaints are lodged in complaint handling body, in the unit consisting of ethics liaison unit
444. Proclamation No. 433/2005 and Regulation No. 144/2008 provides for the role, powers, duties, and responsibilities of the FEACC (Officers, with the police, with other delegated bodies, or directly with REACC). Information on fraud and corruption and complaints regarding the Program Complaints lodged at all levels will be compiled and at the Regional level and shared with FEACC. FEACC will share their reports twice a year with the Bank and MoF.
445. *Complaints handling related to procurement.* The federal procurement proclamation established the “Board for Review and Resolution of Complaints in Public Procurement,” and instituted the board with five members. A complaint review unit in the public procurement agency receives and compiles complaints and presents them to the board. It also receives offence reports from procuring entities against suppliers. The board refers any procurement complaints perceived to involve fraud and corruption to FEACC or to REACC, or to both, for investigation.
446. *Revised procurement legislation and directives of each regional state:* These provide mechanisms for submitting complaints with which the Program is required to comply. Complaints from suppliers or bidders can be submitted to the procuring entity; the head of the procuring entity responds to person making the complaint. If the person lodging the complaint is not satisfied, he or she will appeal the case to the procurement complaint review board (the majority of the board members are public officials and from procuring agencies), and then may take the matter to the courts if not satisfied. The head of BoF or the head of the economic and social development department gives final approval of the recommendation of the board or committee.

447. If the complaint review board/committee suspects the case is related to fraud and corruption, then the case is directed to the REACC or FEACC. Any bidder, procuring entity, or citizen, including ethics unit officers, and federal and regional auditor generals, can lodge procurement related complaints to REACC or FEACC. In addition, as mentioned above the ethics liaison unit officer of each entity report fraud and corruption related cases. Although the anti-corruption law in Ethiopia makes provision for people to complain directly to the FEACC and REACC, if they suspect a case of fraud and corruption, the Program coordinators will emphasize this point to all the procuring entities as part of the Program's information dissemination.
448. **Fraud and corruption risks associated with fiduciary risk.** To address these risks, the proposed ONEWASH will be aligned to the Bank's Anti-Corruption Guidelines. The memorandum of understanding signed between the Bank's Integrity Vice Presidency and FEACC on October 3, 2011 provides a framework for cooperation and sharing of information on fraud and corruption allegations, investigations and actions taken on the Program, including on procurement. The memorandum of understanding will provide the Bank and its Integrity Vice Presidency with a foundation for expanding the existing working relationship to cover future cooperative investigations under the Program when needed, and for helping to ensure that the Government of Ethiopia and the FEACC can implement their commitments under the Anti-Corruption Guidelines. The government also committed to use the Bank's debarment list to ensure that persons or entities debarred or suspended by the Bank are not awarded a contract under the Program during the period of such debarment or suspension.
449. **Overall fiduciary risk:** For these reasons described above, overall, the fiduciary assessment concludes that the ONEWASH's financial management and procurement systems are adequate to provide reasonable assurance that the financing proceeds will be used for intended purposes, with due attention to principles of economy, efficiency, effectiveness, transparency and accountability, and for safeguarding Program assets once the proposed mitigation measures have been implemented. Appropriate systems to handle the risks of fraud and corruption, including effective complaint-handling mechanisms, have been agreed on and established.
- An action plan for mitigation of risks is annexed (Annex G) to this POM and in the main report of the fiduciary assessment.



## 10 ADMINISTRATION

- 450.** This section includes staff hierarchy of the Program, technical assistance categories and use, logistics support arrangements, staff allowances including Per diem, fixed assets register and control, personnel management (employment procedures and salary scales) and other administrative matters. As clearly indicated in the Program design document, the highest governing body in the Program is the National WASH Steering Committee (NWSC) whose members include Ministers and State Ministers from the ministries of Water and Energy, Health, Education and Finance and Economic Development. The NWSC is chaired by the Minister of Water, Irrigation and Energy.

451. The technical arm of the NWSC is the National WASH Technical Team (NWTT) consisting of Directors from the four WASH ministries. A similar structure is prescribed at regional level. The lowest level of WASH governance is the Woreda. At Woreda level WASH activities are implemented by the District WASH Team led by the District Administrator. Its members are from the four WASH sector offices (Water, Health, Education and Finance with additional members from the Women Affairs and Agriculture offices).
452. A National WASH Coordination Office (NWCO) will be responsible for coordinating, planning and oversight of Program implementation at federal level. The NWCO will report to a National Steering Committee chaired by the Minister of Water and Energy and supported by a National WASH Technical Team consisting of representatives from participating ministries and partners. Implementation of the Program in the sector ministries will be the responsibility of WASH Program Management Units (PMUs) in the ministries of Water, Irrigation and Energy, Health, Education and Finance and Economic Development, respectively. The NWCO needs to ensure that there is strong communication, coordination and linkage between the NWCO and the PMUs at all level.

### 10.1 Organization structure:

453. Organizational structures for Program management should be responsible and accountable for implementation of the Program and for timely progress and expenditure reporting that adheres to government policies and guidelines.
454. The Program coordinators, at all levels of government and city administrations, will be assisted by full time key staffs and accountable to the respective coordinator. In order to effectively implement the Program, the following minimum staffing package is proposed. Focal persons are not full-time staff but will perform their Program-related tasks alongside other duties.
455. Contracted staff must fulfill the requirement set forth in the attached ToRs and approved by WDC or the respective PMU. In the event of change or reassignment of a key staff at regional level, the federal PMUs should be formally notified for any change and communication of candidates before finalization of selection process should be carried out to ensure that selected staff has capacity to fulfil roles and responsibilities set forth in the POM.
456. The staff capacity assessment will be conducted and staffing plan will be developed to be reviewed at mid-term.
457. The staffing minimum requirements for the overall financial management of the Program are summarized in Table 10.1.

### 10.2 Salary Scale

458. Salaries are a major component of overall consumption and a key factor in the Program performance. Living standards and the livelihood of wage earners and families depend on the level of wages, when and how they are adjusted and paid. The existing salary scale of Channel One Programs (assuming One-WASH is included) is believed to be very low compared to other donor financed Programs and other bilateral and multi-lateral organizations.
459. This resulted in high turn-over of key staffs in implementing organization which causes huge delays and lack of continuity in Program implementation.
460. To address the problem, the NWSC is expected to review and approve salary scale and other benefits (like transport and communication allowances). NWCO in consultation with the NWTT will develop a proposal and submit it to the NWSC. One-WASH is expected to implement the revised salary scale with detailed

guidance. Based on review of individual performances, the NWSC on annual basses will consider annual salary increment.

### **10.3 Personnel Management**

461. Other personnel management procedures – like employment, insurances, gender and social inclusiveness, pension arrangements disciplinary measures employment conditions will be governed by the government personnel management procedures and contract agreements.



#### 10.4 Per diems

462. A daily allowance, that an implementing agency of Channel One Programs including WASH, pay an employee for expenses to cover living expenses, when travelling on mission outside his or her duty station, has been decided by the Ministry of Finance and Economic Development.
463. Effective Program implementation can only be assured if implementing agencies can regularly conduct supervision of works, monitoring of community activities and periodic consultation at all level. The per diem rate is one factor contributing for poor performance of Programs lack motivation of staffs. The existing per diem rate is found to be:
- Lacking uniformity across Programs; the occurrence of different per diem rates within the same donors financed Programs
  - Insufficient to cover daily living expenses
464. Noting this, the Ministry of Finance and Economic Development is in the process of revising the existing rate and will issue soon, with detailed guidance, to implementing agencies and regional states.

#### 10.5 Taxation

465. It is important to note that the Program will be subjected to the tax laws of the land and all partners financing the Programs will thereby finance taxes as well. However, the National WASH Steering Committee should identify WASH investment areas where tax and custom privileges to the Program can bring reduction of costs and can enhance effectiveness of the Program. The priority WASH investment areas for tax and custom privileges should be submitted for the approval of the Government of Ethiopia as soon as possible in order to gain the advantages for the Program.

## 11 PARTNERSHIP AND POOL FUND MANAGEMENT

466. Pool-funding is welcomed for its relevance for Program financing particularly in support of decentralization processes and its potential of creating a bigger envelope rather than fractured Programs with multiple reporting, auditing and monitoring systems.
467. In a pool funding mechanism, two or more donors jointly finance a Program or action on the basis of commonly agreed objectives and reporting formats. Besides pooling their funds, partners who are joining the CWA, based on their experience, ground presence, and priorities will provide support to certain thematic areas (Urban WASH, Rural WASH, Capacity building, Sanitation and Hygiene, School WASH, Monitoring and Evaluation, safeguards).
468. Although One-WASH pool Fund is administered by the GOE with fiduciary and the agreed safeguards' oversight by the World Bank, the World Bank will continue to extend its fiduciary standards and safeguard instruments and oversight to the use of both IDA's own contributions and those donor resources channeled via the consolidated WASH Account, as well as to provide implementation support and enhanced supervision of the whole Program. Financing to ensure adherence to WBs minimum fiduciary and safeguards is additional workload to the Bank and needs to be costed and shared among partners.

## 12 MONITORING AND EVALUATION

### 12.1 General

469. The M&E arrangement of this Program will build mechanisms created under the first phase of CWA with clear institutional arrangement **to ensure systematic and periodic reporting of the Program outcomes and outputs**. The Program will continue to finance the structure created for handling M&E tasks both at federal and regional WASH PMUs including coordination offices. Considering the scale and dispersed nature of Woredas in the big regions (Oromia, Amhara and SNNP), the Program will consider zonal level focal persons to handle M&E tasks.
470. The positive and negative impacts of social assessment conducted in ----- and the proposed risk management mechanism is included in the Annex ----- .
471. **During the phase of the Program implementation the monitoring and evaluation systems is designed to monitor input, outputs and outcomes.** The monitoring and evaluation process will be **directly linked to the Program's Results Framework** which contains **outputs and outcomes result indicators for the Program.** Proper monitoring and evaluation of the Program includes:
1. **Continuous and Regular assessment of input use:** Inputs are human, material (logistical) and financial resources required to obtain a desired output. Assessment of inputs includes tracking use of funds and technical support to various components of the Program, deployment of staffs, availability of required logistical materials and etc. through monthly and quarterly financial and physical progress reports,
  2. **Continuous and regular assessment of outputs:** Outputs are results produced by the Program. Outputs are what mainly Federal, regional and Woreda level Program implementation entities will be held directly responsible for. Tracking outputs with the focus on the result framework indicators is required to measure performance of the Program.
  3. **Assessment of Outcomes:** Outcomes are short, medium and long-term desired effects as a result of the Program. Short- and medium-term evaluation of intended outcomes as specified in the RFW will be assessed during the Program period and will be useful to track progress towards meeting the Program development objective.
472. The monitoring will look both at the process and result in terms of i) what and how activities are identified, planned and accomplished; ii) examining the progress -checking whether activities are implemented according to plan; iii) scrutinize the process in terms of how activities are done and who are involved/organized; and iv) measure end results/effects – what was the end result?

