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Report No: PAD4856

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROGRAM PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 234.4 MILLION
(US\$300 MILLION EQUIVALENT)

AND A

PROPOSED ENERGY SECTOR MANAGEMENT ASSISTANCE PROGRAM GRANT

IN THE AMOUNT OF US\$4.93 MILLION

TO THE

UNITED REPUBLIC OF TANZANIA

FOR THE

SUSTAINABLE RURAL WATER SUPPLY AND SANITATION PROGRAM

November 18, 2022

Water Global Practice
Eastern and Southern Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective September 30, 2022)

Currency Unit = SDR

US\$1 = SDR 0.78

SDR 1 = US\$1.28

FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
B20	Bottom 20 percent
BCR	Benefit-over-Cost Ratio
BOOST	Boost Primary Student Learning PforR Program
CBWSO	Community-based Water Supply Organization
CC	City Councils
CDMT	Central Data Management Team
COWSO	Community-owned Water Supply Organization
CPF	Country Partnership Framework
CWS	Community-wide Sanitation
DANIDA	Danish International Development Assistance
DHS	Demographic and Health Survey
DIME	Development Impact Evaluation
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DM	District Manager
DO	Development Objective
DP	Development Partner
DPO	Disabled Persons Organization
E&S	Environmental and Social
EIA	Environmental Impact Assessment
EIRR	Economic Internal Rate of Return
ESMP	Environmental and Social Management Plan
ESMAP	Energy Sector Management Assistance Program
ESSA	Environmental and Social Systems Assessment
EWURA	Energy and Water Utilities Regulatory Authority
FCDO	Foreign Commonwealth and Development Office of the United Kingdom
FM	Financial Management
FSA–A	Fiduciary Systems Assessment–Addendum
FSM	Fecal Sludge Management
FYDPIII	The Third National Five-year Development Plan
GAP	Gender Action Plan
GBV	Gender Based Violence
GHG	Greenhouse Gas
GoT	Government of Tanzania
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HCF	Health Care Facility
HHC	Household Connection
HMIS	Health Management Information System
IA	Implementing Agency
IDA	International Development Agency
IFC	International Finance Corporation
IP	Implementation Progress
IPF	Investment Project Financing



IPSAS	International Public Sector Accounting Standards
ISR	Implementation Status and Results Report
IVA	Independent Verification Agency
LGA	Local Government Authority
M&E	Monitoring and Evaluation
MC	Municipal Councils
MHM	Menstrual Hygiene Management
MHH	Menstrual Health and Hygiene
MoEST	Ministry of Education, Science and Technology
MoFP	Ministry of Finance and Planning
MoH	Ministry of Health
MoHCDGEC	Ministry of Health, Community, Gender, Elderly, and Children
MoW	Ministry of Water
NDC	Nationally Determined Contribution
NGO	Non-government Organization
NPV	Net Present Value
NSC	National Sanitation Campaign
NSMIS	National Sanitation Management Information System
NWF	National Water Fund
O&M	Operations and Maintenance
PAP	Program Action Plan
PbR	Program by Results
PCT	Program Coordination Team
PDO	Program Development Objective
PforR	Program for Results
POM	Program Operation Manual
PO–RALG	President’s Office–Regional Administration and Local Government
PPP	Public–Private Partnership
PwD	Person with Disabilities
QA&QC	Quality Assurance and Quality Control
RMF	Resettlement Management Framework
RMS	Results Measurement System
RS	Regional Secretariat
RSDMS	RUWASA Service Delivery and Management System
RUWASA	Rural Water Supply and Sanitation Agency
SPC	Shadow Price of Carbon
SPSC	Strategic Program Support Consultant
SEA	Sexual Exploitation and Abuse
SH	Sexual Harassment
STEP	Systematic Tracking of Exchanges in Procurement
SWASH	School Water, Sanitation, and Hygiene
TA	Technical Assistance
TANESCO	Tanzania Electric Supply Company Limited.
TC	Town Councils
tCO ₂ e	Tons, carbon dioxide equivalent
VAC	Violence Against Children
WASH	Water, Sanitation, and Hygiene



The World Bank

Sustainable Rural Water Supply and Sanitation Program - Additional Financing (P177128)

WBG	World Bank Group
WSDP	Water Sector Development Program
WSS	Water Supply and Sanitation
WP	Water Point



BASIC INFORMATION – PARENT (Sustainable Rural Water Supply and Sanitation Program - P163732)

Country	Product Line	Team Leader(s)	
Tanzania	IBRD/IDA	Ruth Jane Kennedy-Walker	
Project ID	Financing Instrument	Does this operation have an IPF component?	Practice Area (Lead)
P163732	Program-for-Results Financing	Yes	Water

Implementing Agency: Ministry of Water

Is this a regionally tagged project?	Bank/IFC Collaboration	
No	No	
Original Approval Date	Effectiveness Date	Closing Date
26-Jun-2018	15-Jul-2019	31-Jul-2024
Original Environmental Assessment Category (IPF Component)	Current Environmental Assessment Category (IPF Component)	
Partial Assessment (B)	Partial Assessment (B)	

Program Development Objective(s)

The project development objective is to increase access to rural water supply and sanitation services in participating districts and strengthen the capacity of select sector institutions to sustain service delivery.

Ratings (from Parent ISR)

RATING_DRAFT_
NO

	Implementation	Latest ISR
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	28-Aug-2020	27-Feb-2021	30-Aug-2021	20-Dec-2021	24-May-2022	13-Nov-2022
Progress towards achievement of PDO	S	S	S	S	S	S
Overall Implementation Progress (IP)	MS	S	S	S	S	S
Overall Risk	M	M	M	M	M	M
Technical	S	S	S	S	S	S
Fiduciary Systems	MS	MS	MS	S	S	S
E&S Systems	S	S	S	S	S	S
Disbursement Linked Indicators (DLI)	S	MS	S	S	S	S
Monitoring and Evaluation	S	S	S	S	S	S

BASIC INFORMATION – ADDITIONAL FINANCING (Sustainable Rural Water Supply and Sanitation Program - Additional Financing - P177128)

Project ID	Project Name	Additional Financing Type	
P177128	Sustainable Rural Water Supply and Sanitation Program - Additional Financing	Changes to Expenditure Parameters, Restructuring, Scale Up	
Financing instrument	Product line	Approval Date	Will there be additional financing for the IPF component?
Program-for-Results Financing	IBRD/IDA	20-Dec-2022	No
Projected Date of Full Disbursement	Bank/IFC Collaboration		



31-Dec-2024

No

Is this a regionally tagged project?

No

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
IBRD				%
IDA	350.00	300.35	32.46	90 %
Grants				%

PROGRAM FINANCING DATA – ADDITIONAL FINANCING (Sustainable Rural Water Supply and Sanitation Program - Additional Financing - P177128)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Government program Cost	3,220.00	6465.49	9685.49
Total Operation Cost	740.00	504.93	1244.93
Total Program Cost	740.00	504.93	1244.93
Total Financing	740.00	504.93	1244.93
Financing Gap	0	0	0

DETAILS – Additional Financing

Counterpart Funding	200.00
Borrower/Recipient	200.00
International Development Association (IDA)	300.00
IDA Credit	300.00



Trust Funds	4.93
Energy Sector Management Assistance Program	4.93

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Total Amount
Tanzania	300.00	0.00	0.00	300.00
National Performance-Based Allocations (PBA)	300.00	0.00	0.00	300.00
Total	300.00	0.00	0.00	300.00

COMPLIANCE

Policy

Has the parent Program been under implementation for at least 12 months?

Yes

Have the DO and IP ratings for the parent Program been rated moderately satisfactory or better for at least the last 12 months?

Yes

Does the program depart from the CPF in content or in other significant respects?

No

Does the Program require any waivers from Bank policies?

No

INSTITUTIONAL DATA

Practice Area (Lead)

Water

Contributing Practice Areas

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

TASK TEAM**Bank Staff**

Name	Role	Specialization	Unit
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Extended Team

Name	Title	Organization	Location
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I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Introduction

1. **This Program Paper seeks the approval of the Executive Directors to provide an additional credit in the amount of SDR 234.4 million (US\$300 million equivalent) to the United Republic of Tanzania for the Sustainable Rural Water Supply and Sanitation Program (P163732).** The Program is also being co-financed by a grant from the Energy Sector Management Assistance Program (ESMAP) in the amount of US\$4.93 million. The parent credit was approved on June 26, 2018, and became effective on July 15, 2019, with a closing date of July 31, 2024. As of September 2022, total disbursement amounted to US\$300.35 million (90 percent). The proposed additional financing (AF) will provide needed funds to scale up the Program activities and cover the financing gap outlined by the Government Water Sector Development Program- Phase 3. The AF will also include a restructuring to process the following: (i) expansion of the Program areas from 86 district councils¹ in 17 regions to 137 district councils in 25 regions;² (ii) changes in the Results Framework to reflect increased targets; (iii) extension of the closing date by 12 months, from July 31, 2024, to July 31, 2025; (iv) change in the Program Action Plan (PAP); (v) update of the economic and financial analysis; and (vi) update of implementation arrangements to reflect recent organizational changes. The Program Development Objective (PDO) remains unchanged. The environment and social (E&S) risk profile of the AF remains Moderate as in the parent Program, with any impacts assessed as manageable.

B. Parent Program – Sustainable Rural Water Supply and Sanitation Program

A.1 Background

2. **The Program and the proposed AF support the Government of Tanzania’s (GoT) ambitious Water Sector Development Program (WSDP), which was launched in 2006 and runs to 2026.** The parent Program was implemented through the systems established for WSDP Phase 2 (2016-2021). The evaluation of WSDP Phase 2, noted key positive results which have already been directly attributed to the support provided by the parent Program. These results include: the establishment of the Rural Water Supply and Sanitation Agency (RUWASA),³ a dedicated agency to monitor and invest in the rural water sector,⁴ mandated to ensure sustainability; a 23-fold increase in the number of functional rural water points (meeting Phase 2 targets); a significant increase in rural household sanitation access from 42 percent in 2017 to 72 percent in 2021; and increased WASH access in primary schools and health care facilities. The proposed AF will support WSDP Phase 3 which was launched in September 2022. The GoT identifies water as an essential resource in achieving the Tanzania Development Vision 2025, the Five-Year Development Plan Three (FYDP III) and the Sustainable Development Goals.

¹ There are five different types of classifications in Local Government Authorities (LGAs), according to the Town Planning classification of PO–RALG: city councils (CCs), municipal councils (MCs), town councils (TCs), townships, and district councils. District councils are the smallest and most rural.

² 137 district councils include all LGAs in all regions in Mainland Tanzania with the exception of the following 47 LGAs, namely: Arusha CC, Babati TC, Bariadi TC, Bukoba MC, Bunda TC, Dodoma CC, Geita TC, Handeni TC, Dar es Salaam CC, Ilemela MC, Iringa MC, Kahama MC, Kasulu TC, Kibaha TC, Kigamboni MC, Kigoma/Ujiji MC, Ifakara TC, Kinondoni MC, Kondo TC, Korogwe TC, Lindi MC, Masasi TC, Makambako TC, Mbeya CC, Mbinga TC, Mbulu TC, Tunduma TC, Morogoro MC, Moshi MC, Mpanda MC, Mtwara Mikindani MC, Mafinga TC, Musoma MC, Nanyamba TC, Newala TC, Njombe TC, Mwanza CC, Nzega TC, Singida MC, Shinyanga MC, Songea MC, Sumbawanga MC, Tabora MC, Tanga CC, Tarime TC, Temeke MC, and Ubungo MC.

³ Through Water Supply and Sanitation Act, Cap 272.

⁴ Previously was under LGAs in President’s Office–Regional Administration and Local Government (PO–RALG).



3. **Since 2019, considerable Government and IDA funds have been disbursed on the rural WSS sector through the WSDP Phase 2 but securing adequate funds for operation and maintenance (O&M) remains a challenge.** Only 47 percent (approximately US\$1.53 billion) of the proposed financial requirements for implementing WSDP Phase 2 was mobilized and budgeted from 2016 to 2021. Development partners (DPs),⁵ including the World Bank, provided 36 percent of this funding through the parent Program (US\$350 million) and the Water Sector Support Project II (P150591, US\$225 million), with most of the sector's funding coming from the GoT.⁶ Although water sector spending remains less than envisaged under the ambitious WSDP Phase 2 plans, there were progressive annual increments. Allocations for the construction and rehabilitation of rural water systems were consistently prioritized, resulting in annual increases (amounting to 48 percent of overall actual spending under WSDP Phase 2). The available data does not separate water supply from sanitation expenses and thus, it is not possible to isolate expenditure on sanitation under the WSDP phase 2. Furthermore, neither the Ministry of Water (MoW) nor RUWASA has ringfenced a dedicated budget line for O&M. Currently O&M is organized through the beneficiaries and existing water Institutions which not all of them meet O&M costs. However, the need of dedicated budgets to bridge the gap of sustainable O&M is to be established at Ministerial, Agencies and Regional Levels to minimize the Sustainability risks. From 2016 to 2021, development partners largely focused on urban water services, and only provided 13 percent of overall funding to the rural water supply sector (the remaining 87 percent coming from GoT). The National Water Fund (NWF) (under the Water Supply and Sanitation Act, Cap 272) was created in 2019 to provide additional required national resources to the sector. It takes revenue from the levy on petroleum sales to mobilize additional finance for all segments of the sector (rural, urban, water resources, and so on). While the NWF contributes to the financial sustainability to the sector, it is not currently permitted its Regulation (GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272) to support post-construction operations associated with water schemes. The GoT has estimated that since 2019, the fund has mobilized and disbursed a total of US\$338 million. Although budget execution (absorption) across all areas of the sector has improved, there is still room for further improvement, with the average being 59 percent over the WSDP Phase 2 period. Key reasons for this low budget execution rate are due to delays on procurement process, incomplete documentation to facilitate payments, and delayed funding disbursement.

4. **WSDP Phase 3, which has been launched in September 2022 and runs to 2026, identifies overall financing requirements of approximately US\$6.5 billion.** WSDP Phase 3 has specific targets for rural WSS, including connecting 9.7 million people to new water supply and 3.87 million people to rehabilitated water points.⁷ The financial requirements to reach these targets is US\$1.106 billion. For sanitation and hygiene, targets have been set for providing basic WASH infrastructure to 1500 Health Care Facilities (HCFs) and 2800 primary schools through rehabilitation and 2000 HCFs and 1000 primary schools through new infrastructure.⁸ There are also targets set of 95 percent of target population reached by Social Behavior Change Communication Campaign and all primary schools supported with emergency sanitary materials. The financial requirements for these

⁵ *Agence Française de Développement* (France), African Development Bank, Department for International Development (UK), Embassy of Switzerland, Korea Economic Development Cooperation Fund, European Union, *Deutsche Gesellschaft für Internationale Zusammenarbeit*- GIZ (Germany), Japan International Cooperation Agency (Japan), KfW- Bank aus Verantwortung (Germany), Plan International, SNV Netherlands Development Organisation (the Netherlands), United Nations International Children's Emergency Fund, The United States Agency for International Development and Water Aid.

⁶ The Final Evaluation Report: Water Sector Development Program Phase 2 Final Evaluation (2021).

⁷ Water Sector Development Programme-phase 3 (WSDP III) Report 2022/23 – 2025/26 (2022).

⁸ WSDP Phase 3 does not differentiate the rural vs urban financing needs related to sanitation. For sanitation and hygiene there is no specific subcomponent activity for non-sewered sanitation needs of rural areas, in particular WASH in Schools and HCFs in rural areas.



targets are approximately US\$258 million. Universal access to WASH will not be achieved through achievement of the WSDP phase 3 targets, thus there remains a larger access and thus financing gap beyond WSDP phase 3.

5. **The Program PDO is to increase access to rural water supply and sanitation (WSS) services in participating districts and strengthen the capacity of select sector institutions to sustain service delivery.** The Program uses the Program for Results (PforR) financing instrument. The parent Program covers 86 district councils in 17 regions that have low access to improved WSS, as well as high stunting and high poverty rates. It has three Results Areas and an Investment Project Financing (IPF) component. They are summarized as follows, with associated disbursement linked indicators (DLIs) indicated:

- (i) **Results Area 1:** Sustainable access to improved water services in rural areas (US\$105 million), by increasing access to well designed, constructed, and managed rural water supply services (both new and rehabilitated)⁹ and sustaining existing water points (WPs) to ensure they remain functional and provide adequate service levels (DLIs 1 and 2).
- (ii) **Results Area 2:** Increased access to improved sanitation services in rural areas (US\$75 million), achieved through promotion of hygiene practices and improved sanitation at the household level; construction and rehabilitation of institutional water, sanitation, and hygiene (WASH) facilities at primary schools and health care facilities; and Community-wide Sanitation (DLIs 3, 4, and 5).
- (iii) **Results Area 3:** Strengthening of the capacity of sector institutions to sustain service delivery in rural areas (US\$150 million), through better data management for reporting and decision-making, strengthening of technical and financial capacities of community-based water supply organizations (CBWSOs), and the establishment and operationalization of the Rural Water Supply and Sanitation Authority (RUWASA) (DLIs 6, 7, and 8).
- (iv) **Investment Project Financing (IPF) component** (US\$20 million) to provide technical support to address capacity gaps and institutional deficiencies.

6. **The Program is managed by the MoW in close coordination with three implementing agencies (IAs): RUWASA, the Ministry of Education, Science and Technology (MoEST) and the Ministry of Health (MoH).** In addition to RUWASA, CBWSOs were created and legally mandated to manage, operate and maintain public taps and/or waterworks and supply adequate safe water to its consumers. The MoH oversees household sanitation, sanitation at health care facilities (HCFs), and community-wide sanitation (CWS). MoH has also been executing the National Sanitation Campaign. The MoEST is responsible for school WASH. A national steering committee which regularly meets, established under the MoW, comprises the President's Office–Regional Administration and Local Government (PO–RALG), Ministry of Finance and Planning (MoFP), MoW, MoH, MoEST, and RUWASA, the Program Coordination Team (PCT). Verification of results is carried out once a year by the Internal Auditor General, a government agency and the Independent Verification Agency (IVA) of the Program, with support from a consulting firm that carries out data collection and field surveys.

A.2 Current Status

7. **The Program is in its fourth year of implementation and is on track to achieve its objectives.** Both Implementation Progress (IP) and progress toward achieving the Program Development Objective (PDO) have

⁹ Although these facilities are “new” strictly from an engineering point of view, they are not considered new schemes in terms of provisions of OP 7.50 (Projects on International Waterways) because these engineering works upgrade and modernize existing village water supply schemes. Accordingly, an exception to the riparian notification requirement under Paragraph 7(a) of OP 7.50 was approved by management on February 6, 2018 for the parent Program.



been rated Satisfactory for the past 12 months. The same is true of project management, fiduciary, E&S performance, and other program implementation ratings. The risks to achieving the development objective have remained Moderate. The Program has performed well against PDO indicator targets for improved water supply and sanitation, some of which have been met ahead of time. The remaining PDO indicators are expected to be met by the current Program closing date of July 31, 2024. The speed and magnitude of results achieved stem from several factors, the most important one being the establishment of RUWASA. This involved setting up regional and district offices and reregistering CBWSOs, and thereby transformed rural water supply service provision. The institutional reform has been a game changer in providing the needed focus on service delivery and sustainability of water supply, leading to improved staffing capacity, improved processes and guidance for service delivery and improved availability and accuracy of real-time data on access and sustainability. The Program has been supporting RUWASA on an ongoing basis, from inception to operationalization. It opens an opportunity to further push the institution to strengthen sanitation services, particularly Fecal Sludge Management (FSM), as well as tariff settings for sustainable operation over the long term. On sanitation, the Program has helped focus attention on developing and providing the required personnel and capacity, coupled with significant investments that have moved communities up the sanitation ladder and resulted in sustained behavior change. Table 1 summarizes the verified results achieved thus far. The table is followed by more detailed descriptions of the achievements and challenges faced in each of the results areas as well as the IPF component. These challenging issues have been systematically assessed, and specific adjustments proposed under the AF to address them; these proposed adjustments are summarized in Table 3 at the end of this section.

Table 1: Results to date¹⁰

Results areas	DLIs and PDO indicators ¹¹		Year 1	Year 2	End Program Target
Results area 1	DLI 1 and PDO indicator: Number of people with access to improved water supply system	Target	450,000	1,140,000	3,000,000
		Actual	1,831,543	3,370,353	
	DLI 2 and PDO indicator: Number of sustainably functioning water points ¹²	Target	33,611	36,371	45,000
		Actual	(WPs) 36,831 (HHC) 47,496	26,363 25,079	
Results area 2	DLI 3 and PDO indicator: Number of people with access to an improved sanitation facility	Target	400,000	1,300,000	4,000,000
		Actual	2,602,650	4,670,260	
	DLI 4: Number of public primary schools with access to improved sanitation and hygiene facilities	Target	100	450	1,500
		Actual	185	637	
	DLI 5 and PDO indicator: Number of villages that achieve and sustain community-wide sanitation status	Target	50	350	1,250
		Actual	(achieved) 72 (sustained) 0	(achieved) 246 (sustained) 42	
Results area 3	DLI 6: Number of villages with CBWSO with improved O&M capacity for water supply services	Target	550	1,330	3,667
		Actual	1228	3,475	

¹⁰ The end program targets will be updated in the Original Financing Agreement to reflect the new scaled up targets proposed under this Additional Financing.

¹¹ Showing whenever DLI is also a PDO indicator.

¹² DLI 2 and 7 have non-cumulative, yearly targets.



Results areas	DLIs and PDO indicators ¹¹		Year 1	Year 2	End Program Target
	DLI 7 and PDO indicator: Number of participating districts submitting accurate and complete M&E data	Target	86	86	86
		Actual	54	59	
	DLI 8: Agency established and operationalized	Target	Agency established	Audit Unit with quality audit & quality control (QA&QC) mechanism operational	Technical support agreement signed and implemented with 50 percent of CBWSOs
		Actual	Agency established	Audit Unit and QA&QC mechanism operational	

Results Area 1: Sustainable access to improved water services in rural areas

8. **More than 3.3 million people have already gained access to improved water supply (DLI1)** by year 3, surpassing the six-year program end target of three million. The Program has provided these people with water that is of better quality, adequate pressure, and supplied closer to their homes¹³ through newly constructed and rehabilitated water supply schemes managed by CBWSOs, with 26,363 public WPs and 25,079 household connections (HHCs). The Program targets were considered ambitious, but the creation of RUWASA has accelerated service expansion and resulted in the early achievement of end program targets. In addition, increased access to improved safe water supply reduces greenhouse gas emission by reducing charcoal used for boiling water. Climate-resilient water infrastructure is promoted through the program.¹⁴ Where possible, the Program has encouraged switching from diesel to more economical and sustainable sources. For safer water, the Program has standardized the inclusion of a functioning chlorination system (stipulating it as a DLI criterion).

