

BOARD APPROVAL  
Lapse-of-time Procedure

30 March 2017

FOR INFORMATION

## MEMORANDUM

**TO : THE BOARD OF DIRECTORS**

**FROM : Vincent O. NMEHIELLE**  
Secretary General

**SUBJECT : ETHIOPIA – SUPPORT TO THE ONE WATER, SANITATION AND HYGIENE NATIONAL PROGRAM (OWNP)\***  
**ADB/BD/WP/2014/135 - ADF/BD/WP/2014/90**

**ADF SUPPLEMENTARY LOAN OF UA 2.28 MILLION**  
**ADF GRANT OF UA 1.84 MILLION**

The **Loan and Grant proposal** with the draft **Resolutions** relating to the above-mentioned project, were submitted for **your consideration on a Lapse-of- time Basis**, on March 17, 2017.

**Since no objection was received by 6:00 pm, on March 30, 2017**, the said proposal is considered as **approved** and the Resolutions **adopted**.

**Attach:**

**Cc: The President**

*\*Questions on this document should be referred to:*

Mr. G. NEGATU	Director General	RDGE	Extension 8232
Mrs. H. N'GARNIM-GANGA	General Counsel	PGCL	Extension 2032
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# AFRICAN DEVELOPMENT FUND



**PROJECT: SUPPORT TO THE ONE WATER, SANITATION AND HYGIENE NATIONAL PROGRAM (OWNP)**

**COUNTRY: ETHIOPIA**

## **ADDITIONAL FINANCING PROPOSAL**

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### **PROGRAM APPRAISAL REPORT**

*March 2017*

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# AFRICAN DEVELOPMENT FUND



## ETHIOPIA

### SUPPORT TO THE ONE WATER, SANITATION AND HYGIENE NATIONAL PROGRAM (OWNP)

Public Disclosure Authorized

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RDGE/AHWS/PGCL DEPARTMENTS

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March 2017

Public Disclosure Authorized

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## Abbreviations

ADF	African Development Fund	MoH	Ministry of Health
AfDB	African Development Bank Group	MoU	Memorandum of Understanding
BoFED	Bureau of Finance and Economic Development	MoWIE	Ministry of Water, Irrigation and Electricity
CBO	Community Based Organization	MSF	Multi Stakeholders Forum
CLTSH	Community Led Total Sanitation and Hygiene	MTR	Mid-term Review
CMP	Community Managed Project	NGO	Non-governmental Organization
CRGE	Climate-Resilient Green Economy	NWCO	National WASH Coordination Office
CSA	Central Statistics Agency	NWI	National WASH Inventory
CSI	Core Sector Indicators	NWSC	National WASH Steering Committee
CSO	Civil Society Organization	NWTT	National WASH Technical Team
CSP	Country Strategy Paper	O&M	Operation and Maintenance
CWA	Consolidated WASH Account	ODF	Open Defecation Free
DAG	Development Assistance Group	OFAG	Office of the Federal Auditor General
DFID	Department for International Development	OWNP	One WASH National Program
Dps	Development Partners	PAR	Project Appraisal Report
DRSLP	Drought Resilience and Sustainable Livelihoods Program	PBO	Program Based Operation
EIRR	Economic Internal Rate of Return	PBS	Promoting Basic Services
EMIS	Education Management Information System	PCR	Project Completion Report
ENPV	Economic Net Present Value	POM	Program Operations Manual
ESMF	Environmental and Social Management Framework	RWSSI	Rural Water Supply and Sanitation Initiative
ESMP	Environmental and Social Management Plan	RWSSI-TF	RWSSI Trust Fund
EWTI	Ethiopian Water Technology Institute	RWSSP	Rural WSS Program
GDP	Gross Domestic Product	SSAP	Self-Supply Acceleration Program
GoE	Federal Democratic Republic of Ethiopia	SWAp	Sector Wide Approach
GTP	Ethiopia Growth and Transformation Program	SWG	Sector Working Group
HDA	Health Development Army	TA	Technical Assistance
HDI	Human Development Index	ToR	Terms of Reference
HEW	Health Extension Workers	TVETC	Technical and Vocational Training College
HMIS	Health Management Information System	TYS	Ten Year Strategy
HoA	Horn of Africa	UA	Units of Account
HSC	Health Science College	UNICEF	United Nations Children's Fund
IBRD	International Bank for Reconstruction and Development	USAID	United States Agency for International Development
ICB	International Competitive Bidding	USD	United States Dollar
IDA	International Development Association	WASH	Water, Sanitation and Hygiene
IFR	Interim Financial Report	WASHCO	WASH Committee
JMP	Joint Monitoring Program	WB	World Bank
JTR	Joint Technical Review	WHO	World Health Organization
MDG	Millennium Development Goal	WMP	Woreda Management Project
M&E	Monitoring and Evaluation	WSP	Water and Sanitation Program (World Bank)
MIS	Management Information System	WTWG	Water Technical Working Group
MoE	Ministry of Education	WWT	Woreda WASH Team
MoFEC	Ministry of Finance and Economic Cooperation		

## Currency Equivalents

As of February 2017

1 UA	=	30.5372	Birr
1 UA	=	1.35883	USD
1 UA	=	1.26344	EUR

## Fiscal Year

8 July – 7 July

## Loan/Grant Information

### Client's information

BORROWER:	<b>Federal Democratic Republic of Ethiopia</b>
EXECUTING AGENCIES:	<b>Ministry of Water, Irrigation and Energy</b>

### Additional Financing plan

Source	Amount (UA) million	Instrument
ADF 13 Allocation	2.28	Loan
	1.84	Grant
<b>TOTAL COST</b>	<b>4.12</b>	<b>Loan and Grant</b>

### ADB's key financing information

	ADF Grant	ADF Loan
Amount	UA 1.84 million	UA 2.28 million
Interest type*	N/A	N/A
Interest rate spread*	N/A	N/A
Commitment fee*	N/A	0.5% yearly on undisbursed loan amount, beginning to run 120 days after the signing of the loan agreement
Other fees*	N/A	0.75% yearly on amounts disbursed & outstanding
Tenor	N/A	40 years including the 10-year grace period
Grace period	N/A	
EIRR (base case)		

### Timeframe - Main Milestones (expected)

Approval of Additional Financing by the AfDB Board	31/03/2017
Effectiveness	31/04/2017
Last Disbursement	December 2019
Completion	June 2019
Last Repayment	April 2058

## Program Summary

The Government of Ethiopia (GOE), together with sector development partners, has taken steps to move from a project intervention to a more comprehensive and programmatic approach in the water supply and sanitation sector. The Bank is among the partners participating in the Government's flagship program – the One Water, Sanitation and Hygiene National Program (OWNP). The Program was designed by adopting the principles of harmonization, integration, partnership and alignment. In September 2014, the Bank approved support to the Program totaling UA 66.81m (a loan of UA 60m from the African Development Fund (ADF) and Euro 7.63m (approximately UA 6.81m) from the Rural Water Supply and Sanitation Initiative (RWSSI) Trust Fund). To date, the overall resource commitment for the OOWNP by partners amounts to UA 323.3m.

The key outputs of the OOWNP include: (a) improved and sustainable water supply facilities in rural and pastoral areas, institutions and urban areas; (b) improved sanitation facilities and better hygiene; (c) improved Water, Sanitation and Hygiene (WASH) sector capacity for planning, budgeting, monitoring, reporting and sustaining services at decentralized and federal levels. The expected outcomes of the Program comprise (a) increased and more equitable access to safe water, and better sanitation and hygiene practices; (b) improved sustainability of Water, Sanitation and Hygiene (WASH) facilities; and, (c) greater efficiency and effectiveness in the use of resources.

