

Concept Note


















Danish Support to the African Water Facility

Improving access to climate resilient safe water supply and sanitation services in the Sahel and Horn of Africa (2021-2025)

Ministry of Foreign Affairs of Denmark

January 2021

Improving access to climate resilient safe water supply and sanitation services in the Sahel and Horn of Africa

Key results: <ul style="list-style-type: none">- 7 bankable projects ready for financing that will lead to improved water supply services for 650,000 people and improved sanitation services for 350,000 people- 7 immediate intervention projects implemented that will provide improved water supply services for 350,000 people and improved sanitation services for 170,000 people- Enhanced climate resilience and watershed management- Capacity for project development increased in five countries Justification for support: <ul style="list-style-type: none">- Access to safe, affordable and reliable water and sanitation services is a fundamental human right, and critical element in assisting transition countries overcome the fragility trap.- Provision of safe water and sanitation is a critical tool for protecting human health during all infectious disease outbreaks, including COVID-19- Bringing higher quantities of reliable water to households will enhance the quality of life by reducing the time and effort to collect water through improvements in human health, child education and economic productivity.- The programme will aim to improve basic services for, poor rural populations displaced by insecurity and environmental disasters.- The programme will build the resilience of the beneficiary communities to climate change and enhance the sustainability of the water systems through infrastructure and watershed measures. Major risks and challenges: <ul style="list-style-type: none">- The threat of insecurity from violent extremist groups in the Sahel and Horn of Africa- Weak capacity of project executing agencies, which may slow down programme implementation- Financing not being made available for the projects prepared- Operation and maintenance and hygiene behaviour change not taking place post project.	File No.	F2 2020-42915					
	Country	Mali, Niger, Burkina Faso, Ethiopia and Somalia					
	Responsible Unit	Green Diplomacy and Climate (GDK)					
	Sector	Water					
	Partner	AWF/AfDB					
	DKK mill.	2021	2022	2023	2024	2025	Tot.
	Commitment	149.5					
	Projected ann. disb.	15.2	40.5	48.0	36.8	8.9	149.5
	Duration	Q3 2021-Q3 2025 (4 years)					
	Previous grants	Euro 5.4 million (2004-2006)					
	Finance Act code	06.34.01.40					
	Head of unit	Signe Skovbakke Winding Albjerg					
	Desk officer	Tobias von Platen-Hallermund					
	Reviewed by CFO	Christina Hedegård Hyttel					
	Relevant SDGs						
	 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation	
	 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production	
	 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals		

Strategic objectives:

A better quality of life for people in five countries (Mali, Niger, Burkina Faso, Ethiopia and Somalia) by improving access to water supply and sanitation services and enhancing climate resilience through WASH Sector interventions.

Justification for choice of partner:

AWF is a demand-driven African-led fund through which development partners and the AfDB can leverage expertise, convening power and resources for financing water and sanitation programs in Africa. It has the power to convene and mobilize multiple stakeholders and to utilize the experience gained from work from the wider African Development Bank processes on water management and development.

Summary:

A dual strategy is adopted by supporting long term programmatic improvements through developing bankable projects and an immediate programme of improvements of existing systems. Together, this will lead to enhanced climate resilience, improved water services for 1 million people, and improved sanitation services for 0.5 million people in some of the poorest and most climate affected countries in the world.

Budget (DKK million):

Outcome 1 project preparation capacity and long term improvement of services	37.19
Outcome 2 Immediate operational improvements in services	99.67
Programme management	7.44
Price and physical contingencies	5.21
Total	149.50

Danida Concept Note for the Programme Committee Meeting on February 4 2021

Strategic Questions for the Programme Committee

Guidance is sought from Programme Committee on the following issues for the formulation of support:

1. The project focusses on rural water and sanitation.

Question: Would it be preferable and easier to manage, given the timeframe and link to health issues in a COVID-19 context, if the earmarking on rural water supply and sanitation was softened to allow for also urban and peri-urban areas to be included in the programme?

2. There is a mix of delivery through: i) longer term programmatic preparation of projects where concessional loan funds are mobilized thus reaching more people for the same grant funding but with results being achieved over a longer time frame; and ii) immediate interventions to improve and extent services in existing systems. The intention of this mix of delivery is on one hand to address a Danish political priority of meeting immediate needs of improved access to water also in response to the Covid-19 crisis and on the other hand seek to solve longer-term issues of lack of investment-ready projects?

Question: How does the Programme Committee assess this balance between these two delivery systems?

3. The programme will cover five countries all on the list of priority countries for Danish development cooperation and with significant existing and planned bilateral activities within climate resilience, water and sanitation. This creates opportunities for strengthening coherence and synergies between Danish multilateral and bilateral engagement.

Question: How can the programme achieve strong coherence with bilateral engagements in the five countries and what tools can be used during programme implementation to ensure a structured collaboration?

List of Acronyms and Abbreviations

AfDB	African Development Bank
AHWS	Water Development and Sanitation Department
AMCOW	African Ministers' Council on Water
AWF	African Water Facility
DKK	Danish Kroner
EM-DAT	Emergency Events Database
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GWP	Global Water Partnership
MFA	Ministry of Foreign Affairs of Denmark
NDF	Nordic Development Fund
SDG	Sustainable Development Goals
ToC	Theory of Change
UN	United Nations
UNICEF	United Nations Children's Fund
US\$	United States Dollars
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene
WB	The World Bank
WHO	The World Health Organization

