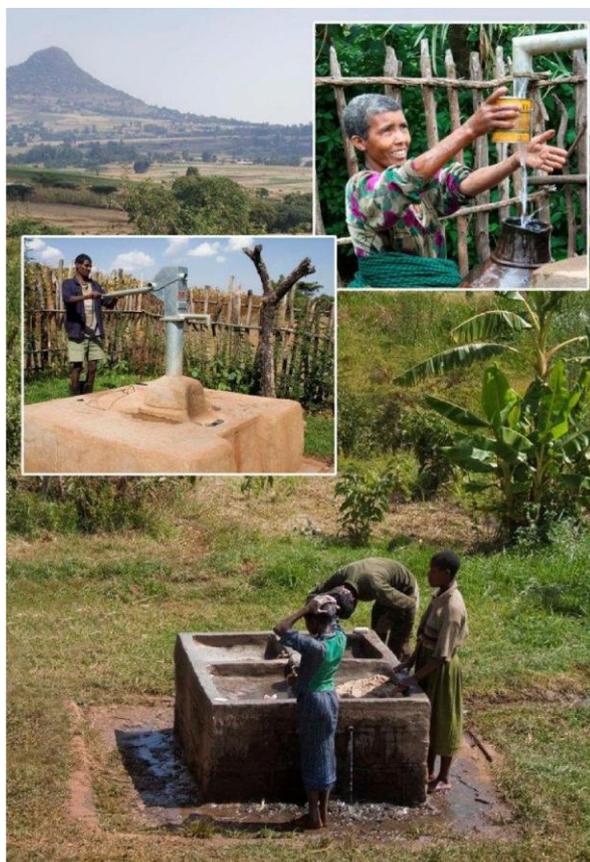


SUPPORT TO COMMUNITY-LED ACCELERATED WASH IN ETHIOPIA COWASH



QUARTERLY PROGRESS REPORT JULY – SEPTEMBER 2011

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Abbreviations and Acronyms

ACSI	Amhara Credit and Saving Institution
AfDB	African Development Bank
AIDS	Acquired Immunodeficiency Syndrome
BoE	Bureau of Education
BoFED	Bureau of Finance and Economic Development
BoH	Bureau of Health
CDF	Community Development Fund
CFT	Community Facilitation Teams
CHP	Community Health Promoter
COWASH	Community Led Accelerated WASH in Ethiopia
CRS	Catholic Relief Services
DFID	Department for International Development (UK)
EFY	Ethiopian Fiscal Year
ETB	Ethiopian Birr
EUR	Euro
EUWI	European Union Water Initiative
FDRE	Federal Democratic Republic of Ethiopia
FinnWASH-BG	Rural Water Supply, Sanitation and Hygiene Programme in Benishangul-Gumuz Region
GoE	Government of Ethiopia
GoF	Government of Finland
GTP	Growth and Transformation Plan
HEW	Health Extension Worker
HIV	Human Immunodeficiency Virus
JATR	Joint Annual Technical Review
JFA	Joint Financing Agreement
JTO	Junior Technical Officer
JTR	Joint Technical Reviews
lpcd	litres per capita per day
LSP	Local Service Provider
LWI	Living Water International
METB	Million Birr
MEUR	Million Euros
MFA	Ministry for Foreign Affairs (of Finland)
MFI	Microfinance institution
MDG	Millennium Development Goal
MMS	Mass Mobilization Strategy
MoE	Ministry of Education
MoFED	Ministry of Finance and Economic Development
MoH	Ministry of Health
MoU	Memorandum of Understanding
MoWE	Ministry of Water & Energy
MSF	Multi-stakeholder Forum
MTR	Mid-term Review
MUSD	Million United States dollars
MWA	Millennium Water Alliance
M&E	Monitoring and Evaluation
NGO	Non-governmental Organization
NWCO	National WASH Coordination Office
ORDA	Organization for Rehabilitation and Development in Amhara
O&M	Operation and Maintenance
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PHAST	Participatory Hygiene and Sanitation Transformation
PIM	Programme Implementation Manual
PMU	Programme Management Unit

PTA	Parents' and Teachers' Association
REST	Relief Society of Tigray
RiPPLE	Research Inspired Policy and Practice Learning in Ethiopia and the Nile Region
SNNPR	Southern Nations and Nationalities Peoples Region
RSU	Regional Support Unit
RWSEP	Rural Water Supply and Environment Programme
RSvB	Regional Window Supervisory Board
SvB	Supervisory Board
SC	Steering Committee
TA	Technical Assistance
TOR	Terms of Reference
UAP	Universal Access Plan
UK	United Kingdom
UNICEF	United Nations Children's Fund
WAB	Women, Children and Youth Bureau
WAD	Women's Affairs Department
WaSH	Water supply, Sanitation and Hygiene
WASHCO	Water Supply, Sanitation and Hygiene Committee
WB	The World Bank
WEW	Water Extension Worker
WMU	WaSH Management Unit
WRDB	Water Resources Development Bureau
WSDP	Water Sector Development Programme
WSG	Woreda Support Groups
WSP	Water and Sanitation Programme
WSS	Water Sector Strategy
WSSD	Water Supply and Sanitation Directorate

1 EXECUTIVE SUMMARY

This progress report presents the main achievements of Community-Led Accelerated WASH (COWASH in Ethiopia made during the first quarter of 2004 Ethiopian Fiscal Year (EFY), (2011-2012). The Project Agreement between the Ministry of Finance and Economic Development (MoFED) and the Ministry for Foreign Affairs of Finland (MFA) was signed on May 25, 2011. Consultants' Chief Technical Advisor and Human Resource Development Advisor arrived to Ethiopia at the end of the 2003 EFYY. The first quarter of COWASH was focusing to the mobilization and physical establishment of the project. Project Office in MoWE was established although the office facility was provided quite late. International consultants were mobilized quickly but the employment of national long term consultants delayed to the second quarter due to the delay to organize project's first Supervisory Board Meeting. Project vehicles were also procured during the quarter although their arrival to Ethiopia delayed to second quarter.

The WaSH sector policy context evolved during the quarter. The revision of Universal Access Plan (UAP 2) for Water and Hygiene and Sanitation Action Plan to aim to the goals of the Growth Transformation Plan were prepared, but not officially approved and launched. The same way the WaSH Implementation Framework was finalized but not officially approved and launched.