Program implementation is progressing satisfactorily. The total amount disbursed as at end of 2016 on the ADF Loan is UA 26.16M (43.6 %) and UA2.58M (37.86%) on the RWSSI-TF grant. In terms of results and achievements to date, the program has provided clean water supply and sanitation for more than 2 million people in the rural and pastoral areas of Ethiopia with a wide geographic coverage. To expand the coverage of the OOWNP, the GOE has requested that the additional ADF-13 resources amounting to UA 4.12m (ADF loan of UA 2.28m and ADF grant of UA 1.84m) be allocated towards the OOWNP. These additional resources will contribute to improving the lives of the people of Ethiopia.

The Bank has continent-wide experience and engagement in Africa, covering infrastructure development, institutional reforms at both the general and sector levels. The OOWNP builds on the Bank's track record in infrastructure financing and development for the water and sanitation, and other sectors, and for policy dialogue and support to sector reforms – thus cementing its position as a trusted partner.

The additional allocation for the Program of UA 4.12m is a demonstration of the commitment of the GOE to the improvement of the quality of life of people and sustainable inclusive development. The Bank's support focuses on the rural and pastoralist areas which experienced severe drought in 2015/16. The Program is therefore expected to significantly boost the resilience and livelihoods in the affected communities. The program also will focus in the current draught affected woredas where the OOWNP is supporting. The additional resources will increase the program's coverage to an additional 55,000 people and the anticipated additional outputs include the construction of 500 hand dug wells, 250 shallow wells drilling to an average depth of 60 meters fitted with hand pumps and 300 on-spot spring developments.

These additional ADF resources will be utilized effectively and quickly implemented through existing structures and systems put in place under the ongoing OOWNP. It will be implemented within the time framework of the original Program expected to be completed by December 2019.

Implementing of the OOWNP under a sector wide approach (SWAp) offers many opportunities for generating, sharing and disseminating tacit and explicit knowledge for both Development Partners (DPs) and national stakeholders at all levels through sector dialogue, joint reviews and other coordination mechanisms, and strengthened sector M&E.

## Results-Based Logical Framework

Country and Program Name: ETHIOPIA SUPPORT TO THE ONE WATER, SANITATION AND HYGIENE NATIONAL PROGRAM (OWNP)						
Purpose of the Program: Contribute to the social economic development of Ethiopia through increased water supply and sanitation access and adoption of hygienic practices in an equitable and sustainable manner						
IMPACT	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline (2011)	Target (2019)		
IMPACT OUTCOMES	1. Better health and improved livelihoods of communities	1.1 % of population below poverty line 1.2 Under-5 mortality rate (no/1000)	29.2% (2010) 101 (2010)	22.2% 68	Central Statistics Agency, Sector M&E data	
	1. Increased and equitable access to safe water, and improved sanitation and hygiene practices in rural areas and for institutions 2. Improved sustainability of WASH facilities 3. Greater efficiency and effectiveness in the use of resources	1.1 % of people with access to safe water supply, of which _% are female 1.2 % of people with access to improved sanitation facilities, of which _% are female 1.3 % of ODF kebeles (villages) 1.4 % of schools with access to water supply; sanitation (gender and disability-sensitive) 1.5 % of health units with access to water supply; sanitation (gender and disability-sensitive) 2.1 % functionality of water facilities for rural communities 3.1 % of regional plans based on a fully-functioning M&E system	48.9% 60.4% 17% 31.4%; 32.7% 31.9%; 20% 74.5% 0	98% (49%) 100% (49%) 80% 100%, 100% 100%, 100% 90% 64% (7/11)	GTP Annual Progress Report	<b>Risk #1:</b> Implementation capacity challenges and high staff turnover  <b>Mitigation:</b> Capacity building at all levels including for training institutions; and technical assistance
	<b>Component 1: Rural and Pastoral WASH</b> 1.1 New and rehabilitated water supply systems in rural and pastoral areas 1.2 New improved sanitation facilities built	1.1.1 No. of new and rehabilitated water supply schemes/facilities 1.2.1 No. of new improved household sanitation facilities built	0 0	21,980 1,109,000	Sector M&E data	<b>Risk #2:</b> Inadequate funding and low prioritization of WASH sector  <b>Mitigation:</b> Strengthening SWAp arrangements including joint planning, reporting and review mechanisms; advocacy and communications for WASH.
OUTPUTS	<b>Component 2: Institutional (Schools and Health Centers)WASH</b> 2.1 New and rehabilitated water supply systems in institutions 2.2 New gender segregated sanitation facilities in institutions	2.1.1 No. of new and rehabilitated water supply facilities for health centers/posts 2.1.2 No. of new and rehabilitated water supply facilities for schools (stance/student ratio -1:50) 2.2.1 No. of gender segregated new and rehabilitated sanitation facilities for health centers/posts (at least 50% for females; and disability-sensitive) 2.2.2 No. of gender segregated new and rehabilitated sanitation facilities for schools (stance/student ratio -1:50, including disability-sensitive)	0 0 0 0	4,355 4,254 4,760 (2,380) 4,960		
	<b>Component 3: Sector Governance and Capacity Building</b> 3.1 Enabling Environment and Sector Governance strengthened 3.2 Capacity Development (including capacity building for gender mainstreaming)	3.1.1 Establishment of a gender-disaggregated WASH MIS with the NWI regularly updated 3.1.2 No. new legal WASHCOs; and proportion led by women 3.1.3 Quarterly, and annual OOWNP progress reports prepared 3.2.1 No. of schools teaching hygiene and sanitation using new curriculum that is age and gender friendly 3.2.2 No. of men and women staff trained in data collection, database management, (WASH MIS, HMIS and EMIS) and reporting formats 3.2.3 No. of women and youth-led micro enterprises for provision of WASH products and services 3.2.4 No. of woreda/zonal/regional staff trained (by gender) in relevant skills including gender mainstreaming (covering all relevant female staff) 3.2.5 TVETCs/HSCs supported to offer WASH courses; and proportion of women staff trained 3.2.6 No. of schools with new WASH clubs established 3.2.7 Post-construction support units established and flourishing 3.2.8 Assessment of the gender impact of the Program	Piloted 0, 0 N/A 0 0 0 N/A 0; N/A N/A 0 N/A	Established 10,000; 30% Prepared 21,000 (70%) 1,100 11 10,000 16; 60% 21,000 (>70%) 20 Conducted (1)		<b>Risk #3:</b> Lack of commitment by Donors affecting required technical, human and financial resources  <b>Mitigation:</b> strong and sustained donor coordination and regular dialogue with government
	<b>ACTIVITIES</b>					
KEY ACTIVITIES	<b>Component 1: Rural and Pastoral WASH infrastructure:</b> Construct new and rehabilitate existing water facilities; enhance self-supply; hygiene and sanitation promotion including CLTSH and sanitation marketing			<b>INPUTS</b>		
	<b>Component 2: Institutional WASH infrastructure:</b> Construct new and rehabilitate existing water and sanitation facilities for schools and health centers <b>Component 3: Program Management and Capacity Building:</b> Build capacity for WASH service providers at all levels; studies and designs; post-construction support and supply chain development; sector coordination activities; strengthening sector M&E systems and capacity; water quality monitoring and management			<b>Amount (UA mn)</b> Rural WASH 130.9 Urban WASH 84.2 Institutional WASH 63.2 Governance & Capacity Devt. 42.3 (Plus RWSSI-TF for component 4) 6.8 <b>Total 327.4</b>		



# **REPORT AND RECOMMENDATION OF THE MANAGEMENT TO THE BOARD OF DIRECTORS ON PROPOSED LOAN AND GRANT TO ETHIOPIA FOR THE SUPPORT TO THE ONE WATER, SANITATION AND HYGIENE NATIONAL PROGRAM**

Management hereby submits this report and recommendations concerning the proposed additional African Development Fund (ADF) loan not exceeding UA 2.29m and an ADF grant not exceeding UA 1.84m to finance the ongoing Support to the One WASH National Program (OWNP) in Ethiopia.

## **1 Introduction**

The Board approved the Bank's support to the OOWNP on 8 September 2014. The financing Agreements were signed on 28 November 2014 and entered into force on 9 June 2015. The effectiveness for the first disbursement was on 1 July 2015, with the first disbursement being effected on 30 July 2015. The total amount disbursed as at end of 2016 on the ADF Loan is USD 26.2m, (43.6 %) and Euro 2.89m (37.86%) on the RWSSI-TF grant.