9. **Despite the impressive results achieved in increasing access, the program encountered uneven results in sustaining the number of functioning water points (DLI 2).** Although the results of the sustainably functioning public WPs and HHC surpassed the year 2 target, the results represent a decline from year 1. The main reasons for this shortcoming were the failure by some districts to reach the threshold for maintaining properly functioning WPs (consequently preventing them from receiving funds),¹⁵ as required by the DLI criteria on attainment of a water quality certificate and flow test with adequate water pressure. RUWASA is currently addressing this issue by financially supporting CBWSOs to conduct the required water quality testing (in conjunction with MoW regional labs) and conducting a targeted assessment of the root causes of low-pressure

¹³ Eligibility criteria for this DLI stipulates that a water point must be within 400 meters of the population served, the water scheme must have a functioning chlorination system and a water point must permit a user to fill a 20-liter bucket in less than two minutes.

¹⁴ Plan and design of schemes consider water source availability, sustainable abstraction rates, seasonal variations, competing use demands and climate change prior to construction. Regular monitoring of water sources undertaken.

¹⁵ For an LGA to be qualified for disbursement under DLI 2, it needs to sustain at least 80 percent of the recorded number of WPs at the baseline as well as new WPs verified in the previous year. Although more than 37,000 functioning water points met all eligibility criteria in Year Two, 35 out of 86 LGAs did not meet the 80 percent threshold. Therefore, the verified results were lower than those for Year One.



problems at WPs or taps. The decline from year 1 is also attributable to methodological issues; between the first year and the second year, about 40 local government authorities (LGAs) have been re-demarcated from rural to urban areas that are under the jurisdiction of urban water supply and sanitation authorities. Over 12,000 WPs were migrated, resulting in the decline of the number of functioning WPs in RUWASA's jurisdiction and reported under DLI 2.

10. Sustainability of rural water points is expected to improve through private sector involvement and investment. This was identified in the WSDP Phase 2 evaluation and recently demonstrated by the grant-funded Tanzania Accelerating Solar Water Pumping via Innovative Financing Project (P161757)¹⁶ that introduced medium-term private sector service contracts clustered in batches of 20 to 70 villages per contract, enforced by performance bonds. The government's increasing commitment to private sector involvement was evident in May 2022 with MoW's approval of public-private partnership (PPP) prefeasibility study for rural water supply, as recommended by MoFP. Furthermore, the IPF component of the original Program will support RUWASA to expand pilots of regional centers of excellence to engage private sector service providers to support CBWSOs on O&M using the village cluster approach.

Results Area 2: Increased access to improved sanitation services in rural areas

11. As of year 2, 4.67 million people have gained access to improved sanitation facilities¹⁷ (DLI 3), surpassing the six-year Program end target of four million people. This is principally attributed to the successful implementation of the National Sanitation Program,¹⁸ which between 2017 and 2021 created countrywide demand for improved household sanitation access. Program financing provided support to improve monitoring of access at the district levels, with district health teams now having the available resources to collect and verify access data. Increased access to sanitation—especially with the installation of septic tanks in institutions—contributes to a reduction of greenhouse gas emissions by reducing open defecation. The risks and impact of drought or floods are reduced through back-up water supply and adequate siting and design of facilities. Cumulatively, there are now 288 villages that have achieved and sustained community-wide sanitation (CWS) (DLI 5); this falls short of the year 2 target of 350 villages with this status. CWS villages are those that have increasing access to improved sanitation and handwashing facilities at the household level, improving sanitation and hygiene facilities in public schools, and have addressed open defecation. The shortcoming is due to the lack of coordination and planning between IAs to target the same villages with their respective sanitation interventions to ensure all requirements for CWS status are met. This will be addressed in future years through robust intervention planning between IAs of the Program before their yearly budget planning exercise, a process that will be directly supported via IPF financing (Table 3). The PCT of MoW will facilitate the development of a coordination strategy on how IAs will work together in the same villages and districts and the IPF financing will support workshops to all LGAs in Tanzania to further enhance the coordination and implementation of interventions in communities. The strategy will be developed and implemented during the 2022–23 planning exercise.

12. Results in school WASH (SWASH) and WASH in Health Care Facilities (HCFs) have made strong progress.

¹⁶ Approved in September 2017 with a grant amount of US\$4.5 million.

¹⁷ Types of "improved sanitation facilities" in the Program are flush/pour-flush toilets, ventilated improved pit latrines, pit latrines with intact slabs, or composting toilets.

¹⁸ Large-scale support for the delivery of the Sanitation and Hygiene Behavior Change Campaign ("Nyumba ni Choo Campaign") was financed under the Foreign Commonwealth & Development Office Program by Results (PbR) and implemented by Project CLEAR since 2017 covering 19 regions. The support ended in June 2021.



To date, 1,534 HCFs and 637 primary schools (DLI 4) now have access to improved sanitation and handwashing facilities, surpassing the year 2 target of 450 for each (program end target is 1,500 each).¹⁹ Currently HCFs are not assessed against specific criteria as they do not have a specific DLI, hence results reported by MoH were on increased numbers of people having gained access to improved sanitation facilities at household level as well as the number of villages that achieved community-wide sanitation status. In the case of school WASH facilities, although many more schools gained access to improved WASH facilities (for example, 925 in year 2), many of them did not meet all the criteria required for achievement of the DLI and so were not counted toward the results. The key missing criterion related to adequate drop hole ratios, which has been a problem due to the unprecedented increase in pupil population in the last two years. These shortcomings will in the future be addressed through the proposed change in the DLI unit payment, and IPF support to increase capacities of LGAs, primary school teachers, and community members.

13. Despite the good results, some changes are needed to align with the client's needs and lessons learned.

While there was a target for WASH facilities in HCFs, there was no specific DLI providing financial incentives for the construction of health care facilities according to agreed criteria or national standards. Given that the pandemic pressures increased demand for WASH facilities in HCFs, MoH used most of the disbursed amount from DLI 3 on the construction of WASH facilities in existing HCFs. MoH has requested that WASH access in HCFs be given more prominence by increasing the targets for successfully constructed HCFs that meet defined criteria and national standards, including the availability of functioning rainwater harvesting as an alternative water source. For both WASH facilities in schools and HCFs, the following issues also need to be addressed: (i) access to basic water services, so that clean water is always available;²⁰ (ii) appropriate in situ treatment technologies; (iii) overall attention to O&M of infrastructure; (iv) construction quality; and (v) overall supervision to ensure adherence of contractors (local builders) to national design standards. Moreover, the funds provided to construct school WASH facilities in the first two years of implementation were insufficient for the increased number of students and the cost of material.

14. The Program and proposed AF complement the Boost Primary Student Learning PforR Program (Boost Primary Student Learning Program (BOOST), P169380) which is also supporting school WASH in the same geographic areas as this Program.²¹

BOOST aims to overcome the large infrastructure needs and demands in schools countrywide, by supporting 12,000 schools to adhere to the minimum package of infrastructure (which goes beyond WASH facilities and addresses the broader teaching environment, including classrooms, offices, library, services, houses and so forth). The minimum package supported by BOOST does not follow the National Guidelines for WASH for Tanzania Schools of 2016 which requires at least one drop hole per 40 girls and one drop hole per 50 boys. The parent water Program and AF require schools to achieve a higher level of WASH services than the minimum package supported by BOOST (as per National Guidelines for WASH for Tanzania Schools, 2016). This Program is targeting 1,500 additional schools that aspire to and can achieve that higher standard. All designs and technical guidelines for School WASH are the same and approved by MoEST. Similarly, for health, the soon to be approved Tanzania Maternal and Child Health Investment Program (P170435)²² will finance required services (which could include WASH) in approximately 100 HCFs nationwide, following the national standards provided by MoH. The Program target planning and verification protocol will ensure separate

¹⁹ During the first year, nearly all HCFs were provided with handwashing facilities for the fight against the coronavirus pandemic. However, they were not permanent as required by the guidelines. Therefore, they were not verified in the first year.

²⁰ Water is available on the premises from an improved source (protected from outside contamination, especially fecal matter) such as piped water, public standpipes, boreholes, protected dug wells, protected springs or rainwater collection.

²¹ Boost Primary Student Learning Program, P169380; Board Approval December 17, 2021; US\$500 million.

²² Board Approval expected before end of November 2022.



HCFs are targeted by separate World Bank Programs, to ensure the benefits of the Program are correctly targeted.

Results Area 3: Strengthening the capacity of sector institutions to sustain service delivery in rural areas

15. **Capacity building results have been steady but slower than anticipated.** The Program directly supported the establishment and operationalization of RUWASA, which is providing infrastructure support, as well as planning and technical assistance to CBWSOs to operate and maintain water services (DLI 8). The creation of a centralized agency dedicated to rural WSS services has transformed the previous decentralized service arrangement provided by the LGAs. While RUWASA continues to play a key role in providing improved water supply services in rural areas, it is committed to focus more on sustainability of services by building O&M capacity of CBWSOs, establishing technical support shops for timely repair and supply of spare parts, shifting energy sources to more sustainable and cost-effective options, and strengthening data management and monitoring. Cumulatively, 3,475 villages (program end target 3,667) were under the management of registered CBWSOs with improved O&M capacity for water supply services (DLI 6). However, 1,767 village water committees and 54 community-owned water supply organizations (COWSOs) that manage water schemes need to be formally registered as CBWSOs as per the Water Supply and Sanitation Act, Cap 272.²³ While the sustainability of functioning WPs is generally better for areas that are managed by CBWSOs, the electricity tariffs imposed on CBWSOs need to be evaluated for effective financial sustainability. RUWASA and MoW are incentivized to work with the Ministry of Energy and the Tanzania Electric Supply Company Limited (TANESCO) to request the review of the energy tariffs.

16. **On data management, only 59 out of 86 district councils managed to submit timely, accurate and complete sector Monitoring and Evaluation (M&E) data (DLI 7) due to institutional capacity constraints.**²⁴ RUWASA, however, was able to spearhead and upgrade a data management system, which is expected to result in improved reporting. Accuracy continues to be a critical issue for achievement of DLI 7, which will progressively become less of an issue as the new data systems are further established and used. Furthermore, the IPF component is helping to develop the capacity of National, Regional and District teams on data quality assurance.

17. **In addition to providing water supply service, RUWASA oversees FSM (collection, treatment, and safe disposal/reuse) for institutions, although this has not been an area of focus or investment since it was created.** To date, limited FSM services exist in rural areas across the country; this will create a problem in the future when new sanitation facilities begin to fill up and need to be emptied and maintained.

IPF Component for Technical and Management Support

18. **The IPF component has been slow to implement, with only 19 percent of the allocated financing having been disbursed.** Six contracts have been signed and are under implementation, representing approximately 24 percent of IPF funding. Eight more packages are under advanced preparation (representing approximately 33 percent of the IPF funding). It is envisaged that most activities of the terms of references to be undertaken by a dedicated Strategic Program Support Consultant (SPSC), under the Program, are either done or completed by the PCT and implementing agencies. The Services in the Parent Program TORs such as establishment of RUWASA,

²³ The sector reform (Water Supply and Sanitation Act, Cap 272) mandated the creation of CBWSOs to manage, operate and maintain public taps and/or waterworks and provide an adequate and safe supply of water to their consumers. It has also been noted that village water committees and community-owned water supply organizations (COWSOs) have less capacity than CBWSOs and water points managed by these organizations have higher rates of non-functionality than CBWSOs.

²⁴ These include 37 district councils for water supply data, five for household sanitation data, and 17 for school WASH data, respectively.



deployment of verification agent, coordination of program activities, data management and M & E enhancement are now completed, and remaining activities are being implemented smoothly under the current set up. The scope of this consultancy will now focus on strengthening RUWASA’s internal capacity in key areas of designing climate resilient infrastructure, asset management, technical backstopping, and the identification of opportunities to leverage the private sector. The terms of reference for the Program support to the National Sanitation Campaign (NSC) has been approved by the World Bank. It is envisaged that the procurement for this activity will be completed by December 2022 and the TA consultants will be on board to assist RUWASA with new emerging challenges on water supply and sanitation. Implementing agencies (IAs) recently undertook a reassessment of the IPF component, including reformulation of the SPSC. A table below summarizes the activities and status, and Section II provides more details.

Table 2: IPF Component – Description and Status of Activities

Activity Type	Description	Status (as of October 2022)
Strategic Program Support Consultant	Key activities include: (a) technical support to the PCU; (b) support to the establishment and rollout of RUWASA; (c) technical support to establishment and institutionalization of quality assurance and value-for-money procedures; (d) M&E activities including impact evaluations and qualitative assessments of Program results; (e) Program awareness campaign for relevant civil servants; and (f) modernization of the MoW design manual.	Revising the scope - As most of the activities envisaged at project preparation were either completed or under implementation, the scope of this consultancy will now focus on strengthening RUWASA’s internal capacity in key areas, such as: <ul style="list-style-type: none"> - Designing climate resilient infrastructure - Asset management - Technical backstopping - Leveraging PPP (pre-paid water meter for water supply schemes). Revised PP has been approved to kick start the activities. Technical support for PCU is replaced with individual program management consultant.
Verification Consultant of the Program	To hire a consulting firm to support IVA to verify results submitted by Implementing Agencies.	Under implementation - The current contract covers until November 2022. It will be extended to cover until July 2025.
Quality assurance of verification and supervision for IVA	MoU with Internal Auditor General to carry out supervision and quality assurance of verification.	Under implementation - The current contract covers until 2022. It will be extended until July 2025.
Support for the Water Institute	To support Water Institute to train staff to fill staffing gaps in the water sector. Key activities are vertical expansion of buildings; procurement of equipment, furniture and fittings for classrooms, lecture theatre, and laboratory.	Under implementation - The activity is divided into 6 contracts. All of them are either completed or under implementation.
Filed-level Leadership Development Initiative Training	To carry out specialized training, aiming to create a broad cadre of change champions at all levels of public service agencies.	Completed.
Operational Support	To support Implementing Agencies for supervision and monitoring. Key activities include procurement of laboratory and testing equipment, communication equipment and	Either completed or under implementation.



Activity Type	Description	Status (as of October 2022)
	motor vehicles.	
Behavior Change Campaign	To support and expand the National Sanitation Campaign (NSC).	Under tendering - Terms of Reference have been approved.
M&E Status Enhancement	To strengthen the capacity of Implementing Agencies to collect, consolidate, and use sector data on service delivery for planning and monitoring of the Program activities. It will also link three data bases of Implementing Agencies for better coordination and reporting.	Under implementation or preparation – MoH and MoEST are carrying out workshops and training for data collectors by March 2023. The contract for the data integration is expected by end of March 2023.

19. **The transfer of funds from MoFP to the IAs has faced institutional delays but is now improving.** In the first year of implementation the IDA advance payment (20 percent of the total loan amount) was equally shared across the targeted districts in the 17 regions. After the first year, disbursement to districts from the IAs was based on program achievements. In the first year, the fund transfer of the Program advance to IAs was delayed due to a lack of clarity of processes. This has been addressed and the year 2 funds were transferred within three months (had previously been 7 months. However, the Program Operation Manual (POM) stipulates it should be done within 2 months. Consequently, there were no delays when RUWASA transferred funds to district entities, but there were still some delays in funds transfer from MoEST and MoH to district councils or LGAs to pay for the construction of WASH facilities in schools and HCFs. This is due to procedural delays, caused by Program funds being received late in the financial year or in some cases in the following fiscal year (FY). This delay obliges the LGAs to seek approval for reallocation of funds between financial years, which will likely cause further delay. For the current year, the Program’s verification cycle and subsequent disbursement was made on June 21, 2022, and thus funds are available at the beginning of the following year and thus can be utilized for the whole financial year (rather than for only part of the year). This also created an issue of accountability, as MoH/MoEST are required to be accountable for funds used by LGAs under PO–RALG. To resolve this issue and to align accountability to the fund flow, it has been agreed that PO–RALG will open a dedicated account into which the Program funds for RSs and LGAs will be disbursed. PO–RALG will disburse to RSs and LGAs within the agreed two-month timeline and the LGA will confirm when funds are received. The Program will disburse a percentage of the program management funds to the IAs (MoH/MoEST/PO–RALG) for supervision, working tools, technical guidance, and quality assurance (QA) issues. The implementation manual will be updated to cover the modification in fund flow arrangements. This has been added as a new action item under the PAP.

20. **Multiple lessons have been learned through design and implementation of the Program.** Table 3 highlights how these issues are to be addressed in the AF.

Table 3: How issues identified during Program implementation are to be addressed in the AF

Issue identified	How AF seeks to address it
Technical backstopping to strengthen O&M capacity of CBWSOs.	The IPF component will support RUWASA to expand pilots of regional centers of excellence and where feasible, engage private sector service providers to support CBWSOs on O&M using a village cluster approach. The IPF will also be used to hire an international and local expert to be based at RUWASA to support overall assessment, strategy and strengthening of O&M capacity.
Data Accuracy	The IPF component will finance training and workshops to develop the capacity of National, Regional and District teams on data quality



Issue identified	How AF seeks to address it
	assurance.
Lack of coordination and planning between IAs on CWS.	The IPF component will develop a coordination strategy and workshops for all IAs and LGAs in Tanzania to further enhance the coordination and implementation of interventions in communities.
Limited adherence to national design standards and construction quality in school and HCF sanitation.	Disbursement-linked Results (DLRs) introduced under DLIs 4 and 9 will ensure a robust accountability mechanism for PO–RALG engineers to sign off at critical stages of design, construction and hand-over of facilities. Additional training to be financed through the IPF component will support the dissemination and adherence to of national standards.
Fecal sludge management (collection, treatment, and safe disposal/reuse) for institutions not in place.	A DLR under DLI 8 will incentivize RUWASA to develop a strategy and pilot FSM for institutions.
Delays in funds transfer from MoEST and MoH through PO–RALG to local government authorities (LGAs).	PO–RALG will open a dedicated account into which the Program funds for RSs and LGAs will be disbursed.
Financing gap (WSDP- phase 3) within the sector to reach WSDP 3 goals that cannot solely be met by donors/government funding is impacting sustainability.	Pilot implementation of PPPs for rural water supply delivery, and IPF financial support to a feasibility study for the design, installation, and operation of prepaid water meters in rural Tanzania under a PPP scheme.
High electricity tariffs for CBWSOs hinder their financial sustainability	A DLR under DLI 8 will incentivize RUWASA to conduct a special assessment of energy tariffs for rural water schemes, and the GoT to secure more affordable energy tariffs based on the assessment.
Varying and non-cost reflective tariff for HHC and high variety among CBWSOs.	A DLR under DLI 8 will incentivize RUWASA to create a payment structure for household water connections.
Long-term financing for O&M	A DLR under DLI 8 will incentivize the GoT to amend the NWF regulations to allow the resources of the NWF to be used for O&M to ensure efficiency, effectiveness and sustainability of water supply and sanitation facilities. The piloting of PPP arrangements will also contribute to this. All new DLRs under DLI 8 and IPF support (reduced energy tariff, technical backstopping, cost-reflective tariff, ringfenced financing for O&M from national sources and RUWASA) are focused on long term sustainability of sector.

C. Rationale for Additional Financing

21. **The proposed AF was requested by the GoT through an official letter dated February 16, 2022.** The letter indicates the intention of scaling-up of the Program to all regions of the country (an additional eight regions²⁵ on top of the current 17) and requested additional IDA financing with US\$240 million of counterpart funding. The AF is being designed to accommodate the expansion of the program area with an available budget of US\$300 million of IDA financing and US\$200 million of counterpart funds. The AF has been designed based on IDA 20 fund availability and with the flexibility to grow and absorb more funds, if they were to become available in the future.

²⁵ These are Arusha, Dodoma, Kilimanjaro, Mbeya, Morogoro, Njombe, Pwani and Tanga.



22. **The Program and the rural WSS subsector in general remain a GoT priority, and further support is needed to meet the government’s renewed targets and priorities to close the access gaps.** Since the financing available under the program has nearly been fully disbursed (90 percent), the AF builds on the success of the Program to scale-up its impact. The complementary Program by Results (PbR), funded by the UK Foreign and Commonwealth Development Office (FCDO), which was the only other large scale donor support financing the rural WSS sector, closed in September 2022 (Box 1). While the program contributed to GoT’s efforts to improve WSS access in the targeted 17 regions, more funding is needed to meet the GoT’s targets of 85 percent²⁶ access to safely managed water supply and 95 percent²⁷ access to improved sanitation facilities in rural areas countrywide by 2025. Rural access to basic drinking water services improved from 48 percent in 2015 to 74 percent in 2021.²⁸ On sanitation, household access to improved facilities increased from 69.7 percent in 2019 to 72 percent in 2021.²⁹ Access to handwashing remains at 41.5 percent. Analysis shows that considerable access gaps exist in rural districts in the eight regions that were not included in the parent Program (Figure 1).

**Box 1: Program by Results (PbR) Scheme under Phase 2 –
Rural Water Supply and Sanitation Program funded by FCDO**

²⁶ As per FYDP III.

²⁷ National Strategy for Accelerating Sanitation and Hygiene for All (2020–2025). Baseline of 37.1 percent in 2017 and current access at 72 percent

²⁸ World Development Indicators (2015) and RSDMS data (2021).

²⁹ MoH National Sanitation Management Information Systems, 2021

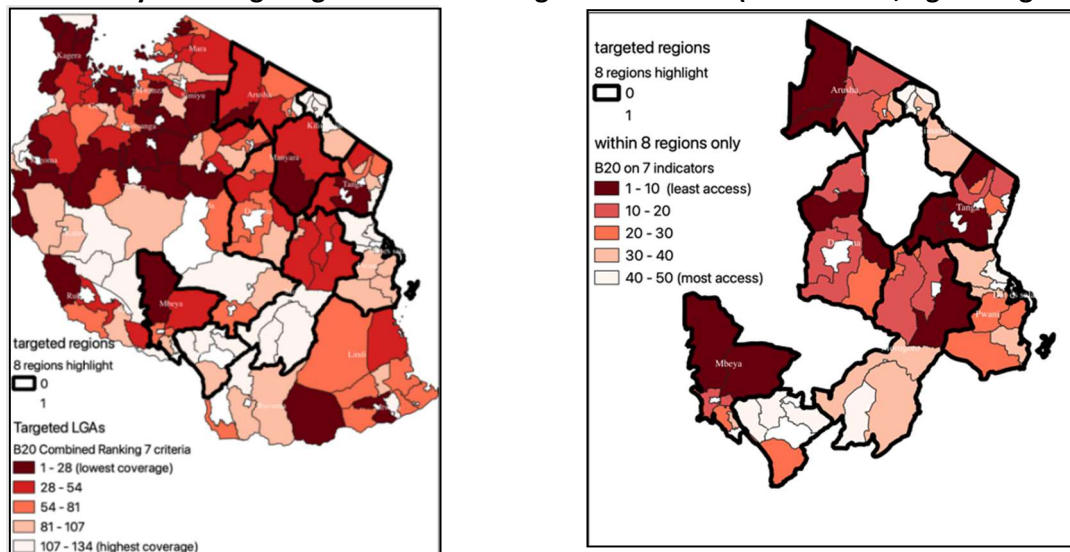


In 2014, the United Kingdom allocated £150 million (approximately US\$170 million) to increase access to clean water and improved sanitation for Tanzania, targeting 2.1 million people for water supply, and over 280,000 people for sanitation. The PbR was implemented from 2014–2022 with four main components:

1. **Support for the implementation of WSDP Phase 2** through construction and rehabilitation of WPs and supporting the National Sanitation and Hygiene Campaigns.
2. **Results-based Component** to incentivize LGAs to sustain water services, using a results-based approach.
3. **Monitoring and Evaluation** to improve data management and data quality through the development of a water point mapping system.
4. **Technical assistance** to provide support to LGAs, Regional Secretariats, PO–RALG, and MoW on project management, with specific focuses on sanitation and hygiene promotion, and design standards and appraisal of water and sanitation technologies.