1 Euro – 7.438 DKK December 2020

Table of Contents

1. Introduction.....	1
2. Strategic Considerations and Justification	1
2.1 Context and relevance	1
2.2 The AWF/AfDB policies, priorities and systems	2
2.3 Relation to other partners and actors.....	3
2.4 Strategic consideration and Danish interests.....	4
3. Programme Objective and Summary of Results Frame	5
3.1. Programme objective and outcomes	5
3.2. Preliminary theory of change	6
3.3 Capacity development and cross-cutting issues	7
4. Budget	7
5. Institutional and Management Arrangements	8
6. Financial Management, Planning and Reporting	10
6.1. Financial management	10
6.2. Planning, reporting and monitoring and evaluation	10
7. Risk Management	10
Annex 1 - Context.....	11
Annex 2 - Partners	14
Annex 3 - Preliminary Results Framework for Concept Note.....	16
Annex 4 - Preliminary budget details	18
Annex 5 - Risk Management Matrix.....	19
Annex 6 - Preliminary List of supplementary materials	21
Annex 7 - Communication Plan.....	22
Annex 8 - Process Action Plan	23
Annex 9 - Preliminary theory of change.....	24

1. Introduction

This Concept Note presents a proposed new 4-year programme jointly developed by Denmark, the Nordic Development Fund (NDF) and the African Development Bank (AfDB). The programme objective is to improve access to domestic water supply and sanitation services, support COVID-19 prevention and recovery efforts, and enhance climate resilience through the WASH sector in rural communities in five countries in the Sahel and Horn of Africa: Mali, Niger, Burkina Faso, Ethiopia and Somalia. The programme will use a build-back-better and greener, climate-resilient approach to prepare longer term investments in water supply, sanitation, and integrated water resource management targeted poor and vulnerable communities as well as implement immediate operational improvements. The Danish support through longer term and immediate measures is expected to improve rural access to water for one million people and to improve access to sanitation facilities for half a million people. The program will be implemented by the African Water Facility (AWF), which is a Special Fund established in 2004 by the African Water Ministers' Council on Water (AMCOW) and hosted and administered by the African Development Bank (AfDB). Denmark was one of the founder members of AWF and has provided Euro 5.4 million of support since 2005.

2. Strategic Considerations and Justification

2.1 Context and relevance

The five countries in the Sahel and Horn of Africa: Mali, Niger, Burkina Faso, Ethiopia and Somalia are among the world's poorest countries. The five countries have a combined population of 258.5 million, with 44 % of their population living below the poverty line and with an average per capita Gross Domestic product of USD 1,570. The access to water supply and sanitation in the five countries is also low with 119 million people without access to basic water supply, 188 million without access to basic sanitation and over 200 million without access to handwashing facilities. In 2020, global progress towards meeting SDG6 has been jeopardized by COVID-19 pandemic, which has also had severe impacts on WASH services in Africa. The pandemic threatens to roll back years of hard-won development progress towards delivering on SDG6 and water-related SDGs. Provision of safe water and sanitation is a critical tool for protecting human health during all infectious disease outbreaks, including COVID-19. The Sahel and Horn of Africa are among the most affected areas in Africa from the impacts from climate change. The region is characterized by strong climatic variability, irregular rainfall and persistent drought. Water scarcity is a significant limiting factor for development in the Sahel and Horn of Africa. Annex 1 provides more details on the context.

The five countries are on the list of priority countries for Danish development cooperation thereby providing opportunities for strengthening coherence between multilateral and bilateral engagement. The programme is aligned with Denmark's strategy for engagement with the AfDB. Priority areas for Denmark support under the strategy include strengthening AfDB's role in promoting stability in fragile situations; supporting the AfDB's activities geared at attainment of inclusive green growth championed by the private sector and deepening gender mainstreaming in development work.

The programme objective of improving access to domestic water supply and sanitation services, supporting COVID-19 prevention and recovery efforts, and enhancing climate resilience of the WASH sector is important and relevant for the following reasons:

- Access to safe, affordable and reliable water and sanitation services is a fundamental human right, and critical element in assisting transition countries overcome the fragility trap.
- Contaminated water and poor sanitation are linked to transmission of diseases such as cholera, diarrhea, dysentery, hepatitis A, typhoid and polio. Absent, inadequate, or inappropriately managed water and sanitation services expose individuals to preventable health risks. The targeted communities have no or limited access to safe drinking water due to multiple factors.

- The five countries did not meet their Millennium Development Goals and are not on course to meet SDG6.
- Bringing higher quantities of reliable water to households will enhance the quality of life by reducing the time and effort to collect water - a burden that unproportionally affects women and children –through improvements in human health, child education and economic productivity.
- The programme will focus on, and aim to improve basic services for, poor rural populations especially those displaced by insecurity and environmental disasters. In this way, the programme will contribute to regional peace and controlling the rising tide of youth out migrations.
- The programme will build the resilience of the beneficiary communities to climate change and enhance the sustainability of the water systems through infrastructure and watershed measures. The programme will also support institutional capacity building for integrated climate water resilience into the design of new water infrastructure. The Strategic Framework for WASH Climate Resilience will guide preparation, design and implementation of projects funded under the programme.

The programme will also create new temporary and permanent jobs, thereby contributing to poverty alleviation. Sustainable water management, water infrastructure and access to a safe, reliable and affordable supply of water and adequate sanitation services improve living standards, expand local economies, and lead to the creation of more decent jobs and greater social inclusion. Jobs opportunities arising from water supply projects will be both temporary and permanent and will be around provision of labour at construction sites, supply of consumables to contractors, water kiosk attendants, laundry washers, car washing bay operators, etc. Ancillary jobs associated with sanitation projects will include latrine/toilet construction services, construction materials supply services, cesspool emptying and transportation services, faecal sludge drying/ treatment plant operators; organic manure distributors, etc. Jobs associated with watershed management measures include tree nursery and tree planting.

2.2 The AWF/AfDB policies, priorities and systems

The AWF is a demand-driven, African-led project preparation facility that provides grants, mobilizes investment financing, and offers expert technical assistance to support the preparation and implementation of innovative water and sanitation projects throughout Africa. The AWF assists African countries to mobilise financing and apply the funds to address WASH needs. In this way, it contributes to meeting the African Water Vision 2025 as well as water-related SDGs. The AWF's intervention areas include drinking water supply, sanitation and hygiene, integrated water resources management, transboundary water management and regional cooperation as well as agricultural irrigation and food security, hydropower and renewable energy, and knowledge management. Being housed by the AfDB allows the AWF to benefit from the Bank's in-house capacity in many areas. These include legal matters, procurement, financial management systems, monitoring and evaluation and translation. The AWF is also able to use the Bank's institutional machinery at regional and national levels to support its activities. Recently, a decision was taken to merge two other water trust funds (the rural water supply and sanitation initiative (RWSSI¹) and the multi-donor water partnership programme (MDWPP)) into the AWF. This is likely to be complete by mid-2021 and will strengthen the AWF operations within rural water supply and sanitation.