The program is aligned with the Growth and Transformation Plan II (GTP-II) 2015/16-2019/20, particularly the economic infrastructure focus area. The program is also consistent with the High 5's and new Development and Business Delivery Model which seek to accelerate the implementation and realization of the Bank's Ten-Year Strategy (2013-2022). Furthermore, the program is designed to reduce regional and social disparities in access to safe drinking water. The GoE requested the Bank to allocate the unutilized additional resources under ADF-13 towards implementation of the OOWNP. This report is therefore prepared for consideration and approval by the Boards of Executive Directors.

## **2 Description of Original Program**

### **2.1 Program Background and Origin**

The OOWNP is a result of continued collaboration of partners and the GoE which was based on the guiding principles of harmonization, alignment, partnership and integration and moving the sector to a higher level that embraced programmatic approach advocating for one plan, one budget, one reporting system and one Consolidated WASH Account (CWA).

The Program was first developed in 2014 and the Bank was requested by the GoE to partner with other development partners and the GoE to fund the program within the framework of the then Country Strategy Paper (CSP) 2011-15. The two pillars of the CSP were: (1) *Support to improved access to infrastructure* in order to sustain rapid and equitable economic growth; and, (2) *Support for enhanced access and accountability in basic services and improving business climate*, and were aligned with the priorities of the GTP I (2010/11-2014/15). The Bank's initial contribution to the program, which was approved by the Boards of Executive Directors in September 2014, amounted to the tune of UA 66.8m representing 20.7% of the total program financing. The other major development partners of the OOWNP include the World Bank, UNICEF, DFID and the Bank.

The OOWNP is also consistent with the Bank's CSP for Ethiopia (2016-2020) which seeks to support two strategic pillars; namely: (i) infrastructure development, especially the energy, transport and water & sanitation sub-sectors, and; (ii) promoting economic governance, with emphasis on facilitating effective and efficient delivery of basic services and a business enabling environment for private sector development. The OOWNP, and the proposed additional support of UA 4.12m, aligns with the Bank's CSP as it supports water infrastructure development under Pillar I. Furthermore, the program supports Pillar II of the CSP by contributing to a reduction in the cost of doing business (through increased access to sustainable and reliable water supply) particularly in the agro-pastoral communities. This is

expected to improve the business enabling environment for private sector development, notably in agro-industry and related value chains. The program also supports the realization of the Bank’s High 5s, especially ‘Feeding Africa’ through improved and sustainable water supply facilities in rural and pastoral areas, ‘Industrializing Africa’ by catalyzing agro-based industrialization, and ‘Improving the Quality of Life for the People of Africa’ by enhancing access to portable water supply and improved sanitation facilities in rural and urban areas.

## 2.2 Program Objectives and Components

The goal of the Program is to contribute to reducing poverty and improving the health and well-being of Ethiopians, in line with the GTP, through increasing access to water supply and sanitation services as well as the adoption of good hygiene practices in an equitable and sustainable manner.

The key outputs of the Program are construction of: (a) improved and sustainable water supply facilities in rural and pastoral areas, institutions and urban areas; (b) improved sanitation facilities and better hygiene; (c) support improved WASH sector capacity for planning, budgeting, monitoring, reporting and sustaining services at decentralised and federal levels. These outputs will in turn result in the following outcomes: (a) increased and more equitable access to safe water, and better sanitation and hygiene practices; (b) improved sustainability of WASH facilities; and, (c) greater efficiency and effectiveness in the use of resources.

**The components** being implemented under the Program are summarized in the table below. The ADF and RWSSI-TF resources are targeting Rural and Pastoral WASH, Institutional WASH and Sector Governance and Capacity Building. The program covers the entire country with prioritizing of the least served communities.

**Table 1 Program Components**

No.	Component	Component Description
1.	Rural and Pastoral WASH	Construction and rehabilitation of 22,750 water supply facilities; and support to households and communities to promote self-supply. Promotion of hygiene and sanitation improvement at household and community level through activities such as Community Led Total Sanitation and Hygiene (CLTSH) and sanitation marketing. The target is to encourage households to build 1,095,000 new sanitation facilities.
2.	Urban WASH	Construction and rehabilitation of 110 water supply schemes; construction of 6 sludge drying beds; and procurement of 9 vacuum trucks /desludging equipment.
3.	Institutional WASH	Development and dissemination of sanitation and hygiene curriculum; construction and rehabilitation of 4,300 water supply facilities for health centers/posts and 4,200 for primary and secondary schools (tap/student - 1:50); and construction and rehabilitation of 4,750 gender sensitive sanitation facilities for health centers/posts and 4,900 for schools (seat/student ratio - 1:50).
4.	Sector Governance and Capacity Development	<p><i>Sector governance</i>: studies, designs, preparation, implementation and management of WASH infrastructure investments; water quality management/water safety plans; value for money audits; legalizing and capacity building of WASH committees (WASHCOs); support to supply chains; development and implementation of catchment protection and environmental management plans; and procurement of goods including software, motor cycles and vehicles.</p> <p><i>Capacity development</i>: staff training at all levels; post-construction management support; support to monitoring, evaluation and reporting; training of artisans and local contractors; support to TVETCs and HSCs.</p> <p>It is expected that 10,000 WASHCOs will be legalized, 21,900 schools will be teaching hygiene and sanitation using new curriculum; 10,000 woreda/zonal/regional staff trained in relevant skills, and 16 TVETCs/HSCs will be offering WASH courses through above support among others.</p> <p>RWSSI-TF will support activities aimed at strengthening:</p> <ul style="list-style-type: none"> <li>i) <i>M&amp;E</i>: procurement of equipment; provision of TAs; support to NWI; and continuous staff training.</li> <li>ii) <i>Sector Coordination</i>: provision of TAs; and support to report preparation and sector meetings.</li> </ul>

No.	Component	Component Description
		iii) <i>Sustainability</i> : establishment and operation of 20 post-construction support units; establishment of 11 women and youth-led micro enterprises (1 per region and city administrations – with potential for forming branches at lower levels) for provision of WASH products and services; and development of a climate change risk resilience tool kit including training.

### 2.3 Project Cost and Financing Arrangements

The current Bank Group contribution to the Program, which was approved by the Boards of Executive Directors in September 2014, amounts to UA 66.81m, comprising of an ADF loan UA 60m and a grant of Euro 7.63m (equivalent to UA 6.81m) from the RWSSI-TF. ADF resources account for about 20.66% of the total CWA commitment (including counterpart funding) as of June 2014.

**Table 2 Original Program Cost by Source in Million**

Source		Amount		% of CWA
		UA	USD	
GoE/Community		35.15	54.39	11.11
CWA	ADF	60.00	92.84	18.96
	DFID	86.28	133.50	27.26
	UNICEF	2.58	4.00	0.82
	WB	132.48	205.00	41.86
RWSSI-TF		6.81	10.54	
<b>Total</b>		<b>323.30</b>	<b>500.28</b>	

**Table 3 Original ADF Loan Allocation by Component (UA million)**

Components	Total	% of total cost
<i>ADF Resources</i>		
Rural and Pastoral WASH	29.42	55.73
Institutional WASH	17.22	32.62
Sector Governance & Capacity Building	6.15	11.62
<b>Total Base Cost</b>	<b>52.80</b>	
<i>Contingency</i>	<b>7.20</b>	
<b>Total Cost</b>	<b>60.00</b>	

### 2.4 Program Implementation Arrangements

The implementation arrangements of the OWNP are governed by the Program Implementation Manual (POM), which provides guidelines on all aspects from the institutional arrangements, staffing levels, and including the flow of funds.