COWASH international staff assessed the situation and launched several inception phase activities, which all will be completed during the second quarter. All four major regions (Amhara National Regional State (ARNS), Tigray National Regional State (TNRS) , Oromia National Regional State (ONRS) and Southern Nations and Nationalities Peoples' Regional State (SNNPR) expressed their willingness and commitments to start COWASH implementation in these regions. Several consultations were held and finally all four regions are in a process to enter into funding agreement with the Government of Ethiopia. The promised total contributions from the four regions account close to 183 million Birr which is 80 % from the agreed Government of Finland contribution and 40 % from the total COWASH commitments at the moment. The signing of funding agreements, work planning and start of implementation will all take place during the second quarter.

Preparations for international Community Managed Project financing modality marketing were made and COWASH participation in the 6th Rural Water Supply Network Forum in Uganda in November 2011 and 6th World Water Forum in Marseille in March 2012 have been agreed. A 10 minutes short film on the CMP approach was produced and edited and the film was approved by the 6th RWSN Forum organizers to be presented in Kampala on Nov 29-Dec 1, 2011. The project's website was updated regularly during the quarter. The project has now an official domain www.cowashethiopia.com. Furthermore CMP table calendars were printed.

COWASH has actively participated in different sector events and used the forums to inform COWASH principles and goals to stakeholders. Capacity assessment was initiated by UNESCO and COWASH joined the assessment later on. Stakeholder analysis was initiated with the establishment of stakeholder database. A research proposal on CMP implementation and results were prepared in August and delivered in three Finnish Universities for consideration.

In Amhara Region the RWSEP project was extended to the end of first quarter of 2004 FY and preparations to close RWSEP and launch COWASH Component 3 were done.

Total costs of component 1 during the first quarter were EUR 264,166.72 representing 11 % utilization from the total approved Component 1 budget (EUR 2,486,940.00).

2 INTRODUCTION

The WaSH Implementation Framework (WIF) introduces the Community Development Fund (CDF) approach, pioneered and developed in Amhara and Benishangul-Gumuz Regions. In the WIF the CDF is being mainstreamed into the National WaSH Program (WaSH GTP/UAP) for its wider application. The major features of the CDF Approach are:

- **Fund Transfer:** The unique and innovative feature of the CDF approach is that funds for the physical construction of water schemes are transferred directly to the community through a micro credit institution.
- **Community Financial Management:** The communities, through water and sanitation committees (WASHCOs), are responsible for the full development process through planning, financial management, implementation and maintenance. The unique feature in CDF community management is that the WASHCO manages not only community-generated funds but also the government subsidy provided for capital expenditures.
- **Procurement:** A further aspect of community management is that the WASHCO is directly responsible for procuring the goods and services required for water scheme construction and installation.

In the National WaSH Implementation Framework the principles and basic procedures of the CDF approach are built into the WaSH program as part of the Community Managed Project (CMP) funding mechanism. It is presented as an alternative funding mechanism to the existing Woreda Grant which is hereby known as the Woreda Managed Project (WMP) funding mechanism. The WMP includes regional and national managed projects on behalf of Woredas or towns. If the existing Woreda Grants are channelled to the community and community is managing the projects and funds, then this part of the Woreda Grant funding mechanism belongs to the category of Community Managed Projects.

It is expected that National WaSH Partners invest in CMP capacity building support at National and Regional levels. To support this, Community-Led Accelerated WaSH (COWASH) Project has been established to provide a team of CMP experts working within the national WaSH capacity building and technical assistance structure to assist in:

- developing and implementing strategies, with tailored materials, to promote CMP at all levels
- developing generic operational guidelines for CMP implementation
- integrating CMP requirements, as appropriate, into all standardized WaSH capacity building activities and materials – and preparing CMP-specific events and materials as required
- integrating CMP requirements into standardized WaSH management systems and procedures including:
 - planning, budgeting and reporting

- financial management and accounting
- inventory and information management
- monitoring & evaluation
- researching the adaptation of the CMP modality for wider application
- supporting regional offices to:
 - establish Regional Capacity Building Support Units
 - introduce and promote CMP
 - prepare region-specific guidelines for CMP implementation
 - carry out capacity assessments and develop capacity development plans for the region - and organize training accordingly

The CDF approach is no longer donor or region-specific. It is an integral, expanding and evolving component of the One National WaSH Program.

Ministry of Water and Energy (MoWE) and Ministry for Foreign Affairs of Finland (MFA) selected Ramboll Finland Oy, (Finnish consultancy company) and IRC International Water and Sanitation Center to provide technical assistance support to MoWE and targeted regions to apply CMP approach.

The COWASH Project Agreement was signed on May 25, 2011 and consultant mobilized its international staff to Ethiopia in June-July 2011. Actually the project started in July when MoFED approved the MoWE response on MoFED's comments on the Project Document.

This is the first quarterly progress report of COWASH prepared by the Technical Assistance Team and describing shortly the progress made during July – September 2011.

The summary of the major milestones of COWASH up to date is presented in **Annex 1** as "*COWASH MILESTONE CALENDAR*".

3 POLICY AND PROJECT CONTEXT

The major policy and strategy documents providing basement for COWASH implementation were not yet officially approved by the respective sector Ministries although their rapid approval was agreed in the 4th Multi-Stakeholder Forum (MSF) on April 2011. Those basic policy documents are:

- Memorandum of Understanding (MoU) on Integrated Implementation of Water supply, Sanitation and Hygiene Program in Ethiopia. This document is expected to be signed during the second quarter of 2004 Ethiopia Fiscal Year (EFY) by the Ministry of Water & Energy, Ministry of Health, Ministry of Education and Ministry of Finance and Economic Development. MoU has not yet been officially signed by all stakeholders.
- WaSH Implementation Framework (WIF) prepared to achieve the targets of the Growth & Transformation Plan (GTP), and will act as the guiding document for all WASH implementation. WaSH Implementation Framework (WIF) finalization was done by a

Task Force constituted by the Ministry of Water & Energy. COWASH was also invited to take part in the process. Two separate stakeholder meetings were held during the quarter to finalize the WIF. Summary and full Final Draft WIF was completed on August 16, 2011. WIF was later on introduced shortly to stakeholders in the Water Sector Working Group meeting on September 27, 2011. WIF has not yet been officially approved and launched.