### 12.2 Baseline assessment

473. During the Program development stage, Woreda level baseline for key WASH indicators was compiled, and mapped for a total of **754** Woredas using data collected from regional baseline reports, HMIS and EMIS reports, and regular report of Early Warning and Response committee. Under the assessment, ten WASH indicators clustered in two groups are covered (Impact and Outcome level). The impact level indicators are: **i) Stunting rate, ii) Prevalence of diarrhea under age of five and iii) primary students' dropout rate.** Outcome level indicators include: **i) Access for rural water supply, ii) Access for rural HH sanitation, iii) ODF**

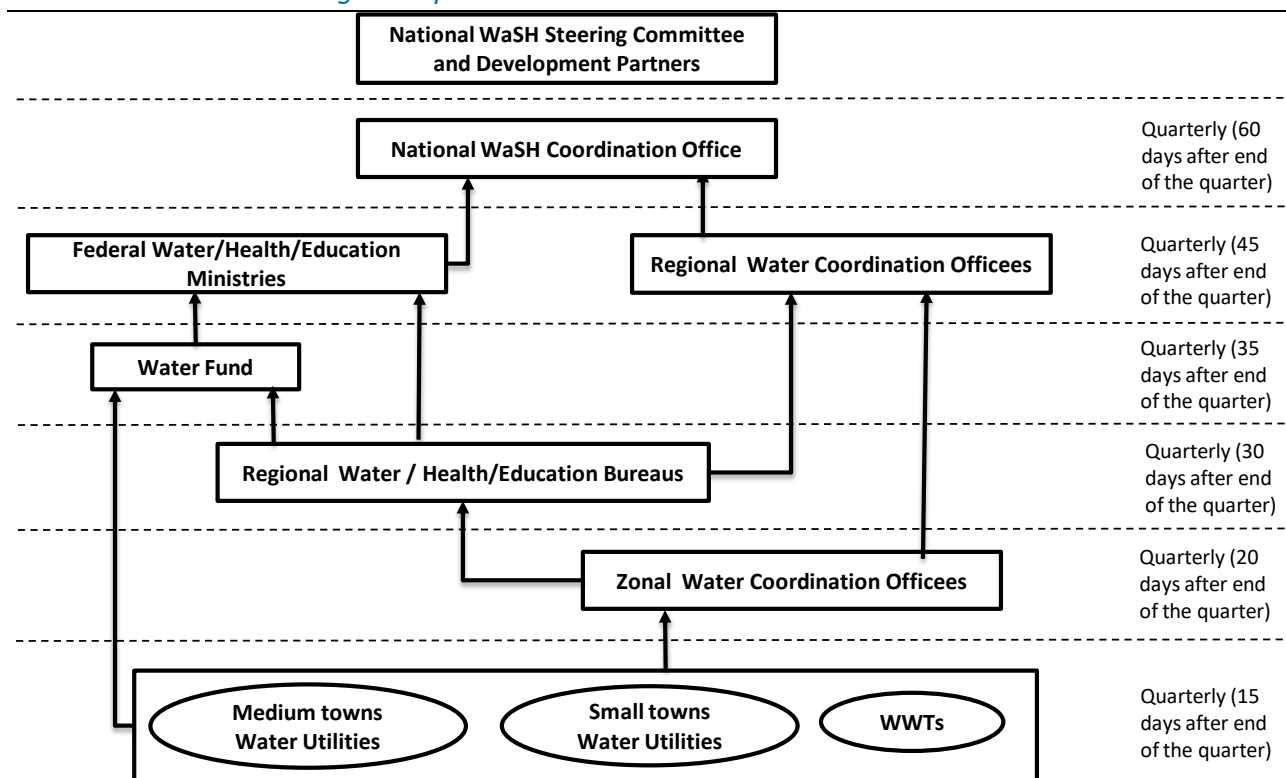
Coverage, iv) Health facility Water supply coverage, v) Health Facility improved sanitation coverage; vi) School Water Supply coverage, and vii) School Improved Sanitation coverage.) In addition, basic Woreda level information and drought and flood prevalence summary including a correlation result between water supply and the defined impact level indicators are captured under the assessment. The findings are expected to be further refined by the NWI II and will serve as a base for facilitating mid and end term as well as impact evaluations. Every year Program participating Woredas and towns are expected to update and submit their WASH baseline data based on the format attached to this POM which will be consolidated and reported by the NWCO

## 12.3 Reporting Arrangement

### 12.3.1 Reporting responsibility and schedule

474. The regular performance and result reporting responsibility of the Program will be placed on WASH Coordination Offices (Federal, Regional and Zonal), WASH sector PMUs (Federal and regional), Woreda WASH Teams and Town water utilities. Every three month the NWCO will prepare and submit a consolidate progress report based on agreed reporting format to the NWSC and the CWA DPs no later than 60 days after end of the quarter. While reports produced on quarterly bases will focus on performance monitoring, semiannual and annual reports will include progress on result indicators. To facilitate standard and consistent reporting among the different actors, the NWCO will use the reporting guideline and format attached to this POM. The Program will also assist Federal and regional level WASH sector PMUs and Coordination offices to develop and use a systematic data collection and compilation tool to facilitate easy report compilation. Respective higher officials and the steering committees, before submission to the next reporting line, should approve all produced reports. The following figure shows the line and schedule of Program progress reporting.





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### 12.3.2 Structure of Regular Program Progress Reports

475. Outlining the main elements of the periodical sector reports is important to align reports coming from implementing units. The Program progress reports will include both physical and financial status. Quarterly reports should show progress against planned activities and/or outputs while the annual reports should show the progress towards achievement of output and outcome. The NWCO will build on the existing CWA reporting format and will develop clear and simple reporting formats for Woreda, Zone, Region and Federal level WASH sectors. However, general layout of progress reports shall include the following sections and sub section.

- I. **Executive summary:** this section is expected to provide a summary of the Program implementation progress, the challenges and recommendation in one or two pages. It should consider key updates of all the five components including progress summary of fiduciary, safeguards and M&E activities.
- II. **Program Information** The objective of this section is to provide background and introductory information about the Program. Major points expected to be addressed under this section include" i) General Information (Program name, Financer, Implementation period, Program location etc.), ii) Program Development Objective, iii) Program Components, iv)Program

<sup>17</sup> Regular reports for component 4.1 will come from BDA and NMA which will be consolidated at WDC level

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- outcomes/outputs and component-based budget allocation (for the Program period and for the FY), v) Program Beneficiaries, vi) Reporting Period.
- III. Physical implementation progress of components and sub components:**
- a. Shall include all components and sub components
  - b. Shall provide brief description of the subcomponents in terms of allocated budget for the subcomponent, high level targets of the sub component, activities financed under the sub component, summary of results achievements so far (if any)
  - c. Shall have i) description of activities under the sub component ii) description of expected results for each of the activities under the subcomponent, iii) progress of each activities under the sub component against the annual plan and/or contract schedules (procurement progress, study and design progress, construction progress), iv) description of reasons for deviations against plans, v) description of results achieved under each of the activities (study and design documents produced, WSS facilities constructed, additional sludge collection, transport, treatment and disposal capacity created, additional water supply capacity created, etc.),
  - d. Shall be separately described in a tabular form to show progress of each activity against plan (component, sub component, activity, annual plan, quarter plan, achievement against quarter plan, achievement against cumulative plan, % of progress against quarter plan, %age of progress against cumulative plan,
- IV. Social and Environmental safeguards:** under this section, utilities are expected to discuss about i) preparation activities for ESIA and RAP, and ii) preparation and implementation in accordance with the RPF and ESMF
- V. Procurement and Contract Management:** under this section the following points are expected to be addressed i) discussion on availability of approved procurement plan and regular update and revision of the PP, ii) procurement and contract progresses against the PP and contract schedules, iii) issues/ challenges regarding procurement and contract management with way forward action plans, and iv) summary contract information (type/category of contract, contract signing date, contract value, contract period, contract progress etc.)
- VI. Financial Management:** shall discuss about i) fund utilization progress by category and component against Program life allocation and annual and quarter plan, ii) progress for audit preparations and implementation, iii) inclusion of reasons for variances against plan etc.
- VII. Monitoring and Evaluation and Updated RFW:** This section focuses about i) the regularity, completeness, and timeliness of Program progress reports, ii) updating of the RFW of the Program, iii) regular review meetings and supervision activities, iv) regular baseline data updates, v) actions agreed in implementation missions and status of implementation, etc. The RFW table should be included in the report
- VIII. Issues and Recommendations:** challenges faced during the reporting period, measures taken, and actions planned to resolve pending issues are expected to be addressed under this section.

## 12.4 Mid Term Review

476. A midterm review (MTR) will be conducted at the end of the third year of implementation. The MTR will be conducted to assess the overall performance of the Program and its progress toward achieving the development objectives. It will also assess the efficiency and effectiveness of Program design and implementation and highlight the need for any adjustments. An independent consultant will be contracted by the WDC to conduct the mid-term review for the CWA Phase II. With the full participation of the government of Ethiopia and the CWA contributing partners, the World Bank will lead the Program mid-term and completion reviews. The Program at mid/end term will also conduct an impact evaluation to capture the learning and efficacy of Program interventions.

