

Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD1036

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 29 MILLION
(US\$44.90 MILLION EQUIVALENT)

TO

THE UNITED REPUBLIC OF TANZANIA

FOR A

WATER SECTOR SUPPORT PROJECT

MAY 21, 2014

Urban Development & Services Practice 1 (AFTU1)
Country Department AFCE1
Africa Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

(Exchange Rate Effective: April 30, 2014)

Currency Unit = TSh
US\$ 1 = TSh 1,644.01
US\$ 1 = SDR 0.6453

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

AFD	Agence Française de Développement (French Development Agency)
AfDB	African Development Bank
BWO	Basin Water Office
CAG	Controller and Auditor General
COWSO	Community Water Supply Organizations
DAWASA	Dar es Salaam Water and Sewerage Authority
DAWASCO	Dar es Salaam Water and Sewerage Corporation
DFID	Department for International Development
DPs	Development Partners
ERR	Economic Rate of Return
EWURA	Energy and Water Utility Regulation Authority
FY	Fiscal Year
GiZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society for International Cooperation)
GoT	Government of United Republic of Tanzania
IA	Implementing Agencies
ICB	International Competitive Bidding
IDA	International Development Association
IFR	Interim Unaudited Financial Report
ISR	Implementation Status and Results Report
IWRMDP	Integrated Water Resources Management and Development Plan
JSM	Joint Supervision Mission
JWSR	Joint Water Sector Review
KfW	Kreditanstalt für Wiederaufbau (Development Bank of Germany)
LGA	Local Government Authority
MIS	Management Information System
MoF	Ministry of Finance
MoHSW	Ministry of Health and Social Welfare
MoU	Memorandum of Understanding
MoW	Ministry of Water
NAO	National Audit Office
NEMC	National Environmental Management Council

NPV	Net Present Value
NSC	National Sanitation Campaign
NWB	National Water Board
O&M	Operation and Maintenance
PCU	Project Coordinating Unit
PDO	Project Development Objective
PIM	Project Implementation Manual
PMO RALG	Prime Minister's Office Regional and Local Government
RS	Regional Secretariat
SWAp	Sector Wide Approach
UWSA	Urban Water and Sewerage Authority
WPM	Water Point Mapping
WSDP	Water Sector Development Program
WSP	Water and Sanitation Program
WSSP	Water Sector Support Project
WSWG	Water Sector Working Group

Regional Vice President:	Makhtar Diop
Country Director:	Philippe Dongier
Sector Director:	Jamal Saghir
Sector Manager:	R. Mukami Kariuki
Task Team Leader:	Yitbarek Tessema

**UNITED REPUBLIC OF TANZANIA
ADDITIONAL FINANCING FOR THE
WATER SECTOR SUPPORT PROJECT**

Contents

Project Paper Data Sheet.....	iv
Project Paper	
I. Introduction.....	1
II. Background and Rationale for Additional Financing	2
III. Proposed Changes	6
IV. Appraisal Summary	12
Annex 1: Results Framework and Monitoring.....	19
Annex 2: Safeguards Implementation Status.....	24
Annex 3: Operational Risk Assessment Framework (ORAF).....	32

ADDITIONAL FINANCING DATA SHEET

Tanzania

Tanzania Water Sector Support Project - Additional Financing (P146700)

AFRICA

AFTUI

Basic Information – Parent									
Parent Project ID:	P087154	Original EA Category:	A - Full Assessment						
Current Closing Date:	31-Aug-2014								
Basic Information – Additional Financing (AF)									
Project ID:	P146700	Additional Financing Type (from AUS):	Scale Up						
Regional Vice President:	Makhtar Diop	Proposed EA Category:	A - Full Assessment						
Country Director:	Philippe Dongier	Expected Effectiveness Date:	29-Aug-2014						
Sector Director:	Jamal Saghir	Expected Closing Date:	31-Dec-2015						
Sector Manager:	Rosemary Mukami Kariuki	Report No:	PAD1036						
Team Leader:	Yitbarek Tessema								
Borrower									
Organization Name	Contact	Title	Telephone	Email					
Ministry of Finance	Dr. Servacius Likwelile	Permanent Secretary	+255 754 088 250	sblikwelile@MoF.go.tz					
Project Financing Data – Parent (Water Sector Support Project-P087154)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P087154	IDA-42590	Effective	13-Feb-2007	29-Mar-2007	26-Jul-2007	29-Feb-2012	31-Aug-2014		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P087154	IDA-42590	Effective	XDR	135.40	135.40	0.00	135.15	0.25	99.82

Project Financing Data – Additional Financing Tanzania Water Sector Support Project - Additional Financing (P146700)			
<input type="checkbox"/>	Loan	<input type="checkbox"/>	Grant
<input checked="" type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee
<input type="checkbox"/>		<input type="checkbox"/>	IDA Grant
<input type="checkbox"/>		<input type="checkbox"/>	Other
Total Project Cost:	102.90	Total Bank Financing:	44.90
Financing Gap:	0.00		
Financing Source – Additional Financing (AF)			Amount (US\$ m)
BORROWER/RECIPIENT			30.00
International Development Association (IDA)			44.90
UK British Department for International Development (DFID)			13.00
GERMANY KREDITANSTALT FUR WIEDERAUFBAU (KFW)			15.00
Total			102.90
Policy Waivers			
Does the project depart from the CAS in content or in other significant respects?			No
Explanation			
Does the project require any policy waiver(s)?			No
Explanation			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Rafik Fatehali Hirji	Sr Water Resources Spec.	Sr. Water Resources Specialist	AFTN2
Marie Claire M. Li Tin Yue	Senior Program Assistant	Senior Program Assistant	AFTU1
Caroline van den Berg	Lead Water and Sanitation Specialist		MNSWA
Helen Z. Shahriari	Sr Social Scientist	Senior Social Specialist	AFTCS
Solomon Alemu	Consultant	Consultant	AFTU1
Jason R. Cardosi	Consultant		IEGPS
Yitbarek Tessema	Lead Water and Sanitation Specialist	Team Lead	AFTU1
Gloria Sindano	Program Assistant	Program Assistant	AFCE1
Samuel Dawuna Mutono	Sr Water & Sanitation		GWASA

	Spec.				
Satoru Ueda	Lead Dam Specialist	Lead Dam Specialist	TWIWA		
Gabriel Lwakabare	Consultant	Consultant	AFTU1		
Gisbert Joseph Kinyero	Procurement Specialist	Procurement specialist	AFTPE		
Mei Wang	Senior Counsel	Senior Counsel	LEGAM		
Ajith C. Kumar	Sr Water & Sanitation Spec.	Sr. Water and Sanitation Specialist	GWASA		
Ann Jeannette Glauber	Senior Environmental Specialist	Sr. Environmental Specialist	AFTN3		
Donald Paul Mneney	Senior Procurement Specialist	Sr. Procurement Specialist	AFTPE		
Kristoffer Welsien	Water & Sanitation Specialist	Water and Sanitation Specialist	GWASA		
Kaposo Boniface Mwambuli	Water & Sanitation Specialist	Hygine and Sanitation	GWASA		
Christiaan Johannes Nieuwoudt	Finance Officer	Finance Officer-Disbursement	CTRLA		
Michael Okuny	Financial Management Specialist	Financial Management	AFTME		
Non Bank Staff					
Name	Title	Office Phone	City		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Tanzania		United Republic of Tanzania			
Institutional Data					
Parent (Water Sector Support Project-P087154)					
Sector Board					
Water					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	

Water, sanitation and flood protection	Water supply	68		
Public Administration, Law, and Justice	Sub-national government administration	11		
Water, sanitation and flood protection	General water, sanitation and flood protection sector	8		
Water, sanitation and flood protection	Sanitation	7		
Public Administration, Law, and Justice	Central government administration	6		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme		%	
Urban development	Urban services and housing for the poor		25	
Rural development	Rural services and infrastructure		25	
Environment and natural resources management	Water resource management		24	
Environment and natural resources management	Pollution management and environmental health		13	
Human development	Other human development		13	
Total			100	
Additional Financing Tanzania Water Sector Support Project - Additional Financing (P146700)				
Sector Board				
Water				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Water, sanitation and flood protection	Water supply	70		
Public Administration, Law, and Justice	Sub-national government administration	11		
Water, sanitation and flood protection	General water, sanitation and flood	7		

	protection sector			
Water, sanitation and flood protection	Sanitation	7		
Public Administration, Law, and Justice	Central government administration	5		
Total		100		
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.				
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Rural development	Rural services and infrastructure	40		
Urban development	Urban services and housing for the poor	25		
Environment and natural resources management	Water resource management	15		
Environment and natural resources management	Pollution management and environmental health	10		
Human development	Other human development	10		
Total		100		

UNITED REPUBLIC OF TANZANIA

**ADDITIONAL FINANCING FOR THE
WATER SECTOR SUPPORT PROJECT**

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional credit in an amount of US\$44.90 million equivalent from the International Development Association (IDA) to the United Republic of Tanzania for the Water Sector Support Project (WSSP) Credit No. 4259-TA.