The AWFs comparative advantage to manage the programme are the following:

- The AWF is a unique fund through which development partners and the AfDB leverage their expertise, convening power and resources for financing water and sanitation programs in Africa.
- It is the only Project Preparation Facility (PPF) operating in Africa that is exclusively focused on the water and sanitation sector. Since the AWF is demand-driven, it offers flexibility in terms of tailoring support to beneficiary needs.

¹ Denmark has supported RWSSI with Euro 30.8 million in the period of 2005-2010.

- It has the power to convene and mobilize multiple stakeholders and to utilize the experience gained from work from the wider Bank processes on water management and development.
- It provides support to all stages of the project preparation continuum, from water sector planning and project identification, through to structuring and transaction advisory services.
- It is a well-recognized vehicle to mainstream climate resilience into water and sanitation infrastructure development.
- It has a broad range and depth of technical expertise that it can use to support analytical assessment of strategic and investment options as well as the design and oversight of projects.
- It has a transparent and accountable business delivery system that enjoys the full complement of the AfDB's fiduciary and operational instruments and procedures, including extensive safeguards, human resources, and network of regional and country offices.
- It has demonstrated efficient use of donor funding, with reasonable administration costs.
- It enjoys the unreserved support of the African Ministers' Council on Water (AMCOW), which provides leadership to AWF's governance, and enables member countries to set the strategic directions of the AWF in ways that align with their domestic needs and priorities thereby giving the Facility legitimacy.

An evaluation of the AWF's operations since its inception in 2005 was carried out by the Bank's Independent Evaluation Department in 2019-2020. The evaluation established that the AWF had found its niche as the primary instrument for mobilizing resources to bridge the huge infrastructure gap in the African water sector. The Facility was noted to have prepared many bankable projects with the potential to deliver significant impacts with respect to providing access to water and sanitation, renewable energy, food, and multipurpose water storage capacity, among other impacts. The evaluation, however, also revealed areas that need further improvement, including incorporating cross-cutting issues especially gender in the design of projects; improving operational efficiency for optimal delivery on its mandates; and strengthening results reporting and communication about AWF operations and achievement/results. In addition, the evaluation found weak technical capacity due to diminishing staff resources, and weak long-term project sustainability due to governance, policy and macro-economic conditions prevailing in the Regional Member Countries.

The Leadership of the AWF and the AfDB have taken steps to address the weaknesses. In 2019-2020, five vacant positions in the AWF were filled to strengthen technical capacity. Under this Programme, the issue of long-term project sustainability will be addressed through a multipronged approach that includes selection of high priority national projects with government counterpart funding and opportunities for future government support and private finance; strengthening capacity of Project Executing Agencies during programme implementation; and strengthening the enabling environment for investments through water governance interventions under the Bank's Country Strategy Papers.

2.3 Relation to other partners and actors

The AfDB has long experience of program delivery and collaborative partnerships with recipient countries and a continent-wide operational platform. As part of the proposed programme Denmark, NDF and the AfDB will engage with other partners and stakeholders dealing with water and sanitation issues, fragile regions, peace and security and building climate resilience. The stakeholders will include the following: (i) International Finance Institutions agencies including: World Bank, AFD, GIZ, (ii) UN agencies engaged in the water and sanitation sector including WHO, UNICEF, USAID (iii) Continental actors like the GWP, International Union for Conservation of Nature, African Net Basin Organisation and AMCOW and (iv) River Basin Organizations, Regional Economic Communities and Member states. In each country, the choice of programme partners will be dependent on the development partners that are active in the water sector, on partners that share the objectives of the programme with respect to water and sanitation, and partners will potential to make a mutually beneficial contribution to the Denmark/AfDB programme. The support from Denmark will focus on rural areas, the support from NDF will focus on urban areas. More details are provided in annex 2.

AfDB and the World Bank through the then Water and Sanitation Program (WSP), and now Global Water Practice, have over the last decade collaborated to improve the state of water and sanitation services in Africa with focus on coherence and collective action. At the country and regional levels, cooperation has increased greatly, including growing coordination of country support strategies, joint analytical work and increased co-financing. Institutional interaction has deepened as managers and operational staff engage in cross-consultations and sharing of knowledge.

More specifically, collaboration has increased in both lending and non-lending services, across a wide range of countries, and in a variety of approaches, including support for Poverty Reduction Strategy Papers (PRSPs), Country Portfolio Performance Reviews and Country Assistance Evaluations. The AfDB and the World Bank continue to co-finance large scale, multi-donor operations in the water sector (the most recent being the Ethiopia One WASH National Program²), where AfDB's experience with multinational lending has brought important value for example through the Rural Water Supply and Sanitation Initiative and the AWF. Other successes include (i) the shift from financing isolated investment projects in the same sector in the same country to collaboration under coherent economic or sector programs (ii) capacity building, information exchange, and (iii) policy and strategy development.

The collaboration now focuses on: (i) intensifying operational cooperation and joint work in additional African countries, including fragile and post-conflict countries; (ii) continuing to share information and to participate in capacity-building activities, with emphasis on training in operational contexts; and (iii) intensifying joint work in water supply, and particularly sanitation and hygiene. The above scope will inform collaboration, under this AfDB/AWF/Denmark partnership particularly in the areas of resource mobilization, co-financing, capacity building, harmonization of corporate policies and instruments, and supporting clients to meet sector objectives.