## 12.5 WASH Progress Review Mechanisms

477. The Program will build on the existing progress review mechanisms during implementation. with a view to enhance learning and experience sharing among Program Woredas and towns, regular WASH Annual Review Meetings (WARM) to track implementation progress and provide feedback for improvement. The forum will be organized by respective Zonal, regional and National WASH coordination offices. Under the platform, best performing Woredas and towns will be selected based on pre-defined service delivery result indicators and will be recognized/awarded. This is expected to create a positive competition towards meeting intended results among Program Woredas and towns. Once this initiative is tested and piloted under CWA, the platform will be scaled up to the wider OWP. In general, the WASH Progress review mechanisms will involve

- KWT conducts monthly, quarterly and annual WASH progress review meetings with all Kebele WASH stakeholders
- WWT conducts quarter and annual WASH progress review meetings with the Woreda WASH stakeholders including Kebele representatives,
- ZWCO conducts quarter and annual WASH progress review meetings with the region WASH stakeholders including zone and Woreda representatives,
- RWCO conducts quarter and annual WASH progress review meetings with the region WASH stakeholders including zone and Woreda representatives,
- NWCO conducts quarter and annual WASH progress review meetings with the national WASH stakeholders including regional representatives,
- Joint Technical Review (JTR) meetings with WASH development partners and WASH sectors will be held twice in a year involving the major WASH stakeholders Once a year a WASH annual Review meeting involving all Program Woredas will be organized by the NWCO. Regional and zonal WARM Forum will be conducted at regional and Zonal level once in a year.
- Prior to the JTR, Joint government and CWA pooling partners implementation support and supervision missions will be conducted on a biannual and annual basis. Given the size of the Program, Interim missions will also be organized on quarterly bases. The World Bank, in consultation with government and pooling partners will prepare a Statement of Mission Objectives (SMO) for each mission and submit it to NWCO copied to Pooling partners.
- The National WASH Coordination Office will prepare a consolidated implementation progress and status report (water, education, health and finance) including (physical and financial) and submit it to the World Bank copied to pooling partners prior to each mission.

- The missions will discuss: (a) CWA Workplan and Procurement Plan; (b) progress made on Program implementing against the Program Plan, progress of agreed safeguards (such as the Environmental and Social Management Framework, Environmental and Social Management Plan, Resettlement Policy Framework and recommendation of the Social Assessment report 2013; (c) progress on fiduciary risk assessment and mitigation plan; and, (d) findings of the spot-checks and infrastructure audits.
- The World Bank, as the nodal agency for providing the oversight functions for monitoring adherence to agreed minimum fiduciary and safeguards requirements on behalf of pooling partners, will prepare an Aide memoire highlighting the findings of the missions and agreed actions , and submit it to NWCO copied to implementing partners after each mission.

## 12.6 Key performance Indicators<sup>18</sup>:

478. Performance indicators are a measure of how well an activity is being performed against a set target. Except for impacts as to what it takes at each level and phase for collecting data, reporting period and frequency concerning the other different performance indicators are described below. It also includes analysis and aggregation requirements at different levels and implementation phases.

### 12.6.1 Program Results Frame Work

479. To measure the Progress of the Program towards meeting its intended targets six PDO level result indicators and 19 Intermediate result indicators are adopted. The following table illustrates the Program's indicators, intended targets, frequency of data collection and responsible bodies for data collection.

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<sup>18</sup> KPI targets for the CWA under each component will be proportionally apportioned from the OWNPN targets based on the contribution of the CWA compared to the total estimated cost of the OWNPN for each component.

Table 12-1 Performance indicators for OOWNP supported by Phase II CWA

#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
PDO Indicators													
1	People provided with access to safe water services under the Program		#	-	336,231	1,313,910	2,467,998	3,897,615	4,392,785	4,392,785	Annual	Regular WASH MIS reports, HH surveys and Program progress reports,	National and regional WASH coordination offices, Water sector PMUs, Water resource development fund and WWTs
1.1	Rural Woredas			-	286,108	742,344	1,272,590	1,908,885	2,120,983	2,120,983			
1.2	CR WASH Priority Woredas			0	204,000	420,000	780,000	1,200,000	1,200,000	1,200,000			
1.3	Urban			-	50,123	160,770	428,721	911,031	1,071,802	1,071,802			
1.3	Female			168,115	604,008	1,317,835	1,976,753	2,196,392	2,196,392	2,196,392			
2	People Provided with access to safe sanitation services under the Program		#	-	672,625	1,472,311	2,137,138	4,226,800	4,749,197	4,749,197	Annual	Regular WASH MIS reports, HH surveys and Program progress reports,	National and regional WASH coordination offices, Water and Health sector PMUs, WWTs and WASHCOMs
2.1	Rural			-	530,829	1,297,019	1,852,884	3,335,191	3,705,768	3,705,768			
2.2	CR WASH Priority Woredas			122,927	108,000	252,000	540,000	720,000	720,000	720,000			
2.3	Urban			0	48,514	145,543	274,914	323,429	323,429	323,429			
1.3	Female			0	831,109	1,424,759	2,137,138	2,374,598	2,374,598	2,374,598			
3	Schools in the Program woredas and towns that have declared and verified ODF		#	-	197	872	1,308	1,453	1,453	1,453.00	Annual	Regular HMIS and EMIS WASH related indicators and Program	National and regional WASH coordination offices, Water and Health sector PMUs, WWTs

#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
												progress reports,	
3	Proportion of Kebeles under the Program Woredas declared and verified ODF		%	-	0%	28%	48%	72%	80%	80%	Semi Annual	WASH MIS regular reports, regular Program progress reports	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
4	Proportion of RPSs and Urban Water Supply Scheme designs using data from water resource information system		%		0%	20%	45%	60%	75%	75%	Annual	Regular Program progress reports	federal and regional water bureaus
5	Percentage of functional rural water supply schemes in Program Woredas		%	88%	88%	90%	92%	95%	95%	95%	Annual	Regular WASH MIS reports and Program progress reports,	WASHCOMs, WWTs federal and regional water bureaus
6	Proportion of urban water service providers under the Program covering their operational costs		%	0%	0%	0%	36%	68%	80%	80%	Annual	Regular Program progress reports	Town Water supply utilities, national and Regional Water PMUs and coordination offices
Intermediate Indicators					-	-	-	-	-	-	-		
A	<b>Rural</b>				-	-	-	-	-	-	-		
1	Improved community water supply schemes constructed / rehabilitated under the Program		#	-	915	1,676	2,793	3,348	3,720	3724	Semi Annual	Regular Program progress reports	WWTs, Regional and national Water sector

#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
1.1	New			-	872	1,562	2,604	3,122	3,469	3,472.00			PMUs and Coordination offices
1.2	Rehabilitation			-	43	113	189	227	252	252.00			
2	Proportion of Program Woredas that have prepared/approved Woreda WASH Strategic Plans and established WWTs,		#	-	10%	35%	60%	90%	100%	100%	Semi Annual	Regular Program progress reports	National and regional WASH coordination offices and WWTs
3	Proportion of water supply schemes constructed that are managed by legally established and functional WASHCOMs under the Project (Percentage)		%	-	9%	30%	51%	77%	85%	85%	Semi Annual	Regular Program progress reports WASH MIS regular reports	National and regional WASH coordination offices and WWTs
3.1	Proportion of WASHCOMs with at least 50% participation from Women		%	-	95%	95%	95%	95%	95%	95%	Semi Annual	Regular Program progress reports WASH MIS regular reports	National and regional WASH coordination offices and WWTs
4	Percentage of water supply schemes with regular water resource monitoring (quality and quantity) under the Program Woredas		%	0%	0%	21%	36%	54%	60%	60%	Semi Annual	Regular WASH MIS reports and Program progress reports,	National and regional WASH coordination offices, water sector PMUs and WWTs
5	Percentage of Program Woredas for which supply chain for low cost water supply technologies and spare parts is organized			0%	0%	20%	35%	50%	70%	70%	Semi Annual	Program progress reports,	National and regional WASH coordination offices, water sector PMUs and WWTs
6	People trained to improve hygiene behavior/sanitation practices under the Program		#	0	161,253	311,343	484,311	622,686	691,873	691,873	Semi Annual	Regular Program progress reports	National and regional WASH coordination

#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
6.1	People trained to improve hygiene behavior/sanitation practices – female		#	-	80,627	155,671	242,156	311,343	345,937	345,937			offices, Health sector PMUs and WWTs
7	Improved HH latrines constructed under the Program		#	-	163,439	380,255	706,187	923,476	1,086,442	1,086,442	Semi Annual	WASH MIS regular reports, regular Program progress reports	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
8	Sanitation marketing centers (shade etc.) established and functional under the Program		#	-	42	77	132	177	221	221	Semi Annual	Regular Program progress reports	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
<b>B</b>	<b>CR-WASH</b>												
1.1	Drought and flood early warning systems enhanced and operational (Yes/No)		#	-		Yes	Yes	Yes	Yes	Yes	Semi Annual	Program progress reports,	National WASH coordination offices, water sector PMUs and Basin Authority
1.2	Hydrological-meteorological monitoring system developed and operational (Yes/No)		#	-		Yes	Yes	Yes	Yes	Yes	Semi Annual	Program progress reports,	National WASH coordination offices, water sector PMUs and Basin Authority
1.3	Water resources datasets and maps produced and enhanced use of WRM data for climate resilient WSS designs (Yes/No)		#	-		Yes	Yes	Yes	Yes	Yes	Semi Annual	Program progress reports,	National WASH coordination offices, water sector PMUs and Basin Authority
2	Improved climate resilient community piped water supply schemes constructed / rehabilitated under the Program		#	-	0	4	8	12	16	41.00	Semi Annual	Regular Program progress reports	WWTs, Regional and national Water sector PMUs and Coordination offices



#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
3	Proportion of Program Woredas that have prepared/approved Woreda WASH Strategic Plans and established WWTs,		#	-	10%	35%	60%	90%	100%	100%	Semi Annual	Regular Program progress reports	National and regional WASH coordination offices and WWTs
3	Proportion of water supply schemes constructed that are managed by legally established and functional utilities model structure under the Project (Percentage)		%	-	10%	35%	60%	90%	100%	100%	Semi Annual	Regular Program progress reports WASH MIS regular reports	National and regional WASH coordination offices and WWTs
8	Improved HH latrines constructed under the Program		#	-	24,585	14,400	43,200	86,400	144,000	144,000	Semi Annual	WASH MIS regular reports, regular Program progress reports	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
<b>C</b>	<b>Institutional WASH</b>			-									
1	Number of Institutions (Schools and Health facilities) provided with improved WASH facilities under the Program( (Number)		#	-	471	996	1,708	2,561	2,846	2846	Semi Annual	WASH MIS regular reports, Regular Program Progress reports	National and regional WASH Coordination offices, Health and Education sector PMUs, WWTs
1.1	Schools		#	-	197	509	872	1,308	1,453	1453			
1.2	Health Facilities		#	-	274	488	836	1,254	1,393	1393			
<b>D</b>	<b>Urban WASH</b>			-									
1	Additional volume of water produced from improved water		m3/d	-	2,404	7,212	19,232	40,868	48,080	48,080	Semi Annual	Regular Program progress reports	Town Water Utilities, Regional and national Water sector PMUs