- Universal Access Plan for water (UAP) was revised and is now called UAP 2. Hygiene and Sanitation Action Plan was also prepared. Both documents have not been officially approved and launched.

4 COMPONENT 1: ESTABLISHMENT OF NATIONAL CMP

Component 1 of COWASH is to strengthen the federal capacity for implementation of the Community Managed Project (CMP) financing mechanism.

The expected results of the Component 1 are:

- Tools and planning/implementation/monitoring mechanisms developed for wide application of CMP
- Federal level support mechanism developed for supporting the application of CMP in the Regions where the mechanism is applicable

4.1 FEDERAL CMP IMPLEMENTATION SUPPORT UNIT OPERATIONAL

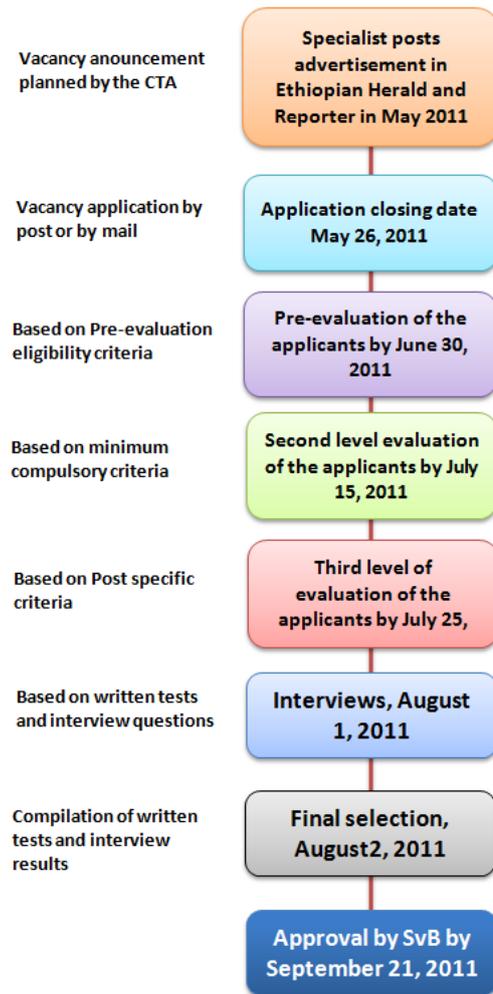
The CTA (Arto Suominen) arrived to Ethiopia on June 8, 2011 (as planned in Consultant tender), the HRD specialist (Harri Mattila) arrived to Ethiopia on June 30, 2011 (three weeks later than planned) and the JPO (Linda Annala) arrived to Ethiopia on July 11, 2011 (one week later than planned).

Logistics such as housing, furniture, office equipment (only essential equipment for the temporary office in MoWE), communication, transport and ID cards for the international TA staff were organized. Consultant received also TIN number in order to pay deducted withholding taxes from procured goods and services as well as the income taxes of the local employees.

Three Ford Everest vehicles were procured and the vehicles were in Djibouti at the time of this quarterly report preparation.

Ramboll could not yet open its own bank account for COWASH due to the long legalization process of the power of attorney and delays in MoFED for approving the bank account opening. Funds for operations were transferred to COWASH through Rural Water Supply and Environmental Programme (RWSEP) bank account. COWASH was managed with cash payments only during the first quarter.

The recruitment process of COWASH National Staff is illustrated below. The three national staffs were approved on September 21, 2011 by the SvB. CDF Specialist and PF Specialist started in COWASH on October 1, 2011 and the M&E Specialist will start on November 11, 2011. The recruitment process's major milestones are illustrated below:



The approved specialists are:

- CDF Specialist: Ato Yohannes Melaku
- Process Facilitation Specialist: Ato Melaku Worku
- M&E Specialist: Ato Abebaw Getachew

The establishment of COWASH office in the MoWE has been delayed due to the non-availability of free office rooms in the Ministry. On August 8, 2011 the three international team members were provided one small office room in MoWE. The room is also shared with an ODI specialist. Due to the non-availability of proper office facility in MoWE the team has still been partly working from home.

4.1.1 Approval of COWASH project

The COWASH Project was officially approved on May 25, 2011 when the Project Agreement between the Embassy of Finland and MoFED was signed. Anyhow, on May 31, 2011 MoFED wrote letter to MoWE. In this letter MoFED requested MoWE response to the questions on COWASH Project Document prepared by MoFED. The condition set by MoFED in its letter was that the project will not be guaranteed for funding without appropriately addressing MoFED comments PRIOR to its implementation. The number of specific comments was 18 and in

addition it included one general comment and conclusion remark. The conclusion remark was: *"The project has to be revisited in the light of the aforementioned comments before it is forwarded for funding request."*

Actually the MoFED letter was located in the MoWE very late (close to the end of June) and finally MoWE's reply to MoFED was done end of June 2011. In MoWE's reply all comments were addressed and solutions given. Finally on July 8, MoFED response to MoWE was written where MoFED permitted MoWE to commence the COWASH. Therefore actually this date can be considered the start-up of COWASH because MoWE could not facilitate the COWASH start-up without this letter.

4.1.2 Establishment of COWASH management structures

The Supervisory Board (SvB) is the highest level strategic decision-making body of the COWASH. The main task of the SvB is to oversee the smooth implementation of the COWASH and support the CMP development, implementation and scaling up.

The first COWASH SvB meeting was held on September 31, 2011 and the major decision made in the SvB were to approve its own ToR and national specialists for TA team.