2.4 Strategic consideration and Danish interests

The proposed programme is aligned with the current Danish Strategy for Development Cooperation and Humanitarian Action 'The World 2030'. One of the strategic pillars of this strategy is inclusive, sustainable growth and development focusing on for example water and the strategy also identifies SDG 6 on clean water and sanitation as one of the five overall SDG priorities. The programme will also directly support the achievement of two additional SDG priorities, namely SDG 8 on Decent Jobs as well as SDG 13 on Climate Action. The programme is also expected to be aligned with the new Danish Strategy for Development Cooperation to be launched in 2021 where climate change adaptation is expected will have a strong focus. In addition to this, the Danish Government's long-term strategy for global climate action 'A Green and Sustainable World' (2020) specifically calls for Denmark's development cooperation to have a special focus on ensuring access to clean water in Africa. The proposed programme is consistent with the Danish Government's green recovery plan that pursues a build-back-better and greener approach and integrates climate change in the emergency response to COVID-19. The programme, being jointly developed with NDF, emphasizes the strong Nordic cooperation around build-back-better and greener and provides an opportunity to show case concrete measures taken at programme-level.

The programme is complementary and supportive to the strategy for *Denmark's engagement with the African Development Bank (2020-2024)* where it is noted that "the main priorities for Danish support to AfDB Group are: 1) inclusive development and decent jobs for youth, 2) climate change and green growth, 3) fragility, and 4) gender equality, with the cross-cutting issue of countering the development impact of COVID-19 in Africa". In terms of strategic consideration for AfDB and AWF, the programme is relevant because it is well aligned to: i) The AfDB's Ten-Year Strategy (2013-2022), that promotes inclusive economic growth and the transition towards green growth and expanding access to clean water and basic sanitation services in line with SDG 6 commitments; ii) The AfDB *Strategic Priority Areas* (the High 5s) particularly 5 on improvement of quality of life for the people of Africa; iii) The Bank Group's draft *New Policy on Water* (2020), which seeks to improve Africa's water security and transform its water assets to foster sustainable green and inclusive growth; iv) The AfDB's *Country*

² The Danish Finance Act for 2021 includes planned support of DKK 130 million to the ONE WASH programme in Ethiopia.

Strategy Papers for the five countries, which all prioritize interventions in water supply and sanitation; v) AfDBs Gender Strategy 2021-2025 (2020) on Investing in Africa's women to accelerate inclusive growth and; vi) The AWF's strategic priorities (*AWF 2017-2025 Strategy*) relating to fostering catalytic investments with priority on fragile states and building climate resilience (this strategy is being updated following the merger with other trust funds).

3. Programme Objective and Summary of Results Frame

3.1. Programme objective and outcomes

The programme objective is: a better quality of life for people in five countries (Mali, Niger, Burkina Faso, Ethiopia and Somalia) by improving access to water supply and sanitation services and enhancing climate resilience through WASH sector interventions. The programme design combines two types of interventions:

Outcome 1 - Longer term improvement of water and sanitation services and climate resilience whereby bankable projects will be developed ready for leveraged finance through the AfDB or other partner lending operations. The preparation process will include sector and programme wide studies where necessary as well as project level feasibility studies. This outcome will also strengthen national capacity to prepare bankable projects.

Outcome 2- Immediate operational improvements in water and sanitation services and climate resilience, which involve short term measures to improve services through expansion of production, water storage, water transmission capacity or rehabilitation of already existing water supply systems; extension of services to new areas in existing water and sanitation systems; selection of projects where a significant part of funding is already covered by other partners, and provision of rolling funds for private toilet construction. Activities will include, strengthening capacity of water utilities and carrying out watershed management activities for source and ecosystem protection.

An overview of the outcomes and outputs is given below:

Outcomes	Outputs
1) Longer term improvement of water and sanitation services and climate resilience	1.1 Seven major projects prepared ready for financing by 2024 that lead to facilities for at least 650,000 people served by improved water and 325,000 people by improved sanitation
	1.2 WASH sector climate vulnerability assessments carried out
	1.3 Project preparation capacity increased
2) Immediate operational improvements in water and sanitation services and climate resilience	2.1 Seven immediate improvement interventions implemented that lead to facilities for at least 350,000 people served by improved water and 175,000 people by improved sanitation by end 2024
	2.2 WASH sector climate vulnerability assessments carried out
	2.3 Watershed management measures implemented

All water supply and sanitation systems supported through the programme will have climate risks integrated in their design and rehabilitation and be combined with catchment protection measures to strengthen the ability of the systems to operate under a changing climate. The AWF will use the strategic framework for WASH Climate Resilience and tool-set to prepare the detailed design of intervention measures (see annex 9).

The Criteria used for selection of beneficiary communities include: i) current access levels of safe water and improved sanitation; ii) level of water stress; iii) size of displaced population; iv) proportion of poor people; v) readiness of the projects (availability of masterplans or technical studies). For implementation, clear service delivery model; reasonable per capita investment cost (less than US\$150 per capita) with the opportunity to leverage economies of scale (cluster approach) and availability of moderately strong water sector agency to serve as project executing agency.

3.2. Preliminary theory of change

The graphic in Annex 9 presents the TOC underpinning the programme. The TOC is summarised below using the standard questions in the Danida Guidelines.

What are the changes we want to contribute to? The programme will contribute to creating a change in both longer term and immediate access to water and sanitation services as well as the climate resilience of underserved population groups in the five countries. This in turn will lead to an improved quality of life due to health benefits and protection against disease including Covid-19. There will also be benefits in gender equality, jobs, reduced youth out migration and a reduction in climate fragility and sources of conflict.

How do we think change will happen in the specific contexts? The longer term change in access to services will occur because sound climate resilient projects will be developed ready for financing and then financed and implemented. At the same time greater capacity to prepare bankable and climate resilient projects in the future will be developed at national level. The immediate change in access will occur as a result of number interventions to improve the performance and service area of existing projects including the implementation of watershed management measures where relevant. Improved and extended services will increase the climate resilience of the populations affected and all facilities provided will themselves be climate proofed and able to withstand drought and floods.