By the time of its closing, the PbR had reached all rural districts in the country, and the functionality of water points reportedly improved from 30 percent to 52 percent. The PbR provided many early lessons for the World Bank parent PforR Program. These included definitions and verification methodology of functioning WPs, improvements in data management capacities and data quality through results-based financing, and a broader understanding of results-based financing, including the need for institutional DLIs and comprehensive capacity building of the PforR methodology at all levels of government at the onset of any results-based financing activity. These lessons clearly contributed significantly to the early success of the World Bank parent PforR Program. The PBR was complementary to parent P4R Program as it was the only other substantial donor financing under the rural WSS for WSDP phase 2, provided support to the same regions and also utilized a performance-based approach to financing the sector.

Figure 1: WASH access countrywide targeting of LGAs according to 7 indicators (left national, right 8 regions)³⁰



Sources: MoH 2021, WPM 2021 and DHS 2016.³¹

³⁰ Ranking of all rural districts against seven WSS criteria (the eight additional regions are marked with a bold outline and shown separately in the right-hand figure). The seven criteria (indicators) comprise three for water: i) percentage of population with improved water in the dry season (2016), ii) number of people without improved water in the dry season (2016), and iii) percentage of water points that are functional per LGA (2021); and four criteria for sanitation: i) percentage of population with improved and shared sanitation (2016 & 2021), and ii) number of people without improved and shared sanitation (2016 & 2021). B20= bottom 20 percent of population.

³¹ List of villages-HEALTH.xls' MoH 2021, LGA Summary -- Extract PforR 22_03_16.xlsx, Water Point Mapping-DIME World Bank 2022 and Ministry of Health, Community Development, Gender, Elderly and Children - MoHCDGEC/Tanzania Mainland, Ministry of Health - MoH/Zanzibar, National Bureau of Statistics - NBS/Tanzania, Office of Chief Government Statistician - OCGS/Zanzibar, and ICF. 2016. Tanzania Demographic and Health Survey and Malaria Indicator Survey (TDHS-MIS) 2015-16. Dar es Salaam/Tanzania: MoHCDGEC, MoH, NBS, OCGS, and ICF.



23. **The Program was designed stepwise with DLIs that are more easily achievable in the short term combined with aspirational DLIs and those that continue to stretch the IAs in critical areas requiring renewed commitment and attention, such as sustainability and data management.** When the Parent program was originally devised, lessons from the water sector and across the Tanzanian portfolio showed that large national programs were challenging to manage and showed limited results. Therefore, the Program was designed as the first phase of a long-term engagement in the sector, with nationwide scale-up to follow successful implementation of that first phase. The 17 original regions were selected against the criteria of low access to improved water supply and sanitation, high stunting rates, and high poverty rates. The GoT internal budget and FCDO program (Box 1) supported regions outside the scope of the World Bank-financed parent Program. Given the success of the parent Program, the departure of FCDO from the water sector, and the needs in the eight remaining regions (in particular the attention and capacity on sustainability), there is a clear rationale for expansion nationwide, to cover all 137 district councils in 25 regions.

24. **The proposed AF will provide increased financial resources and time, draw lessons from the Program performance to improve the program’s design, increase its targets, and scale up its impact.** The AF includes an additional two DLIs, new DLRs and indicators to further challenge IAs in key areas of increased WSS services access, sustaining of services, and involvement of the private sector in service delivery. The AF will support eight new regions, but the advance payment of the AF to these regions and districts will be relative to the current access level and demands. This will allow all regions to access PforR support, including institutional support and technical assistance, focusing on sustainability, while lower capacity regions and districts can access more sizable financing to kick-start investments to improve access and resilience. In addition, an AF launch workshop, and specific follow-up trainings on key program aspects (safeguards, financial management, and so forth) will be completed by March 2023. New regions will also be partnered with well-performing regions of the parent Program, to foster peer-to-peer learning. WSDP Phase 3 commits to: i) expanding the adoption of innovative funding mechanisms, such as this program, which have helped to address rural water sustainability challenges; ii) focusing more on long-term sustainability of rural water schemes; and iii) leveraging private sector engagement such as public–private partnerships to improve service delivery for rural water supply, including operation and maintenance. This AF is specifically designed to further support the achievement of these key results and WSDP Phase 3.

25. **Key activities under the AF will ensure that a strong foundation for the future of the Rural WSS sector is created in Tanzania, one that is able to sustain the gains achieved, and build on them.** The establishment of a dedicated agency for rural water supply, with the required resources (both financial and technical) to develop the personnel, technical capacity, and strategic operations of RUWASA has been the first step. Recent financing of the sector (including this Program) has allowed huge gains in access countrywide. By the end of the Program, it is estimated that access levels will be at above 85 percent.³² This will put RUWASA in a strong position to devote even more attention to sustaining services, because accessibility will become less of a need. The creation of CBWSOs—including building their capacity, with a focus on cost-reflective financially viable services with strong technical backstopping—amounts to a robust mechanism for the sustainability of rural water supply. Piloting and showcasing the successful use of the private sector (PPP or wholly private) is another mechanism by which RUWASA could provide improved services in rural areas in the future. Without further donor funding, the NWF and other options might be key financing sources for the sector. The GoT will amend the NWF Regulations GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272 to allow the resources of the NWF for O&M to ensure efficiency, effectiveness and sustainability of water supply and sanitation

³² RUWASA projects an annual increase of five percent over next three years.



facilities. Access to accurate, timely and complete data will give RUWASA a faithful and granular understanding of the sector, and thereby ensure that resources are properly targeted to priority needs. Similarly for sanitation, the Program is supporting a scale up of the NSC which will in turn create demand and support changing behaviors nationwide; it has strengthened the existing institutions and their capacity to support increased access and sustaining services; and it is pushing to secure adequate financing to the sector for the future.

26. WSS contributes to human capital development, social inclusion, poverty reduction and climate resilience. The AF is closely aligned with the 2017 Systematic Country Diagnostic for Tanzania (Report No. 110894-TZ) and the World Bank Group Country Partnership Framework (CPF) for Tanzania (2018–2022, Report No. 121790-TZ) discussed by the Board on March 15, 2018, which focus, on boosting human capital and social inclusion and modernizing and improving the efficiency of public institutions. By focusing on improving access to improved WSS in the poorest rural areas of the country, the program contributes directly to these goals and is also closely aligned with the WBG’s twin goals of ending extreme poverty and boosting shared prosperity. In addition to water security, climate resilience is a critical issue for Tanzania, as climate change could have far-reaching impacts on rural populations. The country is extremely prone to flooding—it is, in fact, the most flood-affected country in East Africa.³³ Heavy rainfall events are expected to increase in frequency and are therefore also likely to increase the frequency and impact of floods on infrastructure and associated energy, water, and transportation services. Furthermore, frequent and severe droughts are a regular occurrence, with the drought risk projected to increase in the more arid parts of the country (both north and south).³⁴ Increasingly intense and prolonged droughts pose a challenge for consistent water yield. The World Bank’s Climate and Disaster Risk Screening assessment³⁵ indicates that, in addition to flooding and drought, Tanzania is also exposed to potential future increases in extreme temperatures, which will further raise water demand, and recurrence of strong winds. The AF will continue the efforts made in the parent Program to support WSS investments in rural areas to be more resilient by having water points and sanitation facilities that are designed and located with a view to the possible impacts of flooding and drought.

27. AF is the preferred modality, as opposed to preparation of a new operation because its objective remains fully aligned with that of the Program and build on ongoing activities (e.g., IPF component) while adding and updating DLIs in specific key areas. The proposed AF will support the same set of results areas. Within these existing results areas, it is anticipated that the Program will achieve more transformative impacts on service delivery, in line with the GoT’s targets.

28. The World Bank’s added value is to bring the necessary technical assistance and global expertise to address challenges in important areas of the Program, such as sustainability. The Program has helped to improve the business process in rural WSS. In RUWASA, for example, the mindset of the staff has changed, from an output delivery approach to a service delivery approach, focusing more on functionality and sustainability of services, rather than new construction. There is also growing awareness of the need for better coordination and collaboration among IAs to provide holistic WSS services, and this Program has provided a space for such collaboration.

II. PROPOSED CHANGES

³³ Tanzania Climate Risk Profile, see www.climatelinks.org/sites/default/files/asset/document/20180629_USAID-ATLAS_Climate-Risk-Profile-Tanzania.pdf

³⁴ Tanzania Drought Resilience Profile – Southern Africa Drought Resilience Initiative, 2019.)

³⁵ Conducted in 2022.



A. Revised Program boundaries

29. **While the AF continues to support the WSDP Phase 3, the Program boundaries will change.** The AF will extend support beyond the current 86 district councils in 17 regions to 51 additional district councils in the remaining eight regions, amounting to a total of 137 district councils in 25 regions. Table 4 below shows the proposed allocation of AF among different components of WSDP Phase 2, relevant for parent Program and Phase 3, relevant for Additional Financing.

Table 4: Program Boundaries

Component	Government program (WSDP)		parent Program		AF	
	Phase 2 US\$ millions	Phase 3 US\$ millions	Area, note exclusions	US\$ millions	Area, note exclusions	US\$ millions
WRM	800	2,102				
Water Quality Monitoring	N/A	45.7				
Rural Water Supply	860	1,106	Covering 86 district councils in 17 regions	370	137 district councils in 25 regions	276.37
Urban Water Supply and Sewerage	1,300	1,495				
Sanitation and Hygiene	150	1,227	Covering 86 district councils in 17 regions	125	137 district councils in 25 regions	129.21
Program Coordination and Delivery Support	110	489	Institutional support for RUWASA, MoH, MoEST, CBWSOs + IPF Component (US\$ 20 million)	245	137 district councils in 25 regions	99.35 ³⁶
Total	3,220	6,465		740³⁷		504.93³⁸

B. Program Development Objective (PDO) and Key Results

30. **The PDO remains unchanged.** The current PDO remains relevant and accurately describes the focus of the AF: “to increase access to rural water supply and sanitation services in participating districts and strengthen the capacity of select sector institutions to sustain service delivery.” However, the restructuring involves adjustments to the project results framework to (i) split one PDO indicator into three supplementary indicators; (ii) upgrade one intermediate indicator to PDO indicator to highlight improved O&M capacity for CWBSOs; (iii) increase select PDO and intermediate targets and end dates to reflect the scale-up of expected outcomes and extended project period; (iv) introduce three new intermediate indicators to showcase climate change adaptation and mitigation, align with DLI 10 (new DLI) achievements and monitor sustaining of household

³⁶ No AF funds allocated to the IPF component

³⁷ The amount comprises US\$350 million of IDA credit, US\$325 million of counterpart funds, and US\$65 million of parallel financing from DFID (now FCDO).

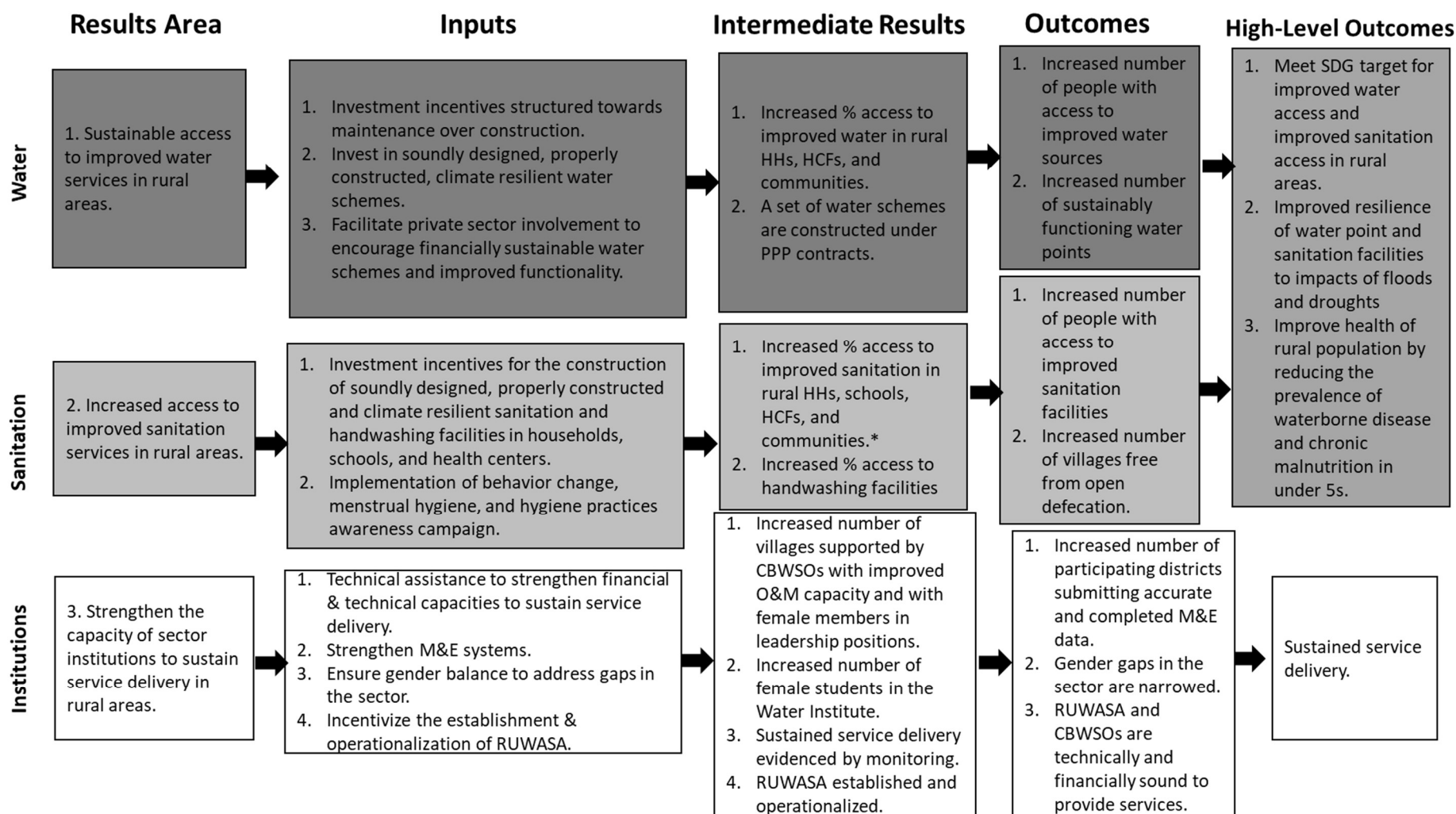
³⁸ The amount comprises US\$300 million of IDA credit, US\$200 million of counterpart funds, and US\$4.93 million of grant from the Energy Sector Management Assistance Program (ESMAP).



water connections built under the parent Program (first three years of implementation); and (v) introduce two new DLIs, DLI 9 and 10 (see the following section on Revised DLIs for details). The complete Results Framework updates are provided below. The results chain (Figure 2) is modified to reflect the two new DLIs (9 & 10) which incentivize the construction of WASH facilities in HCF (DLI 9) and introduction of PPPs in rural water supply schemes (DLI10). Also, the results chain is modified to reflect the additional milestones (DLRs) under DLI 8 to further enhance the institutional support to RUWASA- the outcome for which is to ensure RUWASA and CBWSOs are technically and financially sound to provide services.



Figure 2: Theory of Change



* The critical assumption made is that the behavior change and communication campaign successfully encourages people to invest more in improved sanitation facilities (at household and community levels).



C. Revised Disbursement Linked Indicators (DLIs)

31. **All IDA funding under the AF will be disbursed against the achievement of results on updated DLIs.** Based on experiences from the parent Program, conditions and indicators have been revised and strengthened. The expenditure areas have been designed to correspond to the following adjustments in the DLIs. The original financing agreement was amended and restated to reflect an increased SDR unit cost for DLIs 2-8 for achievements from July 1, 2022, onwards to accommodate for USD equivalent devaluation at the time of processing the restructuring. Detail on allocations between DLIs and Results Areas are detailed in Table 5 and 6.

32. **For Results Area 1– Sustainable access to improved water services in rural areas, the AF will put more emphasis on providing sustainable basic services and the enabling environment for Public–Private Partnership (PPP) for rural water supply.** First, given the limited amount of AF available, the Program will focus its support on the poorest in the Program areas and focus on constructing, rehabilitating, or sustaining WPs, rather than HHC. Consequently, the HHC is no longer an eligible typology under DLI 1 (number of people with access to an improved water supply) and DLI 2 (number of sustainably functioning water points), and the disbursement will be against WPs only.³⁹ Whereas the unit payment will be reduced from US\$25 to US\$20 (equivalent), the end target will be increased by 6.767 million people (a total of 10.137 million beneficiaries) who will gain new access to an improved water source, thus enhancing their resilience to climate change, such as exacerbated droughts. Secondly, a new DLI (DLI 10) will be introduced to support the GoT’s effort to develop the enabling environment for PPP in rural water supply—the recipient of this support is RUWASA. In particular, the overarching goal for this DLI is to showcase how PPPs (or even in the future how a fully private financing approach) could be used to mobilize private resources required for effective implementation of WSDP phase 3 and specifically the rural water sector in Tanzania. The DLI includes four milestones (see Table 6 for more details). While there is no change in the unit payment, the target for DLI 2 has been increased—with the end target being increased to 80,000 WPs. The increase end target is a result of increased number of water points newly constructed/rehabilitated under DLI 1 (along with existing WPs) that need to be sustained. Additionally, a proposed activity under the IPF component is to support the establishment of regional technical support centers. These centers will (i) hold spare parts inventory for quick supply; (ii) house technicians for easy dispatch; and (iii) centralize procurement by connecting CBWSOs with bulk procurement. RUWASA is conducting an ongoing pilot using private companies to establish these support centers. RUWASA is going to further disseminate the recently established service delivery guidelines. These guidelines and complementary training and capacity building are expected to improve technical backstopping services, so that CBWSOs can shorten response time and maintain the functionality of WPs as well as existing HHC. Lastly, DLI 6 will be modified to strengthen its focus on the sustainability and functionality of WPs, while supporting districts and CBWSOs (See Results Area 3 for more details).

33. **For Results Area 2 – Increased access to improved sanitation services in rural areas, the AF will continue to support the incentive mechanisms of the sanitation DLIs (DLIs 3–5) to meet the Program targets, while introducing a new DLI (DLI 9) to address emerging needs for HCFs.** While DLI 3 (number of people with access to an improved sanitation facility) has also exceeded the original target, the AF will aim to give another 4.37

³⁹ Household connection is no longer an eligible typology under the verification protocol of the AF. A decision was made to remove this for the additional financing so the limited available AF funds can focus on constructing, rehabilitating, or sustaining WPs which serve 250 people rather than one household (through HHC). However, RUWASA requested the Independent Verification Agent (IVA) report on the number of household connections in the program areas, and the percentage of household water connections sustained will be monitored in the Results Framework (target: 95 percent).



million people (a total of 9.04 million beneficiaries) access to improved sanitation facilities with revised unit payment (US\$3 per person, instead of US\$5). For DLI 4 the target will be increased to provide an additional 353 schools with improved WASH (a total of 1,853 schools) due to the increased availability of financing and the remaining need for access to improved WASH in many primary schools.⁴⁰ Furthermore, DLI 4 requires further support because the number of primary school students continue to increase rapidly due to the free national primary school policy without adequate number of safe WASH facilities being available. For DLI 5, the target of number of villages that achieve and sustain community-wide sanitation status will be increased by 496 to make 1,746 villages in total. For DLI 4 (number of public primary schools with access to improved sanitation and hygiene facilities) and DLI 5 (number of villages that achieve and sustain CWS), the AF will modify the criteria to reflect emerging challenges and demands and address implementation issues. Criteria for DLI 4 will be updated to include (i) appropriate *in situ* wastewater treatment technologies (that is, septic tanks); (ii) increased focus on sustainability of WASH services (rather than on new infrastructure); (iii) more infrastructure and resources to support Menstrual Hygiene Management (MHM); (vi) adequate waste management; and (vii) equipped with rainwater harvesting. The key issue of adherence to national standards and construction quality has been addressed with the addition of criterion for health care facilities and schools' verification (DLI 4 and 9) to ensure that PO–RALG engineers have signed off at key stages of design, construction, and completion. These revised criteria are also aligned with those under the BOOST program (P169380), and the verification protocol ensures that both the Program and the BOOST program will cross-check the list of schools disbursing from each Program to avoid duplication (see more details in Section IX). On the other hand, DLI 5 will increase the requirement on handwashing for households in the village; at least 50 percent of households in the village will have access to a handwashing facility, instead of 25 percent. This is to reflect the GoT's recent focus on access to handwashing to combat COVID-19 infection. In terms of unit payment, DLI 4 will be increased from US\$20,000 to US\$32,000 (equivalent) to address cost escalation and the additional DLI criteria requirements. In DLI 5, while the unit payment for achieving CWS remains the same, that for sustaining CWS will be increased from US\$2,500 per village to US\$3,000 (equivalent) to better incentivize more villages to sustain the status. To support strengthening of WASH access in HCFs, DLI 9 will be augmented with a DLR for "Number of health care facilities with improved water supply, sanitation, and hygiene facilities". This DLI is to address the increasing challenge for MoH in its efforts to monitor the quality of construction of WASH in HCFs and ensure that this is aligned with national standards, and thereby help it to record and verify the improved access being achieved through the Program. The disbursement formula is proposed to be US\$29,000 (equivalent) per HCF gaining access to improved sanitation and hygiene facilities in the Program area, with a target of 1,136 HCFs under the AF. These facilities will also have appropriate *in situ* treatment technologies of standard design specifications. Since the parent Program has already been supporting HCFs, the proposed change will increase the total number of HCFs supported under the parent Program to 2,636.

34. DLIs related to results Area 3 – Strengthening the capacity of sector institutions to sustain service delivery in rural areas (DLI 6–8) will also be updated to address sector challenges and align the incentives to focus more on sustainable service provision. DLI 6 (number of villages with a CBWSO with improved O&M capacity for water supply services) will be further incentivized with revised unit payments, while focusing more on sustainable service provision. The payment will be in three categories: (i) US\$10,000 (equivalent) per village that meets criteria for the basic level (Level 1), (ii) additional US\$10,000 (equivalent) per village that meets

⁴⁰ According to MoEST, out of 11,485 primary schools in rural areas in 2022, about 60 percent of them do not have hygiene services, 42 percent of them do not have water services, and 17 percent of them do not have sanitation services.



criteria for the advanced level (Level 2), and (iii) US\$5,000 per village that sustained the Level 2 status.⁴¹ As the Program area of the AF will be expanded to an additional eight regions, the target will be revised from 3,667 to 8,127 villages (additional 4,460 villages). Furthermore, to make CBWSOs and districts more accountable for maintaining or improving the functionality of WPs, the disbursement of DLI 6 will be proportionate to the percentage of functioning WPs against the yearly baseline (verified number of WPs from a year before plus number of newly constructed WPs). DLI 7 (number of participating district councils submitting accurate and complete sector M&E data) will also have a revised unit payment: US\$24,000 instead of US\$23,000 (equivalent) per district council. With the additional capacity building (using IPF funds) focused on data accuracy, a steady improvement in achievement of this DLI is expected in subsequent years of the Program. The target is also revised to include the new regions. For DLI 8 (RUWASA establishment and operationalization), seven new DLRs are proposed to be added to incentivize the agency in key areas of its mandated operations.