Other management structures still under design are:

- Community Managed Projects Technical Team (CMPTT). CMPTT is a special team having members from all CMP stakeholders and consist such as CMP financiers and representatives from the projects they support and relevant GoE officials, Civil Society Organizations, knowledge and capacity building institutions, media and private sector. The purpose of CMPTT is to look after the development, implementation and coordination of CMP financing approach implementation in WaSH. The CMPTT also functions as a review and coordination body of COWASH project, which is to build the capacity in the CMP implementation at federal and regional levels. CMPTT is chaired by the Director of WSSD of MoWE.
- COWASH Management Committee (COWASH-MC). COWASH-MC is an established organ for coordination and overall management of the COWASH. The COWASH-MC is authorized by the COWASH Supervisory Board (SvB) to take decisions regarding the implementation of the COWASH in Ethiopia.
- Day-to-day management of COWASH Technical Team is done by the Consultant Ramboll Finland through assigned Chief Technical Advisor (CTA) in Ethiopia.

4.1.3 High awareness among external financiers and WaSH stakeholders on CMP, its methods, approaches, feasibility and benefits

During the quarter, COWASH produced certain important information dissemination and promotion materials. A 10 minutes short film on the CMP approach was produced and edited with the assistance from a local video producing company, Bemenabu Promotions. The film is targeted for international audience with the objective to attract more international financiers to support the CMP implementation in Ethiopia. The promotion film was approved by the 6th RWSN Forum organizers to be presented in Kampala on Nov 29-Dec 1, 2011. The SvB approved to send a delegation to the RWSN conference to promote the CMP approach and also to network with potential financiers for the CMP.

The project's website was updated regularly during the quarter. The project has now an official domain www.cowashethiopia.com. The website is used to disseminate information on the COWASH project and will also be utilized to provide additional access to certain policies of MoWE (such as the WIF and UAP documents) in the future. Discussions on the CMP brand development have been undertaken within the TA Team and IRC. A web page shall be developed also for the CMP itself within the up-coming months.

The TA Team produced CMP table calendars together with a local printing agency and a designer. The calendars are targeted for the federal, regional, zonal and woreda levels. Every level has a different design that includes all the CMP-related activities to be accomplished during each month and the respective responsible bodies for these activities. Two banners were also designed and produced: one presenting the results of the RWSEP programme and one presenting the benefits of CMP. The COWASH brochure was finalized during the quarter and will soon be printed out.

Negotiations on having one page dedicated for COWASH progress in Ethiopia in the quarterly WASH bulletin published by the WaSH Movement were undertaken. The first draft of COWASH & CMP communications strategy was finalized. Support for the communications strategy development process was received from IRC, WASH Movement and MoWE.

4.1.4 Capacity for CMP implementation developed at the federal level based on assessed needs

The capacity building principles at all levels including the federal level were drafted within the quarter. The principles were considered on the basis of WIF, which was completed August 16th.

To create a more detailed plan for capacity building for CMP implementation at the federal level requires not only the completed and approved WIF and the operative stakeholders described in it, but also the existing capacity must be assessed. In this context, COWASH is cooperating with UNESCO as described in the chapter 7.5. The first meeting in UNESCO (with Science Programme Specialist Alexandros Makarigakis) on this matter was taken its place on the September 14th.

Anyhow, there were a couple of actions taken to improve the federal level capacity in CMP approach and WaSH development as general already in this quarter. The short film on CDF/CMP implementation was prepared and presented on several occasions and a delegation of nine persons was agreed to be registered to participate in the 6th Rural Water Supply and Sanitation Network (RWSN) Forum in Kampala, November 28th – December 2nd.

One way to improve the capacity for CMP implementation at the federal level is to provide the decision makers and federal level authorities with scientific research results of CMP functionality and effects. A research proposal on CMP implementation and results were prepared in August and delivered in three Finnish Universities for consideration on the August 24th.

5 COMPONENT 2: CMP DEVELOPMENT IN TIGRAY, OROMIYA AND SOUTHERN REGIONS

The goal of this Component is to strengthen the regional capacity and systems for the implementation of the CMP financing mechanism in 'new' regions where applicable and feasible.

The expected results of the Component 2 are:

- Sufficient institutional and human capacity in targeted regions, zones and woredas to plan, manage, monitor and implement CMP with support from the federal level
- High awareness in targeted regions, zones, woredas and external financiers on CMP, its methods, approaches, feasibility and benefits

5.1 TIGRAY REGION

On April 14, 2011 Tigray Bureau of Water Resource wrote a letter to RWSEP expressing their interest and commitment to implement CDF approach in Tigray. In that letter 250,000 Birr was already allocated from Bureau of Water Resource for the project. Initiated by this letter a meeting was organized in Tigray on September 5, 2011 having representative from the Embassy of Finland, Bureau of Water Resource, Bureau of Finance and Economic Development, UNICEF and COWASH. In this meeting action points to establish COWASH in Tigray were agreed. As a result Tigray BoFED sent a letter to the Embassy of Finland on the allocation of 6,5 Million ETB for COWASH implementation in 10 woredas. Based on this letter CTA held a meeting in Tigray with Bureau of Water Resource to discuss implementation scenarios based on the available budgets and selected woredas. This meeting came to the conclusion that only 7 woredas can be included in the COWASH support due to the limited budget allocations. Furthermore it was concluded that the selected scenario implementation requires additional budget commitment from Tigray Region. The scenario developed with Bureau of Water Resource is presented here below. The scenario assumes that Tigray Region contribution in coming 3 years should be ETB 18,678,750 and Government of Finland contribution ETB 14,181,805. With this budget allocation a total of 420 water points could be constructed in seven woredas.

Tigray Summary plan for 2004-2005 EFY

		2004 EFY	2005 EFY	2006 EFY	TOTAL	Grand Totals
No of Zones	No	0	0	0	0	
No of woredas	No	2	2	3	7	
No of kebeles	No	6	16	72	94	
No of artisans	No	30	30	45	105	
No of Water points	No	40	110	270	420	
No of beneficiaries	No	12,000	33,000	81,000	126,000	
No of institutional toilets	No	0	0	0	-	

GOE contribution	Birr	1,874,500	4,913,000	11,891,250	18,678,750	
GOF contribution	Birr	2,705,030	4,043,980	7,432,795	14,181,805	
GRAND TOTAL in BIRR						32,860,555

GOE contribution	EUR	78,104	204,708	495,469	778,281	
GOF Contribution	EUR	112,710	168,499	309,700	590,909	
Grand Total in EUR						1,369,190

Costs per capita	Birr	Including regional costs				261
Costs per capita	EUR	Including regional costs				11
Costs per capita	USD	Including regional costs				15

At the time of reporting Tigray is still negotiating with the Regional Government for this commitment.