What is AWF's role in the change process? AWF's role will be to engage with the relevant country authorities to support the preparation of bankable projects and develop the national capacity for future project preparation by making available highly experienced project development teams. For the immediate measures, the AWF will finance and support the setting up of project implementation units that working under national entities, and will identify the most cost effective immediate measures. The project implementation units using finance and guided by the AWF and the relevant national entities will manage contracts for the physical improvements in hardware as well as software interventions related to hygiene and operation and maintenance. For both longer term and immediate measures the AWF will support the carrying out of climate vulnerability assessments and will introduce and help tailor new methodologies based on the WASH Climate Resilience and tool-set. For both the longer term and immediate measures, the AWF will bring to bear its long experience, and lesson learning from previous interventions, to ensure efficiency and effectiveness of interventions.

Who are the key partners that need to be engaged for this change to happen? The key partners are the national entities who have the lead responsibility for the WASH sector in each country. This will normally involve the Ministries of water and sanitation or equivalent as well as the Ministry of Finance. Local governments, utilities and water user groups as well as service providers such as contractors, consultants and NGOs are also relevant.

What are the conditions that must be realized before the result is achieved? There are no specific pre-conditions other than the development of a pipeline of suitable projects and interventions. This has already started. The AfDB and AWF have ongoing engagement in the WASH sector in all the five countries, which will allow a rapid deployment both for preparation of bankable projects but also the immediate improvements.

What is within and beyond the influence of the key programme partners and what assumptions are relevant for the change to happen? The key assumptions are presented in detail in Annex 9. The key assumptions include: i) a stable political environment; continuing improvements in the sector policy and reforms including aspects such as cost recovery, hygiene and cooperation across institutions; ii) Covid-19 is kept under control; iii) potential financiers respond positively to the projects prepared; iv) there is sufficient national capacity to manage the program with the support of project implementation

unit; and v) implementation capacity to physically carry out the works is available in the time scale allowed.

3.3 Capacity development and cross-cutting issues

The scope of institutional capacity development interventions will include a mix of on-the-job training, introduction of tools and systems and support to institutional changes and reforms being undertaken by other wider initiatives. This will include: i) training on tools for climate resilience and gender and social equity mainstreaming in project preparation; ii) improving environmental and social safeguards; iii) training on water safety planning; iv) training on increasing employment creation under water sector investment projects; v) strengthening multi-stakeholder participation processes; vi) strengthening cross-sectoral coordination mechanisms; vii) creating enabling environment for private sector involvement in WASH sector; and viii) modernizing water sector information and monitoring and evaluation systems. The specific interventions under each project will be determined on a case-by-case basis.

A Human Rights Based Approach (HRBA) will be employed in the provision of water and sanitation service under the programme. The HRBA is a conceptual framework based on internationally recognized human rights that is directed at promoting and protecting these rights in practice. Accordingly, strong emphasis and priority will be given under the programme to identifying and serving the poor, vulnerable, marginalized and discriminated groups as a way of redressing the injustice imposed on them. In addition, support will be provided to government institutions to strengthen their capacities to fulfil their human rights obligations.

Gender will be supported through working with, and where necessary, enhancing the national WASH gender strategies and by applying the AfDB gender strategy. This will ensure that the projects prepared and the immediate measures implemented are sensitive to the needs of women and children and lead to equal access and benefits. A conflict sensitive approach, guided by the AfDB strategies in this area, will be adopted to ensure that the projects do not inadvertently created discord and are seen as fair and just. Projects will take advantage of the opportunity to enhance cooperation among community groups, utilities and local government. Environment and climate concerns will be an important feature of the programme and the AfDB guidelines as well as the WASH Climate Resilience and tool-set will be followed.

4. Budget

The total Danish contribution is Euro 20.1 million (equivalent to 149.5 million DKK) covering a period of four years (2021-2025). The NDF has already confirmed their contribution to the programme of 7.5 million Euro and AfDB/AWF will also contribute. The NDF grant will have a specific focus on the capital cities in the five countries. Other potential donors include the UK, Germany, USAID and UNICEF, who are expected, but not confirmed, to contribute to the programme to increase scope and coverage.

Table 4.1 Cost and Financing Plan

Budget item (Euro million)	Denmark	AfDB/AWF	NDF
Outcome 1 Project preparation capacity and long term improvement of services	5.000	0.750	4.125
Outcome 2 Immediate operational improvements in services	13.400	0.500	2.300
Programme management	1.000	0.500	0.700
Price, physical contingencies and administration	0.700	0.250	0.375
Total	20.100	2.000	7.500

Note: NDF budget is for urban and Denmark budget is for rural. AfDB/AWF inputs will serve both rural (Danida) and urban (NDF)

The programme management budget line will finance coordination activities. Activities will include coordination, planning, monitoring and evaluation, reporting, and supervision of the programme; training of project executing agencies; and carrying out communications, knowledge management and learning activities.

5. Institutional and Management Arrangements

AWF will lead the programme implementation in partnership with Denmark and NDF. The AWF has a dual governance structure comprising the AWF Governing Council and the Bank. The Governing Council is made up of UN-Water Africa, the AU through the New Partnership for Africa's Development (NEPAD) and the African Ministers' Council on Water (AMCOW), AWF's key donors (who include Denmark), and the AfDB. The Governing Council provides policy guidance and direction to AWF's work, and endorses all strategies, work plans, budgets, progress reports, audit reports, proposals, etc. before they can be submitted to AfDB's Board of Directors for policy guidance and approval. The AfDB's Water Development and Sanitation Department (AHWS), the Oversight Committee (OSC) and the Board of Directors provide the second layer of governance for the AWF. The Bank's Board of Directors approves all operational procedures, control systems, work plans, budgets, reports, programmes, and strategies.