- An FSM strategy⁴² will be developed and approved by the RUWASA board and be piloted⁴³ in two Regions of the Program area for at least six months. These two DLRs are to incentivize and support RUWASA sanitation section in providing FSM services for improved sustainability of institutional WASH infrastructure.
- A third DLR is to create—and have the RUWASA board approve—a payment structure for household water connections. Under the parent Program, the number of households connecting is gradually growing in rural areas of Tanzania, and RUWASA is actively responding to the demands (safely managed access per Sustainable Development Goal definitions). However, tariffs for household connections vary significantly among CBWSOs, and they are not often cost-reflective. The household connection payment structure is to contribute to this higher level of service without using up scarce public resources.
- A fourth DLR has been added to attempt to move the agenda on the high electricity tariffs for CBWSOs (because these high costs could hinder their long-term financial sustainability) by incentivizing RUWASA to conduct a special assessment of energy tariffs for rural water schemes, and working with MoW, with close collaboration with the Ministry of Energy, TANESCO, and the Energy and Water Utilities Regulatory Authority (EWURA), to secure more affordable energy tariffs for the schemes based on the assessment.
- DLRs five and six have been included to incentivize RUWASA and GoT to focus more on the sustainability of rural WSS infrastructure by ensuring at least five percent of RUWASA's annual budget

⁴¹ For the basic level, a CBWSO must be registered and have an active management team, including at least one woman in the team; participate in at least one district-level community of practice meeting with other CBWSOs every six months, organized by the District Manager (DM) (previously District Water Engineer); have an affordable and economically efficient tariff; and maintain a cash book. The advanced level, by contrast, requires a CBWSO to have a functioning chlorination system for each water scheme (except for handpumps), to participate in semi-annual district-level meetings with the DM, have a backstopping mechanism for maintenance and repairs, and pass an annual assessment by the district, in addition to meeting all the requirements of the basic level. These conditions are intended to accelerate the registration of CBWSOs as per Act No.5 of 2019, and to strengthen regular communication between districts and CBWSOs for better planning and O&M.

⁴² A Fecal Sludge Management Strategy is a strategy for managing fecal sludge from institutions, including schools and HCFs in Tanzania, including arrangements for the safe emptying, transport, treatment, and disposal/re-use of feces from those institutions. The strategy will cover emptying, treatment and transport infrastructure and equipment provision, required technical capacity and training, operation and maintenance arrangements, institutional arrangements, environmental and social considerations, and financing of designed services.

⁴³ The specifics of the Fecal Sludge Management pilot will come out of the developed strategy; however, the pilot will showcase the technical requirements for safe emptying, transport, treatment, and disposal/re-use of feces from selected institutions.



from July 1, 2023, is used on operation and maintenance⁴⁴ and amending the Water Supply and Sanitation Act, Cap 272 to allow funds to be used for O&M of water supply facilities.

- The final new DLR incentivizes RUWASA to prepare a rationale (proposal) and submit it to MoW, for further evaluation by authorities bestowed with powers to amend the existing policies and the Water Supply and Sanitation Act Cap 272 to allow funds to be used for sanitation activities (new infrastructure, O&M, FSM and so forth.⁴⁵ The last three DLRs are intended to influence policymakers to focus more on the sustainability of services.

Table 5: Allocation increase by Results Area (US\$ millions)

Results Area	DLIs covered	Parent Program Allocation	AF allocation
Results Area 1	1, 2 and 10	105	166.9
Results Area 2	3,4,5 and 9	75	78
Results Area 3	6,7 and 8	150	60
IPF component	N/A	20	N/A

⁴⁴ Operations and maintenance costs are costs associated with repair/replacement of any failed component; training of maintenance personnel; inventory of parts and tools needed for repairs; mobilization requirements in emergencies; and preventive maintenance for WPs and WS schemes.

⁴⁵ Sanitation funds are costs associated with strategy development and planning (how to expand and sustain access to sanitation); behavior change campaigns to encourage people to build and use sanitation facilities properly; capacity building and training of government personnel supporting the implementation of sanitation strategy, costs associated with implementation (offices, equipment vehicles, staffing etc.); sanitation services chain including construction of WASH infrastructure in Institutions (Health care facilities, schools and public places e.g markets) and O&M (safe emptying, transport, treatment, and disposal/re-use of feces); follow up and supervision; monitoring and evaluation activities and Research. In Tanzania households are responsible for costs associated with household sanitation facilities and thus funds will not be used for this.



Table 6: Disbursement Linked Indicators allocation (US\$ millions)

	DLI	Description	Changes ⁴⁶	Parent Program allocation ⁴⁷	Disbursed Amount (as of June 2022) ⁴⁸	Allocation remaining under Parent Program ⁴⁹	AF allocation
Original/Revised	DLI 1	Number of people with access to an improved water supply	<ul style="list-style-type: none"> End target: 10.137m people (increased from target of 3m and achieved result to date of 3.37m); Unit payment: US\$20 per person (decreased from US\$25); Excluding household connection as allowable typology system. 	75.00	79.55	0	135.34
Original/Revised	DLI 2	Number of sustainably functioning water points	<ul style="list-style-type: none"> End target: 80,000 water points (increased from 45,000) Unit payment: no change; Excluding household connection as allowable typology system. 	30.00	11.65	16.01	26.63
Original/Revised	DLI 3	Number of people with access to an improved sanitation facility	<ul style="list-style-type: none"> End target: 9.04m people (increased from target of 4m and achieved result to date of 4.67m); Unit payment: US\$3 per person (decreased from US\$5). 	20.00	19.47	0	13.11
Original/Revised	DLI 4	Number of public primary schools with access to improved sanitation and hygiene facilities	<ul style="list-style-type: none"> Target: 1,853 schools (increased from target 1500 and 637 achieved result to date); Unit payment: US\$32,000 for each school (increased from US\$20,000); Criteria will include: (i) appropriate in situ wastewater treatment technologies (i.e., septic tanks); (ii) increased focus on sustainability of WASH services (rather than on new infrastructure); (iii) more infrastructure and resources to support MHM; (vi) adequate waste management; and (vii) rainwater harvesting. 	30.00	12.08	15.35	22.00
Original/Revised	DLI 5	Number of villages that achieve and sustain community-wide sanitation status	<ul style="list-style-type: none"> Target: 1,746 villages (increased from target 1250 and 288 achieved result to date); Unit payment: US\$3,000 per village that has sustained CWS access, instead of US\$2,500; At least 50 percent of households in a village have a handwashing facility (instead of 25 percent). 	25.00	3.83	18.53	9.98
Original/Revised	DLI 6	Number of villages with a CBWSO with improved	<ul style="list-style-type: none"> End target: 8, 127 villages (increase from 3,667); 	110.00	90.34	10.01	55.00

⁴⁶ As per the Amended and Restated Original Financing Agreement, the proposed Additional Financing changes will be reflected for all the parent Program DLIs (DLI1-8) for any achievement made after July 1, 2022.

⁴⁷ As indicated in the original PAD.

⁴⁸ Figures are converted into US dollars, using the exchange rates of the time of disbursements (i.e. SDR 1 = US\$1.43258 (May,2021) and SDR 1 = US\$1.33584 (June 2022)).

⁴⁹ The parent Program was restructured on May 21, 2022, to reallocate SDR 5,146,001 of IDA funds from DLI 6 to DLI 1 and SDR 110,780 from DLI 5 to DLI 3, resulting in higher disbursed amount than that allocated in the Parent Program. Figures are converted into US dollars, using the September 2022 exchange rate.



	DLI	Description	Changes ⁴⁶	Parent Program allocation ⁴⁷	Disbursed Amount (as of June 2022) ⁴⁸	Allocation remaining under Parent Program ⁴⁹	AF allocation
		O&M capacity for water supply services	<ul style="list-style-type: none"> Unit payment: Level I US\$10,000 (instead of US\$15,000); Level II: additional US\$10,000 (instead of US\$15,000); and Sustaining Level II: US\$5,000 per village (new category); Disbursement will be proportionate to the percentage of functioning WPs for a CBWSO. 				
Original/Revised	DLI 7	Number of participating district councils submitting accurate and complete sector M&E data	<ul style="list-style-type: none"> End target: 137 district councils (increased from 86); Unit payment: US\$24,000 (increased from US\$23,000). 	20.00	2.50	15.48	0
Original/Revised	DLI 8	RUWASA established and operationalized	<p>New milestones:</p> <ol style="list-style-type: none"> RUWASA has been created, and its board has approved a Fecal Sludge Management Strategy (FSMS) (US\$1 million); RUWASA has piloted the implementation of the FSMS in two regions for at least six months (US\$1.5 million); RUWASA has created, and its board has approved, a payment structure for household water connections (US\$0.5 million); RUWASA has conducted a special assessment of energy tariffs for rural water schemes (US\$0.25 million). The Recipient has secured more affordable energy tariffs for rural water schemes based on the special assessment of energy tariffs conducted (US\$0.25 million); At least five percent of RUWASA annual budget for FY 2023/2024 has been executed to operation and maintenance of water supply facilities (US\$0.5 million); The Recipient has amended the Regulation NWF Regulations GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272 to allow the resources of the National Water Fund to be used for O&M of water supply facilities (US\$0.7 million); RUWASA has drafted and submitted to MoW a proposal for an amendment to the Water Supply and Sanitation Act Cap 272 for the proceeds of the NWF to be allowed to be used on sanitation activities (US\$0.3 million). 	20.00	7.97	10.67	5.0
New	DLI 9	Number of health care facilities with improved water supply, sanitation,	<ul style="list-style-type: none"> End target: 2,636 HCFs (increased from 1,500 target as intermediate indicator); Unit payment: US\$29,000 for each HCF that has gained access 				32.94



	DLI	Description	Changes ⁴⁶	Parent Program allocation ⁴⁷	Disbursed Amount (as of June 2022) ⁴⁸	Allocation remaining under Parent Program ⁴⁹	AF allocation
		and hygiene facilities	to Improved Sanitation and Hygiene Facilities in the Program area.				
New	DLI 10	Enabling a pilot of pre-paid water meter with private financing	1. RUWASA has completed a public-private partnership feasibility study on pre-paid water meter with private financing. (US\$1.931M) 2. RUWASA has sensitized 206 CBWSOs. (US\$1M) 3. RUWASA has built 50 water schemes under a PPP contract. (US\$1M) 4. RUWASA has built 206 water schemes (cumulative) under a PPP contract. (US\$1M)				4.931 (grant)
Original	IPF			20.00	5.23	14.77	
Total				350.00	232.62 ⁵⁰	100.83 ⁴⁹	304.93

⁵⁰ The amount excludes the advance, which is about US\$75.9 million.



D. Updated IPF Component Activities

35. **An assessment of the IPF component by IAs was recently completed to further strengthen institutional capacities and priority studies that are critical to the provision of sustainable services, within and beyond the Program closing date.** Table 7 below describes the critical activities, showing how they contribute to the PDO and Program sustainability.

Table 7: New strategic activities supported by IPF

Activity	DLI Alignment	Contribution to PDO and Sustainability
Support for the design and construction of climate resilient water supply infrastructure; and the establishment of regional technical support centers.	DLI 1 & DLI 2	Improve resilience of water schemes to floods and droughts, as well as sustainable functionality of WPs.
Technical support to the establishment of regional technical support centers; assess role of private sector.	DLI 2	Robust strategy, workplan and creation of these centers to support long-term sustainability of CBWSOs; possible inclusion of private sector to further enhance this modality.
Social behavior change and communication campaign.	DLI 3	Increased access to improved sanitation and hygiene at the community level.
Creation of joint coordination mechanism and strategy among the IAs on selection and implementation of LGA and Village WASH projects.	DLI 5	Ensures investments and activities are aligned to achieve community-wide sanitation and access to services.
System enhancement for Rural Sector Data Management System (RSDMS), National Sanitation Management Information System, and Basic Education Management Information System.	DLI 7	Further enhancement of data management to enhance monitoring and management of services delivery.
Training of regional and district level IAs to strengthen the accuracy, timeliness, and completeness of data.	DLI 7	Capacity building for IAs for better data management, reporting, and use in scheme/infrastructure maintenance and improvement.
Consultancy to support FSM service delivery strategy and Program pilots.	DLI 8	Capacity building for RUWASA to deliver sanitation services for schools and HCFs; and support for long-term O&M and sustainability of sanitation infrastructure.
Improved asset management.	DLI 8	Improve records for RUWASA for enhanced monitoring and management of services for service continuity and optimization of performance.
Feasibility study for the design, installation, and operation of prepaid water meters in rural Tanzania under a PPP scheme	DLI 10	To showcase the role of PPPs in the rural WSS sector to bridge financing and sustainability needs.

E. Extension of the Program’s closing date

36. **The Program’s closing date will be extended by 12 months, from July 31, 2024, to July 31, 2025.** The additional period will be required to implement scaled-up activities and achieve increased project targets.

F. Program Financing and Expenditure Framework

37. **The counterpart funding ratio will be changed.** The proposed AF will increase the scale of funding to the Program by US\$254.93 million, comprising US\$300 million from the IDA credit, US\$200 million from GoT and a



US\$4.93 million grant from ESMAP.⁵¹ Whereas counterpart funding in the parent Program represents about 43 percent of the total parent Program financing, the counterpart funding ratio under the AF is set lower, at approximately 39 percent, in view of the fundamental focus of the Program on deprived rural areas. This is lower than the previous proportion, but still within the range of other rural PforR programs in the water sector. It is also proposed that the AF will provide an advance of 10 percent (adjusted from 20 percent for parent Program) to provide baseline funds required for the new eight regions to join the Program. Besides the advance, the AF will finance the verified results that meet the agreed criteria once the amount allocated to a specific DLI under the parent Program has been fully disbursed. Table 8 shows the breakdown of Program financing.⁵²

Table 8: Program Financing (US\$, millions)

Financing Source	Parent Program	AF Program	Total
BORROWER/RECIPIENT	325	200	525
IBRD/IDA	350	300	650
OTHER	65 (FCDO)	4.93 (ESMAP)	69.93
TOTAL	740.00	504.93	1,244.93

38. A review of the Government expenditures under the Program (Table 9) confirms that these are in line with the agreed Program Expenditure Framework as estimated at appraisal of the parent Program. The AF will follow the Expenditure Framework allocation proportion of the parent Program. As of June 2022, the GoT has spent about US\$432.58 million from all funding sources to implement the Program, which has been confirmed to be adequate, compared with the level of the disbursement of the World Bank credit and the expected expenditure. Besides, the disbursement under the Program has been much faster than originally anticipated. The expenditures include infrastructure development; training at regional, LGA and village levels; data collection and management; operation and maintenance of datasets; program supervision and monitoring; and salaries for program staff. These expenditures cover 87 rural districts in 17 regions.

Table 9: Government Expenditures under the Program (US\$, millions)

Budget Item	
Capital Expenditure	
Rural water supply investments	226.80
Rural sanitation facilities investments	35.65
Operating Expenditure	
Wages and salaries	154.29 ⁵³
Non-salary recurrent expenditure, training, O&M	15.84
Total	432.58

G. Institutional arrangement changes

⁵¹ This funding has been provided by DANIDA, via ESMAP. A separate Grant agreement for US\$4.93 million has been prepared to accompany the AF financing agreement.

⁵² MoW originally requested a total of US\$640 million for AF to further support WSDP2. The available financing from IDA (US\$300 million), ESMAP trust fund (US\$4.93 million), and counterpart funds (US\$200 million) still leaves a financing gap of US\$135 million. The World Bank and the client continue to reach out to other development partners to co-finance or parallel finance the AF (see section VI).

⁵³ The proportion of wages and salaries is much larger than originally anticipated at program preparation, as it includes salaries for staff at regional, district, village, and school levels. It requires further analysis on how much time they actually spend on the program. Moving forward, the Bank team will continue to review expenditures with IAs and have a standardized approach.



39. **Institutional arrangements remain as per the parent Program, these being adequate to meet the implementation requirements of the Program.** However, two developments have taken place. First, RUWASA was established and came into operation on July 1, 2019, through the Water Supply and Sanitation Act, Cap 272. RUWASA is vested with the responsibility for development and sustainable management of rural WSS projects. Reports shared during the last two implementation support missions indicate that RUWASA has made good progress on strengthening its capacity to carry out its mandate by recruiting staff, training of those staff in required technical areas, development and dissemination of technical guidelines, and strengthening of reporting systems. Development of RUWASA Service Delivery Management System (RSDMS) has progressed well and all PforR data are processed through the system, resulting in significant improvement in securing timely, accurate, and complete sector M&E data. Further detail on RUWASA can be found in the stand-alone technical addendum assessment report.

40. **Second, the role of MoH has not changed from that under the former Ministry of Health, Community Development, Gender, Elderly, and Children (MoHCDGEC).** In January 2022, MoHCDGEC was split into two ministries, MoH and the Ministry of Community Development, Gender, Women and Special Groups. After the split, MoH continues to coordinate the implementation of the NSC under WSDP Phase 2, updating the National Sanitation Management Information System (NSMIS), and coordinating quarterly and annual reports for submission to the MoW. The splitting up of the MoHCDGEC has not affected the capacity of MoH.

H. Fiduciary arrangement changes

41. **While most of the existing fiduciary arrangements for the Program continue to apply to the AF, PO–RALG will have its dedicated program account to transfer the disbursement for RSs, LGA's, schools under WASH and HCFs to district councils.** This arrangement will strengthen the accountability and reporting of funds allocated to PO–RALG under DLIs 3, 4, 5, and 9. The current arrangements are adequate to meet the fiduciary requirements of the World Bank. The fiduciary performance is Satisfactory.

I. Environmental and social arrangement changes

42. **The AF will maintain the same environmental and social arrangement as the parent Program.** However, all screening of activities under the Program⁵⁴ will now be subjected to scrutiny and approval by the National Environment Management Council, irrespective of category, as required by the EIA and Audit Regulations of 2005 (amended in 2018). This process has been facilitated by the establishment of an online portal for project registration and screening. In addition, to promote better monitoring of projects, RUWASA introduced mandatory Environmental and Social Management Plan (ESMP) preparation for all activities, irrespective of risk level. ESMPs will be prepared by local district safeguards staff with support from RUWASA, when warranted. The vetting of ESMP documents will be done by the Environmental Management Unit of RUWASA.

III. APPRAISAL SUMMARY

⁵⁴ Considering that most of the rural water supply and sanitation activities under the Program fall under category C or B2, project clustering will be applied.



A. Economic and Financial Analysis

43. **The AF follows the original economic evaluation approach, considering status of disbursement and implementation.** It takes the original project assumptions, benchmarks, and calculation approaches to access to safe water, sanitation, hygiene, and their direct and indirect impacts on wellbeing. The Economic Analysis is based on DLIs 1–5 as well as DLIs 9 and 10 that support Results Area 1 and 2, or the improvement of rural water and sanitation facilities, comprising nearly 60 percent of the credit. DLIs 6–8 supporting Results Area 3 are expected to generate long-term improvements in institutional capacity, thereby enhancing the benefits accruing from the other DLIs, in addition to strengthening governance.

44. **The AF is expected to directly benefit 10.7 million** rural Tanzanians, giving them access to safe and clean water and improved sanitation facilities. As of April 1, 2022, the project has already provided water to more than 3.7 million people (with 51,400 functioning water points), and sanitation to 4.6 million people.

45. **The project life is assumed to be 30 years (2018–2047), and the cash flow is discounted at the rate of six percent, as recommended for water projects in the region.**⁵⁵ A benefit–cost framework using ‘with and without project’ methodology has been used to calculate the Economic Internal Rate of Return (EIRR) and the Net Present Value (NPV) of the project. Project costs comprise initial capital cost, and the operations and maintenance costs throughout, all the way to the 30-year investment horizon. The benefits include the time cost savings due to the convenience of having a water supply near homes; savings implicit in illnesses avoided due to improved sanitation, particularly diarrheal diseases; and the saved cost of borewells that would otherwise have been sunk.

46. **Assuming the IDA credit will continue disbursing the remaining funds in the next two years (2022–2024), the NPV of cash flow discounted at six percent over a 30-year period is positive at US\$1,331.5 million, with the Economic Rate of Return at 28.7 percent.** Benefit-over-cost ratio (BCR) for the same period is 5.24 (discount rate of six percent), indicating that for every US dollar spent on this investment, there will be an estimated US\$5.24 benefit to the economy by benefiting the rural people of the 25 regions. The following results apply if high and low Shadow Price of Carbon (SPC) respectively enter the calculations.

Table 10: Results of Economic Assessment

	Baseline	With CC high SPC	With low SPC
IRR	28.7%	36.0%	32.5%
NPV (discount rate 6%)	US\$1,331,465,585	US\$2,009,374,068	US\$1,710,363,794
BCR=30 Years (US\$ benefit per US\$ invested)	US\$5.24	US\$6.82	US\$6.03

47. The project is sustainable for external shocks and remains efficient if costs increase by 20 percent and benefits reduced by 20 percent. The Project NPV in such case would be US\$854 million and ERR 19.4 percent, i.e., viable.

B. Technical

⁵⁵ Discounting Costs and Benefits in Economic Analysis of World Bank Projects. World Bank, 2016.



48. **As confirmed by the updated Technical Assessment carried out during the AF preparation, the strategic relevance and timeliness of the Program remain strong.** The following section provides a summary of the findings of the Technical Addendum Assessment, which can be found in full in the stand-alone report. The AF has been assessed as technically sound and adequately structured to address the quality, sustainability and inclusiveness challenges experienced under the Parent Program. The Technical Assessment (TA) Addendum assesses the technical performance of the Parent Program implementation to date. A summary of the findings from the TA Addendum are presented below.

Water supply

49. On water supply, the Program has generally performed well on increasing access to chlorinated water supply. However, some of the sustainability challenges identified during preparation of the Parent Program remain, including ongoing borehole quality issues and high O&M costs due to elevated unit costs for fuel and electricity. In addition, despite RUWASA's establishment, strengthened capacity and technical and supply chain support for CBWSOs, some CBWSO capacity gaps remain and RUWASA's O&M budget is insufficient. During implementation, there has been a decline in the number of functioning water points due to inaccurate baseline data, non-compliance with water quality certification requirements, inadequate WP flow rates and approximately 12,000 WPs falling out RUWASA's jurisdiction due to rural to urban reclassification.

Sanitation and Hygiene

50. On sanitation, although the Parent Program has performed well on household sanitation, access to household level hand washing facilities with soap and water remains a challenge, as identified in the Parent Program Technical Assessment. The National Sanitation Campaign has also performed well but lacks the funding and district level coordination required to maximize its potential. Despite some good progress on school and HCF sanitation, challenges include design and construction quality issues for sanitation facilities, and inadequate systems for safe disposal of menstrual, health care and fecal wastes. In addition, at schools, there is a lack of knowledge and understanding of Menstrual Health and Hygiene (MHH), and inadequate access to water for toilet flushing, handwashing and drinking, as noted in the Parent Program TA. Community-wide sanitation performance under the Program has been slow due to a need for stronger coordination between MoH and MoEST on geographical targeting of interventions and an insufficient DLI 5-unit payment. There is also a lack of funds allocation to sanitation within the sector.