The borrower is the GoE and the Ministry of Finance and Economic Cooperation (MoFEC) is the loan and grant signatory and recipient, and is responsible for reporting and communication with the DPs, including the Bank, on financial matters. The executing agency (EA) of the Program is the Ministry of Water, Irrigation and Electricity (MoWIE) and it hosts the National WASH Coordination Office (NWCO) responsible for overall program planning, coordination and overseeing implementation at federal level. Similar institutional arrangements have been replicated at Regional, Woreda (district) and town levels.

More details on implementation arrangements are provided in Annex B3 of the Technical Annex for the original Program Appraisal Report (PAR) approved by the Board on 8 September 8 2014. There will be no change in the implementation arrangements and the additional financing will follow the same

modalities as enunciated in the POM, which has also been endorsed by the development partners (DPs) and the GoE.

In terms of Fiduciary Arrangements, the World Bank is providing the overall fiduciary oversight responsibilities under the Program on behalf of the DPs providing financing to the Program through the CWA as agreed under the POM. Replenishments of the CWA accounts are based on approved budget, work plan, and Interim Financial Reports (IFRs) prepared by MoFEC. This arrangement is in line with the “Procurement Policy for Bank Group Funded Operations”, dated October 2015.

In terms of monitoring and reporting, the NWCO is responsible for preparation of semi-annual and annual OOWNP progress reports that will be presented and discussed at National WASH Technical Team (NWTT), Joint Technical Reviews (JTRs) and Multi-Stakeholder Forum (MSFs).

## 2.5 Program Implementation Status

The program is being implemented throughout the country in all the 9 Regional states and the two administrative cities. All the institutional structures (Federal, Regional, Woreda) to implement the program have been established and are effectively functioning. The program implementation status from the start is briefly described below:

- A. **Rural and pastoral WaSH:** The cumulative number of newly constructed, expanded or rehabilitated water supply schemes has reached 12,018, that is, 11,126 new schemes, 151 expansions from existing schemes and 741 rehabilitated non-functional water supply schemes. These schemes are benefiting approximately 2.4 million beneficiaries in the rural and pastoral areas.
- B. **Institutional WaSH**
  - **Rural Community Sanitation:** The cumulative number of new improved HH latrine constructed has reached 432,720 benefiting approximately 2 million people.
  - **School WaSH:** A total number of 105 schools have benefited both from water supply schemes and sanitation facilities constructed.
  - **WaSH for Health Facilities:** Cumulatively, a total number of 122 new water supply schemes have been constructed and 97 rehabilitated and 209 health facilities have benefited from access to water supply and sanitation facilities.
- C. **Urban WaSH:** New water supply systems have been constructed for 8 medium urban towns benefiting approximately 73,000 population. Furthermore, 77 public and 10 communal latrine were completed and a total of 24,750 urban residents are benefiting.
- D. **Program Support & capacity building:** A total of 12,409 people have been trained in operation and maintenance, financial management, procurement management, environment and social safeguards, sanitation marketing, integrated urban sanitation and hygiene, and hygiene and environmental Health. The training was provided through experience sharing, workshops, trainings and forums organized by regional and federal PMUs. External short term training and experience sharing sessions were also organized by MoWIE on Environmental and Social safeguard in Kenya for 15 federal and regional PMU staff from which 3 of them are females. With regards to logistics for program management, a total number of 66 vehicles were procured and distributed, while 1,630 motorbikes have been procured and will be distributed to the regions and woredas upon delivery.

The Program has three more years of implementation remaining and it is expected that all the resources would be absorbed before the closing date. The GOE, as enunciated in the GTPII plan, will continue to invest in the water sector using this same approach.

### 3 Additional Financing of the Program

The program objective, components, implementation arrangements including fiduciary, monitoring and evaluation, Environmental and Social Management plan (ESMP) and the implementation schedule will remain unchanged. The additional financing will go through the CWA and all applicable procedures for the original ADF loan will be applied, as stipulated in the Technical Annex B4 and B5 of the approved OWN P PAR.

The additional financing will support the OWN P to expand its reach by 1%, benefiting an estimated additional rural population of 55,000 spread over 10 additional woredas. The woredas will be identified by the regions. The GOE will prioritize woredas or communities affected by the drought to benefit from the additional resources.

**Table 4: - Revised Cost of Program by Source of Funds**

Source	Amount In Million UA	
	Original Program	Revised Program
GoE/Community	35.15	35.15
CWA	ADF Loan	60.00
	Grant	0.00
	DFID	86.28
	UNICEF	2.58
	WB	132.58
RWSSI-TF	6.81	6.81
<b>Total</b>	<b>323.30</b>	<b>327.42</b>

**Table 5: - Additional ADF Cost Allocation by Component (UA million)**

Components	Original ADF Loan	Additional ADF Loan & Grant	Revised Total ADF Loan & Grant
	Amount In million UA		
<b>ADF Resources</b>			
Rural and Pastoral WASH	29.42	1.78 Loan	31.20
Institutional WASH	17.22	1.43 Grant	18.65
Sector Governance & Capacity Building	6.15	0.42 *	6.57
<b>Total Base Cost</b>	<b>52.80</b>	<b>3.63</b>	<b>56.42</b>
<i>Contingencies</i>	<i>7.20</i>	<i>0.49</i>	<i>7.70</i>
<b>Total Cost</b>	<b>60.00</b>	<b>4.12</b>	<b>64.12</b>

\* Loan = 0.23 and Grant = 0.19

**Table 6: - Additional ADF Cost Allocation by Category (UA million)**

Components	Original ADF Loan	Additional ADF Loan & Grant	Revised Total ADF Loan & Grant
	Amount In million UA		
<b>ADF Resources</b>			
Works	39.44	2.71	42.15
Services	13.36	0.92	14.28
<b>Total Base Cost</b>	<b>52.80</b>	<b>3.63</b>	<b>56.43</b>
<i>Contingencies</i>	<i>7.20</i>	<i>0.49</i>	<i>7.70</i>
<b>Total Cost</b>	<b>60.00</b>	<b>4.12</b>	<b>64.12</b>

### 4 Justification for Additional Finance

Following the re-allocation of unutilized ADF-13 resources, the Bank requested the GoE to submit its proposal for the use of the resources. The GOE requested Bank to commit the resources to the ongoing

OWNP due to the quick results it would give and the continued priority of the sector under the GTP II. The GoE is exhibiting a strong commitment and concerted effort to sustain its inclusive development effort. We recall that the Program was prepared following a country-wide participatory consultative and prioritization process amongst the various stakeholders, including DPs. The programmatic approach is fully aligned and integrated within the government system and the additional resources, which will be channeled through the already approved OOWNP framework, would be utilized effectively.

The program's focus on gender equity and mainstreaming leads to benefits that go beyond good WASH program performance as manifested in such aspects as better procurement of goods and services, community participation and ownership, hygiene awareness and the subsequent health gains. Additionally there are other benefits accruing to the beneficiaries, including economic benefits, benefits to women and children and empowerment of women and youths.

*Economic benefits:* Better access to water gives women more time for income-generating activities, attending to the needs of family members, or their own welfare and leisure. The wider economy therefore also benefits.

*Benefit to women and children:* Freed from the drudgery of water collection and management, children, especially girls, can go to school, all children can spend more time on their studies and recreational activities, engage in activities that uplift their status and livelihoods. Hence, the impact can be expected to be intergenerational.

*Empowerment of women and youths:* Involvement in WASH projects empowers women and youths, especially when program activities are linked to income generating activities and productive resources such as access to credit, participating in management of water kiosks provides extra income.

The East Belessa woreda was one of the woredas affected to the drought in 2008EFY (2016). The community in the woreda were threatened by the drying up of their existing groundwater sources, and were forced to use water from a nearby river, digging wells in the riverbed to access increasing scarce water. The situation was even worse in some near kebeles. Where the woreda administration needed to resort to water trucking, and other emergency measures. This included procuring 160 donkeys for water transportation from the emergency fund made available by the regional government.