2. The proposed credit will primarily support the scaling up of activities under the Rural Water Supply and Sanitation component and in addition, complete activities under the Water Resources Management component and the Urban Water Supply and Sewerage component of the original project.

3. The WSSP IDA credit was approved by the Board on February 13, 2007 in an amount of SDR 135.4 million (about US\$200 million equivalent) and it became effective on July 26, 2007. The Development Objective of the WSSP is: “to assist the recipient in: a) improving integrated water resources management by strengthening water sector institutions; and b) expanding access to water supply and sanitation services”. WSSP is part of a Sector Wide Approach (SWAp) program – the Water Sector Development Program (WSDP) - which encompasses all activities undertaken in the water sector in Tanzania.

4. The WSDP is funded by the government of the United Republic of Tanzania and by Development Partners (DPs) including: IDA, the Development Bank of Germany (Kreditanstalt für Wiederaufbau, KfW), the Netherlands Development Organization (Stichting Nederlandse Vrijwilligers), the French Development Agency (AFD), African Development Bank (AfDB), Department for International Development (DfID) and several other DPs focusing on specific earmarked interventions. The DPs and government agencies have signed a Memorandum of Understanding (MOU) that sets out common principles governing WSDP and establishes a common basket fund (pooled fund) to finance a subset of WSDP activities. The common basket fund is administered in accordance with the World Bank (WB) fiduciary and safeguards policies. Over the course of the project, contributors to the basket fund have included: IDA, AfDB, DfID, KfW, and AFD.

5. WSSP contributes to the first phase of WSDP - which spans a 20-year period from 2006-2025. The first phase of WSDP has supported 132 Local Government Authorities (LGAs), 109 district small town utilities, 7 national water supply projects, 19 regional urban water and sewerage authorities, as well as the Dar es Salaam Water and Sewerage Authority (DAWASA) to improve priority water supply and sanitation services. WSDP also assists in improving integrated water resources management through strengthening water sector institutions and supporting water resources management and development investments.

II. Background and Rationale for Additional Financing

6. **Background:** Under its National Strategy for Growth and Poverty Reduction (MKUKUTA), the government has committed to economic growth and poverty reduction, improved quality of life and social well-being, good governance and accountability for its people and for its future generations. The water sector's contribution to the MKUKUTA objectives is outlined in the Water Sector Development Strategy adopted in 2006. The Strategy aims to meet MKUKUTA objectives by: i) scaling up water and sanitation services delivery to achieve MDGs, ii) establishing a sustainable platform for water resources governance and development, and iii) strengthening sector institutions and enhancing capacity in the sector.

7. The government's water sector development strategy outlines the first phase of activities under WSDP. These activities aim to meet the Millennium Development Goal (MDG) targets for Tanzania by providing access to safe water supply to 74 percent of the rural and 84 percent of the urban population by 2015. In 2000, approximately 51 percent of the rural and 75 percent of the urban population had access to safe drinking water.

8. The WSSP was designed to support WSDP through its four components: Component 1 - Strengthening of Water Resources Management Framework; Component 2 - Scaling up of Rural Water Supply and Sanitation Services; Component 3 - Scaling up of Urban Water Supply and Sewerage Services; and Component 4 - Sector Institutional Strengthening and Capacity Building.

9. In 2013, the government launched an initiative titled "Big Results Now" (BRN) covering six sectors including rural water supply (RWS). BRN is results-based initiative that aims to focus the government on achieving key targets in three years. The targets for (RWS) under the BRN include sustaining current services to 15.2 million people, restoring services to 5.3 million, and extending services to an additional 7 million rural people in three years. The 10 village schemes per LGA initiative launched under WSDP (partially financed under WSSP) will help achieve these ambitious BRN targets for rural water sector. Given the need to maintain the momentum established under WSDP and boosted through the BRN initiative, providing uninterrupted assistance to the sector is considered essential.

10. The proposed Additional Financing (AF) is in line with the WB 2012-2015 Country Assistance Strategy (CAS) and directly supports the CAS strategic objective - 'Build Infrastructure and Deliver Services'. Under this objective, the proposed activities are directly relevant to the CAS outcomes: "increased access to and quality of water and sanitation services". The rural and urban water supply and sanitation components focus directly on improved services, while the water resources component assists with the creation of institutions and an enabling environment to ensure that finite water resources are effectively managed and developed. Integrated Water Resources Management and Development (IWRMD) plans are being prepared in nine basins to underpin the sustainable infrastructure development.

11. The proposed operation is also consistent with the World Bank Group's twin goals of ending extreme poverty and promoting shared prosperity. Improving access to safe water and sanitation is key for improved livelihood and better health. It contributes directly to improved

health, a better quality of life, greater productivity and thus critical to the achievement of the government's poverty reduction goal.

12. The project is reaching the rural and urban poor through provision of equitable access to safe drinking water and sanitation facilities. Women and girls, who are the primary beneficiaries of improved service, will have less of a burden and more time to be involved in education and economic activities. In addition, strengthened institutional and regulatory frameworks, including a comprehensive plan for integrated water resources management and development, lay an important foundation for efficient and harmonized utilization of water resources.

13. **Status of Project Implementation and Performance:** The original credit is almost fully disbursed. The Project Development Objective (PDO) and Implementation Progress (IP) have been rated Moderately Satisfactory (MS) or above in the Implementation Status Results Reports (ISR) over the last 12 months. The original project highlighted some key risks including inadequacies in financial management and procurement capacity, and risks associated with the number of implementation entities, including sub-sector and multisectoral coordination. Most of the risks identified in the original project have materialized. The key reason for the MS rating of the project is the limited capacity to manage safeguards implementation at decentralized levels, financial management, procurement and contract administration. As a result, there have been delays in the completion of several contracts, resulting in increased costs. Following project restructuring in 2011, the government has made good progress in managing fiduciary and safeguards issues. A series of reforms put in place after the restructuring have led to improved implementation performance with substantial compliance with agreed covenants including timely submission of acceptable quality of annual audit and interim financial reports.

14. Some key achievements in all four components include:

14.1. **Component 1 - *Strengthening of Water Resources Management Framework:*** The project has set the foundation for Integrated Water Resources Management (IWRM). The Ministry of Water (MoW) has promoted institutional and legal reforms at the trans-boundary, national and basin levels to address multi-sectoral water management and development needs. Preparation of the IWRMD plans in all nine basins in Tanzania is well advanced. Nine Basin Water Offices (BWOs) are being supported to enhance capacity to manage water resources on a basin scale. The work under this component has served as a basis for renewed high level policy dialogue on integrated resources management. The government has adopted principles of equity, sustainability and economic efficiency, as a unifying framework for addressing multisectoral water management challenges, and a strong policy, legal and institutional foundation for implementing IWRM is being laid.

14.2. **Component 2 – *Scaling up of Rural Water Supply and Sanitation Services:*** As of December 31, 2013, sub-projects in 918 villages have been completed or are underway - the construction or rehabilitation of 26,468 water points, will benefit 6.7 million people. In addition, an important Water Point Mapping (WPM) exercise for rural water points was completed in October 2013. The WPM database provides information on levels of the access to rural water supply in order to facilitate monitoring of coverage levels and assess operation and maintenance requirements. In addition, support for rural sanitation and hygiene is being provided under the

National Sanitation Campaign (NSC) as a sub-component supported by AfDB. The NSC was launched in June 2012 but implementation actually started in January 2013, two years later than expected. After one year of implementation, the campaign is now being rolled out in 165 LGAs covering both household and school sanitation. So far the campaign has ensured that about 180,000 households (900,000 people) have gained access to improved sanitation.

14.3. Component 3 – *Scaling up of Urban Water Supply and Sewerage Services:* The project has supported access to improved water supply for 2.8 million people in 109 small towns, 19 urban LGAs, and Dar es Salaam. Around 236,541 households are now connected to safe water supply systems. About 549 water kiosks have also been constructed to address the needs of the urban poor. The target for the project is to provide improved water supply to about 3 million people. In addition, greater institutional capacity for regulating and managing services will have been built. Utilities and the utility regulatory institute - the Energy and Water Utilities Regulatory Authority (EWURA) – were provided management support by the German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GiZ).