AfDB has decentralized its operations and established five business delivery units in the south, north, east, central and west of the continent in addition to 34 country offices. The Bank's teams working on water, health, nutrition, gender and population in the regional and national offices are expected to support the preparation and the implementation of the AfDB/Denmark projects. The AfDB has national offices in four of the five countries (Burkina Faso, Mali, Niger and Ethiopia). The staff of these national offices will be at the frontline of delivery of the programme in partnership with national governments and other development partners. In Somalia where there is no national AfDB office, implementation will be through the AfDB Regional Centre in the neighbouring Kenya. The AWF will designate a Task Manager to follow-up the implementation of the programme and provide technical backstopping to national implementing agencies. The Bank headquarters provides strategic technical support to the regions and country offices and deals with complex projects and non-sovereign operations. For sovereign operations, the support to countries is channeled through sector ministries as the executing agencies.

For all the projects, with the exception of the catalytic investments under outcome 2, the recipient of the Denmark/AfDB grant will be the Ministry responsible for water supply and sanitation in the beneficiary country (or the Ministry of Finance). The water Ministry will have multiple roles in programme implementation including identification of suitable projects to be funded under the programme; identification of a suitable agency at national, municipal or local levels to serve as project implementing agency; setting up and participating in national governance structures for the project; ensuring participation of relevant national stakeholders in project activities and national governance structures; integrating activities of the Denmark/AfDB/ programme in national programming processes; mobilizing government and community cash and in-kind contributions to the project.

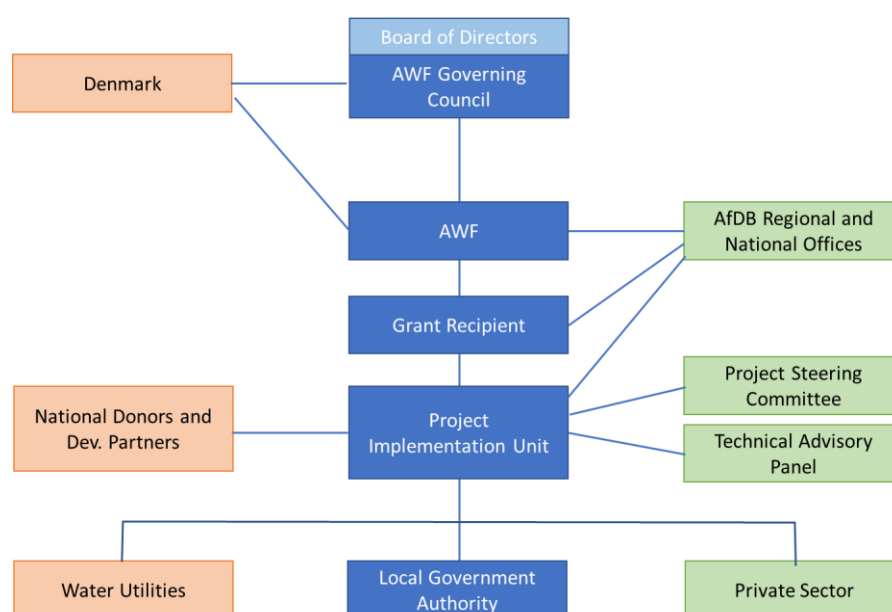
One criterion that will be applied in project selection under the programme is high national priority, and alignment to national water sector plans in order to ensure country ownership. Thus, the Denmark/AfDB programme will be making a contribution to implementation of the national water sector plans of the beneficiary countries.

Within each country, an agency – a water utility, ministry department or local government authority – will be identified to execute the project. For rural water supply and sanitation projects, a local government unit, such as a district, commune, province or water board, will be the implementing agency. For the catalytic investments under outcome 2, the executing agency will be a private sector agency – a business or Non-Governmental Organisation (NGO) – who will work under supervision of a local authority like a water utility or municipal council. A project governance structure comprising of a Project Implementation Unit (PIU), Technical Advisory Panel (TAP) and Project Steering Committee (PSC) will be set up by the water ministry in each country to deliver the project.

The implementing agencies for the Denmark/AFDB projects have not yet been named but key national institutions expected to be involved or consulted in implementation of the national projects include the following:

- *Ethiopia*: Federal Ministry of Water, Irrigation and Energy (MoWIE); Ministry of Finance and Economic Cooperation; Addis Ababa Water and Sewerage Authority (AAWSA); National WASH Coordination Office (NWCO)
- *Somalia*: Ministry of Energy and Water Resources of the Somali Federal Government (MoEWR); Ministry of Finance; Ministry of Humanitarian Affairs and Disaster Management (MoHADMD); Ministry of Public Works and Reconstruction (MPWR);
- *Burkina Faso*: Ministry of Water and Sanitation (Ministère de l'Eau et l'Assainissement - MEA); Ministry of Economy and Finance (Ministère de l'Economie et des Finances); the national water utility (Office National de l'Eau et de l'Assainissement - ONEA); General Directorate for Wastewater Sanitation and Human Excreta (Direction Générale de l'Assainissement des Eaux Usées et Excrétas – DGAEUE); and General Directorate of Water Resources (Direction Générale des Ressources en Eau – DGRE)
- *Mali*: Ministry of Energy and Water (Ministère de l'Energie et de l'Eau – MEE); ; Ministry of Economy and Finance (Ministère de l'Economie et des Finances); Ministry of the Environment and Sanitation (Ministère de l'Environnement et de l'Assainissement – MEA); National Directorate of Water Resources (Direction Nationale de l'Hydraulique – DNH); National Agency for the Management of Wastewater Treatment Plants in Mali (Agence Nationale de Gestion des Stations d'Épuration au Mali - ANGESEM); National Directorate of Sanitation and Pollution and Nuisance Control (Direction Nationale de l'Assainissement et du Contrôle des Pollutions et Nuisances – DNACPN).
- *Niger*: Ministry of Public Health (Ministère de la Santé Publique - MSP); Ministry of Water, the Environment and Desertification Control (Ministère de l'Eau, de l'Environnement et de la Lutte Contre la Désertification – MEE/LCD); Ministry of Finance (Ministère des Finances du Niger); National Water and Sanitation Commission (Commission Nationale de l'Eau et de l'Assainissement - CNEA); Directorate of Basic Sanitation (Direction de l'Assainissement de Base - DAB); Directorate of Public Hygiene and Health Education (Direction de l'Hygiène Publique et de l'Éducation pour la Santé - DHPES); and Directorate of Water Resources (Direction des Ressources en Eau – DRE)); Operating company for water utilities in Niger (Société d'Exploitation des Eaux du Niger - SEEN); and Asset-holding company for water utilities in Niger (Société de Patrimoine des Eaux du Niger – SPEN).