A shallow well was constructed under OOWNP financing but this was insufficient to address demand. A rural piped scheme (involving a 50m<sup>3</sup> concrete reservoir, pump and generator houses, 4.2 km distribution line and 2 km main line supply, and 5 public stand pipes) was then constructed with a deep borehole able to supply sufficient water for more than 30,000 residents. The ownership and community participation during the construction was considered to be an important element in the rapid completion of the project. As a result of the intervention of the OOWNP in East Belessa Woreda, the impact of drought was minimized and a total population 55, 000 of got access to sustainable water supply.

Ethiopia experienced unprecedented drought in 2015/16 affecting more than 10 million people. However, the impact of the drought was minimized due to the GoE's early intervention and support from a cross section of partners. One of the key priority needs of people in drought hit areas is the provision of potable water and the OOWNP became the avenue to mitigate the impacts, with more than 29 woredas impacted by drought benefiting from the program. The OOWNP has clearly articulated its interventions in the pastoralist areas and strengthened its support and complementarity to the Bank financed Drought Resilience and Sustainable Livelihood Program (DRSLP). Further support to strengthen the rural and pastoralist WASH is therefore necessary to continue to build resilience in the rural and pastoralist areas. The additional resources will contribute towards reaching an additional 55,000 people in 8 woredas. The anticipated additional outcomes include the construction of 500 Hand

dug wells, 250 shallow wells drilling with average depth of 60 meters fitted with Hand pumps and 300 on spot spring developments.

The implementation of the program is progressing well and has attracted other development partners to join this program. The additional financing is an opportunity to maintain the current progress of the program in order to help the country meet its GTP target and also to address the drought affected areas in the shortage of water supply and sanitation facilities.

The Program is technically and economically viable, and the additional financing will contribute to an increase in beneficiaries reached by the program, thus further enhancing its wider benefits to the communities. The program will be implemented within the original envisaged schedule with no extensions anticipated. The overall implementation environment is highly favorable and the Program continues to receive supervision ratings of “Satisfactory” consistently.

## **5 Legal Instrument**

### **5.1 Legal Instruments**

The legal instruments for the additional financing will be: (i) an ADF Loan Agreement, and (ii) an ADF Grant Agreement.

### **5.2 Conditions Associated with Bank’s Intervention**

- A. Condition Precedent to Entry into Force of the ADF Loan Agreement:** The loan agreement shall enter into force subject to fulfilment by the Borrower of the provisions of section 12.01 of the General Conditions Applicable to Loan Agreements and Guarantee Agreement of the African Development Fund.
- B. Conditions Precedent to Entry into Force of ADF Grant Agreement:** The Grant Protocol of Agreement shall enter into force upon signature.
- C. Conditions Precedent to First Disbursement of the Loan and Grant:** The obligation of the Bank to make the first disbursement of the Loan and Grant resources shall be conditional upon entry into force of the Loan and Grant Agreements.
- D. Compliance with Bank Policies:** In view of the need to adopt a joint financing modality and harmonized implementation arrangements, the Program will apply World Bank Rules and Procedures for procurement of all eligible expenditure as specified in the original PAR and in the POM. The Program complies with all other applicable Bank policies.

## **6 Recommendations**

Considering the Program’s contribution to improving the quality of life of Ethiopians and overall sustainable inclusive development, it is recommended that the Bank approves additional ADF loan amount of UA 2.28 million and ADF grant amount of UA 1.84 million to the OWNP from the remaining ADF 13 allocated to Ethiopia. As the Program implementation is ongoing with well-established national structures, the resources will be effectively utilized within the time framework of the original Program.

# Appendices

## Appendix I: GoE Request for Allocation of Remaining ADF Resources



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The Federal Democratic Republic of Ethiopia  
Ministry of Finance and Economic Cooperation

\*T/C Ref.No IFRE-4/13/152  
\*ገ Date 3 Feb 2017

Mr. Gabriel Negatu  
Regional Director, Eastern Africa  
African Development Bank  
Khushee Towers, Longonut Road Plot 11 Upper Hill  
P.O.Box 4861-00200  
Nairobi, Kenya

**Subject: Reallocation of unused Performance Based Allocation from Non-Performing Countries**

Dear Mr. Negatu,

As you well aware, the Government of Ethiopia is making various endeavors to strengthen the economic development of the country. As part of these efforts and in line with the country's national development plan (the Growth and Transformation Plan), AfDB with other development partners and the government made various contribution to support on-going projects and programmes. With this regard the government has been given serious attention to the implementation of the projects.

In connection with this, reference is made to your letter dated January 23, 2017 by which you have informed us about the availability of unutilized additional resource from ADF 13 i.e. UA 4.12 million. Hence, we would like to utilize the stated amount of loan and grant to support the on-going efforts of the stated program.

Therefore the Ministry of Finance and Economic Cooperation officially requests the ADB to allocate the additional UA 4.12 million to the "One Water Sanitation and Hygiene National program" (OWNP).

Thank you for your usual assistance and cooperation.



Sincerely,

**ADMASU NEBEBE**  
State Minister

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Addis Ababa-Ethiopia

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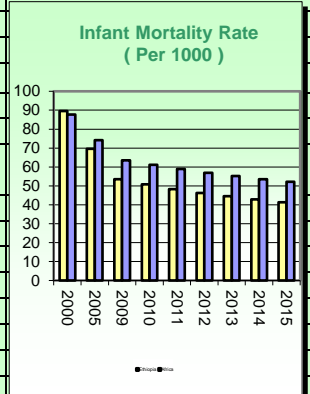
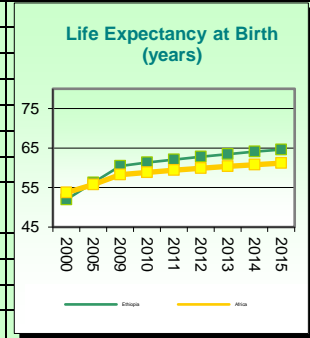
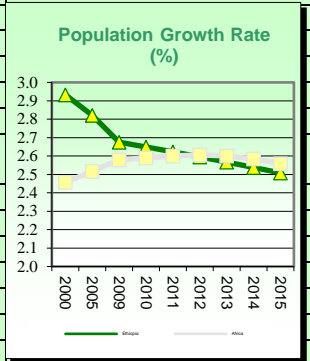
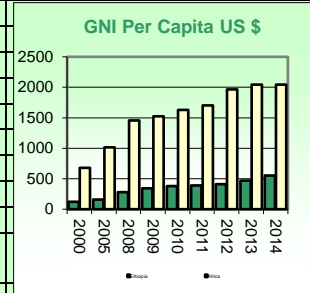


## Appendix II: Program Time Framework

ID	Task Name	2014			2015				2016				2017				2018					
		Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	
1	Loan and Grant Approval																					
2	Sign Loan & Grant Agreement																					
3	Rural and Pastoral WASH																					
4	1. Water Supply Facilities Rehabilitation & Construction																					
5	2. Hygiene & Sanitation Promotion																					
6	Urban WASH																					
7	1. Water Supply Facilities Rehabilitation & Construction																					
8	2. Sludge Drying Beds Construction																					
9	3. Procurement of Vacuum Truck/Desludging Equipment																					
10	Institutional WASH																					
11	1. Water Supply Facilities Rehabilitation & Construction																					
12	2. Sanitation Facilities Construction																					
13	3. Development of Sanitation & Hygiene Curriculum																					
14	4. Dissemination of Sanitation & Hygiene Curriculum																					
15	Sector Governance & Capacity Development																					
16	1. Procurement of Goods (Vehicles, software etc.)																					
17	2. Study and Design for WASH Infrastructure																					
18	3. Training & Capacity Development																					
19	4. Sustainability Support																					
20	5. M&E Support																					
21	6. Sector Coordination Support																					
22	Disbursement																					
27	Supervision Mission																					
35	Multi Stakeholders Forum																					
40	Project Completion Report																					
41	Technical and Financial Audit																					
46	Joint Technical Review																					