14.4. Component 4 – *Sector Institutional Strengthening and Capacity Building:* In addition to supporting overall program management, this component has served the coordination function for all capacity building initiatives under the project - both implementation related and sector wide capacity building. Offices of MoW and other Implementing Agencies (IAs) have been or are being rehabilitated, and vehicles and equipment have been procured. Furthermore, capacity development interventions have been carried out for a significant number of water authorities. Mainstreaming of capacity development has been introduced to MoW and to other IAs, and training in various fields particularly with regard to fiduciary, Management Information System (MIS), and WPM aspects are in place and are currently refined and upgraded. An MIS connecting all IAs has been operationalized for improved financial management monitoring and reporting. The MIS enhancements aim to improve sub-project monitoring and contract management through refinement of features relating to procurement, contract management, and budget monitoring.

15. Rationale for Additional Financing: The proposed AF will support scaling up and completion of sub-projects to benefit the larger Tanzanian population. The project has already delivered key results which will be augmented by this AF. While many important procedural improvements to the fiduciary and safeguards implementation have been made, raising the performance standards of the more than 250 implementing entities will take time -- as is the case with all SWAs. The AF incorporates lessons from the experience of implementing a large, nationwide program supported by multiple donors. Some of the lessons that are being applied to the program include: supporting a strong oversight mechanism, conducting audits related to fiduciary and safeguards aspects of the program, and strengthening financial monitoring and reporting. While the project has addressed the key systemic risks, for such a large program there are always some inherent problems that need close monitoring. In the assessment of the Bank, the overall benefits of continued engagement far exceed the risks associated with such a large program as it nears completion, given that the known issues have been identified and steps have been taken to address them.

16. The AF seeks to scale up and sustain the results achieved to-date. For the rural water supply component, the AF will fund the remainder of the sub-projects required to meet the original target of 10 water schemes per LGA. Beneficiary communities selected a different technology (piped water schemes) than originally anticipated for the rural water supply component. As piped multi village water schemes have a higher unit cost than hand pump schemes which cost significantly less, targets were revised downwards at restructuring. The AF therefore, aims to complete the original target of reaching 1,546 villages. In addition, the AF will finance completion of activities under the water resources management and urban water supply components. In summary, the AF will provide support for: (i) execution of sub-projects in the remaining 628 villages; and ii) completion of ongoing contracts under the water resources and urban water supply components of the program that are facing financing constraints. The proposed AF is fully consistent with OP/BP 10.00.

17. Activities proposed under the AF will include the following:

- a. *Component 1: Strengthening of Water Resources Management Framework (US\$9 million equivalent)*: This component will finance the completion of the integrated water resources management and development plans in 8 basins, additional capacity development for basin-wide water resources management, and priority investments. Given the process oriented nature of the component which involved lengthy consultations with the communities and stakeholders in the various basins and the formulation of a legal and institutional framework, implementation of project supported activities only picked up after a considerable delay. This delayed implementation has led to increased costs due to, among other things, the appreciation of cost of materials for work contracts. The AF will support the completion of 23 contracts, of which 19 are consultancy contracts, including completion of the preparation of integrated water resources management and development plans for 8 basins.
- b. *Component 2: Scaling up of Rural Water Supply and Sanitation Services (US\$13 million equivalent)*: This component will finance the scaling up of rural water supply to support the government attain the service targets put forward in the BRN. With the AF, the project will support the target of a total of 31,747 water points reaching 8 million people, in line with the 10 villages per LGA objective. The AF will directly finance improved water service through the construction of 5,279 water points in 628 villages. This will include an IDA contribution of US\$13 million for 49 multi village schemes (about 938 water points) providing water to 234,624 people. Supplemented by additional financing from DfID and the government, in the amount of US\$13 million and US\$17 million respectively (part of which will be used for Component 2), the AF will allow the project to surpass the revised targets set at restructuring. In line with the priority attached to the RWS component under the BRN initiative, the government's contribution to the AF will be used primarily to finance this component.
- c. *Component 3: Scaling up of Urban Water Supply and Sewerage Services (US\$20 million equivalent)*: This component will support the improvement of urban water supply and sanitation in key towns and cities. The AF will finance costs incurred during project implementation due to delays in commencing some sub-projects and the increase in costs

of construction and related supervision activities. The AF will support 29 contracts of which 18 are for works to complete construction of water supply systems in the selected urban utilities, 10 are consultancy contracts to supervise the works and finalize studies, and 1 goods contract. Eight of the 17 works contracts proposed for the AF have been completed and require financing for final payments. The remaining nine contracts are at different stages of implementation. With the AF and upon completion of the contracts, an additional 200,000 people will be provided with access to improved water sources in Small and Regional Towns as well as 45,000 students and teachers at the University complex of Dodoma. Moreover, the service quality levels for at least half of the population of Dar es Salaam (4.4 million) will be considerably improved, from poor intermittent water supply to almost continuous water services.

- d. *Component 4: Sector Institutional Strengthening and Capacity Building (US\$3 million equivalent)*: This component will continue to finance program management activities and provide technical assistance for preparation of the second phase of the WSDP. Emphasis will be given to the completion of the MIS enhancement, operationalization and to operationalizing and updating the water point mapping system. It will also provide support to institutions involved in implementation and monitoring of the sector program.

III. Proposed Changes

Summary of Proposed Changes	
The AF will support: (i) the scaling up of activities under Component 2 – Rural Water Supply and Sanitation in line with the Governments “Big Results Now” initiative, and in addition, to complete activities under Component 1 – Water Resources Management and under Component 3 urban water and sewerage	
Change in Implementing Agency	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Project's Development Objectives	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Results Framework	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]
Change in Safeguard Policies Triggered	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change of EA category	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Other Changes to Safeguards	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Legal Covenants	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Loan Closing Date(s)	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Cancellations Proposed	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Arrangements	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Reallocation between Disbursement Categories	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change in Disbursement Estimates	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>]
Change to Components and Cost	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>]

Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [X] No []
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [] No [X]
Other Change(s)	Yes [] No [X]

Development Objective/Results

Project's Development Objectives

Original PDO

The development objective of the project is to support the GOT's poverty alleviation strategy through improvements in the governance of water resources management and the sustainable delivery of water supply and sanitation services.

Change in Results Framework

Explanation:

The targets and baselines of relevant indicators will be updated, to reflect the results from the proposed additional financing and development in the sector in the course of implementation (See Annex1).

Compliance

Covenants - Additional Financing (Tanzania Water Sector Support Project - Additional Financing - P146700)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Cr. 5496-TZ	Environment and social safeguard review		<input checked="" type="checkbox"/>	CONTINUOUS	New

Conditions

Source Of Fund	Name	Type
IDA	Memorandum of Understanding	Effectiveness

Description of Condition

Recipient has signed the MOU with at least two Development partners

Source Of Fund	Name	Type
IDA	Program Implementation manual	Effectiveness

Description of Condition

Recipient has updated the Program implementation manual in form and substance satisfactory to the Association.

Finance

Loan Closing Date - Additional Financing (Tanzania Water Sector Support Project -

Additional Financing - P146700)				
Source of Funds			Proposed Additional Financing Loan Closing Date	
International Development Association (IDA)			31-Dec-2015	
Allocations - Additional Financing (Tanzania Water Sector Support Project - Additional Financing - P146700)				
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
IDA	XDR	Goods, Works and Consultancy Services	29,000,000.00	100.00
		Total:	29,000,000.00	
DFID	USD	Goods, Works and Consultancy Services	15,000,000.00	100.00
		Total:	15,000,000.00	
KFW	USD	Goods, Works and Consultancy Services	13,000,000.00	100.00
		Total:	13,000,000.00	
Components				
Change to Components and Cost				
Explanation:				
Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Strengthening of WRM Framework	Strengthening of WRM Framework	31.70	41.00	Revised
Scaling up of Rural WSS Services to meet MDGs	Scaling up of Rural WSS Services to meet MDGs	40.96	54.00	Revised
Scaling up of Urban WSS Services to meet MDGs	Scaling up of Urban WSS Services to meet MDGs	109.32	129.90	Revised
Institutional Strengthening and Capacity Building	Institutional Strengthening and Capacity Building	13.95	16.00	Revised
Unallocated		4.07	4.00	Revised
	Total:	200.00	244.90	

Other Change(s)
Change in Financial Management
Explanation: The MoW will replace DAWASA for all items that are procured for DAWASA.

18. **Project Development Objective:** The Development Objective of the WSSP is: “to assist the recipient in: a) improving integrated water resources management by strengthening water sector institutions; and b) expanding access to water supply and sanitation services”. The PDO will remain unchanged.

19. **Project results:** The results framework has been revised to reflect the additional results supported under the AF (see Annex 1).

20. **Extension of the project closing date:** The original credit has been extended twice to allow for completion of the project activities. The current closing date of the original credit is August 31, 2014 and will be maintained while the closing date for the AF will be December 31, 2015.