#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
	sources and NRW savings under the Program towns												and Coordination offices
2	Proportion of Water service providers within the Program towns that have established water boards and have business plans		#	-	5%	15%	40%	85%	100%	100%	Semi Annual	Regular Program progress reports	Town Water Utilities, Regional and national Water sector PMUs and Coordination offices
3	Percentage of water supply schemes with regular water quality and quantity monitoring in towns under the Program (Percentage)			-	0	15%	45%	85%	100%	100%	Semi Annual	Regular Program progress reports	Town Water Utilities, Regional and national Water sector PMUs and Coordination offices
4	Public/ communal latrines rehabilitated / constructed under the Program		#	-	21	17	53	99	118	118	Semi Annual	Regular Program progress reports	Town Water Utilities, Regional and national Health sector PMUs and Coordination offices
5	Number of fecal sludge management systems constructed and providing service in the towns under the Project (Number)		#	-	1	2	8	15	17	17	Semi Annual	Regular Program progress reports	Town Water Utilities, Regional and national Water and Health sector PMUs and Coordination offices
E	<b>Program Management and Institutional Strengthening</b>			-	-								
1	Sector Management Information System (MIS) operationalized (Yes/No)			-	-	Yes	Yes	Yes	Yes	Yes	Annual	Regular Program progress reports	National and regional WASH Coordination offices, WASH sector PMUs, WWTs, Water Utilities

#	Result Indicators	Core	UoM	Base-line	Cumulative Target Values						Frequency	Data Source/ Methodology	Responsibility for Data Collection
					YR1	YR2	YR3	YR4	YR5	End Target			
2	Number of trained WWT, WASHCOM and Water Board members under the Program		#	-	2,751	9,629	16,506	24,759	27,510	27,510	Semi Annual	Regular Program progress reports	National and regional WASH Coordination offices, WASH sector PMUs, WWTs, Water Utilities
3	Grievances registered related to delivery of sub project benefits that are timely and satisfactory addressed		%	-	80%	80%	80%	80%	80%	80%	At MTR and Project Completion Report	Beneficiary survey at MTR and PCR	National and regional WASH Coordination offices, WASH sector PMUs, WWTs, Water Utilities
4	Percentage of Schemes with completed environmental & social screening process and against which required mitigations including compensations are settled		%	-	100%	100%	100%	100%	100%	100%	Semi Annual	Regular Program progress reports	National and regional WASH Coordination offices, Water sector PMUs, WWTs, Water Utilities

**12.6.2 Definition of result’s indicators**

	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
1	People provided with access to safe water services under the Program	<p>The indicator measures the cumulative number of people in rural and urban areas under the Program that are provided with a water source that is</p> <ul style="list-style-type: none"> <li>• improved (piped water in to dwellings, yards or plots, public taps or standpipes, boreholes or tube wells, protected dug wells or protected springs),</li> <li>• located within one KM radius for rural and within premises for urban (as per GTP II standard)</li> <li>• sufficient to serve the community with at least 25l/c/d for rural and 40-100l/c/d for urban depending the size of the town</li> <li>• free from fecal and priority chemical contamination</li> </ul> <p>The indicator is disaggregated in to rural and urban. Reporting of this indicator is expected to provide a gender disaggregated data.</p>	Annual	Regular WASH MIS reports, HH surveys and Program progress reports,	<p>For Rural, the number of beneficiaries from improved water supply facilities is calculated by multiplying the actual number of newly constructed water supply facilities by the actual number of people using the WS facilities taking in to account the definition used. WASH PMUs can also use the estimated number of beneficiates per schemes defined for GTP II and indicated under the PAD. For Urban, beneficiaries of water supply are estimated from the service capacity of constructed water supply facilities taking in to account GTP II standard for water demand.</p> <p>Calculation:</p> <ul style="list-style-type: none"> <li>☑ Access to safe water sources (Rural)= number of safe water supply schemes (disaggregated by type) x estimated (actual) number of beneficiaries for schemes</li> <li>☑ Access to safe water supply (Urban) = (Added volume of safe water from new project interventions (m3/day)/ standard water demand (l/c/d)</li> <li>☑ Female beneficiaries = number of female beneficiaries provided with improved water supply services</li> </ul>	National and regional WASH coordination offices, Water sector PMUs, Water resource development fund and WWTs
2			Annual		Calculation:	

	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
	People Provided with access to safe sanitation services under the Program	This indicator measures the cumulative number of people provided with improved sanitation facility at HH level. Improved sanitation implies a HH latrine with covered super structure, cleanable slabs and hand Washing facility. The indicator is disaggregated in to rural and urban. Reporting of this indicator is expected to provide a gender disaggregated data.		Regular WASH MIS reports, HH surveys and Program progress reports,	<input checked="" type="checkbox"/> People provided with access to safe sanitation services (Rural)= number of safe HH latrine constructed x HH size <input checked="" type="checkbox"/> People provided with access to safe sanitation services (Urban) = (Number of safe HH latrines accessing sludge collection, transport, treatment and disposal services x HH size <input checked="" type="checkbox"/> Female beneficiaries = number of female beneficiaries provided with improved Sanitation services	National and regional WASH coordination offices, Water and Health sector PMUs, WWTs and WASHCOMs
3	Proportion of Kebeles under the Program Woredas declared and verified ODF	It measures the number of rural Kebeles declared and verified ODF as a result of the project intervention on rural sanitation improvement	Annual	WASH MIS regular reports, regular Program progress reports	Calculation: Proportion of Kebeles under the Program Woredas declared and verified ODF = number of kebeles under the Program declared and verified ODF / Total number of Kebeles under the Program Woredas	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
3	Proportion of water service providers in the Program Woredas with source water protection plan in place and implements on a regular basis.	The indicator measures the Program’s intervention towards improving the water resource management. It measures the extent to which Program Woredas develop and implement a water source protection plan	Annual	Regular WASH MIS reports and Program progress reports,	Proportion of water service providers in the Program Woredas with source water protection plan in place and implements on a regular basis.= Number of Water service providers implementing water protection plan/Total number of water service providers (WASH Coms) in the Program Woredas	WASHCOMs, WWTs federal and regional water bureaus
4	Proportion of RPSs and Urban Water Supply Scheme designs using data from water resource information system	The indicator measures accessibility and use of the water resources monitoring system. It measures the use of the water resource data (meteorology, hydrology and groundwater) to inform design and management of water supply systems delivered under the Program.	Annual	Program progress reports,		federal and regional water bureaus
5			Annual		Calculation:	

	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
	Percentage of functional rural water supply schemes in project Woredas	The indicator measures the change brought on functionality of water supply schemes as a result of rehabilitation of nonfunctional repairable schemes under the Program. Nonfunctional schemes could take two forms (repairable and non-repairable). For clarity and consistent data collection purpose a functional scheme is a scheme with service period of at least 80% over the year. (a scheme should not be nonfunctional for more than 6 days per month).		Regular WASH MIS reports and Program progress reports, Community monitoring systems	☑ Percentage of functional water supply schemes= number of functional water supply schemes/ Total number of Schemes within the Program Woredas	WASHCOMs, WWTs federal and regional water bureaus
6	Proportion of urban water service providers under the project covering their operational costs	The indicator is a proxy indicator for measuring sustainability of urban water utilities. It measures the extent to which utility's revenue cover the basic operation and maintenance costs. It is used to assess the improvement on financial viability of participating utilities as a result of the utility capacity building and operational efficiency intervention.	Annual	Regular Program progress reports	<p>Calculation</p> <p>Proportion urban water utilities under the Program covering their operational costs = number of utilities supported under the Program covering their operation costs / total number of utilities supported under the Program</p>	Town Water supply utilities, national and Regional Water PMUs and coordination offices
<b>Intermediate Results Indicators</b>						
1	Improved community water supply schemes constructed / rehabilitated under the Program	The indicator measures the total number of rural water supply schemes (with scheme type) newly constructed and rehabilitated under the rural and CR WASH components of the Program. A disaggregation by new and rehabilitation is required to document to Project's progress towards rehabilitation of nonfunctional schemes.	Semi Annual	Regular Program progress reports	<p>Calculation:</p> <p>Improved community water supply schemes constructed /rehabilitated under the Program= Count of number of new water supply schemes constructed + Count of number of water supply schemes ((under Rural and Climate Resilient WASH components of the Program. Disaggregation with scheme type is required</p>	WWTs, Regional and national Water sector PMUs and Coordination offices
2	Proportion of Program Woredas that have prepared/approved Woreda WASH Strategic Plans and established WWTs,	Definition: It measures the Program's contribution towards ensuring strategic orientation of the Program Woredas. the number of Woredas who have established a functional WWT and who have prepared Woreda WASH Strategic Plans under the Program	Semi Annual	Regular Program progress reports	Program Woredas that have prepared (approved) Woreda WASH Strategic Plans and established WWTs = number of Woredas with approved WWSP and functional WWT/total number of Program Woredas	National and regional WASH coordination offices and WWTs
3					Calculation:	