Terms of Reference for the Capacity Assessment and Baseline Data collection in Tigray Region was developed. Anyhow the consultant to carry out the assessment was not yet selected.

Furthermore Embassy of Finland drafted a funding agreement for COWASH Tigray support, but the agreement could not be finalized due to the non-conformity of the Tigray Region contribution and absence of the BoFED Head for a long period.

Simultaneously UNICEF is starting the implementation with support from the Government of the Netherlands of recently approved project called: "*Integrating WASH, Multiple Use Services and Community Based Nutrition for Improved Food Security and Reproductive and Sexual Health*". This project will include WaSH component and CMP implementation in two selected woredas of Tigray.

5.2 OROMIYA REGION

On May 5, 2011 Oromiya Water, Mines and Energy Bureau wrote letter to MoWE and expressed their interest and commitment to implement CDF approach in Oromiya Region with readiness to allocate its own funding for project implementation. As a result several consultations were held with Oromiya Water, Mines and Energy Bureau and the Bureau selected the following Zones and Woredas for COWASH intervention:

Jimma Zone:

- Gumay woreda,
- Kersa woreda,

- Nonobensa woreda

North Shewa Zone:

- Jida woreda,
- Abichu woreda

On August 18, 2011 a one-day workshop was held with representatives from Oromiya Water, Mines and Energy Bureau, Bureau of Health, from the 2 Zones and 5 Woredas. In this workshop an action plan on the establishment of COWASH support to the selected Zones and Woredas was agreed upon.

Unfortunately the Oromiya Region could not confirm their financial contribution to COWASH. Therefore CTA made a scenario plan based on Finnish support of selected zones and woredas. As a result of his scenario a total of ETB 41,940,100 is required from the Regional Government and Finnish contribution would be ETB 10,201,882. With this budget a total of 635 water points could be constructed. The Oromiya Scenario is presented hereunder.

Summary plan for 2004-2005 EFY

		2004 EFY	2005 EFY	2006 EFY	TOTAL
No of Zones	No	2	0	0	2
No of woredas	No	5	0	0	5
No of kebeles	No	15	9	0	24
No of artisans	No	75	30	0	105
No of Water points	No	125	215	295	635
No of beneficiaries	No	37,500	64,500	88,500	190,500
No of institutional toilets	No	10	10	10	30
GOE contribution	Birr	7,872,500	13,570,900	20,496,700	41,940,100
GOF contribution	Birr	5,752,032	2,383,975	2,065,875	10,201,882
GOE contribution	EUR	328,021	565,454	854,029	1,747,504
GOF Contribution	EUR	239,668	99,332	86,078	425,078

At the time of reporting Oromiya is still negotiating the Regional Government to get funding for COWASH implementation in 2004 EFY.

5.3 SOUTHERN REGION

On July 4, 2011 SNNPR Water Resource Bureau wrote a letter to MoWE and expressed their interest and commitment to implement CDF approach in SNNPR Region with readiness to allocate its own funding for project implementation. As a result first consultation meeting was held on September 29, 2011. The meeting delayed so late due to the absence of the Water Bureau head from SNNPR and it took also time to get all relevant stakeholders to sit together. The Meeting was a success and the COWASH scenario planning meeting was held in SNNPR on October 12, 2011.

This meeting came to the conclusion that only 4 woredas can be included in the COWASH support due to the limited budget allocations. Furthermore it was concluded that the selected scenario implementation requires essential budget commitment from SNNPR Region. The scenario developed with Bureau of Water Resource and Bureau of Finance and Economic Development is presented here below. The scenario assumes that SNNPR Region contribution

in coming 3 years should be ETB 16,551,750 and Government of Finland contribution 10,262,121. With this budget allocation a total of 381 could be constructed in 4 woredas. The summary of the plan is presented below. The process for SNNPR budget allocation is in the process during the time of reporting.

SNNPR Summary plan for 2004-2005 EFY

		2004 EFY	2005 EFY	2006 EFY	TOTAL	Grand Totals
No of Zones	No	1	0	0	1	
No of woredas	No	2	1	1	4	
No of kebeles	No	10	10	40	60	
No of artisans	No	30	15	15	60	
No of Water points	No	46	113	222	381	
No of beneficiaries	No	13,800	33,900	66,600	114,300	
No of institutional toilets	No	0	0	0	-	

GOE contribution	Birr	2,071,900	4,940,450	9,539,400	16,551,750	
GOF contribution	Birr	2,559,996	3,060,780	4,641,345	10,262,121	
GRAND TOTAL in BIRR						26,813,871

GOE contribution	EUR	86,329	205,852	397,475	689,656	
GOF Contribution	EUR	106,667	127,533	193,389	427,588	
Grand Total in EUR						1,117,245

Costs per capita	Birr	Including regional costs				235
Costs per capita	EUR	Including regional costs				10
Costs per capita	USD	Including regional costs				14

UNICEF is planning to include 2 woredas in SNNPR for CMP implementation. Therefore the joint 2004 EFY planning for 4 woredas is planned to take place during the first half of November 2011. Furthermore the selected woredas, zones, region relevant representatives will visit Amhara on October 18-20, 2011 in order to understand more thoroughly the principles and lessons of CDF implementation in Amhara.

6 COMPONENT 3: CMP DEVELOPMENT IN AMHARA

The main purpose of the Component 3 is the scaling-up of community-led WASH and implementation of CMP financing mechanism in Amhara Region.

The expected results of Component 3 are:

- All zones and most woredas in Amhara Region have basic capacity to plan, implement and monitor CMP with support available from the Region
- The 14 former RWSEP woredas have full capacity to plan, implement and monitor CMP to achieve universal access in areas feasible for the approach
- New water points and institutional latrines constructed in former RWSEP woredas with the CMP approach with Finnish support. Implementation of the CMP approach by the

Amhara Regional Government and other donors supported by technical assistance provided by the Project.