21. **Implementation arrangements:** The implementation arrangements for the project will remain the same with the BWOs, LGAs, and urban utilities being the primary implementing agencies, and MoW, PMO-RALG and the Regional Secretariats (RSs) providing coordination, technical assistance and oversight. However, completion of the remaining sub-projects and capacity building activities in Dar es Salaam will be implemented by the MoW. In line with the approach agreed for the BRN, the Prime Minister’s Office Regional Administration and Local Government (PMO-RALG) has taken key steps to enhance its involvement in assisting and overseeing the LGAs. The Water Sector Working Group (WSWG) established under PMO-RALG has been strengthened by engaging the required technical staff and MoW is supporting this effort by seconding experienced senior staff to relevant Regional Secretariats (RS). The MoW has also transferred two financial specialists and one engineer to further strengthen the WSWG in PMO-RALG for better coordination of the program; this has raised the number of staff of the WSWG to the required 8 (3 engineers, 2 finance specialists, and 3 economists).

22. In an effort to ensure that the coordination between the PMO-RALG and the MoW is further strengthened, MoW is in the process of recruiting an international consultant paired with a local consultant to provide program management support and skills enhancement training to staff of both PMO-RALG and MoW. The PCU (within MoW) has improved its performance by strengthening oversight and coordination of all stakeholders, and by consolidating reporting and monitoring of project activities. A consultant has been engaged to provide technical support to the PCU and help build up staff skills in reporting, coordination and overall program management. A key challenge to the timely implementation of the AF is effective contract management. The contract management team in MoW will need to coordinate with the senior staff recently seconded to the RSs to ensure that adequate technical assistance is provided to LGAs, municipalities and water utilities.

23. The implementation capacity to complete the 10 village scheme and to support the further rollout of the BRN is currently being enhanced. The BRN initiative has managed to more clearly define the roles and responsibility of MoW/PMO-RALG/Regions/LGAs. Enhanced implementation support from IDA and DfID is ongoing, and will continue during the period of the AF, to strengthen the institutions, and management and implementation capacities.

24. In line with the recommendations of the BRN, three Assistant Directors have been appointed in the Rural Water Supply Department of the MoW, and it has established five zones at the ministerial level to coordinate the implementation across five regions each. This has enabled the support and monitoring of implementation progress of RWSS projects in LGAs. At the regional level, there is currently a deficit of 70 technical staff across the country. The MoW has initiated the process for deploying 13 retired Engineers to the RSs; 11 Engineers from MoW and its institutions have already been transferred to work with RS offices. In addition to the above, MoW is employing additional engineers and water technicians to assist LGAs. Despite this, there exists a shortage of staff in the LGAs. In addition to the availability of personnel, the capacity of the available staff has been built up, but considerable skill deficiency remains. Challenges in contract management, MIS, and Water Point Mapping, as well as issues around sustainability, still exist.

25. With regards to the implementation of the sanitation and hygiene activities, several initiatives have been launched to strengthen the NSC implementation capacity. The government has oriented and trained 487 staff on Community Led Total Sanitation and Sanitation Marketing, the key approaches adopted under the implementation of the NSC. The 487 trained professionals will bridge the capacity gaps at national, regional, LGA level as well as in NGOs. To further enhance the capacity at village level the government through the Health Basket Fund, is introducing 6-month training for Village Health Workers along with the reintroduction of the sanitation and hygiene training for Health Assistants starting September 2014. The government has developed tools and templates for the implementation of NSC including a Sanitation options manual, Community Led Total Sanitation guidelines, School Wash guidelines, a School Wash toolkit, a Village sanitation and hygiene promotion toolkit, an NSC implementation guide and Strategy for rolling out and sustaining CLTS facilitators. These initiatives will complement and enhance the implementation of WSSP activities supported under the AF.

26. With technical assistance from the Water and Sanitation Program (WSP), 12 Regional Wash Facilitators are being deployed across regions, to strengthen the capacity to implement NSC at Regional Secretariat and LGA levels. Through technical assistance from UNICEF, Global Sanitation Fund and WSP, the government has further strengthened the sanitation and hygiene monitoring system at national and local levels.

27. The AF will also support the review of the decentralized implementation arrangement for Rural WSS provision in accordance with the BRN and for improved sustainability of provided services.

28. **Change in Project cost and financing plan:** During the course of implementation, the cost of sub-projects have changed due to technology choices made by beneficiaries, and contract values for some of the works have increased mainly due to price escalation in the urban and

water resources components which resulted from delayed implementation. The original and revised budget allocation of the entire WSDP is shown in table 1 below.

Table 1 - WSDP overall program budget and disbursement by Component (as of December 2013)

Component	Original allocation (PAD) (USD million)	Revised Allocation June 2011- restructuring (USD million)	Current Available budget-2014 (USD million)	Disbursement till December 2013 (USD million)	Disbursement Rate (%)
Water Resources Management	75	66	89	56.00	63%
Rural Water Supply and Sanitation	291	379	484	274.00	57%
Urban Water Supply and Sewerage	511	745	769	572.00	74%
Institutional Strengthening and Capacity Building	58	66	73	71.00	97%
Unallocated	16	0	6	-	0%
TOTAL	951	1256	1421¹	1156	81.30%

29. In addition to IDA's US\$44.90 million, KfW and DFID are contributing Euro 10 million (US\$13 million equivalent) and GBP 10 million (US\$15 million equivalent). Summary of the Additional financing by source and component is shown in table 2 below.

Table 2 – Proposed AF by Source and Component

No.	Category	Current IDA Credit (USD million)	Additional Financing (USD million) ²					Tot.
			AF plus Original Credit	IDA	KfW	DFID	GOT	
1	Sub Program A – Water Resources Management	31.70	41	9.00	3.00	0.00	3.00	15.00
2	Sub Program B – Rural Water Supply and Sanitation	40.96	54	13.00	-	13.00	17.00	43.00
3	Sub Program C – Urban Water Supply and Sewerage	109.32	129.90	20.90	9.00	0.00	9.00	38.90
4	Sub Program D - Institutional strengthening and Capacity Building	13.95	16	2.00	1.00	2.00	1.00	6.00
5	Unallocated	4.07	4	0	0.00	0.00	0.00	0.00
	Total	200.00	244.90	44.90	13.00	15.00	30.00	102.90

¹ The additional finance was obtained from additional contribution from DPs, GoT, and gained from currency exchange

² KfW contribution is Euro 10 million (US\$13 million equivalent) and Dfid contribution is UKP 10 million (US\$15 million equivalent)

IV. Appraisal Summary

Economic and financial analysis

30. The US\$44.90 million AF will be used to scale up activities in line with the original project. An assessment conducted during preparation of the AF shows that the average per capita cost for all types of schemes has increased significantly from the estimate at appraisal ranging from 75 percent for boreholes with hand pumps (from US\$16.5 to US\$29) to 28 percent for gravity piped schemes (from US\$42.5 to US\$54.5). To assess the effect of increased per capita costs on the economic return of the project requires a comparison adjustment to the parameters used for estimation of the benefits of the project including minimum wage, per capita health cost, etc. As explained below, assuming that the changes in cost and benefits net out, the economic analysis conducted at appraisal is still relevant for determining the economic return of the overall project.

31. An economic comparison of potential water supply technologies was made during appraisal, providing Net Present Values (NPVs) and Economic Rate of Returns (ERRs) for different technological options in two villages in each of three districts selected as representative of other districts and villages in Tanzania (see Table 2). For each of the alternatives the economic costs were calculated and include investment costs, operation and maintenance (O&M) costs, and the costs of water collection by the households. Their present day values were calculated over a 20 year life of the project at a 12 percent discount factor. All technologies in the villages and districts had ERRs of 11 percent and higher with the exception of one technology in Kilosa District, which utilized a protected spring³.

32. As shown in the table, the investment cost per scheme for large multi village and deep boreholes for mechanized schemes is very high compared to the other low cost technologies. However, everything remaining the same the economic return measured in terms of NPV and ERR are higher than the low cost technologies. This is mainly due to the fact that the number of beneficiary per scheme is significantly higher in the high cost schemes than in the low cost schemes.

33. Sensitivity analysis was carried out assuming a 20 percent decrease in time saving, 30 percent decrease in vendor price and 10 percent increase in cost. In all the cases the ERR for Deep Borehole Mechanized and piped, as well as for gravity piped schemes decreased to an acceptable level and remained above the discount rate ranging from 14 percent to 24 percent, implying that the shift to high value schemes is economically viable even under a wide variety of conditions. Hence while the shift to more complex and high cost technologies will increase the overall cost of the project, it will not reduce the economic viability of the project.