	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
	Proportion of Water supply schemes constructed under the Program Woredas that are managed by legally established and functional WASH COMs	The indicator measures the extent to which WASH COMs are established to manage their water supply schemes and the level to which they engage in proper and regular collection of user fees, regular reporting of WASH status of their community and handle simple maintenance requirements for sustained service delivery. The indicator is also expected to provide female participation of WASHCOMs through percentage of female members of WASHCOMs.	Semi Annual	Regular Program progress reports WASH MIS regular reports	<p>☑percentage of constructed Water supply schemes managed by WASHCOMMs with proper and regular collection of user fees, regular reporting of WASH status of their community and handle simple maintenance requirements for sustained service delivery Program Woredas</p> <p>☑Proportion of female participation within the WASHCOMs= total number of female members in WASHCOMs/Total number of WASHCOM members</p>	National and regional WASH coordination offices and WWTs
4	Percentage of water supply schemes with regular water resource monitoring (quality and quantity) under the Program Woredas	The indicator is a proxy for measuring the quality and sustainability of water supply services. It measures the percentage of water supply schemes that have regular (at least quarterly) water quality and quantity monitoring conducted in the Project Woredas. It serves to ensure that information on water quality (fecal and primary chemical contamination) and quantity (e.g. surface water flows, groundwater levels) is adequately captured, disseminated, and utilized to inform management of water services.	Semi Annual	Regular WASH MIS reports and Program progress reports,	Calculation: Percentage of water supply schemes with regular water resource (quality and quantity) monitoring = Number of schemes with regular water resource monitoring (quality and quantity)/Total number of schemes in the Program Woredas	National and regional WASH coordination offices, water sector PMUs and WWTs
5	Percentage of Program Woredas for which supply chain for low cost water supply technologies and spare parts is organized	This indicator measures the proportion of Program Woredas that have established supply chain arrangement for increased O&M capacity and sustainable service delivery.	Semi Annual	Program progress reports,	Calculation: Percentage of Program Woredas for which supply chain for low cost water supply technologies and spare parts is organized = Number of Program Woredas that organized supply chain for low cost water supply technologies and spare parts/ Total number of Program Woredas	National and regional WASH coordination offices, water sector PMUs and WWTs
6	People trained to improve hygiene behavior/sanitation practices under the Program	The indicator measures the cumulative number of people who have participated in a training on hygiene behavior or sanitation practices in rural areas. This does not include people who have been educated and/or informed through public information or mass publication campaigns. The indicator is expected to be disaggregated by gender.	Semi Annual	Regular Program progress reports	<p>Calculation</p> <p>☑ Count of people trained on hygiene behavior and sanitation practices</p> <p>☑ Count of females trained on hygiene behavior and sanitation practices</p>	National and regional WASH coordination offices, Health sector PMUs and WWTs
7	Drought and flood early warning systems	The indicator measures the Project's contribution to enhancing drought and floods early warning systems. The term operational is defined as	At Midterm and	Regular Project progress reports.		WDC and Regional Water Bureaus

	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
	enhanced and operational (Yes/No)	providing updated and regular forecast, as outlined in the POM.	Program completion			
8	Improved HH latrines constructed under the Program	The indicator measures the number of newly improved HH latrines constructed as a result of the hygiene and sanitation awareness campaigns and sanitation marketing intervention in Project Woredas. The definition of improved sanitation follows MoH's standard definition and implies a rural HH latrine with covered super structure, cleanable slabs/other materials and hand Washing facility.	Semi Annual	WASH MIS regular reports, regular Program progress reports	Calculation: Improved HH latrines constructed under the Program= count of improved HH latrines constructed under the Program Woredas	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
9	Sanitation marketing centers (shade,) established and functional under the Program	The indicator measures the project's intervention on the supply side of the HH sanitation. It measures the number of sanitation marketing centers established with the support of the project. The SM related activities include construction of shades for construction of slabs and storage of construction materials, , organizing and training SME's through TVETs on production of materials etc.	Semi Annual	Regular Program progress reports	Calculation: Sanitation marketing (shade,) established and functional under the Program= count of functional sanitation marketing systems established under the Program	National and regional WASH coordination offices and Health sector PMUs, WWTs, WASHCOMs
10	Number of Institutions (Schools and Health facilities) provided with improved WASH facilities under the Program( (Number)	The indicator measures the number of schools and health facilities provided with full advanced WASH packages under the Project. The definitions of advanced WASH package for schools and health facilities are aligned with the SDGs' and follow the MoE's and MoH's standard. They are presented in the disaggregated sub-indicators by schools and health facilities.	Semi Annual	WASH MIS regular reports, Regular Program Progress reports	Calculation:	National and regional WASH Coordination offices, Health and Education sector PMUs, WWTs
					Number of Institutions provided with full WASH package under the Program= count of school provided with full WASH package facilities under the Program + count of Health facilities provided with full WASH package facilities under the Program	
	Schools	The indicator measures the number of schools provided with full WASH packages under the Project. The definition of a full WASH package for schools is aligned with the SDGs' and follows the MoE's standard. It includes provision of: (i) water supply, (ii) an improved school sanitation facility, with separate blocks for boys and girls, access for people with limited mobility, and hand Washing facility with water and soap; and (iii) dedicated rooms for MHM.			Number of Institutions provided with full WASH package under the Program= count of school provided with full WASH package facilities under the Program + count of Health facilities provided with full WASH package facilities under the Program	National and regional WASH Coordination offices, and Education sector PMUs, WWTs
	Health Facilities	The indicator measures the number of health facilities provided with a full WASH package under the Project. The			Number of Institutions provided with full WASH package under the Program= count of school provided with full WASH	National and regional WASH Coordination



	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
		definition of a full WASH package is aligned with the SDGs' and follows the MoH's standard. It includes: (i) water supply facility within the compound of the facility; (ii) improved sanitation facilities that are usable with at least one toilet dedicated for staff, at least one sex-separated toilet with MHM, and at least one toilet accessible for people with limited mobility; (iii) functional hand Washing facility, with water and soap or alcohol-base hand wraps, available at point of care, and within 5 meters of toilets; (iv) health-care waste management facilities for safely treatment and disposal of sharp and infectious waste (incinerator, placenta pit, waste disposal pit).			package facilities under the Program + count of Health facilities provided with full WASH package facilities under the Program	offices, Health sector PMUs, WWTs
11	Additional volume of water produced from improved water sources and NRW savings under the Program towns	The indicator measures the additional volume of water produced from Water Supply interventions in Urban towns supported under the Program. It is measured as cubic meter per day (m3/d). In addition to the added volume of water from new water source development, savings from NRW reduction interventions are captured under this indicator	Semi Annual	Regular Program progress reports	Calculation: Additional volume of water produced from improved source under the Program = sum of m3/d of water produced from each Urban water supply interventions in the Program+ savings from NRW reduction interventions under the Program (m3/d)	Town Water Utilities, Regional and national Water sector PMUs and Coordination offices
12	Percentage of water supply schemes with regular water quality and quantity monitoring in towns under the Project	The indicator is a proxy indicator for measuring quality and sustainability of water supply services. It measures the percentage of water supply schemes that have regular (at least quarterly) water quality and quantity monitoring conducted in the Project towns. It serves to ensure that information on water quality (fecal and primary chemical contamination) and quantity (e.g., surface water flows, groundwater levels) is adequately collected, disseminated, and utilized to inform management of water services.	Semi-annual	Regular Project progress reports.	Calculation: Percentage of water supply schemes with regular water resource (quality and quantity) monitoring = Number of schemes with regular water resource monitoring (quality and quantity)/Total number of schemes in the Program Woredas	Town Water Utilities, Regional and national Water sector PMUs and Coordination offices
13	Proportion of Water service providers within the Program towns that have established water boards and have business plans	The indicator is a proxy indicator for measuring sustainability of town water operations. It measures the proportion of water service providers (utilities or WASH Committees) that have prepared an updated business plan and who have established a functional water boards for regular oversight.	Semi Annual	Regular Program progress reports	Calculation: Water Utilities that have established water boards and have business plans under the Program = number of water utilities who have developed business plan and established a functional water board/total number of utilities supported under the Program	Town Water Utilities, Regional and national Water sector PMUs and Coordination offices

	Indicator Name	Definition/Description	Frequency	Data source	Methodology for Data Collection	Responsibility for Data Collection
14	Public/ communal latrines rehabilitated / constructed under the Program	The indicator measures the number of public/communal latrines constructed or rehabilitated in the urban towns supported under the Project that meet the service quality standard for safe management of excreta and fecal sludge (excreta are safely disposed of in situ or emptied, transported and treated offsite).	Semi Annual	Regular Program progress reports	Calculation: Public Latrines rehabilitated /constructed under the project = count of Public latrines constructed/rehabilitated and functional in Program towns	Town Water Utilities, Regional and national Health sector PMUs and Coordination offices
15	Number of FSM systems constructed and functional within the Program towns	The indicator focuses on small towns sanitation improvement interventions. It measures fecal sludge management system (from containment to transport and treatment and safe disposal) established and functional under the project.	Semi Annual	Regular Program progress reports	Calculation: Number of FSM systems constructed under the Program for Small towns= count of FSM systems constructed and functional in Program small towns	Town Water Utilities, Regional and national Water and Health sector PMUs and Coordination offices
16	Sector Management Information System (MIS) operationalized	The indicator measures the Project's contribution towards establishing an operational sector MIS. The term operational is defined as providing updated and regular information that is disseminated and utilized for better WRM and WASH service delivery.	Annual	Regular Program progress reports		National and regional WASH coordination offices, WASH sector PMUs, WWTs, and WASHCOMs.
17	Number of trained WWT, WASHCOM and Water Board members under the Program	The indicator measures the total number of WWT members, WASHCOM members, and water utility/board members trained under the Project. Further disaggregation by training type and trainee category is also required.	Semi Annual	Regular Program progress reports	Calculation Number of trained WWT, WASHCOM and Water Board members under the Program= count of WWT members, WASHCOM members and Water utility/board members provided with training under the Program	National and regional WASH Coordination offices, WASH sector PMUs, WWTs, Water Utilities
18	Grievances registered related to delivery of sub project benefits that are timely and satisfactorily addressed	This indicator measures the percentage of those grievances that are actually addressed by the contractors.	At MTR and Project Completion Report	Beneficiary survey at MTR and PCR		National and regional WASH Coordination offices, WASH sector PMUs, WWTs, Water Utilities
19	Percentage of Schemes with completed environmental & social screening process and against which required mitigations including compensations are settled	This indicator measures the extent to which Program implementing entities comply to the safeguard requirements of the Program.	Semi Annual	Regular Program progress reports	Calculation: number of schemes with appropriate environmental and social mitigations/ total number of schemes constructed under the Program	National and regional WASH Coordination offices, Water sector PMUs, WWTs, Water Utilities