Program Action Plan

51. The Program Action Plan (PAP) of the parent Program had two key technical actions, impacting technical implementation capacity for the program. The first, for MoH and the MoW to establish and operationalize CDMTs for the NSC and rural water supply, respectively was completed, whilst delayed by 6 months from target due date. The second, procurement and implementation of SPSC was considerably delayed. The delay resulted in most activities to be undertaken by the SPSC being completed by the PCT and other implementing agencies. Therefore, this PAP action has now been dropped. The remaining gaps identified will be addressed through measures/activities contained in the AF and new PAP actions added. These include: i) a consultancy financed through the IPF component to strengthen focus on strengthening RUWASA's internal capacity in key areas of: designing climate resilient infrastructure, Asset management, technical backstopping and leveraging PPP (pre-paid water meter for water supply schemes); ii) extension of contract for the individual program management



consultant to the end of the Program; iii) IPF component financing for additional training and workshops to develop the capacity of National, Regional and District teams on technical compliance and data quality assurance; and iv) fulfillment of a new PAP action for the application or approval of recruitment of additional staff for RUWASA and implementation of staff training plan.

Expenditure Framework

52. Adequate budgetary and accounting arrangements are assessed to be in place. The Program's budgetary and accounting information shows that the system is consistent with the national accounting policies and procedures for Tanzania. Adequate implementation support was provided for the original financing and the capacity building to strengthen the system was provided by the task team. The government was able to produce the Program Annual Financial Statements, which were audited by the Controller and Auditor General (CAG) of Tanzania. The Bank would continue to support and strengthen the system through regular implementation and supervision support to the Program. The expenditure framework is aligned with the results areas. The Program financial statements are audited by the CAG, and the government submit the audit reports to the Bank. The results of the Program will be verified by the Internal Auditor General (IAG) of Tanzania, the Program's independent verification agent (IVA).

Monitoring and Evaluation

53. **M&E under the Program has performed relatively well.** Challenges include: the lack of an option for mobile data collection and no overview of combined sector data for the RSDMS. In addition, data management issues persist including a lack of data quality control and further training and capacity building of data collectors and handlers is required and redefinition of acceptable accuracy, timeliness and completeness under DLI 7. The following aspects are assessed as adequate to address the technical challenges to improving M&E under the Program: strengthening data collection, processing, and visualization tools for the RSDMS; and providing training and capacity development to the Central Data Management Team (CDMT), regional and district staff and equivalent from MoH and MoEST. As per parent Program PAP, the Program has set aside Program resources for monitoring and supervision at all levels of implementation on an annual basis. It is expected that more regular and consistent training and capacity building and redefining what is acceptable accuracy, timeliness and completeness under DLI 7—will improve data quality. M&E arrangements will be expanded geographically and functionally to include the eight new regions to be covered through the AF, the new requirements on HCFs and the new PPP element under the Program.

C. Fiduciary

54. **The Program remains compliant with World Bank Policy for PforRs issued and effective November 10, 2017, and World Bank Directive for PforRs issued and effective September 17, 2020.** The fiduciary system of the ongoing PforRs is assessed as Satisfactory. There are no overdue audits on the program's financial statements. A rapid fiduciary systems' assessment-addendum (FSA-A) was completed the following section provides a summary of the findings of the FSA-A which can be found in full in the stand-alone report. The FSA-A covered the fiduciary systems assessments of any new agencies to be added to the Program. The focus of the FSA-A for the AF was based on program expenditures for AF, including profile of procurable items, procurement management, budget and treasury flows, and program audit. The FSA-A also focused on compliance issues including audits, and fraud and corruption reporting by the implementing entities.



55. **The FSA–A assessed the implementation arrangements and the potential fiduciary risks arising from any changes which took place after the approval of the original Program.** Two key changes have taken place since the approval of the Program. They include the establishment of RUWASA, which took over the responsibilities for the rural WSS in the LGAs, and the division of MoHCDGEC into two. The potential fiduciary systems risks posed by the changes in implementation arrangements were assessed to align with the current implementation arrangements. A fiduciary mission was conducted in March 2022, and the adequate arrangements of the ongoing Program and the risks and mitigation measures identified for the AF were confirmed as Moderate. The procurement and financial management are compliant with the Bank Directive Program-for-Results Financing. The fiduciary risks will not prevent the achievement of the PDO. There are no high-value contracts exceeding the Operational Procurement Review Committee (OPRC) threshold. The ongoing Program has implemented most of the PAP actions. The Bank will continue to support the GoT to be able to implement the remaining PAP including value-for-money audit of the original program.

Financial Management

56. The budget, planning, and execution framework remains adequate, although further improvements are needed at the LGA level on predictability and timing of the cash flow. The GoT uses the Development Fund (D-Fund) software to process the development funds for entities including the Program implementing entities. The capacity of the Development Fund (D-Fund) software users has been improved and the funds flow delays have been reduced from seven months to three months per transaction cycle. However, the parent Program PAP requires the transfer of Program funds to IAs to be completed within 2 months after fund receipt in Project Holding Pooled Account. Gaps, specific to fund flows to MoH and MoEST, have been identified in the existing funds flow arrangements causing non-adherence to this PAP. However, the delays are assessed not to be significant to prevent the achievement of the PDO. A new action has been added to the PAP to ensure PO-RALG open a dedicated account for the Program and ensure timely disbursement of funds to LGA, to alleviate the fund flow delays for MoH and MoEST and ensure greater accountability for the fund flow. The POM will be updated (as an effectiveness condition) to address the modifications in the fund flow arrangement because of opening this dedicated account. Accounting and financial reporting through the MUSE and the Epicor IFMISs accounting systems at the central and LGA levels respectively, is assessed to be adequate and the related PAP action, to a) activate the asset management module of the system to record all district assets; b) train all accounting staff at both central and local government on the use of IPSAS; and c) include sub-donor code in MUSE/Epicor to earmark funding has been continuously completed satisfactorily. The internal auditors have internal audit program which they implement but the capacity, financing and the lack of tools remains a challenge. The AF will continue to support the capacity building of the internal auditors for the Program. The external audit arrangements of the Program are adequate. The Controller Auditor General (CAG) is constitutionally mandated to audit all government entities. The program implementing entities are audited by the CAG. The audit opinions for each of the implementing entities is unmodified. A DLI achievement verification process is in place and is assessed as adequate.

Procurement

57. The responsibilities for development and sustainable management of rural water supply and sanitation in the LGAs was transferred to the Rural Water Supply and Sanitation Agency (RUWASA) following its establishment through the Water Supply and Sanitation Act, 2019. RUWASA has put in place systems for



procurement management with all the organs required for conducting procurement activities, in line with the requirements of the Public Procurement Act and its regulations. RUWASA is facing several procurement capacity challenges, including: a shortage of staff resulting in an inability to establish Delegated Tender Boards in all regions; and inadequate office and record keeping space and office equipment for enhanced efficiency. RUWASA has taken the initiative of blending procurement officers and engineers in the PMUs which has helped to speed up processing of works contracts. RUWASA has also contracted Water Authorities to handle procurement activities for districts in some of the regions without a Delegated Tender Board. Plans are under way for strengthening nine Delegated Regional Tender Boards to enable them handle higher thresholds than those of other Regional Delegated Tender Boards. This initiative will help to relieve the Headquarters Tender Board which is currently handling all contracts of value larger than the threshold of the Delegated Regional Tender Boards. Specific PAP actions from parent Program have been met satisfactorily, including: tailor-made training courses designed to address weakness identified in areas of procurement and contract management for technical staff at districts levels being conducted continuously; satisfactory record keeping/management system having been established; standard processing times being adhered to throughout program implementation; an internal procurement procedures manual prepared which is being used by all districts; and procurement and performance (value for money) audits being completed annually. In a bid to advance on the procurement process of critical activities and disbursements under the IPF, a new PAP action was included for the AF for a revised procurement plan to be uploaded and approved in STEP.

Fraud and Anti-corruption

58. **To ensure compliance with the World Bank’s Fraud and Anti-corruption guidelines⁵⁶, applicable to PforR operations, the government has agreed to; (i) share information on corruption allegations with the World Bank immediately (and a bi-annual report even if cases are not arising), while at the same time conducting its own internal investigations.** At a minimum, the report should cover; location of the incidence, date allegation was received, complainant, alleged perpetrator, description of the allegation, stage of handling of the allegation, progress status in the investigation, outcome of the investigation, and source of finance for the case.; (ii) a commitment to use the World Bank’s debarment list to ensure that persons or entities debarred or suspended by the World Bank are not awarded a contract under the Program during the period of such debarment or suspension; (iii) preserving the World Bank’s right to investigate Fraud and Corruption allegations.

D. Environmental and Social

59. **Based on the scope and scale of activities to be financed under the AF, environmental and social impacts are expected to be low to moderate in scale, with most of the impacts limited to the construction phase, being site-specific and temporary.** The following section provides a summary of the findings of the Environmental and Social Systems Assessment (ESSA), which can be found in full as a stand-alone report. The scaled-up program financed by the AF falls under the exception to the riparian notification requirement under paragraph 7 (a) of OP 7.50, which was approved for the parent Program. The AF is unlikely to introduce new environmental or social risks because of the expanded scope of the AF. Environmental and social risks will be the same as those under the parent Program, which have been shown to be neutral in their impact on the environment, while the low impacts have been successfully managed by the mitigation measures in the PAP. The implementation of the parent Program is rated Satisfactory. The parent Program was covered by an

⁵⁶ “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.



Environmental and Social Systems Assessment (ESSA) prepared in March 2018 and is still valid. However, to comply with the requirements of the recently updated guidance for PforR Financing Environmental and Social Systems Assessment (OPS5.04-GUID.118), dated September 18, 2020, a fully revised ESSA has been prepared to highlight emerging challenges such as climate change causing reduced and polluted water resources—mainly through the impacts of droughts and floods—and the competing demands for water by different sectors; and the COVID-19 impacts.

60. **Climate change has the potential to significantly impact water resources.** Small water utilities must be alert to these effects as they pose threats to their long-term viability and sustainability. Climate change effects range from rising sea levels, increased saline intrusion into groundwater aquifers, changes in discharge characteristics of major rivers, water treatment challenges, to increased risk of direct storm and flood damage to water utility facilities. More intense rainfall, meanwhile, can increase turbidity and sedimentation in the water courses and increase the risk of direct flood damage to water utility facilities. Despite strong legal instruments for freshwater conservation, future changes in freshwater supply and demand in Tanzania will present challenges for balancing future river water allocations between ecosystems and human users. River flows in some basins are already declining, in part because of high rates of water withdrawals. Human population growth, agricultural expansion, planned construction of new dams, industrialization, and introduced species, are all issues that exacerbate the likely impacts of climate change. The AF will attempt to strengthen the efforts to mitigate and adapt to climate change by building more resilient water schemes and enhancing water security. MoW and RUWASA will be supported in their efforts to monitor river flows and to sensitize the beneficiaries on the importance of judicious use of such a precious commodity and learning to use it sustainably. All water user associations need to be trained on water conservation prior to rolling out any scheme.

61. **Despite remarkable achievements noted under the parent Program, some challenges remain.** It has been reported that a few District Managers need more training on E&S risk management (e.g., training on ESF management, monitoring and enforcement) and support compliance with national Environmental Management and Social Legislation and the recommendations in the Environmental and Social Program Action Plan. It has also been observed that monitoring may fall short of expectations due to a shortage of employees at RUWASA. The AF will therefore place considerable emphasis on reinforcing capacity, not only at RUWASA, but also at the local levels. There is also a need to address the lack of monitoring and reporting functions by ensuring that E&S staff are adequately trained at all levels. RUWASA will strengthen its collaboration with Zonal Water Bodies and other key stakeholders to complement monitoring capacity, and to promote sustainability of implemented water schemes.

62. **The gaps identified through the ESSA and subsequent actions to fill those gaps are expected to directly contribute to the Program’s anticipated results for enhancing improved access to water, improved access to safely managed sanitation and strengthened institutional capacities for water and sanitation delivery.** The ESSA identifies the key measures to be taken for improved environmental and social due diligence in the Program. These measures are linked closely with the Program Action Plan and Disbursement-linked Indicators (DLIs) for the PforR operation (DLIs 1, 2, and 7). The actions are included in the Summary ESSA PAP (see Table 11).

63. **Several virtual consultations, together with a limited number of face-to-face meetings, were held for the preparation of the revised ESSA.** Consultations were also held with central and local government agencies and water user associations in the concerned regions; the feedback received from these consultations was



factored into the revision of the ESSA report. To facilitate discussion, and where appropriate to adjust the findings of the report, multistakeholder consultation meetings were conducted on March 11, 14 and 15, 2022 with: GoT agencies; Non-Governmental Organizations (NGOs) representing women, vulnerable and marginalized groups; Persons with Disabilities (PwDs); and experts. The ESSA was locally disclosed on the MoW website on February 22, 2022, and sent to stakeholders on February 24, 2022, with an invitation for the multistakeholder consultations. The final ESSA was disclosed on the World Bank website and in-country on August 10, 2022. During consultations, the participants voiced their strong support for implementation of the proposed program that aims to improve water and sanitation services in rural areas, while improving environmental and social management in the water and sanitation sectors. Comments arising during such public consultations have been included in the ESSA addendum and action plan. Further consultations will be undertaken throughout Program implementation to ensure communication with stakeholders and beneficiaries.

64. **The parent Program prepared and rolled out a Grievance Redress Mechanism (GRM) to manage program-related grievances, and a stakeholder engagement plan to guide involvement of communities during the program implementation which will be adopted under the AF activities.** The GRM has been functioning, for example from July-September 2021, it was noted out of the 104 complaints received by RUWASA, with 58.7 percent being resolved with the rest at different stages of resolution⁵⁷. To mitigate the impacts and to ensure that consultations are undertaken in a culturally appropriate manner with vulnerable and marginalized groups, the parent Program adopted a Vulnerable Groups Plan (prepared by the GoT) under the Productive Social Safety Net project (P124045), which will also be applied by the AF. The process of dealing with cases of Gender-Based Violence and Sexual Exploitation and Abuse (GBV/SEA) will be in line with the national framework on dealing with Gender-Based Violence and Violence Against Children (GBV and VAC). The Program’s Gender Action Plan (GAP) makes responsibility for the management of any GBV/SEA an integral part of implementation remit of RUWASA district managers, CBWSOs and the Water Institute: each of these three institutions (RUWASA, CBWSOs and the Water Institute) are expected to appoint and manage gender desk coordinators. The GRM has also included GBV/SEA-SH grievance handling requirements. All these will be adopted by the AF.

65. **The gaps identified through the ESSA and subsequent actions to fill those gaps are expected to contribute directly to the Program’s anticipated results for enhancing improved access to water, improved access to safely managed sanitation and strengthened institutional capacities for water and sanitation delivery.** The ESSA identifies the key measures to be taken for improved environmental and social due diligence in the Program. These measures are linked closely with the Program Action Plan and Disbursement-linked Indicators (DLIs) for the PforR operation (DLIs 1, 2, and 7). Table 11 highlights the actions recommended for inclusion in the DLIs and or Program Action Plan. The actions in bold are those that are being introduced under the AF, while the rest are being carried over from the parent Program.

Table 11: Environment and Social Program Action Plan

Objective	DLI/PAP	Due Date	Measures
Strengthening environmental and social management systems	DLI 1: Number of people with access to an improved	Ongoing	<ul style="list-style-type: none"> The AF will not finance activities that pose significant environmental risk, and any physical or economic displacement is expected to be minor. Given the experience of the previous

⁵⁷ Complaints were related to water service delivery (80.8%) and land compensation complaints (16.3%).



Objective	DLI/PAP	Due Date	Measures
	<p>water supply.</p> <p>DLI 7: Number of participating districts submitting accurate and complete sector M&E data.</p>		<p>Water Sector Support Project, there is a good opportunity to improve systemic implementation of environmental and social practices related to the functioning and operations of water and sanitation service provision. The Program has adopted the measures and procedures defined in the Environmental Impact Assessment and Audit Regulations (2005), and as Amended in 2018, which underscores the obligation to screen activities. Activities requiring an Environmental and Social Impact Assessment (ESIA) will not be financed under the AF. The beneficial experience derived from WSSP-I and the parent Program regarding improved screening of activities will serve to plug any gaps that have been identified.</p> <ul style="list-style-type: none"> • The Environmental Impact Assessment (EIA) regulation and procedure have been assessed and found to be compliant with PforR principles at the top level, but warrant greater attention to implementation procedures, resources, and improved institutional mechanisms at the local government/project site level. • The current process for grievance redress and complaint handling, inclusive and participatory community consultations, social accountability, transparency and information sharing, and gender equality (including vulnerable groups) also needs improvement. • The Program will strengthen environmental management functions of core implementing agencies to require further coordination among various ministries, agencies, and donor partners (including as relevant at the regional and district levels) on environmental and social aspects to further support field implementation. • Improvements in this regard will be assessed through more regular compliance monitoring, enforcement, and reporting. These environmental and social measures will be part of overall Program reporting and a central environment management system. For improved implementation, enforcement, and monitoring, procedures defined in the Environmental Management Act, EIA regulation, management tools for the environmental and social management in the ministry, the Sustainability Strategy, the Trainers Manual for CBWSOs and the District Water and Sanitation Teams capacity building will be fully implemented. • Support CBWSOs environmental and social management functionality. • Monitor inclusion of disadvantaged and vulnerable communities in services delivery.
Addressing Climate	PAP	The first two measures	<ul style="list-style-type: none"> • MoW and RUWASA to develop materials to



Objective	DLI/PAP	Due Date	Measures
Change		to be completed before the launch, and the other measures to be completed during implementation	<p>sensitize beneficiaries on the value of water conservation.</p> <ul style="list-style-type: none"> Strategies at national level and regional level will be formulated to promote retention of water during the rainy seasons (these are projected to become more intense, followed by longer and drier periods). Promote more judicious use and more equitable sharing of water resources among competing users (agriculture, urban development, industry). More economical and sustainable energy sources will be promoted to replace other sources, including fossil fuels. Rainwater harvesting will be encouraged to take advantage of increased precipitation during rainfall months. Undertake hydrological flow monitoring of all relevant river systems serving as sources for the program at launch of program and every six months thereafter.
Addressing capacity constraints	<p>DLI 1: Number of people with access to an improved water supply.</p> <p>DLI 2: Number of sustainably functioning water points.</p> <p>DLI 8: Agency established and operationalized PAP/IPF.</p>	Ongoing	<ul style="list-style-type: none"> The capacity building activities (including provision for strengthening safeguards screening and monitoring arrangements) from the parent project will be extended to the AF component and included in the Operations Manual. Central to this will be the mainstreaming of environmental and social capacity strengthening under the multiple-activity IPF Technical Support component. Progress made on capacity building will be provided by the verification of DLI 7.
Improved systems for information disclosure and stakeholder consultation	PAP	Ongoing	<ul style="list-style-type: none"> Accountability and transparency of institutions are essential to ensure that the benefits of the Program reach all beneficiary groups (service users and providers). The ESSA suggests the following actions: (a) establish coordination mechanisms from national agencies and DPs jointly led by MoW and RUWASA, and (b) undertake orientation and awareness creation for Program implementation to lower-level stakeholder groups on environmental and social management through publicly available mechanisms. The measures to improve information disclosure and stakeholder engagement are included in the Stakeholder Engagement Plan of the parent Program which will be adopted for the AF.



Objective	DLI/PAP	Due Date	Measures
			<ul style="list-style-type: none"> During supervision, the World Bank will monitor information available in the public domain on community engagement activities and their contribution to improved water and sanitation service provision.
Disadvantaged and vulnerable persons	PAP	Before effectiveness of the AF	<ul style="list-style-type: none"> The AF will develop and adopt measures to ensure inclusive consultations and grievance redress with the vulnerable and unreached or disadvantaged people to ensure that they are not excluded from the Program's benefits. The AF will continue to ensure that benefits and compensation given to disadvantaged persons are culturally appropriate. The AF will continue to support the GoT-prepared Vulnerable Groups Plan under the Productive Social Safety Net (PSSN) P124045. These will be included in the POM before effectiveness of the Program.
Land acquisition/allocation for the Program	DLI 1: Number of people with access to an improved water supply.	Before effectiveness of the AF	<ul style="list-style-type: none"> The AF will continue with the procedures in place for voluntary land donations and formats of agreements (between the Program and land donors). These will be included in the Operations Manual before effectiveness of the Program. To guide land acquisition where needed the AF program will adopt Water Sector Support Project II (P150361) – Resettlement Management Framework (RMF).
Gender inclusion	DLI 1: Number of people with access to an improved water supply. PAP	Ongoing	<ul style="list-style-type: none"> A Gender Action Plan developed under the 'Foundation Activities' of the Program during year 1 will be extended to the AF. To promote the participation of women in governance and CBWSOs, the Program will adopt the dedicated gender action plan to be implemented at RUWASA, district, and CBWSOs and build women's capacity to lead and manage CBWSOs. These initiatives will include development and adoption of a rural water gender mainstreaming strategy, extension of the current quota system to include leadership positions, exploring of ways of promoting female water technicians and engineers, training of men and boys on sanitation and hygiene to promote their active participation, continuous sensitization of all sectors on discriminatory social and cultural practices and norms underpinning gender inequalities and discrimination against women, with the aim of correcting them. Guidance is also provided on how the risk of sexual exploitation and abuse will be mitigated in the Program.



Climate Change

66. **The parent Program was designed to build resilience against local climate risks, including droughts and floods, and the AF will further strengthen the efforts to mitigate and adapt to climate change by building more resilient water schemes and enhancing water security.** Both the parent Program and AF are fully aligned to the Paris Agreement and Tanzania’s Nationally Determined Contribution (NDC)⁵⁸ through supported adaptation and mitigation measures. Climate change adaptation measures include improved watershed management, which reduces the rate of erosion and increases the rate of natural aquifer recharge and switching rural villages from seasonal to permanent water sources, raising communities’ water security. Overall, the Program aims to include climate-resilient design elements in the construction of new infrastructure, rehabilitation, and retrofitting to make facilities more reliable and less likely to be affected by climate-related shocks such as droughts and floods. On water supply, RUWASA is tasked with selection of a water supply technology that is appropriate for the population density as well as quality and availability of water resource at each site. At the planning and design stage, it carries out hydrological assessment to understand water source availability, sustainable abstraction rates, and seasonal variation, as well as competing demands, and the impact of climate change. Throughout the Program, RUWASA, in consultation with the Department of Water Resources Management, also looks for sustainable water sources and works to protect them. Through technical assistance under the IPF component, the Program also supports an assessment of climate change, and hydrogeological and hydrological determinants of water yield variance, in developing climate-resilient infrastructural designs for water sources. Rainwater harvesting is encouraged for HCFs as a main or alternative source of water supply. The revised criteria for DLI 4 (school WASH) in the AF will require each school to have rainwater harvesting equipment, and it will be monitored in the Results Framework and verified by IVA. The AF will also emphasize adherence to standard design and adequate construction supervision, so that wastewater from sanitation facilities at schools and HCFs is collected in septic tanks for in situ treatment to reduce the spread of pathogens. The revised DLI 8 will also incentivize RUWASA’s Sanitation Department to develop the FSM strategy and its pilot implementation, which promotes sustainable wastewater management and contributes to reduction in greenhouse gas (GHG) emissions. The Program also emphasizes the use of CBWSOs, which improves community involvement in design, operation, and maintenance of the water points. This reduces the risk of water points being built in unfavorable locations (such as those repeatedly inundated by floods) and improves upkeep. CBWSOs will also work with communities to sensitize beneficiaries on the value of water and demand management. Climate change mitigation measures include RUWASA continuing to work with CBWSOs to switch from diesel to more economical and sustainable energy sources.