- CMP approach tested for advanced technology options
- Harmonized joint financing arrangement operational for CMP

In Amhara Region the planning and selection of woredas for CMP implementation has been ongoing with the help from RWSEP. All selected woredas have completed their EFY 2004 plans. The summary of the Amhara 2004 EFY plans is presented hereunder. The total GoF contribution is estimated to be ETB 138,591,100 and the Government of Amhara Region EFY 2004 contribution is estimated to be ETB 23,335,880. The GoE contribution for the coming EFY 2005 and 2006 are still to be confirmed by the Regional Government. With this planning 1,196 water points and 30 institutional latrines are going to be constructed in the coming three years in GoF supported 16 woredas. In EFY 2004 a total of 400 water points are planned to be constructed in the 10 Regional Government supported woredas. Due to the regional regulations the Regional Government contribution is only to support the water supply but not the institutional sanitation. The planning in Amhara has not covered the GoE support planning for EFY 2005 and 2006. There is a need to conduct scenario planning also in Amhara.

COWASH Component 3 budget	Government of Finland in Birr			Government of Ethiopia in Birr		
	2004	2005	2006	2004	2005	2006
	Planned	Estimate	Estimate	Planned	Estimate	Estimate
RSU personnel	1,666,146	2,655,569	2,937,108			
Regional TA	1,443,251	2,088,085	2,331,961			
Support staff	172,237	249,192	278,295			
National short-term TA		245,000	245,000			
Other staff	50,658	73,292	81,852			
RSU expenses	1,578,045	2,367,067	2,367,068			
Mobility, equipment, supplies	1,498,045	2,247,067	2,247,067			
Training, workshops						
Miscellaneous	80,000	120,000	120,000			
Investments	55,146,763	61,873,334	8,000,000	23,335,880	0	0
Investment	27,325,000	32,935,690	0	18,527,000		
Capacity building	18,119,716	16,465,540	4,000,000	0		
Operational costs	9,702,047	12,472,104	4,000,000	4,808,880		
COMPONENT 3 TOTAL	58,390,954	66,895,970	13,304,176	23,335,880	0	0

The lengthy process of selecting personnel for Amhara Regional Support Unit was finalized end of September 2011. The following candidates were selected:

1. CMP Specialist (optional Regional Team Leader): Ato Abrham Kebede
2. Financial Planning and Management Specialist (optional Regional Team Leader): Ato Muluneh Genetu
3. Capacity Development Specialist: Ato Mulatu Ferede
4. Accounting Specialist: Ato Anemut Admasu
5. Zonal Adviser: Ato Muluneh Abeje
6. Zonal Adviser: Ato Tesfahun Molla

7. Zonal Adviser: Ato Minilik Wube

8. Zonal Adviser: Ato Addisu Fente

The next steps of the process are the contract negotiations and signing the contracts. For conducting the negotiations, the basic salaries and the fringe benefits need to be agreed upon.

The funding agreement negotiations for Amhara were ongoing during the writing of this report.

7 COORDINATION

The number of actors in WaSH sector is numerous and many “happenings” are taking place in fast tendency. COWASH tries to keep close relation with important developments in the sector although its resources so far have been only the three international specialists. This is the short list of coordination efforts made during the first quarter of the EFY 2004.

7.1 COORDINATION WITH NATIONAL WASH INVENTORY TASK FORCE

The implementation of the National WASH Inventory (NWI) has been ongoing. At the moment the inventory situation is that data has been collected in all woredas and the inventory reports are with the Region Water Bureaus. The data entry into the computers is ongoing in all regions. It is expected that the data entry will be completed in the end of November 2011 and then the data analysis can start. COWASH has participated in the Inventory Task Force meetings providing inputs in the process development. It is further seen that COWASH has good opportunity to strengthen the National Inventory Task Force once its M&E specialist has become aboard.

7.2 COORDINATION WITH WORLD BANK, DFID AND AFRICAN DEVELOPMENT BANK WSP AND WSSP

World Bank, DFID with African Development Bank are the main stakeholders in Ethiopia’s WaSH development. The World Bank Water and Sanitation Program-Africa and WSSP supported by the World Bank, DFID and AfDB are the main WaSH programs in the country and the WSSP is operative in hundreds of woredas. WSP-Africa and WSSP have also developed several guidelines and training manuals, which are contributing to the CMP development in Ethiopia. WB-WSP has organized several workshops on sanitation research. There are two relevant researches on this topic on-going: the first one is called “Rural Sanitation Supply/Value Chain Analysis in Amhara Regional State” and the other one is to create an evidence based communication and marketing strategy in sanitation and health and it is performed in selected woredas in all the four regions also COWASH is operating. COWASH sees these researches important tools for CMP development and is therefore closely following up the outcomes. Further development is taking place in sanitation sector and COWASH is closely coordinating efforts with the WB-WSP in order to harmonize sanitation and hygiene education and promotion implementation as part of WaSH.

7.3 COORDINATION WITH DAG WATER AND WATER SECTOR WORKING GROUP

DAG Water is the main forum for donor coordination in WaSH. DAG Water meetings have become important forums for COWASH to gain information on the ongoing developments in the sector and to disseminate important COWASH related information for major stakeholders.

In the last DAG Water meeting on September 1, 2011 the Embassy of Finland Representative, Mr. Antti Inkinen, was elected DAG Water co-chair giving more importance for COWASH. COWASH has become also a member of DAG Water. Another high level donor coordination forum is Water Sector Working Group (WSWG). Latest WSWG meeting was organized by MoWE on September 26, 2011 to discuss sector development related progress. COWASH was also represented in this important meeting.

7.4 COORDINATION WITH MULTI-STAKEHOLDER FORUM

Multi-Stakeholder Forum is the highest governing body of WaSH sector. MSF meetings are normally organized once a year. Due to the delay in last year MSF meeting was exceptionally held in April 2011. COWASH was represented in this Forum as well where main sector development undertakings were discussed. The 5th MSF is planned to be held on November 2011. COWASH as part of the MoWE capacity building can in the future contribute a lot in the planning and implementing MFS meetings and in developing MSF meeting materials and reports.

7.5 COORDINATION WITH UNESCO

COWASH recently found out that UNESCO is conducting WaSH sector capacity building baseline survey at National level and in all regions. Close connection with the implementing consultants has been established and COWASH is closely following this survey development in order to avoid any overlapping with the survey and to be in front line to get information from the consultants.