## 12.7 Roles and responsibilities

480. The WASH M&E system comprises a wide variety of different actors at different level. See Table 9.5 for an overview.

**Table 12-2: Overview of M&E Arrangements (Roles and Responsibilities)**

WHO	M&E roles and responsibilities
Water Boards / WASHCOM	Update annual WASH inventory
Kebele WASH Teams	<ul style="list-style-type: none"> <li>Supports WASHCOMs to update the Annual WASH Inventory</li> <li>Reviews WASH status at School and Health Post</li> <li>Studies data and completes an analysis of the Kebele WASH situation</li> <li>Uses M&amp;E results to prepare and propose a Kebele Annual WASH Plan</li> <li>Forwards data to Woreda WASH Team</li> <li>Prepares monthly, quarterly, and annual WASH progress reports and send to the Woreda</li> <li>Conduct WASH progress review meeting quarterly with all Kebele WASH stakeholders</li> <li>Participate at Woreda level WASH progress review meeting quarterly</li> </ul>
Woreda WASH Teams	<ul style="list-style-type: none"> <li>Supports Kebeles perform their roles of data gathering, WASH analysis and action planning</li> <li>Visits all non-functional PPWSS to support users and Kebele to restore functionality</li> <li>Conducts technical assessment of every 3 years</li> <li>Verifies Kebele summaries against paper records for accuracy; makes any corrections</li> <li>Enters data from Kebele summaries onto computer spread sheet into one consolidated record of all Kebeles</li> <li>Performs analysis e.g. comparison between Kebeles and against previous year</li> <li>Uses M&amp;E results to prepare a Woreda Annual WASH Plan</li> <li>Sends spread sheet and paper records to Regional or Zonal WASH Coordination Office</li> <li>Prepares monthly, quarterly, and annual WASH progress reports and send to the Zone/Region</li> <li>Conduct WASH progress review meeting quarterly with all Woreda WASH stakeholders</li> <li>Participate at Region/zone level WASH progress review meeting quarterly</li> </ul>

WHO	M&E roles and responsibilities
Region / Zone WASH Coordination Office	<p>Supports Woredas perform their roles</p> <p>Verifies Woreda summaries against paper and computer records</p> <p>Recruits and supervises data entry contractor</p> <p>Consolidates all Woreda records into one file for the complete Region / Zone</p> <p>Performs analysis e.g. comparison between Woredas and against previous year</p> <p>Uses M&amp;E results to prepare annual Regional / Zone Annual WASH Plan</p> <p>Sends spread sheet and summary analysis to National WASH Coordination Office</p> <p>Prepares monthly, quarterly, and annual WASH progress reports and send to the NWCO</p> <p>Conduct WASH progress review meeting quarterly with all regional WASH stakeholders including zones, Woredas and towns</p> <p>Participate at national level WASH progress review meeting quarterly</p>
TWTT, TWB, Town Utility	<p>Completes One Time Report UWS-OTR,</p> <p>Completes Annual Report UWS-AR,</p> <p>Compares changes between years and reports on these to Region / Zone / Woreda</p> <p>Uses these data to report to public in Annual Report</p> <p>Use M&amp;E data to prepare WASH Annual Plan</p> <p>Forwards M&amp;E data to R/Z WASH Coordination Office</p> <p>Prepares monthly, quarterly, and annual WASH progress reports and send to the RWCO</p> <p>Conduct WASH progress review meeting quarterly with all town WASH stakeholders</p> <p>Participate at regional level WASH progress review meeting quarterly</p>
National WASH Coordination Office	<p>Consolidates all Regional and Urban data</p> <p>Uses M&amp;E results to prepare JTR reports etc.</p> <p>Uses M&amp;E results internationally with AMCOW, JMP etc.</p> <p>Uses results to prepare and propose investment plans and loan / grant applications and national Annual WASH Plan</p> <p>Provides NWTT with a consolidated WASH M&amp;E Report</p> <p>Prepares monthly, quarterly, and annual WASH progress reports and send to the NWTT</p> <p>Conduct WASH progress review meeting quarterly with all national and regional WASH stakeholders Organizes annual MSF</p>

481.

## 13 ENVIRONMENTAL AND SOCIAL SAFEGUARDS

### 13.1 Scope of the Environmental and Social Management Framework

482. While implementing the second phase of CWA there could be potential adverse environmental and social related impacts during the rehabilitation, construction and operational phases of the water supply and Sanitation schemes. However, experience shows that the negative impacts are site specific, reversible and can be localized and reduced or avoided with proper mitigation measures as outlined in the Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Social Assessment (SA), Gender Action Plan (GAP) and relevant safeguard instruments.
483. The Environmental and Social Management Framework (ESMF) aims to ensure that investments under the One WASH National Program, phase II are implemented in an environmentally and socially sustainable manner. The ESMF outlines an environmental and social screening process that will be applied by qualified personnel at the planning stage of the Program. The purpose of ESMF is to provide guidance to OOWNP II staffs, communities, and others participating in the planning and implementation of OOWNP regarding sustainable environmental and social management sub-Programs.
484. The Federal Environment, Forest and Climate Change Corporation (EFCCC) takes responsibility for the Environmental and Social Impact Assessment (ESIA) process including the review of the initial proposal and final decision of acceptability re the following types of Programs/projects:
- where Programs/projects may have inter-regional or inter-national impacts,
  - where they may entail impacts on environments of national or international significance,
  - where the proponent is a federal agency, including the Federal Investment Authority,
  - Or where the federal EFCCC agrees that an EIA be referred to it by the regional level due to its complexity or incapability's at regional level.
485. CWA financed WASH has been categorized as Category B as per the World Bank OP 4.01. Seven of the ten World Bank safeguard policies have been triggered by implementation of OOWNP CWA Phase II. They are OP 4.01 (Environmental Assessment), OP 4.12 (Involuntary Resettlement), OP 4.11 (Physical Cultural Resources), OP 4.37 (Safety of Dams), OP 4.04 (Natural Habitat), OP 4.10 (Indigenous/Underserved People) and OP 7.50 (International Waterways).

#### 13.1.1 Potential Impacts of the Program

486. OOWNP II will have a range of beneficial impacts associated with the Water Supply Systems which among other things include:
- Saved time, especially for women and girls, that may be used for other, productive activities, to focus more on school, agriculture, etc.;
  - Greater comfort and improved quality of life and domestic hygiene;
  - Reduction in water-borne diseases like dysentery, cholera and others;
  - Increased productivity, due to improved animal health, and potentially improved grazing opportunities where water points are well located;

- Saved time for men particularly within the pastoralist groups who are responsible for watering their animals, that can be used for other productive activities including raising livestock, and increased focus on school;
  - Enhancement of organizational, financial and technical capacities of community through capacity building activities and training;
  - Employment opportunities both during the construction and operation phases;
487. Nevertheless, the water supply and sanitation systems can also have negative impacts on the biophysical or human environment. The likely negative impacts of water supply and sanitation investments/activities, the list of activities to be financed in the phase II of OWNP, along with the physical components of the water supply systems likely to be considered under the Program, for both rural and urban settings are summarized under table 3, 4 and 5 of the OWNP II ESMF.

### 13.1.2 Environmental and Social Tools and Guidelines

488. The One WASH – CWA Phase II document has revised and updated existing environmental and social tools and guidelines. The following tools and guidelines have been prepared; (i) Social Assessment; (ii) Environmental and Social Policy Framework; (iii) Resettlement Policy Framework and Gender Action Plan (GAP). The sections below provide an overview of social and environment safeguards as well as application and use of developed tools and guidelines. Copies of these guidelines can be found upon request from the Environmental and Social Safeguards Directorate of the Water Development Commission or can be downloaded from the following website:

- **Environmental and Social Management Framework (ESMF)**→<https://http://www.mofed.gov.et/documents/10182/14041/ESMF+of+One+WASH-CWA+Phase+II.pdf/7715f9f7-be1a-4d81-9382-9810f6f31869>
- **Resettlement Policy Framework:**  
<http://www.mofed.gov.et/documents/10182/14041/RPF+of+One+WASH-CWA+Phase+II.pdf/00608806-132a-4a87-8d50-b6c1e6b71e30>
- **Social Assessment:**<https://www.cmpethiopia.org/content/download/666/3437/file/OWNP%20-%20Social%20Assesment%20Final-%20Nov%2028%202013.pdf>

### 13.1.3 Environmental and Social Screening Process

489. Environmental and social screening (ESS) is the first important step in the ESMF processes. The ESS checklist can be found in annexed in OWNP II ESMF. It is the initial examination of the project's environmental and social impacts in order to determine the category for the sub-projects and the next necessary step for the proper implementation of the ESMF. Therefore, the field personnel (the safeguards focal persons at regional, Zonal and Woreda/ town levels in charge of the screening should undertake the ESS and categorization properly to decide the required next step of the ESMF process and procedures. ESS will help to propose whether a proposed sub-project will further require a full-fledged ESIA and RAP or ESMP, ARAP, as per the procedures outlined in the ESMF and Resettlement Policy Framework (RPF). It is mandatory that all sub-projects under the proposed ONE WASH-CWA go through the screening process

for categorization and thereby recommend preparation and implementations of appropriate safeguards instruments. According to the Ethiopian EIA guideline and the World Bank environmental safeguard policy OP4.01, projects are categorized in to three “schedules and categories,” based on their potential environmental and social impacts, (Schedule 1, Schedule 2 and Schedule 3 and as Category A, Category B and Category C), respectively.

- 490. Category A:** It should be noted that if any sub-projects falls under Category A, it will not be eligible for financing under the ONE WASH-CWA Phase II; instead it will be subjected to redesign, re-routing or resizing of the subproject. Category A sub-projects are those for which the Environmental Baseline Assessment concludes that changes to the design or the citing and routing of facilities are required. These changes are required to eliminate unacceptable adverse impacts such as: impact on a fragile eco-system, failure to drain run-off water from the water point site, impact on inhabited dwellings, impact on structures used for commercial activities or other businesses, impact on graves or other cultural resources (physical cultural resources), and impact on land use and/or users.
- 491. Category B (Schedule 2)** Sub-projects are categorized as B when they have potential environmental and social impacts, but are of less adverse or sensitive than A, and are reversible and local on its nature.
- 492.** Further environmental assessment work is required for category B subprojects that includes preparation of a separate Environmental and Social Impact Assessment (ESIA) or Environmental and Social Management Plan (ESMP) to get a better understanding of the potential environmental and social issues that have been identified in the screening process Examples of subprojects that requires preparation of ESIA are given below.
- Potential conflicts between upstream and downstream users,
  - Impacts on a fragile ecosystem,
  - Impacts on land without physical displacement or significant impacts on livelihoods,
  - Potential for heavy traffic at construction phase through inhabited areas,
  - Construction in water bodies (pipeline river crossings, water works in river beds-intakes),
  - Construction through areas with contaminated soil.
- 493. Category C:** Subprojects are Categorized as C if no significant environmental issues are identified and no specific mitigation measures are required; and implementation of the subproject can proceed.