Figure 5.1: Management arrangements for national projects.



The implementation will require strong partnerships between AfDB/AWF and other agencies active in the sector. These include UNICEF, Red Cross, CARE International, International Organisation for Migration and other international water NGOs. Furthermore, the Bank will leverage its partnership with other donors like the World Bank, GIZ and USAID, to ensure coordination, and synchronization with their respective programs/projects for greater impact and sustainability. Specific roles expected of the other partners include participation in identification and prioritization of projects based on their expert knowledge of the situation in the water sector of the five countries; possible co-funding of the national projects; monitoring and evaluation of the programme; and as executing agencies or implementing entities where local institutional capacity is critically weak. Participation of partners will mainly be through national-level steering mechanisms set up for the projects.

6. Financial Management, Planning and Reporting

6.1. Financial management

The programme will have a joint co-financing arrangement under which the Danish Government will transfer the entire grant in five instalments to AfDB/AWF through a new financing agreement. The AfDB/AWF will subsequently be responsible for administering the grant. The AWF, with backstopping from the AfDB, has the capacity to ensure programme financial management functions, which comprise budgeting, accounting, internal control, funds flow and financial reporting, in line with Bank procedures. Disbursement will comply with the AfDB's disbursement guidelines. National monitoring and reporting will be carried out directly by the Project Implementation Units (PIUs) or similar structure.

Procurement will be carried out by the AfDB/AWF using its policies and guidelines. The AWF will ensure compliance with AfDB's environment, social and climate safeguards. Procurement opportunities will be advertised locally, published on the AfDB/AWF webpage and shared with Government of Denmark for publication on the Danida webpage and circulation through its mailing list.

6.2. Planning, reporting and monitoring and evaluation

AWF prepares annual work plans that are approved by the AWF governing council. These work plans will specify the proposed project level activities for the year ahead and may suggest for budget changes between outcomes if justified. Monitoring and reporting at the programme level will be carried out by the AWF using AWF's Chief Knowledge Management Officer and the M&E Specialist. AWF will provide quarterly and annual progress reports. For the Government of Denmark's reporting purposes, the key results indicators in annex 3 have been selected to document progress. Additional indicators such as new employment opportunities created will be considered during programme formulation. The progress reports will be reviewed by the AWF governing council and donors (including Denmark) before submission to the AfDB Board of Directors. A Task Manager will be assigned for each project from the staff of AWF, the AHWS Department to provide implementation oversight consistent with applicable AfDB policies and procedures. The AWF will provide within 6 months of the completion of the programme a Project Completion Report consistent with AfDB requirements. In 2023, Danida will carry out a mid-term review to assess progress.

7. Risk Management

A preliminary analysis of risks has been performed and is attached as Annex 5. The highest risks to the programme arise from the external environment of the programme (contextual risks) and relate to the threat of insecurity from violent extremist groups in the Sahel and Horn of Africa, and risk of worsening situation with respect to the COVID-19 diseases. Considerable risk is also associated with the weak capacity of project executing agencies, which may slow down programme implementation. There is a risk of downstream financing not being made available for the projects prepared. There is also a risk that operation and maintenance and hygiene behavior change will not take place post project and thereby seriously threaten the sustainability of program results. Appropriate mitigation measures have been proposed for all identified risks and are described in Annex 5.

Annex 1 - Context

Access to water, sanitation and hygiene is a human right, yet hundreds of millions of people in Africa are have no access to even the most basic of services. Access to adequate safe water and improved sanitation in the five target countries of this program remains a significant challenge especially in the rural areas despite considerable progress made in meeting the SDG6 targets.

Figure annex 1.1 Countries to benefit from the Danish support to AWF



The average service access level in the five countries based on data from 2017³ stands at 57.3% for at least basic water supply; 6.7% for safely managed water supply; 14.8% for at least basic sanitation; 3.2% for safely managed sanitation facilities; and 22.4% for handwashing facility with soap and water at household level. This leaves a population of approximately 119 million in the five countries without access to at least basic water supply; 188 million without access to at least basic sanitation facilities; and 200 million without access to handwashing facilities.

³ Joint Monitoring Programme (JMP). JMP is jointly managed by WHO and UNICEF and monitors WASH access at the household level and also in schools and health care facilities.

Figure annex 1.1 Access to Water and Sanitation Services JMP 2017

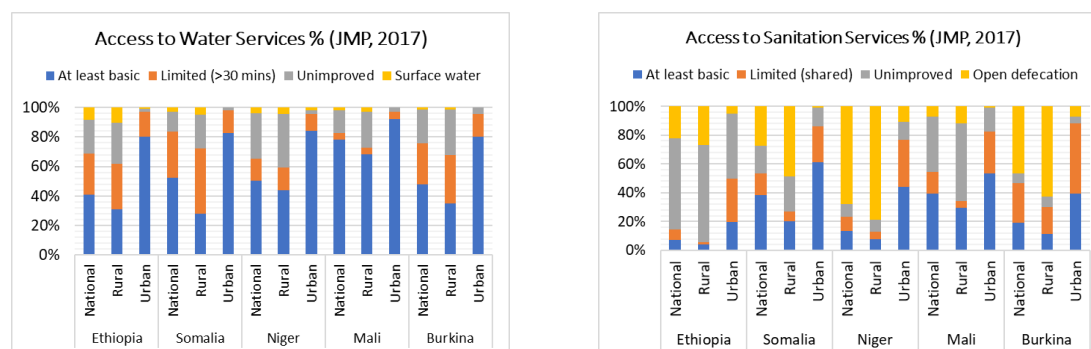


Table annex 1.1 Populations served (JMP 2017)		
Country	Population served by at least basic water supply services (JMP 2017)	Population served by safely managed water supply services (JMP 2017)
Mali	9,191,351	
Niger	60,303,693	12,012,141
Burkina Faso	14,511,107	
Ethiopia	10,797,321	
Somalia	7,730,417	
Total	102,533,890	12,012,141
Country	Population depending on at least basic sanitation facilities (JMP 2017)	Population depending on safely managed sanitation facilities (JMP 2017)
Mali	3,723,917	
Niger	7,679,036	
Burkina Faso	3,824,472	3,469,094
Ethiopia	2,942,185	2,062,861
Somalia	7,863,212	
Total	26,032,822	5,531,955