³ The protected spring itself did not provide any benefits in terms of reducing collection time, therefore its low ERR. It was concluded that protected springs should only be used in specific situations, especially where the protected water could be piped closer (than the existing source) to the end-users.

Table 3 - Economic Analysis and ERR Values

No	Technology Type	Investment cost USD	Kilosa District		Mpwapwa District		Rufiji District	
			NPV USD	ERR	NPV USD	ERR	NPV USD	ERR
1	Spring Protection Scheme	967	-44,216	NA	NA	NA	NA	NA
2	Hand-dug/drilled well with Hand Pump	5,950	17,334	27%	NA	NA	20,320	22%
3	Borehole with Hand Pump	7,675	2,076	11%	51,436	24%	33,536	35%
4	Deep Borehole Mechanized	24,503	2,210	13%	NA	NA	25,041	19%
5	Deep Borehole Mechanized and piped	64,500	30,461	23%	56,546	26%	55,618	32%
6	Gravity Piped Scheme	99,750	42,520	32%	106,752	45%	NA	NA

Technical analysis

34. **Water Resources Management Framework(Component 1):** The water resources component involves reforming the water resource management in the country through initiatives ranging from issuance of policy, acts, and regulation to establishing institutions to implement them. This is an initiative that required significant upfront effort to plan, prepare, and orient potential stakeholders as well as procure the services. This caused a time lag in implementation of the component activities for the first two to three years until the midterm and restructuring of the project took place. Now that the Acts and regulations are in place, the national and basin water board as well as the nine basin water offices are established and made operational and equipped with the basic facilities and materials to perform their activities, the component is making good progress. The work under this component has served as basis for initiating the high level policy dialogue to develop operational linkages between different water using sectors and associated management implications and imperatives to enable promotion of major development initiatives. It has adopted Integrated Water Resources Management (IWRM), based on the principles of equity, sustainability and economic efficiency, as a unifying framework for addressing the multisectoral water management challenges, and a strong policy, legal and institutional foundation for implementing IWRM is being laid.

35. **Rural Water Supply and Sanitation Services (Component 2):** Most of the parameters for the original technical design of WSSP have been maintained (unit consumption per capita per day, distance). However, in the course of implementation, the proportion of schemes for each type of technology used for the rural water supply has been substantially changed, as noted above. First, only 5 percent of the rural schemes are hand pump based due to the community demand for gravity and pumped piped schemes (instead of 48 percent as originally estimated). As a result the proportion of gravity schemes has increased to 42 percent while the choice for piped/pumped schemes rose to 53 percent. The MoW is working with LGAs to ensure that priority is given to those sub-projects which enable the greatest number of people to benefit. Second, changes in unit costs were revised to ensure that these are realistic and useful in guiding project implementation. The following proposed indicative per capita costs for rural water supply investments are considered accurate: (a) for boreholes with hand pumps: a range of US\$25–33

(original range: US\$8-25); (b) for borehole pumped schemes: a range of US\$34–90 (original range: US\$29-43); (c) for gravity schemes: a range of US\$29–80 (original range: US\$34-51); and (d) for small reservoirs: a range of US\$10–54 (original range: US\$9-10). It was agreed that all schemes be capped at the upper limit and any project that exceeds the agreed unit costs be reviewed by MoW and reported to the rural technical working group which is monitoring the rural water supply component.

36. Sustainability for the rural water systems remains a challenge. A WSS Sustainability Strategy is being developed and Community Owned Water Supply Organizations (COWSOs) are being trained and registered. Under the BRN, arrangements to enhance the O&M have been designed, without commensurate resources. It is therefore, uncertain whether these initiatives will contribute significantly to sustainability of the investments. WSP is seeking to support the strengthening of sustainability of rural water supply through TA.

37. **Urban Water Supply and Sewerage Services (Component 3):** No significant changes to the technical design have been made in Urban Water Supply and Sanitation. However, several corrections to assumptions made at appraisal have been made. The original budget was formulated on the assumption that 80 percent and 20 percent of population would be covered by public standpipes and private household connections respectively. In reality, the MoW restructuring report (April 2011) showed that public standpipes cover a population of 35 percent, 58 percent, and 74 percent in Dar es Salaam, the 19 UWSAs and the small towns, respectively. The unit cost per capita was revised to US\$120-170 for household connections and US\$65-85 for public standpipes based on the experience of the first 2.5 years and other recent projects. The original range provided at appraisal was US\$19-37. Finally, population growth estimated at 3 percent per annum, which however, turned out to be lower than current rates of 6 percent, 5 percent and 4.2 percent per annum in Dar Salaam, regional utilities, and small towns respectively. As a result of this rapid growth, the original target of 90 percent coverage by 2012 was not realistic.

38. **Financial Management:** The financial management (FM) and disbursement arrangements currently in place under WSDP (and WSSP) are deemed adequate, acceptable and will continue to be used. These arrangements, including compliance with the legal covenants related to financial management, are satisfactory. There are no outstanding audits or Interim Financial Reports (IFR) and these reports are submitted on time and in an acceptable manner. In this regard the project's financial management arrangements provide reasonable assurance that the project funds are used for the purposes intended. The program faced a number of challenges in the past. These issues were identified through FM supervision missions, in-depth FM review carried out and external audits of Fiscal Year (FY) 08/09, 09/10 and 10/11. The main issues included among others non reconciling closing and opening balances, late submission of IFRs, poor quality of IFRs, long outstanding advance, failure to track funds disbursed to LGAs, poor record keeping and deficiency in internal audit. The following FM strengthening measures were undertaken in order to address the identified issues: increase of FM staff working on the program, empowering the chief accountant to oversee the program FM activities, verification of cash balances by the Controller and Auditor General (CAG), validation of data and report from the MIS, verification of MIS data and output by the CAG, close monitoring by the task team, training of all FM staff working on the program including LGA staff, quarterly internal audit by

the internal audit department of the ministry and LGAs. As a result of CAG's audit process US\$536,890 was identified as ineligible expenditures and refunded to the basket fund. The Public Finance Management Reform Program phase IV has helped the government in strengthening revenue management, planning and budget management, budget execution, transparency and accountability, budget control and oversight and program monitoring. With intensive follow up and close monitoring of agreed actions, these interventions have already started to yield results.

39. The audit reports and management letters for FY 2012 and FY 2013 show great improvement, compared to the previous years, in FM arrangements. The FY 2012 audit report had an unqualified opinion but emphasized the issue of delayed payments and exchange currency losses due to the late payments; the FY 2013 audit report had an unqualified opinion. However, there are recurring risks affecting the project which will ultimately affect the AF as well. These include: implementing agencies making commitments above their available budgets, delayed transfer of funds to the implementing agencies (LGAs, water basin offices), weak internal controls including internal audit function that affect the management and monitoring of results, under release of funds (actual releases compared to the budget), budgeting beyond available sources of financing and delayed submission of financial reports. These risks will be mitigated by ensuring that the payees are those that are on the list of contracts that have been agreed upon, streamlining budgeting arrangements to include user departments in the budgeting process and confirming financing sources before budgeting is finalized, sharing of transfer advise from MoW to Ministry of Finance (MoF) with all implementing agencies for their information and follow up, submission of transfer advise to MoW by MoF once transfers are complete, strengthening of internal audit function by using internal audit units at all levels - MoW, PMO-RALG, regions and LGAs and building internal audit capacity at all levels. CAG is requested to conduct the current annual technical audit which includes a section on value for money. Going forward, value for money audits will also be carried out. These mitigation measures once implemented will facilitate the achievement of results under the additional financing.

40. **Retroactive Financing:** The proceeds of the AF will be used to finance eligible activities. In order to ensure that payments for executed activities are made in a timely manner and avoid implementation delay due to delayed payments, retroactive financing of up to US\$5 million will be allowed for eligible expenditures made prior to the signing of the Credit Agreement but on or after September 1, 2013. Payment will be made for items procured in accordance with applicable Bank procurement procedures.

Procurement Management

41. **Procurement:** Procurement under the AF will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011; and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011; "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 the provisions stipulated in the Legal Agreement.

42. National Competitive Bidding (NCB) for goods and works shall be subject to the following: (a) in accordance with para.1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the financing shall provide that: (i) the bidders, suppliers, contractors, and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor, or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16 (a)(v) of the Procurement Guidelines; and (b) there shall be no preference accorded to the domestic suppliers and contractors.

43. For each contract to be financed under the Credit, the various procurement or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and timeframe have been agreed between the government and the Bank in the Procurement Plan. The Procurement Plan will be updated periodically as required to reflect actual project implementation needs and improvements in institutional capacity.