### Appendix III: Ethiopia's Comparative Socio-Economic Indicators

	Year	Ethiopia	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ('000 Km <sup>2</sup> )	2016	1,104	30,067	94,638	36,907
Total Population (millions)	2016	101.9	1,214.4	3,010.9	1,407.8
Urban Population (% of Total)	2016	19.8	40.1	41.6	80.6
Population Density (per Km <sup>2</sup> )	2016	101.9	41.3	67.7	25.6
GNI per Capita (US \$)	2014	550	2 045	4 226	38 317
Labor Force Participation *- Total (%)	2016	83.0	65.6	63.9	60.3
Labor Force Participation **- Female (%)	2016	77.1	55.6	49.9	52.1
Gender -Related Development Index Value	2007-2013	0.853	0.801	0.506	0.792
Human Develop. Index (Rank among 187 countries)	2014	174	...	...	...
Popul. Living Below \$ 1.90 a Day (% of Population)	2008-2013	33.5	42.7	14.9	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2016	2.5	2.5	1.9	0.4
Population Growth Rate - Urban (%)	2016	4.9	3.6	2.9	0.8
Population < 15 years (%)	2016	40.9	40.9	28.0	17.2
Population >= 65 years (%)	2016	3.5	3.5	6.6	16.6
Dependency Ratio (%)	2016	79.8	79.9	52.9	51.2
Sex Ratio (per 100 female)	2016	99.6	100.2	103.0	97.6
Female Population 15-49 years (% of total population)	2016	24.5	24.0	25.7	22.8
Life Expectancy at Birth - Total (years)	2016	65.1	61.5	66.2	79.4
Life Expectancy at Birth - Female (years)	2016	67.1	63.0	68.0	82.4
Crude Birth Rate (per 1,000)	2016	31.4	34.4	27.0	11.6
Crude Death Rate (per 1,000)	2016	7.0	9.1	7.9	9.1
Infant Mortality Rate (per 1,000)	2015	41.4	52.2	35.2	5.8
Child Mortality Rate (per 1,000)	2015	59.2	75.5	47.3	6.8
Total Fertility Rate (per woman)	2016	4.2	4.5	3.5	1.8
Maternal Mortality Rate (per 100,000)	2015	353.0	495.0	238.0	10.0
Women Using Contraception (%)	2016	38.1	31.0	...	...
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2004-2013	2.5	47.9	123.8	292.3
Nurses and midwives (per 100,000 people)	2004-2013	25.3	135.4	220.0	859.8
Births attended by Trained Health Personnel (%)	2010-2015	15.5	53.2	68.5	...
Access to Safe Water (% of Population)	2015	57.3	71.6	89.3	99.5
Healthy life expectancy at birth (years)	2013	56.1	54.0	57	68.0
Access to Sanitation (% of Population)	2015	28.0	39.4	61.2	99.4
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2014	1.2	3.8	...	...
Incidence of Tuberculosis (per 100,000)	2014	207.0	245.9	160.0	21.0
Child Immunization Against Tuberculosis (%)	2014	75.0	84.1	90.0	...
Child Immunization Against Measles (%)	2014	70.0	76.0	83.5	93.7
Underweight Children (% of children under 5 years)	2010-2014	25.2	18.1	16.2	1.1
Daily Calorie Supply per Capita	2011	2 131	2 621	2 335	3 503
Public Expenditure on Health (as % of GDP)	2013	2.9	2.6	3.0	7.7
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-2015	100.1	100.5	104.7	102.4
Primary School - Female	2010-2015	95.8	97.1	102.9	102.2
Secondary School - Total	2010-2015	36.2	50.9	57.8	105.3
Secondary School - Female	2010-2015	34.5	48.5	55.7	105.3
Primary School Female Teaching Staff (% of Total)	2010-2015	41.9	47.6	50.6	82.2
Adult literacy Rate - Total (%)	2010-2015	49.0	66.8	70.5	98.6
Adult literacy Rate - Male (%)	2010-2015	57.3	74.3	77.3	98.9
Adult literacy Rate - Female (%)	2010-2015	41.0	59.4	64.0	98.4
Percentage of GDP Spent on Education	2010-2014	4.5	5.0	4.2	4.8
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2013	15.1	8.6	11.9	9.4
Agricultural Land (as % of land area)	2013	36.3	43.2	43.4	30.0
Forest (As % of Land Area)	2013	12.4	23.3	28.0	34.5
Per Capita CO2 Emissions (metric tons)	2012	0.1	1.1	3.0	11.6



Sources :AfDB Statistics Department Databases; World Bank: World Development Indicators; UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports; Note: n.a.: Not Applicable; ... : Data Not Available. \* Labor force participation rate, total (% of total population ages 15+); \*\* Labor force participation rate, female (% of female population ages 15+)

Appendix IV Ethiopia\_ On going portfolio as at 20 January 2017

No.	Project	Loan/Grant		Disburs.	IP	DO	PFI Status	Age	Closing
		Approval Date	Amount (UA)	Ratio				Years	Date
<b>PUBLIC SECTOR OPERATIONS</b>									
<b>AGRICULTURE SECTOR</b>			<b>58,482,000</b>						
1	Drought Resilience and Sustainable Livelihoods I	<b>19-Dec-12</b>	30,000,000	25.3%	2	3	PPP	<b>4.0</b>	<b>31-Dec-17</b>
2	Drought Resilience and Sustainable Livelihoods II	<b>26-Nov-14</b>	28,482,000	3.3%	3	3	PPP	<b>2.1</b>	<b>31-Dec-20</b>
<b>TRANSPORT SECTOR</b>			<b>384,037,699</b>						
3	Mombasa-Nairobi-Addis Road Corridor –Agere Mariam - Yabelo Road Project (Phase II)	<b>1-Jul-09</b>	85,000,000	90.5%	3.36	3.3	NON PP NON PPP	<b>7.5</b>	<b>31-Dec-17</b>
4	Mombasa-Nairobi- Addis Road Corridor-Hawassa-Agere Mariam Road Project (Phase III)	<b>30-Nov-11</b>	105,000,000	42.9%	2	3	NON PP NON PPP	<b>5.1</b>	<b>31-Dec-17</b>
5	Bedele-Metu Road Upgrading	<b>10-Nov-11</b>	41,060,000	67.6%	3	3	NON PP NON PPP	<b>5.1</b>	<b>31-Dec-17</b>
6	Modjo- Hawassa Highway Road Project Phase I	<b>6-Nov-13</b>	84,080,000	19.8%	4	4	NON PP NON PPP	<b>3.2</b>	<b>31-Dec-20</b>
	Modjo- Hawassa Highway Road Project Phase I	<b>6-Nov-13</b>	1,630,000	2.2%	4	4	NON PP NON PPP	<b>3.2</b>	<b>31-Dec-20</b>
7	Ethiopia Integrated Transport Program Phase I	<b>7-Dec-16</b>	67,267,699	-	NR	NR	NON PP NON PPP	<b>0.3</b>	<b>31-Dec-23</b>
<b>ENERGY SECTOR</b>			<b>462,760,000</b>						
8	Rural Electrification II Project	<b>20-Dec-06</b>	87,200,000	88.3%	3.83	3.5	NON PP NON PPP	<b>9.0</b>	<b>Dec-31-16</b>
9	Electricity Transmission Systems Improvement Project	<b>6-Dec-10</b>	93,750,000	90.0%	3.75	4	NON PP NON PPP	<b>6.1</b>	<b>30-Apr-17</b>
	Electricity Transmission Systems Improvement Project*	<b>6-Dec-10</b>	58,000,000	98.6%	3.75	4	NON PP NON PPP	<b>6.1</b>	<b>30-Apr-17</b>
10	Ethiopia-Kenya Electricity Highway Project	<b>19-Sep-12</b>	150,000,000	17.2%	3	3	NONPP NON PPP	<b>4.3</b>	<b>31-Dec-17</b>
11	Mekelle-Dallol & Semera-Afdera Power Transmission Project.	<b>15-Jul-16</b>	73,810,000	-	NR	NR	NON PP NON PPP	<b>0.5</b>	<b>31-Dec-20</b>
<b>WATER SECTOR</b>			<b>120,027,122</b>						
12	Support to the One Water Sanitation and Hygiene National Water Program	<b>8-Sep-14</b>	60,000,000	43.6%	3	3	NON PP NON PPP	<b>2.3</b>	<b>30-Jun-19</b>
	Support to the One Water Sanitation and Hygiene National Water Program*	<b>8-Sep-14</b>	6,015,073	37.9%	3	3	NON PP NON PPP	<b>2.3</b>	<b>30-Jun-19</b>