#### 13.1.3.1.1 Screening Form

- 494.** The screening form formalizes a rapid field investigation to screen on-site whether any environmental and social issues may require specific attention and supplemental Environmental Assessment work. All sub-Programs (including the rural water supply and sanitation schemes) will undergo the screening process using the screening formats annexed with the OWNP II ESMF.

#### 13.1.4 Preparation and Disclosure Requirements of the ESIA

- 495.** ESIA will be carried out for Category B subprojects by a consulting firm licensed by the competent agency. Preparation of an ESIA requires meaningful public consultation to demonstrate that public’s comments and observations have been taken into consideration as outlined under OP 4.01 and OP 4.12.

Mitigations will be detailed in an ESMP appended to the ESIA, to be addressed prior to the start of construction, during construction and operational activities of subprojects.

496. The ESIA process may include, for example:
- Extensive consultation with upstream and downstream users to avoid conflict and reach consensus regarding water use which can be implemented and monitored by local authorities,
  - Specific construction arrangements to minimize physical footprint and negative impacts on fragile ecosystems, topsoil and flora,
  - Compensation as per the resettlement policy framework or the Ethiopian proclamation,
  - By-passes to keep heavy traffic out of the inhabited areas, speed limits, speed bumps, safety awareness with children and adults,
  - Cofferdams, no chemical use in water bodies, use of geo-synthetics,
  - Excavation and disposal of contaminated soil prior to construction.

### **CONSULTATION AND DISCLOSURE FOR CATEGORY “B” SUB-PROGRAMS**

497. For all Categories “B” sub-projects, public consultation will include the following steps:
- Identification of interested parties (beneficiary neighboring communities, communities potentially affected by the sub-Program, downstream water users, local authorities, regional authorities);
  - Initial step of consultation, before further environmental assessment work is undertaken: one initial meeting with each of the identified parties, presenting the sub-Program and seeking input on the scope of work for further environmental assessment work;
  - Second step of consultation, after further environmental assessment work is complete: presentation of the results of the environmental assessment, including presentation of identified impacts and proposed mitigations, seeking input on these proposed environmental management measures; this second step will include dissemination to identified interested parties a brief summary of the environmental assessment in local language (e.g. Amharic, Afan Oromo, Tigrinya, etc.).
498. On average, it is estimated that 2 to 5 consultation meetings will be required for all Category “B” sub-Programs. The consultation will be undertaken by consultants in charge of further environmental work (ESIA) or ESMP. Any consultation meeting will be documented.

#### **Disclosure**

499. In conformance with OP 4.01, ESIA reports will be made available to the public as follows:
- Disclosure (one copy of the full ESIA report, plus copies of the brief summary in local language mentioned as in the previous section) at the Implementation Agency’s office;
  - Disclosure (at least one copy of the full report and copies of the summary in local language) at Federal PMU office or at the World Bank country office in Addis Ababa;
  - Disclosure through the OWP government website or the World Bank’s external website.
500. It has to be noted that notwithstanding their categorization as “B” or “C”, such subprograms will have to apply the “Environmental Guidelines for Construction Contractors”, which is annexed in the



OWNP II ESMF. This guideline is to be appended to any request for proposals and construction contract related with the WASH Program.

501. If any sub Program entails significant social impacts and requires the development of a RAP (Resettlement Action Plan) this will be conducted in accordance to the procedures outlined in the Resettlement Policy Framework.

### 13.1.5 Review and Clearance of Environmental Screening Results

502. In conformance with Ethiopian EIA guidelines, environmental screening results are to be reviewed and cleared by the “Competent Agency” , obviously by the respective Regional Environment, Forest and Climate Change Authorities (REFCCA). ESIA and ESMPs shall also be reviewed and cleared by the same unless and otherwise they have inter-regional in nature as outlined under section 10.1 above. The ESIA review process includes:

- Review of the scope of work (Terms of Reference),
- Review of the draft ESIA,
- Clearance of the final ESIA.

503. For these sub-Programs, ESIA will also be reviewed by the World Bank as follows:

- No-objection on the scope of work (TOR) and consultant contract,
- Review of the ESIA in parallel with the Competent Agency.
- Disclosure of ESIA both in country and in the World Bank external website, as per the disclosure policy of the Bank and OP 4.01.

504. Subprojects likely to have minimal negative impacts may require only preparation of a simplified (preliminary) ESMP, rather than a full ESIA. The preparation of ESMP will be carried out by the regional, Zonal and/or Woreda/Town level safeguards focal persons as required. The preliminary ESMP examines the subproject's few potential negative and positive environmental impacts identified during scoping and recommends any measures (additional to those presented in the contractors EHS-MP) needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance which will be summarized in the ESMP. Undertaking the preparation of the Preliminary ESMP involves the following, please also refer Annex IV of the OWINP II ESMF:

- A field assessment of the subproject area to identify likely environmental and social impacts;
- Proposal of possible mitigation measures;
- Impact analysis;
- Meaningful consultation, as described above, with beneficiaries and affected communities; etc.
- Review and clearance by the respective regional EFCC Authorities

## 13.2 Guidelines for Construction Contractors

505. Environmental guideline for construction contractors is presented in Annex V of the OWINP II ESMF. It will apply to all sub-Programs under the OWINP II, including Category “C” sub-Programs. This guideline will be appended to all Requests for Proposals for construction works and resulting contracts passed under the OWINP II.

### Typical Mitigations under the ESMP

506. Table 6 of the ESMF provides typical environmental management and monitoring measures associated with the possible impacts. It forms the basis for the ESMP applicable to construction and operation phases of Category “B” sub Programs.

### **13.3 Implementation Arrangements under the ONE WASH-CWA (P167794)**

507. Borrower’s Institutional Capacity: The Borrower’s capacity to ensure environmental and social due diligence of the project has steadily increased over the past few years through support from the parent project and the urban water supply project. At Federal level there is an independent safeguards unit consisting of safeguards experts (two environmental and two Social) dedicated for the ongoing UWSSP and OWP-CWA. There are also 19 safeguards experts working at regional level. Furthermore, in some regions (Tigray and Amhara) woreda level safeguards focal persons have been assigned. The ESMU has implemented several ESMFs and other safeguard instruments for various projects including the current project and urban water supply project (phase I and II). However, further trainings and capacity building activities at all level is required. The project will ensure that all regions have assigned woreda level focal persons responsible for all safeguard matters of subprojects implemented by various sectors including health and education and their capacity is strengthened. The project will allocate adequate budget for continuous training to further improve the quality of screening, reporting, monitoring and documentation of safeguards activities.

508. **Water Development Commission (WDC):** Will be responsible for overall implementation of the ESMF including the deployment of environmental and social safeguards specialists, periodic compliance monitoring and reporting. It will arrange office and other facilities for the safeguards specialists. It will facilitate the recruitment of consultants for ESIA (when needed) and environmental audits. It will plan and implement safeguards capacity building activities.
509. **Regional Water Bureaus (RWBs):** RWBs will be responsible for deployment of environmental and social safeguards specialists at regional and zonal water bureaus. They will be responsible for deployment of safeguards focal persons at beneficiary Woredas/Towns. They are also responsible for compliance monitoring and reporting. The Regional Water Bureaus will assist the Woreda and town water boards to secure and supervise the work of the consultants including environmental assessments. They will be responsible for overall follow up of the implementation of the proposed mitigation measures for each sub Program in their respective regions.
510. **Regional Health and Education Bureaus (RHB, REB):** the respective regional bureaus will be responsible to nominate a focal point to follow up on the application of the Environmental and Social Screening and follow up of the implementation of proposed mitigation measures for each sub-project.
511. **Regional Environmental Protection Authorities:** The authorities are expected to review and clear ESSs, ESIA, and RAP/ARAP documents. They may carry out spot checks at towns/Woredas so as to check proper implementation of environmental and social screening and environmental and social management plans.
512. **Woredas:** Woreda will be responsible for assigning safeguards focal persons who will be responsible for ESS, ESMP, ARAPs, monitoring and evaluation. They are also responsible to allocate budget and implement mitigation measures proposed by the general ESMP, ESS, ESIA and RAP/ARAP study documents accordingly.
513. **Towns / Utilities:** Towns will be responsible for assigning safeguards focal persons who will be responsible for ESS, ESMP, ARAPs, monitoring and evaluation and are also responsible to allocate budget and properly address mitigation measures proposed by the general ESMP, ESS, ESIA and RAP/ARAP study documents for their respective subprograms.
514. **Community Water and Sanitation Committees:** Water and Sanitation Committees will act on behalf of the community in planning and managing its water and sanitation facilities. Each Community Water and Sanitation Committee will be responsible for facilitating participatory planning and ensuring that implementation of mitigation measures will be carried out.
515. Please refer Table 8 of the ONE WASH-CWA ESMF as it summarizes the safeguards staff /focal persons to be deployed for effective implementation of the safeguards concerns. Copies of the ESMF can be obtained from the Directorate for the Environmental and Social Safeguard at the Water Development Commission or can be downloaded from <http://www>.
516. In general, it has to be noted that any environmental and social related issues shall be addressed within the context of the ESMF and RPF prepared for the OWP II

## 14 RESETTLEMENT POLICY FRAMEWORK

517. This Resettlement Policy Framework (RPF) will primarily apply to (i) Urban WASH; (ii) Rural WASH and (iii) Institutional WASH and (iv) Climate Resilient WASH. It is foreseen that all WASH infrastructure under component 3 (Intuitional WASH) will be implemented on premises of existing health facilities and schools and will not require securing of additional land.
518. OWNP CWA will consist of multiple town and community water and sanitation sub-projects, which will be identified and designed during the course of OWNP -CWA Phase II implementation period. A separate RPF is prepared to guide the implementation of mitigation measures related to land acquisition concerning WASH investment activities that may have negative social impacts. RPF describes the requirements to address social impacts from: (a) land acquisition resulting from implementation of WASH investments that may or will result in loss of property or disturbance affecting livelihoods: and (b) restrictions of access to natural resources as per the World Bank’s involuntary resettlement policy (OP 4.12).
519. The RPF is complemented by a Social Assessment that assesses key socio-economic factors that require consideration; identifies vulnerable and historically underserved groups that may be exclude from the Program and be adversely affected as a result, and the necessary impact mitigating measures; assesses any potential adverse social impacts of WASH , and determine whether the Program is likely to trigger the social safeguards policies; and, recommends in the early stage of Program preparation, the appropriate measures. While the Environmental and Social Management Framework (ESMF) addresses physical environment and social impacts and can be applied together with this RPF. The OWNP implementers are responsible for identifying and implementing investment activities. This RPF document is to be used by all implementers of the OWNP in order to ensure that all environmental and social safeguards are adequately addressed and that the relevant capacity and training needs are established in order for the recommended measures are implemented effectively.
520. This RPF has been updated based on the WASH I Resettlement Policy Framework documents, with the Constitution of Ethiopia, Ethiopian Proclamation No. 455/2005 and with the World Bank safeguard policy in involuntary resettlement (OP 4.12).