44. Subprojects and the capacity building activities in Dar es Salaam under the Additional Financing will be implemented by Ministry of Water. This includes, contract management, financial management and payments to the existing contracts under implementation. Furthermore, in addition to strengthening the Procurement Management Unit and User Departments of the Ministry in contract management through training, there will be close monitoring of contract implementation to minimize delays and escalation of costs. Monitoring will be done through regular supervision missions, procurement and technical reviews as well as value for money audits. These measures are aimed at minimizing the risks associated with governance under the Additional Financing.

45. The procurement risk for the AF is assessed as Substantial which is the same as the main project. The risk rating is mainly associated with contract management. The capacity assessment recommends strengthening of the Procurement Management Unit and User Departments in contract management.

Environmental and Social Safeguards

46. Since the project was approved in February 2007, some 800 sub-projects have been screened for environmental and social risks and impacts. The vast majority of sub-projects have been Category C, with negligible impacts.

47. Project safeguards management has improved significantly over the recent period. After delayed implementation stemming from serious capacity constraints, the project's safeguards performance has gained momentum and substantially improved following the midterm review and subsequent project restructuring. Since that time, a dedicated safeguards team has been formed within MoW, supported by an international safeguards advisor hired to provide just-in-time capacity building assistance and establish a risk-based safeguards monitoring tool. Additionally, safeguards training has been provided to implementing agencies at the central and decentralized levels by both the World Bank and the MoW, supported by their advisor. Safeguards supervision has also been strengthened through joint WB – MoW team field visits to

supervise subproject sites, and review experience in safeguards management. As a result of this enhanced engagement in safeguards, the team has been able to better identify and manage risks associated with the nationwide WSDP program. Tables 1 and 2 in Annex 2 provide a summary of safeguards issues in sub-projects proposed for the AF and on Category “A” and high-risk Category “B” subprojects supervised under WSDP, respectively. Key conclusions from this review are:

48. *Additional Financing:*

- a. The environmental categorization of sub-projects proposed under the Urban Water Supply component of the AF is as follows:

Category	Number of Subprojects
A	1
B	6
C	9

- b. *Category A:* The single Category “A” investment – development of the Kimbiji/Mpera well field – is being undertaken in a phased manner to ensure that the final well field development design reflects the results of the ongoing Comprehensive Groundwater Assessment (CGA) and a pump test from the first phase drilling. The Bank has reviewed initial drafts of the two ESIA’s (one each for Kimbiji and Mpera) and provided advice on assessing and managing environmental impacts following which a revised ESIA has been submitted for Bank review. The CGA, which is currently underway, will determine and describe Kimbiji/Mpera aquifer behavior based upon results of ongoing pump tests from exploratory wells. In addition, pump tests are being undertaken to finalize the well field design, including determination of the total number of wells that can sustainably be supported, and the phasing of those wells, as well as to inform the monitoring plan to ensure pumping does not significantly affect aquifer quantity and quality. Once the CGA is completed in January 2015, a separate supplemental environmental management and monitoring plan will be prepared to outline the sequence and monitor of development of the well field. Disbursements will only take place once the final ESIA and ESMPs have been consulted upon, cleared and disclosed. A RAP for both Kimbiji and Mpera was prepared, approved, cleared and disclosed in November 2013.
- c. *Category B:* Some of the Category “B” sub-projects were not initially considered for WSDP financing, and as such, followed national environmental standards rather than rules set forth in the WSDP ESMF. These subprojects are now included within the WSDP, and therefore, environmental and social audits will be undertaken to identify any necessary mitigation measures to ensure the environmental and social management of the project is satisfactory.

49. *Other WSDP Sub-projects:*

Table 2 –Annex 2 outlines the status of safeguards management for those WSDP sub-projects considered to be highest risk for social and environmental impacts, comprising nine Category “A” and eight Category “B” activities, at various stages of implementation (e.g. feasibility and design, implementation, and completed). These sub-projects are financed by various WSDP development partners.

a. Category “A”:

- i. *Construction has been financed under WSDP, ESIA and RAPs disclosed:* The ESIA and RAP for two Category “A” subprojects have been completed and disclosed. Works were financed by Government and MCC.
- ii. *Construction has been financed under WSDP, ESIA and RAPs not yet disclosed:* Two subprojects were initiated outside of Basket financing (i.e., no IDA financing was used). One sub-project undertook design work in accordance with Tanzanian environmental law. The other did not clearly incorporate safeguard considerations in the design. Construction started on both with KfW and EU (earmarked financing) and was later supplemented by basket funding under Phase I. In these cases, the AF may be used for the preparation of a supplementary environmental and social management plan, based upon the results of safeguard audits undertaken by the project.
- iii. *Support of preparatory work only:* Project resources support feasibility and design activities – but no construction – for an additional five sub-projects to prepare them for potential future support under a new operation to be supported by IDA. In all such cases, preparation of ESIA and RAPs are at advanced stages and would be developed in accordance with the project ESMF.

b. Category “B”:

- i. *Sub-projects where design/preparation work only was financed:* Four subprojects received project finance for preparatory work, with no construction. In all cases, project support includes preparation of safeguards documentation, to allow for potential future support under IDA or other development partners.
- ii. *Sub-projects constructed/under construction but EIAs and/or RAPs not approved and disclosed:* Construction began without World Bank approval, or disclosure, of safeguards documents for four sub-projects. One of these is undergoing safeguards audit which is nearly completed; the other three sub-projects that have complied with Tanzanian environmental legislation will also undergo a safeguards audits to ensure they meet Bank requirements, including appropriate mitigation measures. Financing for works was initially provided by KfW and EU (earmarked financing) and later supplemented by basket funding under Phase I.

Annex 1: Results Framework and Monitoring

Tanzania: Water Sector Support Project - Additional Financing (P146700)

Project Name:	Tanzania Water Sector Support Project - Additional Financing (P146700)	Project Stage:	Additional Financing	Status:	FINAL
Team Leader:	Yitbarek Tessema	Requesting Unit:	AFCE1	Created by:	Marie Claire M. Li Tin Yue on 03-Apr-2014
Product Line:	IBRD/IDA	Responsible Unit:	AFTU1	Modified by:	Marie Claire M. Li Tin Yue on 20-May-2014
Country:	Tanzania	Approval FY: 2014			
Region:	AFRICA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P087154	Parent Project Name:	Water Sector Support Project (P087154)		

Project Development Objectives

Original Project Development Objective - Parent:

The development objective of the project is to support the GOT's poverty alleviation strategy through improvements in the governance of water resources management and the sustainable delivery of water supply and sanitation services.

Proposed Project Development Objective - Additional Financing (AF):

Results

Core sector indicators are considered: Yes

Results reporting level: Program Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Number of people in urban areas provided with access to Improved Water Sources under the project	<input checked="" type="checkbox"/>	Number	Value	0.00	2798000.00	2995910.00
				Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment			
No Change	Number of people in rural areas provided with access to Improved Water Sources under the project	<input checked="" type="checkbox"/>	Number	Value	0.00	6670000.00	799000.00
				Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment			
No Change	Basin Water Offices fully operational and implementing an approved plan for integrated basin water management	<input type="checkbox"/>	Number	Value	0.00	0.00	3.00
				Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment		All 9 BWOs are functional and progressing in the IWRMP plans preparation. Two final and five draft reports have been submitted.	
No Change	Number of people with access to improved sanitation under the project	<input type="checkbox"/>	Number	Value	0.00	1104000.00	2706000.00
				Date	01-Jul-2011	31-Dec-2013	31-Dec-2015
				Comment		180,000 additional household latrines built in the program duration providing access to improved	

						sanitation for 900,000 rural people. The National Sanitation Campaign aims at reaching 2.50 million people by 2015.	
No Change	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value		4895307.00	5679626.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value		51.70	51.70

Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No Change	Central Water Board functional	<input type="checkbox"/>	Text	Value	0	1	1
				Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment			
No Change	Water points developed in program area	<input type="checkbox"/>	Text	Value	0	26468	31747
				Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment			
No Change	Urban Water and Sewerage	<input type="checkbox"/>	Text	Value	8	15	16