13	Four Towns Water and Sanitation Improvement Program	13-Jan-16	54,012,049	0.5%	3	3	NON PP NON PPP	1.0	31-Dec-21
<b>MULTI - SECTOR</b>			<b>186,143,000</b>						
14	Basic Services Transformation Program	17-Dec-15	180,000,000	33.3%	3	3	NON PP NON PPP	1.0	31-Dec-18
15	Institutional Support project for PPPs	26-May-15	1,173,000	17.8%	3	3	NON PP NON PPP	1.6	31-Dec-18
16	Ethiopia-Africa Trade insurance-RMC Membership Program	23-Sep-15	4,970,000	100%	NR	NR	NON PP NON PPP	1.3	31-Dec-19
<b>PUBLIC SECTOR TOTAL</b>			<b>1,211,449,821</b>						
<b>PRIVATE SECTOR OPERATIONS</b>									
17	Deba-Midroc Cement Factory	16-Apr-09	39,882,752	100.0%	3.09	4	NON PP NON PPP	7.7	15-Mar-18
18	Ethiopian Air Lines	23-Mar-11	27,998,968	96.7%	3.77	4	NON PP NON PPP	5.8	14-Dec-17
19	Ethiopian Air Lines	14-Dec-16	116,068,395	-	NR	NR	NON PP NON PPP	0.3	31-Dec-28
<b>PRIVATE SECTOR TOTAL</b>			<b>183,950,115</b>						
<b>TOTAL INVESTMENT OPERATIONS</b>			<b>1,395,399,936</b>						
<b>TRUST FUNDS</b>									
20	Assela Wind Farm SREP PPG	28-Jun-12	1,206,418	36.3%	3.75	3	NON PP NON PPP	4.5	31-Dec-16
21	Africa Bamboo	19-Mar-14	532,550	6.6%			NON PP NON PPP	2.8	31-Dec-17
22	AWF/NEPAD Baro Akobo Sobat	2-May-13	2,060,000	61.7%	3	3	NON PP NON PPP	3.7	31-Dec-17
23	Capacity Building for Financial Inclusion in Ethiopia (M-Birr)	26-Feb-15	230,247	94.4%	3	3	NON PP NON PPP	1.8	13-Dec-16
24	Support to Institutional Strengthening in Gender Mainstreaming for Infrastructure Sector	1-Apr-15	230,925	30.0%			NON PP NON PPP	1.8	30-Jun-17
25	ClimDev Fund for Adaptation to Climate Change in Ethiopia	22-Jun-15	795,580	8.0%			NON PP NON PPP	1.5	30-Jun-17
26	Marketing and Service Chain Support for Total Sanitation in Arba Minch	11-Jun-15	973,536	6.5%	3	3	NON PP NON PPP	1.6	30-Sep-19
<b>TOTAL TRUST FUNDS</b>			<b>6,029,256</b>						
<b>TOTAL PORTFOLIO</b>			<b>1,401,429,192</b>						