67. **In addition, GHG emissions are expected to reduce further due to water supply and sanitation interventions.** These include investments in fecal sludge management and facilities, such as installation of septic tanks for *in situ* treatment of wastewater from sanitation facilities at schools and HCFs, switching away from diesel to power source with a lower carbon footprint, and improved watershed management. The largest GHG emission reduction is expected from reduced use of charcoal due to improved water quality (see below), and conversion of wet latrines into emptiable latrines. Like the Economic Analysis, the benefits of GHG emission reduction are assessed for DLIs 1–5.

68. **With provision of safe and sustainable water, the Program reduces use of charcoal for boiling water for potable use by 80 grams of charcoal per day per beneficiary.** It is estimated that, worldwide, traditional wood

⁵⁸ Tanzania Nationally Determined Contribution see, https://unfccc.int/sites/default/files/NDC/2022-06/TANZANIA_NDC_SUBMISSION_30%20JULY%202021.pdf



energy (fuelwood and charcoal) emits 1–2.4 Gt of carbon dioxide equivalent (CO₂e), amounting to 2–7 percent of total anthropogenic GHG emissions. Sub-Saharan Africa accounts for one-third of GHG emissions from wood energy primarily for boiling water, cooking and heating purposes. The imprecision of estimated GHG emissions associated with wood energy reflects the wide range of underlying assumptions on wood regeneration rates and charcoal consumption. GHG emissions are generated at various stages of the charcoal value chain, with the sustainability of wood harvesting and the efficiency of charcoal production technologies the greatest determinants of overall GHG emissions. In very inefficient operations, the emission of GHGs in charcoal production (including due to forest degradation and deforestation) can be as high as 9 kg CO₂e per kg charcoal produced.⁵⁹ In our calculations, we assumed 5.14 kg CO₂e per kg of charcoal produced, as recommended by the World Bank Shadow Price of Carbon team.

69. **The Project extends sanitation to approximately nine million residents, and additionally improves sanitation in schools.** The Project significantly reduces open defecation, constructs dry-lined latrines, upgrades uncontrolled and wet latrines to dry ones, and constructs new water-efficient latrines.

70. Results of the GHG accounting are summarized in table 12.

Table 12: Summary of GHG Accounting Results

Estimated gross emissions	tCO ₂ e	17,486,826
Estimated net emissions over the program life (reduction)	tCO ₂ e	(14,282,099)
Estimated annual net emissions (reduction)	tCO ₂ e/year	(476,070)

Gender and Social Inclusion

71. **The AF will continue to support activities to address gender gaps identified in a gender assessment under the parent Program.** The gaps included underrepresentation of women in decision-making spaces and in employment, absence of women in leadership positions in some of the community-based committees as well as uneven employment in the water sector. Furthermore, sanitation facilities in majority of schools in Tanzania were not equipped to support the Menstrual Health and Hygiene (MHH) needs of students, while lack of knowledge about menstruation among students and teachers contributed to higher absenteeism rates among female pupils, and facilities lacked waste management systems for disposal. The Program promotes gender equality and empowerment through specific activities which will be continued and enhanced (in the case of MHH) under the AF. First, the Program incentivizes more female participation in leadership positions by conducting active promotion, capacity building and setting targets for female participation in decision-making bodies at community level. The Program tracks the number of CBWSOs with at least one woman in a governing body. Currently 903 CBWSOs have at least one woman in a governing body position. This monitoring will continue under AF. Second, the Program has supported 822 primary schools in constructing or rehabilitating WASH facilities, including separate latrines for boys and girls with lockable doors and washable floors. For girl students, MHH facilities are also constructed, so that they can change clothes when menstruating. These primary schools also have a teacher, a female parent, or a community health worker assigned to be a designated and active menstrual counselor. Third, the Program supports the Water Institute in increasing its capacity

⁵⁹ FAO 2017. The Charcoal Transition: Greening the Charcoal Value Chain to Mitigate Climate Change and Improve Local Livelihoods, by J. van Dam. Food and Agriculture Organization of the United Nations, Rome.



through procurement of equipment and expansion of facilities.⁶⁰ Since the commencement of the Program, the ratio of female students in the Water Institute has increased from 28 percent in 2018 to 33.5 percent in 2021, with a target of 35 percent specified in the results framework. The indicators to measure these activities are included in the Results Framework as well as in the conditions of DLIs 1, 2, 4 and 6, and activities as specified in a gender action plan of the Program. Furthermore, the World Bank discussed with MoEST, other opportunities to further enhance awareness of menstrual hygiene health and access to sanitary products—these are persistent issues identified in a recent menstrual hygiene health study, funded by the United Nations Children's Fund and undertaken by the National Institute of Medical Research.⁶¹ Under the AF, DLI 4 will require each school to have a burning chamber for waste management, which is required since currently less than 10 percent of schools have incinerators, according to MoEST data. Moreover, the AF will monitor the presence of water and soap in sanitation facilities, and the provision in schools of special rooms with hygienic menstruation supplies available in emergency situations.

72. The Program through its activities will continue to promote social inclusion, especially for women and disabled people. WASH infrastructure at schools and HCFs uses accessible design standards for people with disabilities. The Program will explore participatory monitoring of built infrastructure, with disabled persons' organizations engaged in implementation activities. This could include conducting accessibility and safety audits and capacity building on disability inclusion to create awareness among participating communities and contractors.

73. Improved and sustainable water supply and sanitation services contribute directly and indirectly to reduce GBV in the Program areas. Despite the GoT's efforts to combat violence against women and children through the Five-Year National Plans for Action to End Violence Against Women and Children (2021/22), GBV and VAC are still prevalent. According to the Tanzania GBV Assessment,⁶² 40 percent of women aged 15 to 49 have experienced physical violence, and 17 percent sexual violence. Many of them have experienced violence from an intimate partner or a spouse, and it is more prevalent in rural areas. In many rural households, women are responsible for fetching water for the family, and having a WP near their houses reduces their travel and waiting time. That proximity has helped to reduce incidents of spousal quarrels in the Program areas, according to anecdotal evidence. Through its procurement process, the AF will continue to prevent GBV and VAC. The application of a Code of Conduct in standard bidding and procurement documents will help prevent, or mitigate, the risks of GBV and VAC in the Program. These Codes of Conduct are to be adopted by those working on the Program and are meant to (a) create common awareness about GBV and VAC; (b) ensure a shared understanding that they have no place in the Program; and (c) create a clear system for identifying, responding to, following up on incidents of GBV and VAC.

Citizen Engagement

74. Citizen engagement has been incorporated in the design of the parent Program, and the AF will continue to support the efforts made by IAs to engage with their customers and beneficiaries in a systematic way, so that their voices are reflected not only in planning and design, but also in O&M. The management body of a CBWSO has at least one member who is responsible for communications and customer relations. Through

⁶⁰ The Water Institute is a government executive agency under MoW, providing education, training, and consultancy services for water management and services.

⁶¹ "Menstrual Health and Hygiene Among School Girls in Tanzania – Research Report." (June 2021).

⁶² World Bank. March 2022. Tanzania GBV Assessment. World Bank. Report No: AUS0002786



community outreach, CBWSO staff are actively engaging with community members to explain the benefits of having an improved water supply system as well as the responsibilities of customers (notably tariff payment and the maintenance of facilities). At schools, students form “WASH clubs” to educate their peers on hygiene practices as well as proper usage of WASH facilities. As mentioned above, the grievance redress mechanism (GRM) system is functional at the Program level. A GRM manual has been developed under the parent Program. The AF will continue to support dissemination of the manual and training on GRM. The AF will also look for opportunities to create stronger links between Program GRM and country systems, following good practices for effective and sustainable GRM.⁶³

IV. KEY RISKS

75. **The overall project risk rating is Moderate.** The parent Program has performed well with strong progress toward achieving the PDOs in less time than originally envisioned. Whereas the AF will scale up Program scope to eight additional regions, the interventions supported by the AF will remain the same, with technical, implementation capacity, fiduciary, and E&S risks all assessed as Moderate. Similarly, there are no changes to the country context that pose significant political, governance, or macroeconomic risks to achieving the PDO. ‘Other’ risk is also rated moderate. This specifically relates to the commodity price surge risk, because of the COVID-19 pandemic and the war in Ukraine. Under the IPF component, this risk will be mitigated by the price fluctuation provisions included in the procurement documents.

V. WORLD BANK GRIEVANCE REDRESS

75. **Grievance Redress.** Communities and individuals who believe that they are adversely affected as a result of a Bank supported PforR operation, as defined by the applicable policy and procedures, may submit complaints to the existing program grievance mechanism or the Bank’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Project affected communities and individuals may submit their complaint to the Bank’s independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted at any time after concerns have been brought directly to the Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the Bank’s Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank’s Accountability Mechanism, please visit

⁶³ Functional grievance redress systems include four key characteristics: effectiveness, accessibility, responsiveness, and transparency. (i) Effectiveness: To be effective, grievance redress systems need to have sufficient internal support to be responsive, have clear lines of jurisdiction (who is responsible for responding to which complaints), and have categories of complaints aligned with what consumers care about. The systems need to be able to present data in a timely and organized enough way to feed into management decisions. (ii) Accessibility: Complaint systems need to be accessible to consumers (including those with functional disabilities, low literacy levels, or otherwise disadvantaged), preferably via options to submit complaints via multiple avenues (telephone, online, in-person, preferably also by social media) and in a manner that is accessible (number of locations or points where one can submit a complaint). (iii) Responsiveness: Robust complaints systems can triage and resolve complaints within reasonable amounts of time, and within any regulatory standards. (iv) Transparency: The complaints system should specify how summary data on complaints received, and complaints addressed, will be published and used, and how complainants can receive information on the status of their specific complaint.



<https://accountability.worldbank.org>.



VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Change in Program Scope	✓	
Change in Results Framework	✓	
Change in Loan Closing Date(s)	✓	
Change in Program Action Plan	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Safeguard Policies Triggered		✓
Change of EA category (IPF Component)		✓
Change in Legal Covenants		✓
Change in Technical Method		✓
Change in Fiduciary		✓
Change in Environmental and Social Aspects		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-62950	Effective	31-Jul-2024	31-Jul-2024	31-Jul-2025	31-Jan-2026



Conditions

Type Effectiveness	Financing source IBRD/IDA	Description GoT has updated the Operation Manual in a manner and substance satisfactory to the Association (to adjust its content to reflect to the expanded scope of the Operation)
Type Effectiveness	Financing source Trust Funds, IBRD/IDA	Description The Restated Original Financing Agreement and the ESMAP Grant Agreement have been executed and delivered and all conditions precedent to their effectiveness or to the right of the Recipient to make withdrawals under them (other than the effectiveness of this Agreement) have been fulfilled



IX. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Tanzania

Sustainable Rural Water Supply and Sanitation Program - Additional Financing

Program Development Objective(s)

The project development objective is to increase access to rural water supply and sanitation services in participating districts and strengthen the capacity of select sector institutions to sustain service delivery.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	End Target
Sustainable Access to improved water services in rural areas			
People provided with access to improved water sources (CRI, Number)		0.00	10,137,353.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: DLI 1 has achieved the original target. The AF will aim to reach another 6.378 million people increasing the total to 10.137 million people who have new access to an improved water source.</i>		
People provided with access to improved water sources - Female (RMS requirement) (CRI, Number)		0.00	5,068,677.00



Indicator Name	DLI	Baseline	End Target
<i>Action: This indicator has been Revised</i>	Rationale: <i>DLI 1 has achieved the original target. TThe AF will aim to reach another 6.378 million people increasing the total to 10.137 million people who have new access to an improved water source of which 50% will be female.</i>		
People provided with access to improved water sources - rural (CRI, Number)		0.00	10,137,353.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>DLI 1 has achieved the original target. TThe AF will aim to reach another 6.378 million people increasing the total to 10.137 million people who have new access to an improved water source in rural areas.</i>		
Number of sustainably functioning water points (Number)		31,811.00	80,000.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>The end target is increased to 80,000 water points. Target end date revised to align with the new closing date of the Program.</i>		
Increased access to improved sanitation services in rural areas			
People provided with access to improved sanitation services (CRI, Number)		0.00	9,040,260.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>DLI 3 has exceeded the original target and thus the AF will aim to reach another 4.37 million people increasing the total to</i>		



Indicator Name	DLI	Baseline	End Target
		<i>9.04 million people who have access to an improved sanitation facility. The target end date is also revised to extend to new closing date of 2025.</i>	
People provided with access to improved sanitation services - Female (RMS requirement) (CRI, Number)		0.00	4,520,130.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: DLI 3 has exceeded the original target and thus the AF will aim to reach another 4.37 million people increasing the total to 9.04 million people who have access to an improved sanitation facility of which 50% will be female. The target end date is also revised to extend to new closing date of 2025.</i>	
Number of villages that achieve and sustain community-wide sanitation (Number)		0.00	1,746.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: DLI 5 end target increased to 1,746 villages that achieve and sustain community wide sanitation. Target end date revised to align with the new closing date of the Program.</i>	
Strengthened capacity of select sector institutions to sustain service delivery (Action: This Objective is New)			
Number of villages served by a CBWSO with improved O&M capacity for water supply services (Number)		0.00	8,127.00
<i>Action: This indicator is New</i>		<i>Rationale: Indicator upgraded from intermediate to PDO indicator as it is a critical indicator for achieving the PDO. As the Program area of the AF will be expanded to eight regions, the target is increased from 3,667 to 8, 127villages and target end date revised to align with the new closing date of the Program.</i>	
Number of participating district councils submitting accurate		0.00	137.00



Indicator Name	DLI	Baseline	End Target
and complete sector M&E data (Number)			
Action: This indicator has been Revised	Rationale: <i>The indicator is split into three supplemental sub-indicators to provide separate results for implementing agencies to better align with the verification reporting and disbursement formula. Target end date and end target revised to align with the new closing date of the Program and scale up country wide.</i>		
Number of participating district councils submitting accurate and complete sector M&E data for household water supply (Number)		0.00	137.00
Action: This indicator is New	Rationale: <i>The indicator is to provide separate results for implementing agencies to better align with the verification reporting and disbursement formula. Target end date and end target revised to align with the new closing date of the Program and scale up country wide.</i>		
Number of participating district councils submitting accurate and complete M&E data for household sanitation (Number)		0.00	137.00
Action: This indicator is New	Rationale: <i>The indicator is to provide separate results for implementing agencies to better align with the verification reporting and disbursement formula. Target end date and end target revised to align with the new closing date of the Program and scale up country wide.</i>		
Number of district councils submitting accurate and complete sector M&E data for sanitation at public primary schools (Number)		0.00	137.00



Indicator Name	DLI	Baseline	End Target
<i>Action: This indicator is New</i>	Rationale: <i>The indicator is to provide separate results for implementing agencies to better align with the verification reporting and disbursement formula. Target end date and end target revised to align with the new closing date of the Program and scale up country wide.</i>		

PDO Table SPACE

Intermediate Results Indicators by Results Areas

Indicator Name	DLI	Baseline	End Target
Sustainable access to improved water services in rural areas			
Number of primary schools that have installed rainwater harvesting equipment as the main or as an alternative source of water supply (Number)		0.00	528.00
<i>Action: This indicator is New</i>	Rationale: <i>New indicator to monitor climate change mitigation interventions under the Program.</i>		
Number of villages with a CBWSO with improved O&M capacity for water supply services (Number)		0.00	3,667.00
<i>Action: This indicator has been Marked for Deletion</i>	Rationale: <i>This indicator is moved to the PDO level indicator.</i>		
Number of water schemes constructed under PPP contracts (Number)		0.00	206.00



Indicator Name	DLI	Baseline	End Target
Action: This indicator is New	Rationale: Intermediate indicator added to align with result for DLI 10.		
Percentage of household water connections sustained (Percentage)		0.00	95.00
Action: This indicator is New	Rationale: This indicator is added to monitor the functionality of household water connections that were built under the parent Program (Year 1-3). The Additional financing no longer provided a unit payment for household water connections but it is was deemed critical to ensure infrastructure built under the parent program is sustained.		
Increased access to improved sanitation services in rural areas			
Number of health care facilities with access to improved sanitation and hygiene facilities (Number)	null 9	0.00	2,636.00
Action: This indicator has been Revised	Rationale: The end program target has been increased from 1500 to 2,636 to take account of the AF and increased program scope. End target date changed to align with new Program closing date. Indicator name updated to remove reference to dispensaries.		
Number of public primary schools with access to improved sanitation and hygiene facilities (Number)		0.00	1,853.00
Action: This indicator has been Revised	Rationale: The end target increased to 1,853 schools with access to improve sanitation and hygiene. Target end date revised to align with the new closing date of the Program.		
Increase in access to handwashing facilities among the target population (Percentage)		8.00	50.00



Indicator Name	DLI	Baseline	End Target
<i>Action: This indicator has been Revised</i>	Rationale: <i>The overall target is increased to 50 percent to better align with the MoH's targets for handwashing up to 2025. End closing date revised to align with new closing date of the Program.</i>		
Strengthen the capacity of sector institutions to sustain service delivery in rural areas			
Percentage of CBWSO with female members in leadership positions (Percentage)		0.00	95.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>End target date revised to align with extended Program closing date. Unit of measurement changed to percentage to better be able to monitor success due to clustering of CWBSOs in the future.</i>		
Enrolment ratio of female students for the Water institute (Percentage)		28.00	35.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>End target date revised to align with extended Program closing date.</i>		
Agency established and operational (Text)		None	12.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>Number of milestones to be achieved has increased to 12. Revised end target date to align with the extended program closing date.</i>		

IO Table SPACE



Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
People provided with access to improved water sources	This indicator measures the cumulative number of people who benefited from improved water supply services that have been constructed through operations supported by the World Bank.	Yearly	Approved Results Verification Report	Through Rural Sector Data Management System (RSDMS), managed by RUWASA, and verified by Independent Verification Agent (IVA)	RUWASA
People provided with access to improved water sources - Female (RMS requirement)	This indicator measures the cumulative number of people who benefited from improved water supply services that have been constructed through operations supported by the World Bank.	Yearly	Approved Results Verification Report	Through Rural Sector Data Management System (RSDMS), managed by RUWASA, and verified by IVA	RUWASA
People provided with access to improved water sources - rural		Yearly	Approved Results Verification Report	Through Rural Sector Data Management System (RSDMS), managed by RUWASA, and verified by IVA	RUWASA
Number of sustainably functioning water points	This indicator measures the cumulative number of water points that are functioning, serve a	Yearly	Approved Results Verification Report	Data submitted through Rural Sector Data Management System (RSDMS), and verified by	RUWASA



	population and meet the eligibility criteria of the World Bank Program.			IVA	
People provided with access to improved sanitation services	The indicator measures the cumulative number of people who benefited from improved sanitation facilities that have been constructed through operations supported by the World Bank.	Yearly	Approved Results Verification Report	Data from National Sanitation Management Information System (NSMIS), managed by MoH, and verified by IVA	MoH
People provided with access to improved sanitation services - Female (RMS requirement)	The indicator measures the cumulative number of people who benefited from improved sanitation facilities that have been constructed through operations supported by the World Bank.	Yearly	Approved Verification Results Report	Data from National Sanitation Management Information System (NSMIS), managed by MoH, and verified by IVA	MoH
Number of villages that achieve and sustain community-wide sanitation	The indicator measures the cumulative number of villages that either achieve or sustain Community Wide Sanitation Status, as per the Community Wide Sanitation verification criteria of the World Bank Program.	Yearly	Approved Results Verification Report	Data from National Sanitation Management Information System (NSMIS), managed by MoH, and verified by IVA	MoH
Number of villages served by a CBWSO with improved O&M capacity for water	Level 1 CBWSOs: (i) registered and has an	Yearly	Approved Results	Data submitted by RUWASA, and verified	RUWASA



supply services	<p>active management team that meets quarterly; (ii) has at least one women in the CBWSO governance body positions; (iii) participate in at least one bi-annual district-level community of practice meeting; (iv) has an equitable, affordable and economically efficient tariff; and (v) has a well-maintained cash book.</p> <p>Level 2 CBWSOs: all criteria in Level 1 + (vi) the water scheme has a functioning chlorination system; (vii) participates in at least two bi-annual district-level community of practice meetings; and (viii) has a backstopping mechanism for maintenance and repairs and it has passed an annual assessment by the district.</p>		Verification Report	by IVA	
Number of participating district councils submitting accurate and complete sector M&E data	The indicator measures the number of districts which report timely, accurate and complete water monitoring	Yearly	Approved Results Verification Report	Data submitted by Implementing Agencies and verified by IVA	MoH, MoEST and RUWASA



	and evaluation data as per the verification criteria of the World Bank Program.				
Number of participating district councils submitting accurate and complete sector M&E data for household water supply	The indicator measures the number of district councils which report timely, accurate and complete water monitoring and evaluation data on water supply as per the verification criteria of the World Bank Program.	Yearly	Approved Results Verification Report	Data submitted through Rural Sector Data Management System (RSDMS) and verified by IVA	RUWASA
Number of participating district councils submitting accurate and complete M&E data for household sanitation	The indicator measures the number of district councils which report timely, accurate and complete water monitoring and evaluation data on household sanitation facilities as per the verification criteria of the World Bank Program.	Yearly	Approved Results Verification Report	Data submitted through National Sanitation Management Information System (NSMIS) and verified by IVA	MoH
Number of district councils submitting accurate and complete sector M&E data for sanitation at public primary schools	The indicator measures the number of district councils which report timely, accurate and complete water monitoring and evaluation data on sanitation facilities at public primary schools as	Yearly	Approved Results Verification Report	Data submitted through Education Management Information System (EMIS) and verified by IVA	MoEST



	per the verification criteria of the World Bank Program.				
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ME PDO Table SPACE

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Number of primary schools that have installed rainwater harvesting equipment as the main or as an alternative source of water supply	This indicator measures the cumulative number of primary schools that are equipped with rainwater harvesting as an main or an alternative source of water supply for sanitation facilities. The equipment will contribute to strengthen their resilience against climate change.	Yearly	Approved Results Verification Report	Data submitted through Education Management and Information System (EMIS) and verified by IVA	MoEST
Number of villages with a CBWSO with improved O&M capacity for water supply services	Level 1 CBWSOs: (i) registered and has an active management team that meets quarterly; (ii) has at least one women in the top three positions (i.e. Chairperson, Vice Chairperson or Secretary); (iii) participate in at least one bi-annual district-level	Yearly	Approved Results Verification Report	Data submitted by RUWASA, and verified by IAG	RUWASA



	<p>community of practice meeting; (iv) has an equitable, affordable and economically efficient tariff; and (v) has a well-maintained cash book.</p> <p>Level 2 CBWSOs: all criteria in Level 1 + (vi) the water scheme has a functioning chlorination system; (vii) participates in at least two bi-annual district-level community of practice meetings; and (viii) has a backstopping mechanism for maintenance and repairs and it has passed an annual assessment by the district.</p>				
Number of water schemes constructed under PPP contracts	The indicator measures the number of water schemes constructed under PPP contracts (DLI 10) as per the verification criteria of the World Bank Program.	Yearly	Approved Results Verification Report	Data submitted through Rural Sector Data Management System (RSDMS) and RUWASA PPP team and verified by IVA	RUWASA
Percentage of household water connections sustained	The indicator measures the percentage of functioning household water connections [at least one	Yearly	Approved Results Verification Report	Data submitted through Rural Sector Data Management System (RSDMS) and verified by	RUWASA



	year after connection] that were verified and constructed under the Program from Year 1-3.			IVA	
Number of health care facilities with access to improved sanitation and hygiene facilities	This indicator measures the cumulative number of health care facilities that have been constructed sanitation and hygiene facilities as per the verification protocol of the World Bank Program.	Yearly	Approved Results Verification Report	Data submitted by MoH and verified by IVA	MoH
Number of public primary schools with access to improved sanitation and hygiene facilities	This indicator measures the cumulative number of public primary schools that have been constructed sanitation and hygiene facilities as per the verification protocol of the World Bank Program.	Yearly	Approved Results Verification Report	Database of MoEST and verified by IVA	MoEST
Increase in access to handwashing facilities among the target population	This indicator measures the percentage of people that have access to handwashing facilities among the target population as per the verification protocol of the World Bank Program.	Semi-annually	Progress report and mission AM	Data provided by MoH	MoH
Percentage of CBWSO with female members in leadership positions	This indicator measures the percentage of Community-	Yearly	Approved Results	Data submitted by RUWASA and verified by	RUWASA



	based Water Supply Organizations (CBWSOs) that have with female members in leadership positions.		Verification Report	IVA	
Enrolment ratio of female students for the Water institute	This indicator measures the enrolment ratio of female students for the Water institute.	Semi-annually	Progress report and mission AM	Data provided by Maji Institute	Maji Institute/ MoW
Agency established and operational	This indicator measure the progress of RUWASA toward more sustainable operation.12 milestones are as described in the verification protocol of DLI 8.	Yearly	Approved Results Verification Report	Data submitted by RUWASA and verified by IVA	RUWASA

ME IO Table SPACE

Disbursement Linked Indicators Matrix

DLI 1	Number of people with access to an improved water supply			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	75,000,000.00	0.15
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			



Year 1		11,200,000.00	
Year 2		17,300,000.00	
Year 3		17,300,000.00	
Year 4		17,300,000.00	
Year 5		11,900,000.00	
Year 6		0.00	
Year 7		0.00	

Action: This DLI has been Revised. See below.