7.6 COORDINATION WITH UNICEF

UNICEF is an important partner for COWASH collaboration as UNICEF is actively implementing CMP approach in 7 woredas in Amhara Region and is planning to start CMP implementation in 2 woredas on Tigray and SNNPR regions and in 4 woredas of Oromiya Region.

Consultative meeting was held with UNICEF WASH Bahir Dar, RWSEP and government partners based on the feedback received from Embassy of Finland, on UNICEF status in implementing Community Managed Project/Community Development Fund in Amhara Region. In the meetings held in Amhara many important issues were addressed / decided and harmonization in CMP implementation achieved.

7.7 COORDINATION WITH FINNWASH-BG

Finland Government supported FinnWaSH Programme in Benishangul-Gumuz Region is using CMP approach effectively. It has been reported that FinnWaSH project has successfully developed an approach of using CMP funding for technically complicated project implementation such as shallow borehole drilling and gravity scheme construction. FinnWaSH has also successfully established strong woreda level Artisan Associations, which could serve as service providers in larger scale CMP projects. The FinnWaSH Project was recently evaluated by external consultants. COWASH contributed their views and comments to the review team in organized discussion forums. Another important link with FinnWaSH is the training manual development at all levels. FinnWaSH experience sharing in new CMP regions is seen an important asset for CMP scaling-up. Also the experiences FinnWaSH is gaining in CMP approach in

implementing more complicated WaSH projects than hand dug wells and protected springs will be followed and utilized by COWASH.

7.8 COORDINATION WITH SNV

SNV is supporting many developments in WaSH sector in Ethiopia. COWASH has been assisting SNV in the new project proposal development of: "Local Capacity Development Facility (LCDF) Project". The aim of the new project is to strengthen demand through supporting woredas, kebeles and community groups in developing their capacities to articulate and procure the consultancy services they need and strengthening supply through supporting WASH Consultants in their endeavours to establish themselves as resilient entrepreneurs delivering high quality services to their clients. It is planned that COWASH interventions will benefit from this cooperation and alignment. COWASH already contributed for the drafting of the project implementation manual for LCDF project. There is great synergy with COWASH an LCDF project and it has been proposed that the established RSUs could also accommodate the LCDF project implementers in order to keep close coordination of capacity building in WaSH sector.

Furthermore SNV has been supporting Guided Learning on Water and Sanitation (GLOWS) development. GLOWS approach developed by Jan Teun Visscher (IRC / private consultancy company MetaMeta) has been successfully tested in Southern Region. GLOWS uses local Technical and Vocational Education and Training Centres (TVETCs) to train woreda level staff in WaSH. GLOWS is not using traditional message delivery systems, but is rather mobilizing the WaSH practitioners for self-learning in their actual work place. This strengthens the practical skills of the TVETCs graduates who normally have only theoretical knowledge. COWASH sees this method as an opportunity in CMP capacity building and a promising tool in accelerating capacity building in the WaSH sector and is closely developing the approach with Jan Teun Visscher to be adopted in future COWASH interventions in other regions than SNNPR.

7.9 COORDINATION WITH RIPPLE

RiPPLE has also been seen as an important partner in COWASH implementation as RiPPLE as an organization is able to produce evidence based information, which will help COWASH in promotion of CMP nationally and internationally. Furthermore RiPPLE has been planning to establish WaSH Resource Centres in all main regions. COWASH has seen an opportunity to link this development into RSU establishment and as such use the opportunity of RSUs to become WaSH resource centres at least in some of the Regions.

7.10 COORDINATION WITH WASH MOVEMENT

WaterAid Ethiopia is hosting the WaSH Movement program which is an advocacy program for hygiene and sanitation. COWASH has actively participated in WaSH Movement monthly meetings and is planning to have one page in the WaSH Movement quarterly magazine to inform public and stakeholders on COWASH progress in Ethiopia. WaSH Movement organized one and half day Media Managers Workshop in Awassa (Southern Region) where COWASH also participated in order to establish networks and learn on the WaSH promotion. WaSH Movement has been assisting COWASH in the establishment of a WASH Stakeholder Database.

7.11 COORDINATION WITH SOLAR AND WIND POWER PROJECT

This project is financed by the African Development Bank and is just about to start. The purpose of the project is to promote and pilot the use of solar and wind energy for water pumping in rural areas of Ethiopia, and so to initiate development of a long term investment in these technologies. The major strategy in the implementation is to increase the capacity of the community to operate and maintain solar or wind powered water supply systems, and at National, Regional and District levels to implement future schemes. The project includes also involvement of private sector in providing equipment and services. In order to give long lasting sustainability outcomes this project needs to use CMP tools in financing and implementation. The project is also located in the MoWE. There is a good opportunity for COWASH to collaborate closely with this project in order to develop CMP funding mechanisms for more complicated technology projects.

7.12 COORDINATION WITH SELF-SUPPLY PROJECT

Development of a Self-Supply Project is ongoing at the moment. The aim of the Self-Supply Project is the same as COWASH "to accelerate rural WaSH to meet UAP2 and GTP targets." Self-Supply project needs similar capacity development and uses same private sector as COWASH. In self-supply the role of Micro Finance Institution to provide loans is important thus linking COWASH. COWASH took part in the self-supply workshop and is closely following up and assisting the Self-Supply Project Development. Self-Supply project development is financed by UNICEF. Possibility to include self-supply with regional RSU is worth of considering.

7.13 COORDINATION WITH IRC

IRC as Ramboll's partner in COWASH is playing many roles in the Ethiopian WaSH development. Mainly the IRC involvement is channelled through RiPPLE activities and IRC has been actively contributing to RiPPLE research activities and GLOWS development. IRC is also a partner in the recently launched Self-Supply Project. IRC contribution to COWASH and CMP development in Ethiopia can be seen through the following areas:

- a) Establishment of Regional Resource Centres in close cooperation with RiPPLE
- b) GLOWS development
- c) Training materials review and development
- d) CMP promotional material development
- e) COWASH and CMP "brand" and web page development and even hosting
- f) COWASH media and communications strategy development
- g) Assistance in organizing seminars and workshops in-country. Special assistance in participation in international forums to promote CMP
- h) Assistance in the preparation of publications and acting as resource centre in sharing the publications internationally
- i) Assistance in COWASH and CMP research activities

In addition, IRC is currently implementing a project aiming at multiple utilization of improved water services (MUS) to support household level economy and to create more sustainability.