	Authority (UWSA) registered as Category A			Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment			
No Change	New piped household water connections that are resulting from the project intervention	<input checked="" type="checkbox"/>	Number	Value	0.00	236541.00	237287.00
				Date	01-Jul-2007	31-Dec-2013	31-Dec-2015
				Comment			
No Change	All 9 BWO capturing essential IWRM information	<input type="checkbox"/>	Number	Value		9.00	9.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	8 Integrated River and Lake Basin Development and Management Plans approved by 2015	<input type="checkbox"/>	Number	Value		1.00	8.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	8 catchments and 7 sub-catchments committees established and functioning in all basins by 2015	<input type="checkbox"/>	Number	Value		1.00	15.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	All 9 BWOs granting, monitoring, and enforcing water rights and pollution control	<input type="checkbox"/>	Number	Value		4.00	9.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	Number of villages which signed the declaration to improve household sanitation	<input type="checkbox"/>	Number	Value		6466.00	12000.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	60% of program village water	<input type="checkbox"/>	Percentage	Value		20.00	60.00

	committees/ COWSOs registered as legal entities	<input type="checkbox"/>		Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	100% of program districts with fully-staffed RWSS teams implementing a fully participatory sector plan	<input type="checkbox"/>	Percentage	Value		70.00	100.00
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	Steering Committee, Water Sector Working Group and 4 Technical Working Groups operational	<input type="checkbox"/>	Yes/No	Value		Yes	Yes
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	MoW develops and implements national MIS	<input type="checkbox"/>	Yes/No	Value		Yes	Yes
				Date		31-Dec-2013	31-Dec-2015
				Comment			
No Change	Report assessing the water related institutions and the achieved results developed	<input type="checkbox"/>	Yes/No	Value		No	Yes
				Date		31-Dec-2013	31-Dec-2015
				Comment			

Annex 2: Safeguards Implementation Status

Tanzania: Water Sector Support Project - Additional Financing (P146700)

Table 1 - Investment Projects to be financed under the Additional Financing

#	Ref.	Project Name	Location	Status of the Project	OP/BP 4.01 Category	OP/BP 4.12 RAP/ARAP	Status on Safeguard Documents	Agreed Action
1	CW-W91	Kimbiji/Mpera well fields	Dar es Salaam	Test wells under construction. Additional Financing will support construction of up to twenty wells in two phases (depending on results of pump tests undertaken in phase one).	A	Yes	Two separate ESIA's are under preparation. The initial drafts were submitted to the Bank and the Bank provided technical advice on managing the aquifers in an environmentally sustainable manner. A revised report is under review by the Bank. Test drilling and pump testing has begun (financed by Norwegian Government) in order to provide data to inform the development of a Comprehensive Groundwater Assessment (CGA) to understand the aquifer behavior, which in turn will be used to develop the detailed design for well field development. A RAP for both Kimbiji and Mpera was prepared, approved and disclosed in Nov. 2013.	<ol style="list-style-type: none"> 1. The two final ESIA's have been revised and submitted to the Bank for approval. 2. Supplementary management plan: Based on the results from the ongoing pump testing, a supplementary environmental management plan will be developed to outline the detailed phasing and monitoring plan.
2	CW-W39	Construction of lateral sewer immediate works in Moshi Municipality	Moshi Municipal Council	Work completed but final payment pending	B	No	Feasibility study dated 2008 included an EA.	An environmental and social safeguards review* will be undertaken with AF funds to ensure subproject has complied with Tanzanian law and WB Safeguards Policies. The

#	Ref.	Project Name	Location	Status of the Project	OP/BP 4.01 Category	OP/BP 4.12 RAP/ARAP	Status on Safeguard Documents	Agreed Action
								review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements.
3	CW-W58	Construction/rehabilitation of water works in Singida Municipality	Singida Municipal Council	Work completed but final payment pending	B	Yes	ESIA was prepared in 2005. No RAP has been prepared but around 300 people were affected and compensated.	An environmental and social safeguards review* will be undertaken under the AF to ensure compliance with Tanzanian law and WB Safeguards Policies. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements.
4	CW-W93 A/B	Construction of Chalinze National Water Project Phase II	Chalinze	Under construction	B	Yes	No ESIA or RAP done. Around 300 people were affected and compensated for crops and land but no person was physically displaced. The project avoided resettlement of households.	<ol style="list-style-type: none"> 1. An environmental and social safeguards review will be undertaken under the AF. The audit will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements to ensure compliance with the EMA and WB Safeguards Policies. 2. MoW submitted draft TOR for an environmental and social audit to the Bank for approval.
5	CW-W73B	Construction with expansion of treatment works for Tabora Municipality	Tabora Municipal Council	Under construction	B	Yes	This project is part of the greater Water Supply Improvements Project in Tabora for which a feasibility study was prepared in 2003.	An environmental and social safeguards review* will be undertaken under the AF to ensure compliance with Tanzanian law and WB

#	Ref.	Project Name	Location	Status of the Project	OP/BP 4.01 Category	OP/BP 4.12 RAP/ARAP	Status on Safeguard Documents	Agreed Action
		(Igombe)					This study included an EA. No RAP has been prepared but compensation has already taken place.	Safeguards Policies. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements.
6	CW-W15	Construction of Dodoma University Water Supply and Sewerage System	Dodoma	Under construction	B	No	This project is part of the greater Water Supply and Sewerage Improvements in Dodoma Project for which a feasibility study was prepared in 2003. This study included an EA. All construction for this project financed under the AF is within the compound of Dodoma University.	An environmental and social safeguards review* will be undertaken under the AF to ensure compliance with Tanzanian law and WB Safeguards Policies. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements.
7	CW-W39	Construction of transmission line and rehabilitation of water supply system for Sumbawanga Municipality	Sumbawanga	Under construction	B	Yes	This project was initially funded by earmarked funds from the EU and KfW. The completion of the project will be financed under the WSDP AF. Feasibility study dated 2011 included an EA. No RAP has been prepared but compensation has already taken place.	An environmental and social safeguards audit* will be undertaken under the AF to ensure compliance with Tanzanian law and WB Safeguards Policies. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements..
8	CW-W16	Construction of water supply system in Kibaigwa Township	Dodoma	Under construction	C	No		
9	CW-W33	Construction of water supply works in Turiani Township	Morogoro	Under construction	C	No		

#	Ref.	Project Name	Location	Status of the Project	OP/BP 4.01 Category	OP/BP 4.12 RAP/ARAP	Status on Safeguard Documents	Agreed Action
10	CW-W34	Construction of water supply works in Mvomero	Morogoro	Under construction	C	No	No requirement for preparation of EA or RAP	
11	CW-W35	Construction of water supply works in Kilosa	Morogoro	Under construction	C	No		
12	CW-W36	Construction of water supply works in Gairo	Dodoma	Under construction	C	No		
13	CW-W100	Construction Office Building at Utete	Rufiji District	Under construction	C	No		
14	CW-W100A	Construction Office Building at Mpwapwa	Mpwapwa District	Under construction	C	No		
15	CW-W4	Construction Office Building at Babati	Babati Municipality Council	Under construction	C	No		
16	CW-W100C	Construction Office Building at Tuduma	Mbozi District	Under construction	C	No		

Table 2 - Selected Category “A” and High risk Category “B” Investment Projects in WSDP

#	Project Name	Location	Status of the Project	OP/B P 4.01 Cate gory	OP/BP 4.12 RAP/ ARAP	Status of Safeguards Instruments
<i>Projects with ESIA and RAP completed and disclosed before construction</i>						
1	55 km transmission main from Lower Ruvu to University storage	Dar es Salaam	Under construction	A	Yes	ESIA approved and disclosed. RAP has been disclosed since November 2013, but it is being updated in light of some changes to the number of project-affected people. The consultancy for this work is in the final stages of approval. The construction is being financed by GoT.
2	Expand Lower Ruvu water treatment	Dar es Salaam	Under construction	A	No	ESIA approved and disclosed. No RAP required. The construction was done within the area where the water treatment was located and is being financed by Millennium Challenge Cooperation (MCC) for DAWASA
<i>Projects where no construction is financed, but safeguards preparation is funded under WSSP and WSSP AF</i>						
1	Kidunda dam	Morogoro	Preparation of the feasibility study and detailed design	A	Yes	Three separate drafts ESIA and three different RAPs have been prepared covering: 1) the dam; 2) the access road; and 3) the powerhouse and transmission line. Per Bank policies, the subproject ESIA will include all ancillary infrastructure, and hence all three documents will be included in a single ESIA. The current status of these documents is: 1. Dam ESIA: final version received but not approved. GOT to ensure that pending comments would be addressed within the final unified ESIA. 2. Access Road ESIA: draft version received and comments have been provided. Awaiting final version. 3. Powerhouse & Transmission Line ESIA: draft version received and comments in progress. As for the RAPs, the Kidunda RAP was reviewed by the Bank and comments provided. The RAPs for the