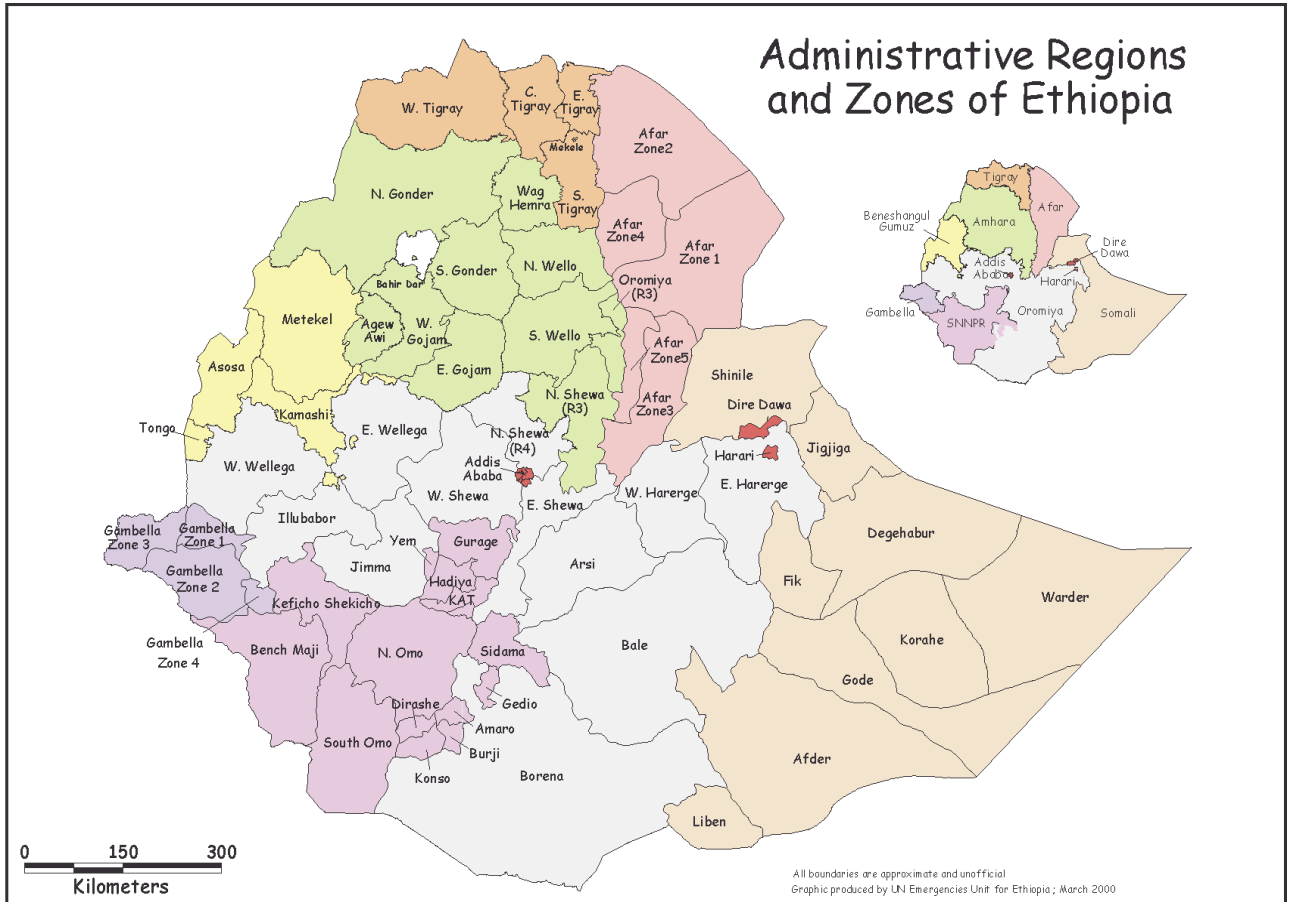
Note: NR= Not Rated

## Appendix V: Similar Projects Financed by AfDB and other Development Partners in Ethiopia

Project/Framework	Development Partners(s)	Relationship to the Universal Access Plan (2005) or the OWP (2013)
Harar Water Supply Project	AfDB	Provided safe water supply for more than 250,000 people in Harar and four neighboring towns and improved the livelihoods of women and the youth through, among others, increased employment opportunities due to the thriving of commercial enterprises such as hotels
Rural Water Supply and Sanitation Project (RWSSP)	AfDB	Contributed to increased access to water supply and sanitation services for rural populations, in about 125 woredas and supporting the establishment of a sustainable service provision framework across all levels
Promoting Basic Services (PBS) II and III	AfDB, WB, EU, DfID, Austria, Italy, Ireland Dev. Cooperation, Spain,	Contributing to poverty reduction and improving living standards by expanding access and enhancing the quality of the decentralized delivery of services in education, health, agriculture, water supply and sanitation; and rural roads while continuing to deepen local accountability and transparency in basic service delivery
Solar & Wind for Water	Africa Water Facility (AWF)	Piloting and promoting use of solar and wind energy for water pumping in rural areas and development. The project will result in an increased and sustained supply of water at lower financial, economic, environmental and social costs.
Ethiopia Water Supply and Sanitation Project	World Bank and DfID	Contributed to increased access to water supply and sanitation services for rural and urban populations, including creation of woreda water and sanitation programs (in 230 woredas) and establishment of water boards in 50 towns; including establishing of sector M&E framework
Ethiopia Water Supply, Sanitation and Hygiene Project	World Bank	Will increase access to improved water supply and sanitation services for residents in participating woredas/towns and communities in Ethiopia
Public Sector Capacity Building Program Support Project (PSCAP); I and II	EU, World Bank, DfID, Ireland Dev. Cooperation	Governance and Decentralized Service Delivery: development of human resources, working systems and effective organizational structures to improve the scale, efficiency and responsiveness of public service delivery at the federal, regional, and local level; empower citizens to participate more effectively in shaping their own development; and promote good governance and accountability
Drought Resilience and Sustainable Livelihoods Program for the Horn of Africa (HoA)	AfDB	Developing regional systems to alleviate the negative impacts of deteriorating environmental conditions in the HoA. Among the activities will be development of water storage and other related infrastructure; protection of water reservoirs and conservation of water catchment areas; development of market infrastructure and communication and information systems for selected pastoralist woredas.
UNICEF- Water, Environment and Sanitation	UNICEF	Supports humanitarian WASH, School WASH, WASH MIS, Education MIS, Health MIS, technical Assistance; WASH sector standards and manuals; CLTHS, water conservation and reuse; supports both rural and urban WASH interventions
Rural water supply, sanitation and hygiene programme in Benishangul Gumuz region	Finland	Institutionalizing community-based water planning, development, management and reinvestment using a Community Development Fund in Benishangul Gumuz Region; Finland also provides support to Civil Society
Multi-Annual Strategic Plans (MASP; 2012-15) of the Netherlands Embassy	Netherlands	Addresses water within the framework of water for food and water for health; mostly in collaboration with other partners like UNICEF, SNV, etc.
Project for rural water supply, sanitation & livelihood improvement through dissemination of rope pumps for drinking water	JICA	Providing technical support in the research and development, standardization and dissemination of rope pumps for drinking water - as a self-supply water lifting technology for rural households - in line with the Self-Supply Acceleration Program (SSAP). Also provides capacity building for the Ethiopian Water Technology Centre (EWTEC)
Support to water, energy and urban infrastructure	AFD	Upgrading of water supply in Addis Ababa Supporting increased access to water and sanitation in rural areas Sustainable management of water resources to support the Nile Basin Initiative

*Note: Also refer to Table A25 in Technical Annex C on the Donor interventions in Ethiopia and the emerging division of labour*

**Appendix VI: Map of Project Area**



This map was provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgement concerning the legal status of a territory nor any approval or acceptance of these borders. The use of this map for any other purposes is strictly prohibited.

## **AFRICAN DEVELOPMENT FUND**

### **BOARD OF DIRECTORS**

#### **Resolution N° F/ET/2017/31**

Adopted by the Board on a lapse of time basis, on March 30, 2017

#### **Additional Loan to the Federal Democratic Republic of Ethiopia to finance part of the costs of the Support to the One Water, Sanitation and Hygiene National Program (OWNP)**

#### **THE BOARD OF DIRECTORS,**

**HAVING REGARD TO:** (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the ADF-13 financing guidelines provided in the Report on the Thirteenth General Replenishment of the Resources of the Fund; (iii) the applicable ADF-13 Country Resource Allocation; (iv) the appraisal report contained in document ADB/BD/WP/2014/135 - ADF/BD/WP/2014/90 (the “Appraisal Report”) and (v) the additional financing proposal contained in Document ADF/BD/WP/2017/43/Approval (the “Additional Appraisal Report”);

**RECALLING** Resolution N° F/ET/2014/34 adopted on 8<sup>th</sup> September 2014 by this Board granting to the Federal democratic republic of Ethiopia (the “Borrower”), a loan of an amount not exceeding the equivalent of Sixty Million Units of Account (UA 60,000,000) to finance part of the costs of the Support to the One Water, Sanitation and Hygiene National Program (OWNP) (the “Project”);

**NOTING** the availability of sufficient resources to enable the Fund to commit the amount of the Loan;

**DECIDES** as follows:

1. To award to the the Borrower, from the resources of the Fund, an additional loan of an amount not exceeding the equivalent of Two Million, Two Hundred and Eighty Thousand Units of Account (UA 2, 280,000) (the “Additional Loan”) to finance part of the costs of the Project;
2. To authorize the President to conclude an additional loan agreement between the Fund and the Borrower (the “Additional Loan Agreement”) on the terms and conditions specified in the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the African Development Fund (Sovereign Entities), the Additional Appraisal Report and in particular, the terms and conditions specified herein below:
  - (i) The duration of the Additional Loan shall be forty (40) years including a grace period of ten (10) years (the “Grace Period”) commencing on the date of signature of the Additional Loan Agreement. During the Grace Period, the service charge and the commitment charge shall be payable;
  - (ii) The Additional Loan shall be amortized over a period of thirty (30) years after the expiration of the Grace Period, at the rate of two per cent (2%) per annum from the eleventh (11<sup>th</sup>) to the twentieth (20<sup>th</sup>) year inclusive and at the rate of four per cent (4%) per annum thereafter, in equal and consecutive semi-annual instalments payable on 15 April and 15 October of each year (each a “Payment Date”), and the first of

such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period;

- (iii) A service charge at the rate of zero point seventy-five percent (0.75%) per annum on the disbursed and outstanding balance of the Additional Loan shall be payable semi-annually on a Payment Date; and
  - (iv) A commitment charge at the rate of zero point five percent (0.5%) per annum on the undisbursed portion of the Additional Loan shall begin to accrue one hundred and twenty (120) days after the date of signature of the Additional Loan Agreement and shall be payable on a Payment Date;
3. The President may cancel the Additional Loan if the Additional Loan Agreement is not signed within ninety (90) days from the date of approval of the Additional Loan by this Board; and
  4. This Resolution shall become effective on the date above-mentioned.



**AFRICAN DEVELOPMENT FUND**

**BOARD OF DIRECTORS**

**Resolution N° F/ET/2017/32**

Adopted by the Board on a lapse of time basis, on March 30, 2017

**Grant to the Federal Democratic Republic of Ethiopia to finance part of the costs of the Support to the One Water, Sanitation and Hygiene National Program (OWNP)**

**THE BOARD OF DIRECTORS,**

**HAVING REGARD** to: (i) Articles 1, 2, 11, 12, 14, 15, 16, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (ii) the ADF-13 financing guidelines provided in the Report on the Thirteenth General Replenishment of the Resources of the Fund; (iii) the applicable ADF-13 Country Resource Allocation; and (iv) the appraisal report contained in document ADF/BD/WP/2017/43/Approval (the “Appraisal Report”)

**NOTING** the availability of sufficient resources to enable the Fund to commit the amount of the Grant;

**DECIDES** as follows:

1. To award to the Federal Democratic Republic of Ethiopia (the “Recipient”), from the resources of the Fund, a grant of an amount not exceeding the equivalent of One Million Eight Hundred and Forty Thousand Units of Account (UA 1,840,000) (the “Grant”) to finance part of the costs of the Support to the One Water, Sanitation and Hygiene National Program (OWNP);
2. To authorize the President to conclude a protocol of agreement between the Fund and the Recipient (the “Protocol of Agreement”) on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund and the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.