The project is situated in SNNPR and COWASH is following the progress of the project in order to learn from its experiences.

8 DEVIATIONS FROM THE WORK PLAN

There were many obstacles in the beginning of the project, which delayed proper start-up. Major obstacles were the following:

- a) The project was supposed to start in June 2011 but early June the conditional letter from MoFED paralyzed the decision making in MoWE until mid July. Same time State Minister went for nearly 3 months training causing delays in coordination and decision making in the MoWE. For this reason it was impossible to organize kick-off meeting or Supervisory Board meeting and all necessary strategic and operative decisions were postponed to September. Practically COWASH started on July 8, 2011 when MoFED approved MoWE response to MoWE's conditional letter.
- b) In July all government offices were busy due to the closing of fiscal year 2003 and therefore meetings were postponed to August. But same time was also European holiday season and important decision makers were on leave. Therefore the Supervisory Board meeting was postponed to late September. This delayed the national staff recruitment more than 2 months, which had negative impact on the start-up of necessary analysis of inception phase and regional capacity assessment and development.
- c) The complicated and partly even unclear bureaucracy has been causing some delay in start up of the project. For example the bank account is not yet opened in the end of the quarter.

9 TA COSTS (COMPONENT 1)

The total fees during the quarter were EUR 130,416.67 and reimbursable costs EUR 77,417.66. In addition to fees and reimbursable costs the three project vehicles were procured with EUR 56,332.39. The vehicle payment was done by the Ministry for Foreign Affairs as direct purchase.

Total costs of component 1 during the first quarter were EUR 264,166.72 representing 11 % utilization from the total approved Component 1 budget (EUR 2,486,940.00).

More detailed breakdown of the costs is presented in the table below.

Table: Cost breakdown of Component 1

	June	July	August	September	TOTAL
	EUR	EUR	EUR	EUR	EUR
Costs in Finland					
Fee	32,766.67	32,550.00	34,061.90	31,038.10	130,416.67
Reimbursables	9,763.95	14,583.55	5,653.00	5,596.57	35,597.07
MFA payments	-	-	-	56,332.39	56,332.39
SUB-TOTAL	42,530.62	47,133.55	39,714.90	92,967.06	222,346.13
Costs in Ethiopia					
Fee	-	-	-	-	-
Reimbursables	13,762.49	9,322.88	13,329.88	5,405.34	41,820.59
SUB-TOTAL	13,762.49	9,322.88	13,329.88	5,405.34	41,820.59
GRAND TOTAL	56,293.11	56,456.43	53,044.78	98,372.40	264,166.72
Total Fees	32,766.67	32,550.00	34,061.90	31,038.10	130,416.67
Total Reimbursables	23,526.44	23,906.43	18,982.88	11,001.91	77,417.66
Total MFA payments	-	-	-	56,332.39	56,332.39
TOTAL	56,293.11	56,456.43	53,044.78	98,372.40	264,166.72

Total value of the contract (Component 1)	2,486,940.00
Balance 1.10.2011	2,222,773.28
Usage of Funds %	11%
Total contract time 36 months	
Time used 3 months	
Time usage	12%

10 TOTAL CMP FUNDING

The total CMP commitment by different financiers in Ethiopia is at the time of reporting EUR 44,312,500¹. This does not include FinnWaSH project from Benishangul-Gumuz region. From the total commitments the Government of Finland share is 25 % (11 Million EUR). The highest CMP contribution comes from UNICEF (59 %) with support from the Netherland Government. The pie below illustrates the present CMP financing sharing by source.

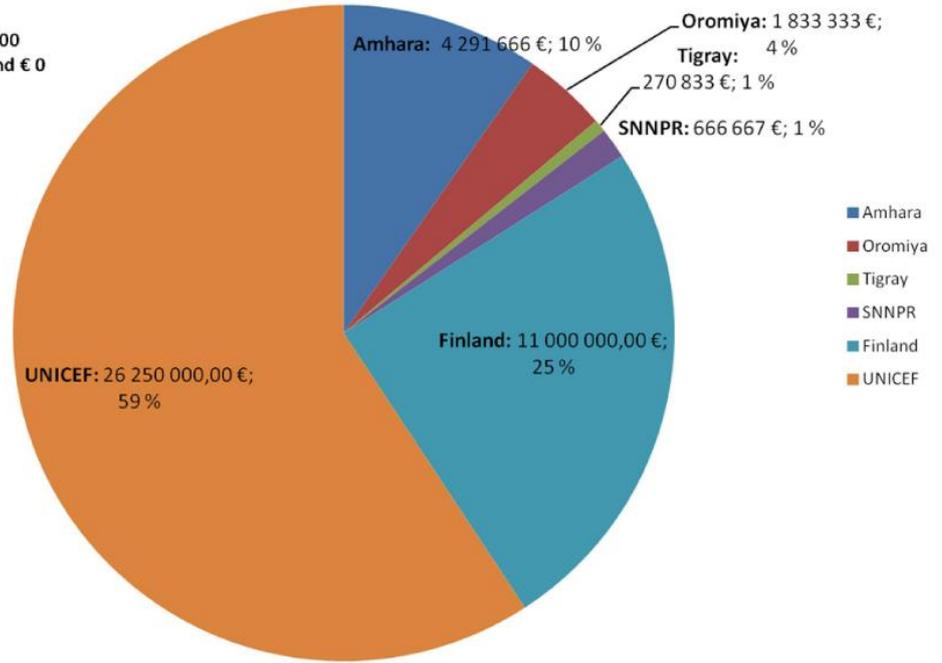
¹ Mr. Antti Inkinen from the Embassy of Finland

Community-Managed Projects (CMP) Financing Distribution by source, 2011-15 (EUR)

GoE Total for construction: €7.062.500
(up from € 340.000 from EFY 2003 and € 0 from EFY 2002)

UNICEF piloted in EFY 2003, has since committed 35 MUSD for four years (inc.

Finland's contribution excludes FINNWASHBG



COWASH MILESTONE CALENDAR