#	Project Name	Location	Status of the Project	OP/B P 4.01 Cate gory	OP/BP 4.12 RAP/ ARAP	Status of Safeguards Instruments
						Access Road and Powerhouse are in progress.
2	Lugoda/Ngalenge Dams and Maluluma Hydropower on Ndembera river	Iringa	Preparation of feasibility study and detailed design	A	Yes	ESIA and RAP TOR approved by the Bank. Inception report submitted to the MoW and the Bank for approval. Still awaiting the final design (Feasibility Study) in order to conclude the ESIA/RAP.
3	Farkwa Dam and Water Conveyance System	Dodoma	Preparation of feasibility study and detailed design	A	Yes	ESIA and RAP contract has been signed and inception report received. Still awaiting the final design (Feasibility Study) in order to conclude the ESIA/RAP.
4	Same - Mwanga, Korogwe water supply schemes - Phase 1	Kondoa/ Kilimanjaro	Preparation of feasibility study and detailed design	A	Yes	The consultant has been hired for design review. TOR for the ESIA and RAP is under preparation and will be submitted to the Bank for approval.
5	Expand Upper Ruvu plant and extension of the transmission main	Dar es Salaam	Contract for feasibility study and detailed design has been awarded	A	Yes	The TOR for the ESIA and RAP is under preparation. Financing is provided by Government of India.
6	Rehabilitation of Mchemba Dam	Masasi	The dam has not been in operation since it collapsed in 1992. Proposed rehabilitation work has not started.	B	Yes	Environmental and Social Audit report is in final draft version and was to have been reviewed by the Bank. However, based on the results of this audit, the Ministry of Water has decided to drop the subproject.
7	Nzega, Igunga and Tabora towns projects	Nzega/ Igunga/ Tabora	Preparation of feasibility study and detail design	B	Yes	TOR for the preparation of the ESIA and RAP has been prepared together with feasibility study.
8	Rehabilitation and expansion of the SS	Tanga	Preparation of feasibility study and detail design	B	Yes	ESIA report submitted to the Bank and NEMC for approval. RAP to be prepared.
9	Rehabilitation and expansion of the SS	Arusha	Preparation of feasibility study and detail design	B	Yes	ESIA report submitted to NEMC for approval. RAP to be prepared. ESIA report will be submitted to the Bank for approval.
<i>Subprojects construction started before approval and disclosure of safeguard documents</i>						
1	Kigoma Town Water Supply and Sanitation	Kigoma	Under construction	A	Yes	ESIA and RAP prepared as part of feasibility study, outside of WSPP, under earmarked KfW and EU

#	Project Name	Location	Status of the Project	OP/B P 4.01 Cate gory	OP/BP 4.12 RAP/ ARAP	Status of Safeguards Instruments
						funds. An environmental and resettlement review will be undertaken for this project as part of the AF. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements.
2	Hai District Water Supply and Sanitation.	Kilimanjaro	Under construction	A	Yes	Draft ESIA and RAP prepared but yet to be submitted to the Bank. Submission of acceptable ESIA and RAP will be a dated legal covenant.
3	Mambogo/Mafiga water treatment plants	Morogoro	Under construction	B	Yes	ESIA report submitted to NEMC for approval. ESIA report will be submitted to the Bank for review and approval. During construction, 6 PAPs were identified. A review of their compensation, based on the guidance in the RPF, is under way. An environmental and resettlement review will be undertaken for this project under the AF. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements.
4	Bukoba Town Water Supply and Sanitation	Bukoba	Under construction	B	Yes	ESIA and RAP prepared together with feasibility study under earmarked KfW and EU funds. An environmental and resettlement review will be undertaken for this project under the AF. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements
5	Morogoro Municipality water supply	Morogoro	Under construction	B	Yes	ESIA and RAP prepared together with feasibility study under earmarked KfW and EU funds. An environmental and resettlement review will be undertaken for this project under the AF. The review will include mitigation measures for addressing adverse social and environmental impacts, per the Bank's requirements

#	Project Name	Location	Status of the Project	OP/B P 4.01 Cate gory	OP/BP 4.12 RAP/ ARAP	Status of Safeguards Instruments
6	Masasi and Nachingwea towns WSS	Masasi and Nachingwea	Under construction	B	Yes	Environmental Audit Report is in final draft version and will be submitted to the Bank for approval.

Annex 3: Operational Risk Assessment Framework (ORAF)

Tanzania: Water Sector Support Project - Additional Financing (P146700)

Project Stakeholder Risks						
Stakeholder Risk	Rating	Low				
<p>Risk Description:</p> <p>The increased focus on the RWS may create disparity in the pace of implementation slowing the other sub sectors.</p> <p>The primary responsible ministry for oversight of LGAs performance (PMO-RALG) may not acquire the required capacity within the project life.</p>	Risk Management:					
	<p>The sector dialogue mechanism will be utilized to monitor the pace of implementation of the whole program.</p> <p>The national program management unit will continue providing TA and hands on training to the IAs and utility staff.</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:
	Both	In Progress	Both	<input checked="" type="checkbox"/>		CONTINUOUS
Implementing Agency (IA) Risks (including Fiduciary Risks)						
Capacity	Rating	Substantial				
<p>Risk Description:</p> <p>The low capacity in procurement, internal control/audit procedure, and contract management may affect implementation of the project.</p>	Risk Management:					
	<p>The National program management unit is in the process of hiring a program management expert to assist the Rural Water Supply Department (RWSD) in planning, managing and monitoring of the component.</p> <p>Secondment of additional technical staff to the regional administrations and LGAs ongoing</p> <p>These financial management risks will be mitigated by ensuring that the payees are those that are on the list of contracts that have been agreed upon, only budgeted and that only approved activities will be paid. To mitigate planning and budgeting risks, mitigation will be by streamlining budgeting arrangements to include user departments in the budgeting process and confirming financing sources/ commitments from development partners (DPs) of how much they are contributing per year before budgeting is finalized.</p>					
	Resp:	Status:	Stage:	Recurrent:	Due Date:	Frequency:

	Client	In Progress	Implementation	<input type="checkbox"/>		
Governance	Rating	Moderate				
Risk Description: LGAs may fail to adhere to the requirement of frequent reporting and accounting of utilized funds.	Risk Management: The project will closely follow up implementation and enhancement of the MIS to ease reporting by LGAs. MoW is introducing performance based allocation of resources to improve fund utilization and flow					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input type="checkbox"/>	Due Date:	Frequency:
	Risk Management: The Bank team will continue undertaking its interim and regular review of the implementing agencies procurement and Financial management practice. Annual technical and financial audits will be conducted to inform and monitor utilization of resources.					
	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Project Risks						
Design	Rating	Low				
Risk Description: As the additional financing supports activities that are already committed design is not a risk.	Risk Management: The project dialogue mechanism will be used to review and accommodate changes required.					
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency: CONTINUOUS
Social and Environmental	Rating	Substantial				
Risk Description:	Risk Management:					

<p>Limited capacity of implementing agencies may affect effective implementation of the Environment and social Management framework.</p>	<p>The project has hired experienced international safeguards advisor to assist in ensuring adherence to the safeguard requirements and provide hands on safeguard management capacity building and training.</p> <p>The bank team will continue to closely supervise and provide implementation support on principles and application of safeguard policies.</p>					
<p>Program and Donor</p>	<p>Rating</p>	<p>Low</p>				
<p>Risk Description: The varying institutional funding cycle from the DPs may affect the timely flow of adequate resources.</p>	<p>Risk Management: The basket financing DPs will maintain a close collaboration and joint review of project implementation throughout the additional financing period. As much as possible earmarked DPs are encouraged to participate in the dialogue and joint reviews.</p>					
<p>Delivery Monitoring and Sustainability</p>	<p>Rating</p>	<p>Moderate</p>				
<p>Risk Description: Sustaining the large rural water supply schemes may be a threat.</p> <p>The improvement on M&E established through the introduction of Management Information system (MIS) and Data Updating in the Water Point Mapping (WPM) system may not be ready for use at earlier stage of the AF.</p>	<p>Risk Management: The water and sanitation program and other partners are exploring possibilities of introducing cost effective options (such as use of solar panels for rural schemes) and establishment of a mechanism for operation and maintenance of schemes is being considered under the Government’s Big result now initiative. The project will support the expeditious implementation of the improvement on/ refinement of the tools.</p> <p>The Bank team in partnership with WSP will explore possibilities of experience exchanges between the sector implementing agencies and other countries in the region.</p>					
	<p>Resp: Both</p>	<p>Status: In Progress</p>	<p>Stage: Implementation</p>	<p>Recurrent: <input type="checkbox"/></p>	<p>Due Date:</p>	<p>Frequency: CONTINUOUS</p>

Overall Risk		
Overall Implementation Risk:	Rating	Substantial
<p>Risk Description:</p> <p>Though the AF mainly supports completion of sub projects that are under implementation, the low contract management safeguards implementation capacity as well as the slow fund transfer to Implementing agencies will put the project implementation at substantial risk. To mitigate this risks: Capacity building will be provided in the form of supporting the program coordination unit with highly qualified experts at the center and by seconding experienced staff to the local level implementing agencies. The management information system will also be enhanced to provide systematic data and report on financial management, procurement, contract management and monitoring.</p>		