DLI 1	<i>Number of people with access to an improved water supply</i>			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>210,340,000.00</i>	<i>37.19</i>
Period	Value	Allocated Amount (USD)	Formula	
<i>Baseline</i>	<i>0.00</i>			
<i>Year 1</i>	<i>1,800,000.00</i>	<i>45,000,000.00</i>	<i>US\$ 25 equivalent per person who has gained access to an improved water supply system in the Program area</i>	
<i>Year 2</i>	<i>3,000,000.00</i>	<i>32,000,000.00</i>	<i>Same as Year 1</i>	



Year 3	5,000,000.00	37,340,000.00	Same as Year 1
Year 4	6,900,000.00	32,000,000.00	US\$ 20 equivalent per person who has gained access to an improved water supply system in the Program area
Year 5	8,500,000.00	32,000,000.00	Same as Year 4
Year 6	10,137,353.00	32,000,000.00	Same as Year 4
Year 7	10,137,353.00	0.00	

Rationale:

Based on achievements to date, the AF will aim to reach another 6.767 million people (total 10.137 million) who have new access to an improved water source (DLI 1), with the same unit payment.

DLI 2		Number of sustainably functioning water points		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	30,000,000.00	0.06
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			5,200,000.00	
Year 2			5,500,000.00	
Year 3			6,000,000.00	



Year 4		6,400,000.00	
Year 5		6,900,000.00	
Year 6		0.00	
Year 7		0.00	

Action: This DLI has been Revised. See below.

DLI 2		<i>Number of sustainably functioning water points</i>		
<i>Type of DLI</i>	<i>Scalability</i>	<i>Unit of Measure</i>	<i>Total Allocated Amount (USD)</i>	<i>As % of Total Financing Amount</i>
<i>Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>56,630,000.00</i>	<i>20.10</i>
<i>Period</i>	<i>Value</i>		<i>Allocated Amount (USD)</i>	<i>Formula</i>
<i>Baseline</i>	<i>31,811.00</i>			
<i>Year 1</i>	<i>33,611.00</i>		<i>6,650,000.00</i>	<i>US\$ 164 equivalent per sustainably functioning WP in the Program area</i>
<i>Year 2</i>	<i>36,585.00</i>		<i>7,340,000.00</i>	<i>Same as Year 1</i>
<i>Year 3</i>	<i>50,000.00</i>		<i>8,200,000.00</i>	<i>Same as Year 1</i>
<i>Year 4</i>	<i>60,000.00</i>		<i>9,840,000.00</i>	<i>Same as Year 1</i>
<i>Year 5</i>	<i>70,000.00</i>		<i>11,480,000.00</i>	<i>Same as Year 1</i>
<i>Year 6</i>	<i>80,000.00</i>		<i>13,120,000.00</i>	<i>Same as Year 1</i>



Year 7	80,000.00	0.00
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Rationale:

End target increased to 80,000 water points sustainably functioning. There is no change in unit payment. DLI 6 will be modified to strengthen its focus more on the sustainability and functionality of WPs, while supporting districts and CBWSOs (see DLI 6 details).

DLI 3		Number of people with acces to an imporved sanitation and hygiene facility		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	20,000,000.00	0.04
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			2,000,000.00	
Year 2			4,500,000.00	
Year 3			4,500,000.00	
Year 4			4,500,000.00	
Year 5			4,500,000.00	
Year 6			0.00	
Year 7			0.00	

Action: This DLI has been Revised. See below.



<i>DLI 3</i>				
<i>Number of people with access to an improved sanitation and hygiene facility</i>				
<i>Type of DLI</i>	<i>Scalability</i>	<i>Unit of Measure</i>	<i>Total Allocated Amount (USD)</i>	<i>As % of Total Financing Amount</i>
<i>Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>33,110,000.00</i>	<i>57.77</i>
<i>Period</i>	<i>Value</i>		<i>Allocated Amount (USD)</i>	<i>Formula</i>
<i>Baseline</i>	<i>0.00</i>			
<i>Year 1</i>	<i>2,000,000.00</i>		<i>10,000,000.00</i>	<i>US\$ 5 equivalent per person who has gained access to an improved sanitation facility in the Program area</i>
<i>Year 2</i>	<i>4,000,000.00</i>		<i>10,000,000.00</i>	<i>Same as Year 1</i>
<i>Year 3</i>	<i>5,500,260.00</i>		<i>2,490,000.00</i>	<i>Same as Year 1</i>
<i>Year 4</i>	<i>7,000,260.00</i>		<i>4,500,000.00</i>	<i>US\$ 3 equivalent per person who has gained access to an improved sanitation facility in the Program area</i>
<i>Year 5</i>	<i>8,000,260.00</i>		<i>3,000,000.00</i>	
<i>Year 6</i>	<i>9,040,260.00</i>		<i>3,120,000.00</i>	
<i>Year 7</i>	<i>9,040,260.00</i>		<i>0.00</i>	
<i>Rationale:</i>				
<i>Based on achievements to date, the AF will aim to reach another 4.37 million people (total 9.04 million) who have new access to an improved sanitation and hygiene facility (DLI 3), with a decreased unit payment (from USD5 to USD3).</i>				



DLI 4		Number of public primary schools with access to improved sanitation and hygiene facilities		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	30,000,000.00	0.06
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			2,000,000.00	
Year 2			7,000,000.00	
Year 3			7,000,000.00	
Year 4			7,000,000.00	
Year 5			7,000,000.00	
Year 6			0.00	
Year 7			0.00	
Action: This DLI has been Revised. See below.				



DLI 4				
<i>Number of public primary schools with access to improved sanitation and hygiene facilities</i>				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>51,996,000.00</i>	<i>23.25</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>0.00</i>			
<i>Year 1</i>	<i>185.00</i>		<i>4,700,000.00</i>	<i>US\$ 20,000 per school gained access to an improved sanitation and hygiene facilities in the Program area</i>
<i>Year 2</i>	<i>637.00</i>		<i>10,000,000.00</i>	<i>Same as Year 1</i>
<i>Year 3</i>	<i>1,000.00</i>		<i>10,000,000.00</i>	<i>Same as Year 1</i>
<i>Year 4</i>	<i>1,250.00</i>		<i>8,000,000.00</i>	<i>US\$ 32,000 per school gained access to an improved sanitation and hygiene facilities in the Program area</i>
<i>Year 5</i>	<i>1,550.00</i>		<i>9,600,000.00</i>	<i>Same as Year 4</i>
<i>Year 6</i>	<i>1,853.00</i>		<i>9,696,000.00</i>	<i>Same as Year 4</i>
<i>Year 7</i>	<i>1,853.00</i>		<i>0.00</i>	
Rationale:				
<i>The AF will aim to reach another 353 schools (total 1,853 schools) who have new access to access to improved sanitation and hygiene facilities (DLI 4). The unit payment has been increased from USD\$20,000 to US\$ 32,000.</i>				



DLI 5		Number of villages that acheive and sustain community-wide sanitation status		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	25,000,000.00	0.05
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			1,000,000.00	
Year 2			5,000,000.00	
Year 3			5,000,000.00	
Year 4			7,000,000.00	
Year 5			7,000,000.00	
Year 6			0.00	
Year 7			0.00	
Action: This DLI has been Revised. See below.				



DLI 5		<i>Number of villages that achieve and sustain community-wide sanitation status</i>		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>34,980,000.00</i>	<i>10.98</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>0.00</i>			
<i>Year 1</i>	<i>72.00</i>		<i>1,152,000.00</i>	<i>US\$ 16,000 equivalent per new village achieving CWS status, US\$ 2,500 equivalent per village that has sustained CWS status</i>
<i>Year 2</i>	<i>246.00</i>		<i>3,000,000.00</i>	<i>Same as Year 1</i>
<i>Year 3</i>	<i>546.00</i>		<i>6,318,000.00</i>	<i>Same as Year 1</i>
<i>Year 4</i>	<i>896.00</i>		<i>6,710,000.00</i>	<i>US\$ 16,000 equivalent per new village achieving CWS status, US\$ 3,000 equivalent per village that has sustained CWS status</i>
<i>Year 5</i>	<i>1,296.00</i>		<i>8,140,000.00</i>	<i>Same as Year 4</i>
<i>Year 6</i>	<i>1,746.00</i>		<i>9,660,000.00</i>	<i>Same as Year 4</i>
<i>Year 7</i>	<i>1,746.00</i>		<i>0.00</i>	
Rationale: <i>The AF will aim to reach another 496 villages (total 1,746) that achieve and sustain community-wide sanitation (DLI 5), with the same unit payment.</i>				



DLI 6		Number of villages with a COWSO with improved O&M capacity for water supply services		
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	110,000,000.00	0.22
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			16,400,000.00	
Year 2			23,400,000.00	
Year 3			23,400,000.00	
Year 4			23,400,000.00	
Year 5			23,400,000.00	
Year 6			0.00	
Year 7			0.00	
Action: This DLI has been Revised. See below.				



DLI 6				
<i>Number of villages with a CBWSO with improved O&M capacity for water supply services</i>				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>165,000,000.00</i>	<i>52.56</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>0.00</i>			
<i>Year 1</i>	<i>1,228.00</i>		<i>21,810,000.00</i>	<i>US\$ 15k equivalent per village achieving Level I and US\$ 15,000 per village achieving Level II in the Program area</i>
<i>Year 2</i>	<i>3,475.00</i>		<i>25,810,000.00</i>	<i>Same as Year 1</i>
<i>Year 3</i>	<i>5,427.00</i>		<i>28,820,000.00</i>	<i>Same as Year 1</i>
<i>Year 4</i>	<i>6,897.00</i>		<i>35,760,000.00</i>	<i>US\$ 10k equivalent per village achieving Level I; US\$ 10k equivalent for Level II; US\$ 5k for sustaining Level II</i>
<i>Year 5</i>	<i>7,797.00</i>		<i>30,400,000.00</i>	<i>Same as Year 4</i>
<i>Year 6</i>	<i>8,127.00</i>		<i>22,400,000.00</i>	
<i>Year 7</i>	<i>8,127.00</i>		<i>0.00</i>	
Rationale:				
<i>The AF will aim to reach another 4,460 villages (total 8,127 million) with a CBWSO with improved O &M capacity.</i>				



DLI 7				
Number of participating districts submitting accurate and complete sector M&E data				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Number	20,000,000.00	0.04
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			4,000,000.00	
Year 2			4,000,000.00	
Year 3			4,000,000.00	
Year 4			4,000,000.00	
Year 5			4,000,000.00	
Year 6			0.00	
Year 7			0.00	
Action: This DLI has been Revised. See below.				



<i>DLI 7</i>				
<i>Number of participating district councils submitting accurate and complete sector M&E data</i>				
<i>Type of DLI</i>	<i>Scalability</i>	<i>Unit of Measure</i>	<i>Total Allocated Amount (USD)</i>	<i>As % of Total Financing Amount</i>
<i>Outcome</i>	<i>Yes</i>	<i>Number</i>	<i>20,000,000.00</i>	<i>12.33</i>
<i>Period</i>	<i>Value</i>		<i>Allocated Amount (USD)</i>	<i>Formula</i>
<i>Baseline</i>	<i>0.00</i>			
<i>Year 1</i>	<i>86.00</i>		<i>1,020,000.00</i>	<i>US\$23k per district council that reported timely, accurate and complete sector data (water or sanitation) as defined in the OM</i>
<i>Year 2</i>	<i>86.00</i>		<i>1,800,000.00</i>	<i>Same as Year 1</i>
<i>Year 3</i>	<i>86.00</i>		<i>2,300,000.00</i>	<i>Same as Year 1</i>
<i>Year 4</i>	<i>91.00</i>		<i>3,504,000.00</i>	<i>US\$24k per district council that reported timely, accurate and complete sector data (water or sanitation) as defined in the OM</i>
<i>Year 5</i>	<i>115.00</i>		<i>4,800,000.00</i>	<i>Same as Year 4</i>
<i>Year 6</i>	<i>137.00</i>		<i>6,576,000.00</i>	<i>Same as Year 4</i>
<i>Year 7</i>	<i>137.00</i>		<i>0.00</i>	



DLI 8	Agency established and operational			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	No	Number	20,000,000.00	0.04
Period	Value		Allocated Amount (USD)	Formula
Baseline	0.00			
Year 1			4,000,000.00	
Year 2			4,000,000.00	
Year 3			4,000,000.00	
Year 4			4,000,000.00	
Year 5			4,000,000.00	
Year 6			0.00	
Year 7			0.00	
Action: This DLI has been Revised. See below.				



DLI 8	<i>Agency established and operational</i>			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
<i>Intermediate Outcome</i>	<i>No</i>	<i>Text</i>	<i>25,000,000.00</i>	<i>30.36</i>
Period	Value		Allocated Amount (USD)	Formula
<i>Baseline</i>	<i>N/A</i>			
<i>Year 1</i>	<i>Agency established</i>		<i>4,000,000.00</i>	
<i>Year 2</i>	<i>Agency audit unit and QA&QC mechanism operational</i>		<i>4,000,000.00</i>	
<i>Year 3</i>	<i>Technical support implemented in 10 percent of CBWSOs</i>		<i>4,000,000.00</i>	
<i>Year 4</i>	<i>Technical support implemented in 30 percent of CBWSOs/ RUWASA has created, and its board has approved a Fecal Sludge Management Strategy (FSMS)/ RUWASA has created, and its board has approved a payment structure for household water connections.</i>		<i>5,500,000.00</i>	<i>US\$ 4M/ US\$ 1M/ US\$ 0.5M</i>
<i>Year 5</i>	<i>Technical support implemented in 50 percent of CBWSOs/ RUWASA has piloted the implementation of the FSMS in two regions for six months/ RUWASA has submitted to the Energy and Water Utilities Regulatory Authority an official application for revised energy tariffs for rural water schemes.</i>		<i>6,000,000.00</i>	<i>US\$ 4M/ US\$ 1.5M/ US\$ 0.5M</i>



Year 6	<p><i>A least 5% percent of RUWASA annual budget for FY 2023/2024 has been executed to operation and maintenance of water supply facilities/ The Recipient has amended the Water Supply and Sanitation Act Cap 272 to allow funds of the NWF to be used on operation and maintenance of water supply facilities/ RUWASA has drafted and submitted to MoW a proposal for an amendment to the Water Supply and Sanitation Act Cap 272 for the proceeds of the NWF to be allowed to be used on sanitation activities.</i></p>			1,500,000.00	US\$ 0.5M/ US\$ 0.7M/ US\$ 0.3M
Year 7	<p><i>All 12 milestones achieved</i></p>			0.00	
DLI 9	Number of health care facilities with access to improved sanitation and hygiene facilities				
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount	
Intermediate Outcome	Yes	Number	32,944,000.00	0.00	
Period	Value		Allocated Amount (USD)	Formula	
Baseline	0.00				
Year 1			0.00		
Year 2			0.00		
Year 3	1,535.00		0.00		
Year 4	2,000.00		13,485,000.00	US\$ 29,000 equivalent per HCF that gained access to improved sanitation	



				and hygiene facility in the Program area
Year 5	2,400.00		11,600,000.00	Same as Year 4
Year 6	2,671.00		7,859,000.00	Same as Year 4
Year 7	2,671.00		0.00	
Action: This DLI is New	Rationale: <p>The AF has created this new DLI which will aim to provide will aim to provide 2626 health care facilities with access to improve sanitation and hygiene facilities.</p>			
DLI 10	Enabling a pilot of pre-paid water meter with private financing			
Type of DLI	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Output	Yes	Text	4,931,000.00	0.00
Period	Value		Allocated Amount (USD)	Formula
Baseline	N/A			
Year 1			0.00	
Year 2			0.00	
Year 3			0.00	
Year 4	PPP Feasibility Study completed.		1,931,000.00	
Year 5	206 CBWSOs targeted and sensitized as per the		2,000,000.00	



	PPP community engagement tool. 50 water schemes built under a PPP contract.		
Year 6	206 water schemes built (cumulative) under a PPP contract.	1,000,000.00	
Year 7	All 4 milestones achieved	0.00	
Action: This DLI is New			

Verification Protocol Table: Disbursement Linked Indicators

DLI 1	Number of people with access to an improved water supply
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 1	Number of people with access to an improved water supply
Description	Payments will be made in proportion to achievements. The water points must be constructed, extended, or rehabilitated under the Program to be considered for disbursement. People must be served by a functioning water point that is new, extended, or rehabilitated after the beginning of the Program period and which meets the eligibility criteria, that will be defined in the OM. Any water point which is classified as non-functional at the baseline is eligible for rehabilitation under the Program.



	<p>A person will be eligible to count toward the DLI 1 target if the following applies to the associated improved water point: (a) a registered CBWSO is managing the water scheme and community has been consulted during the design phase; (b) a cost-reflective tariff is charged for water supplied by the scheme; (c) quality assurance and quality control procedures have been followed and the designated offices have approved the scheme design and quality of construction (this includes social and environmental safeguards); (d) At least one of the three key CBWSO positions should be female; (e) the water supply scheme includes a simple operational chlorination system (hand pumps are excepted); and (f) social and environmental safeguards guidelines must have been followed. The maximum number of persons served per outlet is 250 for a water point.</p> <p>A functioning water point that is verified as new, extended, or rehabilitated in one Program period which subsequently falls into disrepair will not be eligible for resubmission in a subsequent Program period for additional disbursement under DLI 1. Eligible water supply typologies: A public tap or standpipe connection to a piped water supply system, borehole or protected dug well with a hand pump, protected spring or rainwater tank. A water point must be within 30 minutes roundtrip collection time (a 400 m radius) of the population served and a user is able to fill a 20-liter bucket in less than 2 minutes. Upon development of the water source, the water quality must have been certified as fit for human consumption.</p> <p>If verification finds that less than 80 percent of the population reported with access to water actually have access, the district will not be eligible to receive any disbursement for those results under DLI 1 in the current Program period. However, the district may then resubmit the same results for verification in the following year.</p>
Data source/ Agency	MoW/ RUWASA
Verification Entity	Independent verification agent
Procedure	Eligibility criteria will be checked through desk-based review of records and meeting minutes. The IVA will make phone calls to all CBWSO Chairpersons and Vice Chairpersons of the submitted water schemes, for verbal verification of the functioning of all water points in a village as reported by the CDMT. Physical visits to villages will take place on a random basis to verify CDMT and verbal data by sampling in each scheme (90 percent confidence interval). Population served by each water point



	will be calculated by GIS analysis of GoT census data. The district will be eligible to receive the disbursement in accordance with the actual results under DLI 1 in the current Program period.
DLI 2	Number of sustainably functioning water points
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 2	Number of sustainably functioning water points
Description	<p>Payments will be made in proportion to achievements. A water point must be a functioning water point, serve a population, and meet the eligibility criteria. The water point has not been submitted under DLI 1 in the same Program period. A sustainably functioning water point is eligible for disbursement in each Program period.</p> <p>Eligible water supply typologies: A public tap or standpipe connection to a piped water supply system; borehole or protected dug well with a handpump; protected spring or rainwater tank; a water point must be within 30 minutes roundtrip collection time (400 m radius) of the population served and a user is able to fill a 20-liter bucket in less than 2 minutes. Upon development of the water source, the water quality must have been certified as fit for human consumption.</p>
Data source/ Agency	MoW/ RUWASA
Verification Entity	Independent Verification Agency
Procedure	<p>Eligibility criteria will be assessed through desk-based review and physical sampling. The IVA will make phone calls to all CBWSO chairpersons and Vice Chairpersons, for verbal verification of functioning of all water points in a village as reported by the CDMT.</p> <p>Physical visits to villages will take place on a random basis to verify CDMT and verbal data. The sample size for physical</p>



	<p>verification would be approximately 20 villages per district, covering an average of 7 water points in each village equivalent to 140 water points per district. GIS analysis of census data will be used to verify that water points serve a population. In case a water point is locked, a verifier should (i) observe any activities are happening, see if the area is wet, or the water tank has water; and (ii) ask people in the community to see if the water point is being used. The same protocol applies for an outage.</p> <p>Where feasible, the IVA will also report on the number of household connections in each sampled village, covering an average of 7 household connections per sampled village.</p>
DLI 3	Number of people with acces to an imporved sanitation and hygiene facility
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 3	Number of people with access to an improved sanitation and hygiene facility
Description	<p>Payments will be made in proportion to achievements. An improved sanitation facility at household level is defined as being one of the following types: Flush/pour flush latrine to septic tank / pit; Ventilated Improved Pit (VIP) latrine; Pit latrine with slab; or Composting toilet including twin pit latrine. The facility must have: an intact slab (washable or non-washable but can be easily cleaned) having no cracks or holes (other than drop hole) that exposes excreta; a fitted lid (except for VIP, Flush and Pour Flush), provided with walls that protect the user and a door shutter (whether fixed or movable) that provides privacy and security to the user; no signs of leakage or spillage of faecal matter to the surroundings. New persons with access should be maximum 5 persons per household facility and not included in the previous reporting periods. The facility must be constructed in the report period being verified.</p>
Data source/ Agency	MoH



Verification Entity	IVA
Procedure	<p>Verification to be representative at the district level—baseline average coverage will be 12 percent. The IVA shall carry out (a) a desk review of reports and data maintained by MoH, and (b) physical verification of household sanitation facilities from villages that are randomly selected from the entire list of villages reported in the Consolidated Results Report. The sample size of households is determined based on the underlying coverage of improved sanitation in the population reported, with 5% margin of error. The household sample will be clustered by villages. No less than 2 percent of households per sampled village should be physically inspected. DLIs 3 and 5 will be independently sampled, but samples may overlap.</p> <p>If verification finds that less than 80 percent of the households reported with access to an improved sanitation facility actually have access, the district will not be eligible to receive any disbursement for those results under DLI 3 in the current Program period; however, the district may then resubmit the same results for verification in a subsequent Program period. Where feasible for sampled villages, the IVA will also report on:</p> <ol style="list-style-type: none"> 1. universal access to sanitation at HHs (<i>defined as access which meets the current requirements of the members of the household</i>); and 2. access to safely managed sanitation (<i>defined as per the Joint Monitoring Program definition</i>).
DLI 4	Number of public primary schools with access to improved sanitation and hygiene facilities
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 4	Number of public primary schools with access to improved sanitation and hygiene facilities
Description	Payments will be made in proportion to the achievements. There is no payment for partial achievement at an individual



school. A public primary school must have improved sanitation and handwashing facilities and rainwater harvesting facilities using an improved water source. Construction of these facilities must have been adequately supervised. Specific requirements are listed below:

Sanitation and handwashing

Improved sanitation facilities in schools includes the following features: (Enrolment <1,500 student): at least one drop hole per 40 girls and one drop hole per 50 for boys, and one drop hole each (for girls and boys) for students with special needs; (Enrolment >=1,500 students) at least one drop hole per 50 girls and one drop hole per 65 for boys, and one drop hole each (for girls and boys) for students with special needs (if there is more than one session per day at a school, then the ratio will be applied to the maximum pupil numbers per session); separate latrine blocks for girls and boys and a segregated block of latrines for teachers; at least one handwashing facility for every 100 pupils; All latrines have: i) washable floors, ii) lockable doors to ensure privacy, iii) no leaks or faeces/ sludge overflowing the containment structure; All latrines are connected to an inspection chamber, septic tank and soak away or cess pit, which are in a good state of repair; a burning chamber for menstrual pad disposal is available and functional; latrines are kept clean and in good condition. The task of cleaning or maintaining sanitary facilities shared equally among girls and boys; the school has a designated and active menstrual counsellor (a female teacher). In schools without a female teacher an appropriate female Parent or community health worker should be appointed to carry out this role. At least One approved Puberty book is available per grade for Standard 5 and above but this condition will be taken as non-critical for granting disbursements to the DLI 4 results.