### 14.1 Potential Impacts on Land, People and Livelihood

521. The Program will entail limited land acquisition, and therefore have overall limited impacts on land, people and livelihoods. Main activities under the WSS Program that may entail land acquisition and/or displacement are the following:
- Wells and well fields, including wet well and pump house constructions;
  - Water intakes from surface water bodies;
  - Construction / rehabilitation of reservoirs;
  - Development of springs
  - Raw water treatment plants and storage facilities;
  - Construction of access roads

- Water distribution networks including pipelines, public stand taps, public water points
- Construction of power lines and related rights-of-way;
- Waste water treatment plants, including treatment ponds and ancillary works.

## 14.2 Legal and Institutional Framework

522. This RPF will apply the laws, legislation, regulations, and local rules governing the use of land and other assets in Ethiopia. This legal and institutional framework is presented in six sections:

1. *Political economy and governance in Ethiopia*;
2. *Property and land rights*, as defined by Ethiopian law and customary practice;
3. *Acquisition of land and other assets*, including regulations over the buying and selling of these assets;
4. *Human rights and compensation*, in particular, the accepted norms influencing peoples' basic rights to livelihood and social services;
5. *Dispute resolution and grievance procedures*, specifically the legal and institutional arrangements for filing grievances or complaints and how those grievances are addressed through formal and informal systems of dispute resolution; and
6. *Comparison with World Bank OP4.12*, using equivalence and acceptability standards.

## 14.3 Legal Background

523. Land rights in Ethiopia do not explicitly provide private property rights. After the Proclamations No. 31/1975 and 47/1975<sup>19</sup>, ownership of land was vested in the State, and Ethiopian citizens were given various forms of use-rights (usufruct) over land and other resources. Accordingly, the 1995 Constitution Article 40(3) recognizes land as a common property of the Nations, Nationalities, and Peoples of Ethiopia and prohibits sale or any other exchange of land.

524. In some cases, the user of land has ownership of his/her possessions with the right to benefits from the fruits of his/her labor. This includes crops, perennial crops, tress for timber, etc. found on the land or any other permanent fixtures such as residential house, business installations, stores and fences, amongst others (Proclamations No. 31/1975 and 47/1975). The 1995 Constitution Article 40(7) reiterates and furthers this point by stating, "Every Ethiopian shall have the full right to the immovable property he builds and to the permanent improvements he brings about on the land by his labor or capital. This right shall include the right to alienate, to bequeath, and, where the right to use expires, to remove his property, transfer his title, or claim compensation for it."

525. Regional states are responsible for administering land, enacting law that is in conformity with the provisions on environmental protection and federal utilization policies (Proclamation No. 89/1997 and Proclamation No. 456/2005 Article 17(1)). Additionally, ZikreHig Regulation No. 6/2002 provides for the lease holding of urban land for a specific period of time, and also regulates the lease period for different

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<sup>19</sup>Before 1975, the 1960 Civil Code of the Empire provide for private land ownership. As this law has been overruled by these laws and *Proclamation No. 455/2005* regarding compensation, it should not serve as the legal framework for resettlement.

functions, grade of land and payment of lease. Lastly, the law regulates manners of expropriation of land and designates land that can be expropriated for public use without payment of compensation.

526. These rights over “holding land” are open-ended (no time limit on this usufruct), subject to a proof of permanent physical property, ability to farm continuously and meet administrative dues and obligations (1995 Constitution Article 40(3)). Furthermore, Proclamation No. 89/1997 confirms and details the Constitutional principle that holding rights on land can be assigned to peasants and pastoralists, and that these are to be secured from eviction and displacement. The 1995 Constitutions Articles 40(4) and 40(5) provide for free land without payment for farmers and pastoralists. Lastly, Proclamation No. 80/1993 allows companies to attain access to land through auction, allocation, or lottery, similar to individuals.
527. Overall, the Constitution protects against unlawful seizure of property, stating “Everyone shall have the right to his privacy and physical integrity. This right shall include protection from searches of his person, his home, his property and protection from seizure of property under his possession” (1995 Constitution Article 26). “Landholder” means an “individual, government, or private organization or any...other...organ which has legal personality and has lawful possession over the land to be expropriated and owns property situated thereon” (Proclamation No. 455/2005 Article 2(3)).

#### 14.4 Resettlement and Compensation Principles

528. The main principles that will apply to any resettlement and compensation activities that maybe required for implementation of the WSS are the following:

##### 14.4.1 General framework

529. The OWP -CWA sub projects are expected to require some land acquisition and could potentially reduce access to natural resources. Accordingly, any impact of the WSS Program on land or people (land acquisition, resettlement, and livelihood restoration of affected people) will be addressed in compliance with the Constitution of Ethiopia, with Ethiopian Proclamation No. 455/2005 and/or Regulations No. 135/2007 and with the World Bank safeguard policy in involuntary resettlement (OP 4.12).

##### 14.4.2 Minimization of displacement

530. In line with the World Bank safeguard policy OP 4.12<sup>20</sup>, the OWP-CWA II will minimize displacement through the following design procedures:
- Wherever inhabited dwellings may potentially be affected by a component of a sub Program, the sub-Program shall be redesigned (facility relocation, rerouting) to avoid any impact on such dwellings and to avoid displacement/relocation accordingly;
  - Wherever the impact on the land holding of one particular household is such that this household may not be sustainable in the long term, even if there is no need to physically displace this

<sup>20</sup>“Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative Program designs.”

household, the sub-Program shall be redesigned (facility relocation, rerouting) to avoid any such impact;

- For major water works, minimization of land impact will be abated through technology selection and design criteria;
- To the extent possible, Program facilities will be located on public spaces;
- Pipelines, public taps, other linear infrastructures (power lines) required by the WSS program will be routed inside existing right-of-way (roads, streets, power lines) wherever possible.

531. Where there is an overlap of the OWP intervention areas with areas in which the commune development Program, which involves clustering of dispersed population within a kebele (sub-district) in to a receiving community to allow more efficient provision of basic services the following measures will be implemented:

- i. Appraisal of Woreda WASH plans that include additional screening to ensure that there are no related social issues which have not been managed in a manner and degree acceptable to the CWA contributing partners.
- ii. The community participation in the WASH planning process to ensure that community priorities are included in the plan and are financed, subject to technical and budget constraints of the OWP.
- iii. The One WASH Resettlement Policy Framework governs any involuntary resettlement resulting from the project.”

#### **14.4.3 Cut-Off Date and Eligibility:**

532. In accordance with OP 4.12 and Ethiopian Regulation No. 135/2007, for each sub-Program under the WSS that may entail displacement impacts, a cut-off date will be determined, taking into account the likely implementation schedule of the sub-Program.

In line with OP 4.12, the following three categories of affected people will be eligible to Program resettlement assistance:

533. Those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);
534. Those who do not have formal legal rights to land at the time of the cut-off date but have a claim to such land or assets-provided that such claims are recognized under the laws of Ethiopia or become recognized through a process identified in the resettlement plan;
535. Those who have no recognizable legal right or claim to the land they are occupying.

#### 14.4.4 Livelihood Restoration:

536. Where people are affected by land take, the aim of resettlement will be that they should “no worse-off if not better off” after resettlement.
537. Compensation:
- Compensation shall be paid prior to displacement;
  - Compensation will be at replacement value.
538. Consultation – Grievance mechanisms: Consultation will include:
- Meaningful information and consultation, before and during the compensation and resettlement process,
  - A specific grievance registration and processing mechanism.

#### 14.4.5 Entitlements

539. The following table 11.1 summarizes the entitlements for each category of loss:

**Table 14-1 Entitlements of Various Categories of Loss**

Type of Impact	Entitlement
Permanent loss of land (held under rural or urban land holders)	Cash compensation for loss of land as per Ethiopian Proclamation No. 455/2005 i.e. “A rural land holder whose land holding has been permanently expropriated shall, in addition to the compensation payable (for property and improvements made on the land) be paid displacement compensation which shall be equivalent to ten times the average annual income he secured during the five years preceding the expropriation of the land”. (Art. 8 (1) of Proc. 455/2005, Art.16 (3) of Regulation 137/2007)  <b>Or</b> Replacement by a piece of land of equal or better potential
Right-of-Way, i.e. loss of certain usage rights	Cash compensation for loss of land as per Ethiopian Proclamation No. 455/2005 <b>Or</b> replacement by a piece of land in compensation for the restriction of use
Temporary land take	Replacement by a piece of land of equal or better potential, or cash compensation for income lost during the period where plot was not usable by user



Type of Impact	Entitlement
Loss of uninhabited structure	Cash compensation at replacement value or replacement by a structure of equal or better quality
Loss of inhabited dwelling	Resettlement in similar dwelling in a location with equal or better economic/agricultural potential
Loss of annual crop	Compensation of lost harvest at market price
Loss of perennial crop	Compensation of lost income for a certain period of time, to be determined following regional/Woreda practice or Ethiopian Regulation No. 135/2007
Loss of trees	Compensation of lost income for a certain period of time, to be determined following regional regulations and practice or Ethiopian Regulation No. 135/2007

(Note: more detailed instructions for compensation are included in Regulation No. 135/2007)

#### 14.5 Other RPF Provisions

540. The full RPF report contains detailed provisions related with:
- Monitoring and evaluation,
  - Grievance mechanisms,
  - Assistance to vulnerable people,
  - Implementation arrangements and responsibilities for the different tasks involved by the implementation of the RPF