Water supply

A rainwater harvesting system exists at the school.

Supervision

The LGA has: i) signed off that the design of sanitation, handwashing and rainwater harvesting adheres to the national standard design, ii) carried out regular supervision during construction (at least twice through construction period) and iii) signed off that the final construction is according to the signed off design (as per the national standard design).

In addition, a school will be ineligible for disbursement under the Program if it has received disbursement through achievement of Disbursement Linked Results under DLI 1 of the BOOST (Boosting Student Learning Outcomes) Program (P169380).

Data source/ Agency

MoEST



Verification Entity	IVA
Procedure	<p>The IVA shall carry out a desk review of reports and data maintained by the district and the EMIS; physical inspection of all facilities in 100 percent of schools.</p> <p>Where feasible, the IVA will also report on:</p> <ol style="list-style-type: none"> 1. Whether handwashing facilities are present inside or outside of sanitation facilities; 2. Presence of a stock of emergency menstrual pads is available at the school; and 3. Availability of water from an improved source (Rainwater, deep well, protected spring, water from utilities e.g. RUWASA).
DLI 5	Number of villages that achieve and sustain community-wide sanitation status
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 5	Number of villages that achieve and sustain community-wide sanitation status
Description	<p>Payments will be made in proportion to the achievements. Each village targeted will pass or fail in a given year. There is no payment for partial achievement; however, villages can be resubmitted each year until all indicators are reached and CWS status is achieved. Communities which already meet the CWS criteria at the start of the Program will only be eligible for sustaining CWS.</p> <p>A village is considered to have achieved CWS status if the village is free of open defecation, at least 50 percent of households in the village have access to an improved sanitation facility, at least 50 percent of households in the village have access to a handwashing facility, and all public primary schools in the village have improved sanitation and handwashing</p>



	<p>facilities.</p> <p>A village that has been verified as having achieved CWS status in a previous year/period will be considered to have sustained CWS status in the current period if all schools in the village have improved sanitation and handwashing facilities. The minimum ratios of drop holes to students required under DLI 4, will not apply for schools that are verified for sustaining CWS.</p>
Data source/ Agency	MoH
Verification Entity	IVA
Procedure	<p>The IVA shall carry out (a) a desk review of reports and data maintained by the district and the CDMT and (b) physical verification of a random sample of no less than 5 percent of villages to confirm CWS status. Physical inspection of all facilities in 100 percent of schools in sampled villages. Random inspection of no less than 5 percent of households in sampled villages to check coverage of domestic sanitation and handwashing facilities.</p> <p>DLIs 3, 4, and 5 will be independently sampled, but samples may overlap.</p> <p>Where feasible, the IVA will report on community access to HCF with access to improved sanitation and hygiene facilities.</p>
DLI 6	Number of villages with a COWSO with improved O&M capacity for water supply services
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 6	Number of villages with a CBWSO with improved O&M capacity for water supply services
Description	<p>The CBWSO Level I and II criteria for improved O&M capacity for water supply services are as follows:</p> <p>Level I (all four criteria must be achieved):</p>



	<ol style="list-style-type: none"> 1. Be registered, have an active management team 2. At least one of the CBWSO governance board positions must be held by a woman 3. Participate in at least one of the biannual district-level community of practice meetings 4. Have a well-maintained cash book (as defined in 6.3.3 of Section 2) and an Operating Cost Ratio of ≤ 1 (cost-reflective tariff) <p>Level II (highest level):</p> <ol style="list-style-type: none"> 5. Achieved Level I 6. Participate in at least two of the biannual district-level community of practice meetings 7. The water scheme has a functioning chlorination system 8. Has backstopping mechanism for maintenance and repair in the form of a written agreement for O&M services established by CBWSOs individually or in clusters with RUWASA or private sector service providers; an urban utility; or a water trust that can provide technical and managerial support to each CBWSO 9. Has passed an annual assessment <p>A village will receive payment depending on a level that it reaches as well as in proportion to the percentage of functioning water points in the area. Beside these two levels, there is a separate payment to sustain the Level II status in a following year to incentivize villages/CBWSOs to maintain the high-level. Further details are provided in the POM.</p>
Data source/ Agency	RUWASA (CDMT)
Verification Entity	IVA
Procedure	<p>Level I: Review of CBWSO/best modal registration records at the district level and CDMT data. Phone calls to CBWSO/best modal chairperson and Vice Chairperson. The biannual community of practice meeting will be verified through review of meeting minutes and outputs. Review of cash book, tariff, and CBWSO/best modal bank statements. The records will be collected during the biannual community of practice meeting at the district level.</p> <p>Level II: Review of CBWSO/best modal registration records at the district level and CDMT data. Phone calls to CBWSO/best</p>



	modal chairperson and Vice Chairperson. The biannual community of practice meeting will be verified through review of meeting minutes and outputs. Review of cash book, tariff, and CBWSO/best modal bank statements. The records will be collected during the biannual community of practice meeting at the district level. Review of backstopping mechanism assessment visit checklist and meeting minutes. Background check of all third-party service providers.
DLI 7	Number of participating districts submitting accurate and complete sector M&E data
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 7	Number of participating district councils submitting accurate and complete sector M&E data
Description	<p>Payments will be made in proportion to the achievements. In each district council, villages must report accurate and complete water or sanitation sector data as per the following:</p> <ol style="list-style-type: none"> 1. Timely: The District Councils need to submit reports on time. 2. Accurate: The reports need to adhere to the accuracy criterion. 3. Complete: The reports need to adhere to the completeness criterion.
Data source/ Agency	MoW/ RUWASA, MoH, MoEST
Verification Entity	IVA
Procedure	Assessment against performance criteria for water supply and sanitation M&E data accuracy, timeliness and completeness (as defined in Section 11 of the POM). The results should be presented for each implementing agency (i.e. RUWASA, MoH and MoEST)



DLI 8	Agency established and operational
Description	
Data source/ Agency	
Verification Entity	
Procedure	
DLI 8	Agency established and operational
Description	<p>Payments will be made in proportion to the achievements against the following sequential milestones:</p> <ol style="list-style-type: none"> 1. Agency established 2. Agency audit unit and quality assurance and quality control mechanism operational 3. Tech. support implemented in 10 percent (10%) of CBWSOs 4. Tech. support implemented in 30 percent (30%) of CBWSOs 5. Tech. support implemented in 50 percent (50%) of CBWSOs 6. RUWASA has created, and its board has approved a Fecal Sludge Management Strategy (FSMS) (\$1 M) 7. RUWASA has piloted the implementation of the FSMS in two (2) Regions for at least six (6) months (\$1.5 M) 8. RUWASA has created, and its board has approved a payment structure for household water connections (\$0.5 M) 9.1 RUWASA has conducted a special assessment of energy tariffs for rural water schemes (\$0.25M) 9.2 Recipient has secured more affordable energy tariffs for rural water schemes based on the special assessment of energy tariffs conducted (\$0.25m) 10. A least 5% percent of RUWASA annual budget for FY 2023/2024 has been executed to operation and maintenance of water supply facilities (\$0.5 M) 11. The Recipient has amended the Regulation National Water Fund Regulations GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272 to allow the resources of the National Water Fund to be used for O & M of water supply facilities (\$0.7M) 12. RUWASA has drafted and submitted to MoW a proposal for an amendment the Regulation National Water Fund



	Regulations GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272 to allow the resources of the National Water Fund to be used for sanitation activities (\$0.3M)
Data source/ Agency	MoW/ RUWASA/MoE/TANESCO
Verification Entity	IVA
Procedure	<p>Milestones 1, 2, 3, 4 and 5: Review of documentation relating to the establishment of RUWASA including the resource plan, budget, expenditure Program, and tech. support agreement. Physical inspection of a sample of local Agency offices and focus group discussions with staff to assess outputs of the resource and expenditure plans.</p> <p>Milestone 6: review of documentation relating to the FSMS and minutes of RUWASA board meeting showing approval of the FSMS</p> <p>Milestone 7: Review of progress reports on the pilot implementation. Physical inspection of 100 percent of pilot sites and interviews with managers of the pilots to confirm implementation</p> <p>Milestone 8: review of documentation relating to the payment structure for HH water connections that is cost-reflective for the improved service, and minutes of RUWASA board meeting showing approval of the payment structure for HH water connections</p> <p>Milestone 9.1: Review of assessment report by the IVA which report shall containing a survey/analysis of water scheme financial capabilities, propose any reasonable segmentation/categorization thereof and more affordable tariff levels for energy consumption, analyze/outline the alternative options, legal procedures, and timelines to achieve such tariff affordability</p> <p>Milestone 9.2: Receipt of formal notification that confirms energy tariffs having been revised and set at more affordable levels for rural water schemes consistent with RUWASA’s assessment as per milestone 9.1</p> <p>Milestone 10: review of RUWASA approved annual budget* documents showing allocations for operation and maintenance of water supply facilities</p> <p>Milestone 11: review of the gazette amendment to the Regulation National Water Fund Regulations GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272.</p>



	<p>Milestone 12: review of proposal document for amendment to Regulation National Water Fund Regulations GN 981 of 2019 to the Water Supply and Sanitation Act, Cap 272 to be used for sanitation activities.</p> <ul style="list-style-type: none"> - “Annual budget” means “the resources approved by the Recipient under its annual appropriation laws, including any supplementary transfers or funds made available to RUWASA throughout that fiscal year).” - “A Fecal Sludge Management Strategy” is a “strategy for managing fecal sludge from institutions, including schools and HCFs in Tanzania, including arrangements for the safe emptying, transport, treatment, and disposal/re-use of feces from those institutions. The strategy will cover emptying, treatment and transport infrastructure and equipment provision, required technical capacity and training, operation and maintenance arrangements, institutional arrangements, environmental and social considerations, and financing of designed services.” - “Special assessment of energy tariffs” is an assessment of rural water supply schemes operation and maintenance costs, including energy consumption and related costs, assessment of financial sustainability as a result of those energy costs and provides a strategy for attaining more affordable energy tariffs for rural water supply schemes.” - “Operations and maintenance” costs for water supply are “costs associated with repair/replacement of any failed component; training of maintenance personnel; inventory of parts and tools needed for repairs; mobilization requirements in emergencies; and preventive maintenance for WPs and WS schemes.” - “Sanitation activities” are those associated with strategy development and planning (how to expand and sustain access to sanitation); behavior change campaigns to encourage people to build and use sanitation facilities properly; capacity building and training of government personnel supporting the implementation of sanitation strategy, costs associated with implementation (offices, equipment vehicles, staffing etc.); sanitation services chain including construction of WASH infrastructure in Institutions (Health care facilities, schools and public places e.g markets) and O&M (safe emptying, transport, treatment, and disposal/re-use of feces); follow up and supervision; monitoring and evaluation activities and Research. In Tanzania households are responsible for costs associated with household sanitation facilities and thus funds will not be used for this.”
DLI 9	Number of health care facilities with access to improved sanitation and hygiene facilities
Description	Payments will be made in proportion to the achievements. There is no payment for partial achievement at an individual HCF. A HCF must have improved sanitation facilities, hygiene facilities, water supply facilities using an improved water



	<p>source and waste management facilities. Construction of these facilities must have been adequately supervised. The facilities also need to be constructed in a reporting year, after the approval of the AF. Specific requirements are listed below.</p> <p><u>Sanitation</u> Functional improved toilets (Washable floor, durable wall, fixed with lockable doors, and roof) for staff and clients; at least one stance for each sex and a stance for people with disabilities at main OPD; provision of ramp, handrails and hand washing facility in a toilet for people with disabilities; inspection chamber, septic tank and soak away or cesspit are provided and are at good state of repair; and facilities are clean and free from feces.</p> <p><u>Hygiene</u> Liquid Soap or sanitizer is provided for at least one hand washing point; and water is available for hand washing for at least one hand washing point.</p> <p><u>Water supply</u> Availability of water from an improved source (Rainwater, Borehole, protected spring, water from Utilities and RUWASA).</p> <p><u>Waste management</u> Incinerator and placenta pit available and functional.</p> <p><u>Supervision</u> The LGA has: i) signed off that the design of sanitation, handwashing and water supply facilities adheres to the national standard design, ii) carried out regular supervision during construction (at least twice through construction period) and iii) signed off that the final construction is according to the signed off design (as per the national standard design). HCF will be ineligible for disbursement under the AF, if it has received disbursement through achievement of Disbursement Linked Results under the new Tanzania Maternal and Child Health Investment Program (P170435- Board Approval expected Q1 FY23).</p>
Data source/ Agency	MoH
Verification Entity	IVA
Procedure	The IVA shall carry out a desk review of reports and data maintained by the district and the HMIS; physical inspection of all



	<p>facilities and HCF records in 100 percent of HCFs. They will also crosscheck the date of construction of the HCF to ensure they were constructed after July 1, 2022, in line with verification cycle of the first year of the AF.</p> <p>Check whether any disbursement has been received for any HCF through achievement of Disbursement Linked Results under the new Tanzania Maternal and Child Health Investment Program (P170435- Board Approval expected Q1 FY23).</p>
DLI 10	Enabling a pilot of pre-paid water meter with private financing
Description	<p>Payments will be made in proportion to the achievements against the following sequential milestones:</p> <ol style="list-style-type: none"> 1. RUWASA has completed a public-private partnership feasibility study on pre-paid water meter with private financing. (\$1.931M) 2 RUWASA has sensitized 206 CBWSOs. (\$1M) 3. RUWASA has built 50 water schemes under a PPP contract. (\$1M) 4. RUWASA has built 206 water schemes (cumulative) under a PPP contract. (\$1M) <p>A PPP contract may not be awarded to a specific water scheme more than once.</p>
Data source/ Agency	MoW/RUWASA
Verification Entity	IVA
Procedure	<p>Milestone 1: Verification that the PPP Feasibility Study contract is signed</p> <p>Milestone 2: Review of signed letters from each CBWSO indicating their interest in participating in the PPP. Phone calls to 5% of CBWSOs for verbal confirmation that they have signed the letters.</p> <p>Milestones 3 and 4: Review of records on online dashboard with data from live remote monitoring feature that the pumps and pre-paid meters will have at each site. Calls to all CBWSOs to verify that the schemes have been built. Review of detailed photos of each site taken by the contractor and uploaded to a cloud folder. Physical visits to 10 schemes to confirm scheme construction.</p>



ANNEX 1: INTEGRATED RISK ASSESSMENT

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Low	● Low
Macroeconomic	● Low	● Low
Sector Strategies and Policies	● Low	● Low
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate
Stakeholders	● Low	● Low
Other	● Low	● Moderate
Overall	● Moderate	● Moderate



ANNEX 2: MODIFIED PROGRAM ACTION PLAN

Action Description	Source	DLI#	Responsibility	Timing		Completion Measurement	Action
Timely transfer of Program funds to IAs including the districts and the RSs	Fiduciary Systems		MoFP, MoW, RUWASA, MoHCDGEC, and MoEST	Recurrent	Yearly	Within 2 months after fund receipt in the Project Holding Pooled Account.	No Change
The MoHCDGEC and RUWASA to establish and operationalize CDMTs for the NSC and rural water supply, respectively	Technical		RUWASA and MoHCDGEC	Due Date	16-Dec-2019	Establishment and operationalization of Central Data Management Teams for the National Sanitation Campaign and rural water supply.	Revised
Proposed The MoH and RUWASA to establish and operationalize CDMTs for the NSC and rural water supply, respectively	Technical		RUWASA and MoHCDGEC	Due Date	16-Dec-2019	Establishment and operationalization of Central Data Management Teams for the National Sanitation Campaign and rural water supply.	
Procurement of the Strategic Program Support Consultant	Technical		MoW	Recurrent	Continuous	SPSC is selected and onboard.	Marked for Deletion
Safeguards - Implement all the recommendations of the ESSA and adopt the ESSA Environmental and Social PAP	Environmental and Social Systems		MoW, MoHCDGEC, MoEST, RUWASA	Recurrent	Continuous	Verification at project sites during project implementation.	Revised
Proposed Safeguards - Adopt the ESSA Environmental and Social PAP and implement all recommendations	Environmental and Social Systems		MoW, MoHCDGEC, MoEST, RUWASA	Recurrent	Continuous	Verification at project sites during project implementation and submission of half-yearly E&S Performance Reports.	



Safeguards - Grievance and complaint-handling mechanisms established and operational	Environmental and Social Systems		MoW, MoHCDGEC, MoEST, RUWASA and PO-RALG	Recurrent	Yearly	Submission of the annual complaint-handling report.	No Change
Safeguards - Develop and implement a Gender Action Plan.	Other		MoW	Due Date	30-Jun-2020	The final Gender Action Plan is shared with the Bank and adopted.	Revised
Proposed Safeguards - Develop and implement a Gender Action Plan.	Other		MoW	Recurrent	Continuous	The final Gender Action Plan is shared with the Bank and adopted.	
FM - a) Activate the asset management module of the system to record all district assets; b) Train all accounting staff at both central and local government on the use of IPSAS; and c) Include subdonor code in Epicor to earmark funding	Fiduciary Systems		MoW, PO-RALG, MoHCDGEC, and MoFP	Due Date	30-Jun-2021	Confirmed through the financial management review	Revised
Proposed FM - a) Activate the asset management module of the system to record all district assets; b) Train all accounting staff at both central and local government on the use of IPSAS; and c) Include subdonor code in	Fiduciary Systems		MoW, PO-RALG, MoHCDGEC, and MoFP	Recurrent	Continuous	Confirmed through the financial management review	



MUSE/Epicor to earmark funding							
FM - Set aside Program resources for monitoring and supervision at all levels of implementation.	Other		MoW, MoHCDGEC, PO-RALG, MoEST, RUWASA	Recurrent	Continuous	Followed-up action from the previous supervision mission	No Change
Procurement Capacity - Conduct tailor-made training courses specifically to address weakness identified in areas of procurement and contract management for technical staff at districts.	Other		MoW, RUWASA, MoHCDGEC, MoEST	Due Date	30-Jun-2020	Training report is submitted to the Bank.	Revised
Proposed Procurement Capacity - Conduct tailor-made training courses specifically to address weakness identified in areas of procurement and contract management for technical staff at districts.	Other		MoW, RUWASA, MoH, MoEST	Recurrent	Continuous	Training report is submitted to the Bank and training takes place.	
Procurement Capacity - Establish records keeping/management system	Fiduciary Systems		MoW and MoHCDGEC	Due Date	16-Dec-2019	Establishment of the system that is satisfactory to the Bank team.	No Change
Procurement Capacity - Adherence to the standard processing times throughout Program implementation.	Fiduciary Systems		RUWASA, MoHCDGEC, MoEST	Recurrent	Continuous	Internal procedures manual submitted to the Bank	No Change



Prepare internal procedures manual to be used by all districts							
Procurement Capacity - Carry out procurement and performance (value for money) audits annually.	Fiduciary Systems		MoW	Recurrent	Yearly	Audit reports submitted to the Bank.	No Change
Procurement Capacity - Conduct tailored training to procurement and user department staff to address weakness in these areas	Fiduciary Systems		MoWI and PO-RALG	Due Date	30-Jun-2020	Training report submitted to the World Bank	Marked for Deletion
FM- PO-RALG open a dedicated account for the Program and ensure timely disbursement of funds to LGAs in line with PAP of the parent Program.	Fiduciary Systems		PO-RALG	Due Date	31-Oct-2022	Dedicated Program account open at PO-RALG and disbursement of fund occurs as per guidance within the Program operation manual.	New
Procurement IPF - Revised procurement plan uploaded and approved in STEP for the IPF component.	Fiduciary Systems		MoW	Due Date	31-Oct-2022	No objection from the Bank on the revised procurement plan submitted in STEP	New
Application made to the President's Office- public service and good governance for approval for RUWASA to recruit the additional staff identified in RUWASA's 2021 Capacity Needs Assessment	Technical		RUWASA	Due Date	31-Jul-2023	Application and proof of submission submitted to the World Bank.	New



RUWASA staff training plan implemented as identified in RUWASA's 2021 Capacity Needs Assessment	Technical		RUWASA	Due Date	31-Jul-2024	RUWASA staff training plan submitted to World Bank and proof of implementation provided.	New
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