The proposed programme will contribute to several indicators under Sustainable Development Goal (SDG) 6 on clean water and sanitation and will seek to address the above challenges through investments in WASH services in selected rural areas in the five countries. This will enhance the quality of life by reducing the time and effort to collect water - a task that women and children are primarily responsible for; increase climate resilient of the targeted communities, reduce the incidence of virus and waterborne diseases; and reducing absenteeism from work and school and the associated lost income (from healthcare costs) and opportunities.

The world is currently facing an unprecedented health and economic crisis stemming from the outbreak of the COVID-19 disease, declared a global pandemic in March 2020 by the WHO. As of 17 November, 2020⁴ Africa had 1.657 million confirmed cases, 36,747 deaths and 1,410,936 (85.1%) recoveries. Health experts warn that public health systems in Africa could become overwhelmed if the virus were to spread rapidly. For this reason, there is need to slow the spread of the disease and support recovery efforts.

The COVID-19 crisis has exposed the large inequalities of access to water across the globe and highlighted the critical need for water to not only prevent the spread of the disease, but also to revitalize economies, employment opportunities, health outcomes, and the environment. This year starkly demonstrated the tremendous gaps in access to water supply, sanitation, and hygiene services, which are particularly evident in COVID-19 hotspots, health care facilities, informal settlements, and fragile

⁴ WHO 2020: COVID-19 in the WHO Africa Region. Situation as of 12/17/2020. Viewed on 18 Dec 2020 at <https://who.maps.arcgis.com/apps/opsdashboard/index.html#/0c9b3a8b68d0437a8cf28581e9c063a9>.

and conflict-affected states. As such, the crisis has put more urgency to the importance of access to clean water and handwashing facilities as well as WASH services in health care facilities.

The provision of safe WASH services is essential for preventing infections and protecting human health during all infectious disease outbreaks, including of COVID-19. Regular handwashing with soap and water is a critical first line of defense against the virus. Access to improved WASH is essential not only during an epidemic, but even in the post-epidemic period as shown by experiences during the Ebola epidemic in West Africa. The proposed programme will support the recovery of the five target countries from the COVID-19 pandemic by improving existing water supply and sanitation services and leveraging new investments in water and sanitation infrastructure in the countries.

The region's water supply is unevenly distributed, is poorly accessible due to undeveloped hydraulic supply systems, and crosses national boundaries, creating significant management challenges. Floods and droughts, a common occurrence in the region and affect millions of people every year. Water is the primary medium through which climate change effects manifest in the form of drought, water scarcity, and flooding. In the water supply and sanitation sector there is already an 'adaptation deficit' in relation to current climate variability, and challenges will intensify and evolve in many parts of Africa as climate change progresses.

Unchecked, global environmental emergencies such as climate change could cause social and economic damages far larger than those caused by COVID-19. To avoid this, measures including water and sanitation systems are designed to build back better and greener. This means doing more than getting economies and livelihoods quickly back on their feet. The Strategic Framework for WASH Climate Resilience⁵ developed by GWP and UNICEF will inform the interventions under the programme. The framework will guide adaptation measures and contribute to building climate resilience of the target communities in the five countries. The AWF will draw on past experience relating to application of climate change screening of project proposals under the NDF Programme, and applying tools for climate change mainstreaming in AWF projects, in working with the new GWP/UNICEF framework.

In addition to the burden of COVID-19, the five target countries of the programme are affected by famine, malnutrition, economic stagnation, human displacement and migration exacerbated by rapid population expansion, environmental degradation and climate change. Economic and environmental fragility of the countries is compounded by conflict and violence arising from political disgruntlement, presence of jihadist groups and weak state authority. The five countries have a combined population of 258.5 million, with an estimated 44% living below the poverty line. The average GDP per capita stands at US\$1,570, which compares unfavorably with the global average of US\$11,312.

⁵ Global Water Partnership/UNICEF: Strategic Framework for WASH Climate Resilient Development. Vol 1-6. 2017.

Annex 2 - Partners

1. Summary of stakeholder analysis

The Denmark/AfDB programme focuses on water, sanitation and hygiene (WASH) service provision in fragile countries of the Sahel and Horn of Africa. The programme will also make an indirect contribution to peace and security, irregular migration and building climate resilience. The focus on WASH, fragility and other issues above has ensured a large number of well-known donors and development agencies to partner with as these are high priority development issues on the international development agenda. Many of the identified partners have long-term commitments in the beneficiary countries and have high interest in participating in a program that could complement and consolidate their own inputs to the water sector. Many of the partners also have considerable influence within the water sector in the beneficiary countries.

2. Criteria for selecting programme partners

The partners selected are those that (1) are active in the WASH sector in the beneficiary sectors; (2) share the objectives of the programme; and (3) have potential to make a mutually beneficial contribution to the Denmark/AfDB programme.

3. Brief presentation of partners

The key partners are listed below.

Group	Partner	Justification for selection	Role and potential synergies
Multilateral Financial Institutions	World Bank	Long-term partner of the AfDB; long experience on WASH on the continent; strong presence in the beneficiary countries; large portfolio of WASH projects in the beneficiary countries	Co-funding WASH projects; investment financing of bankable WASH projects prepared under the programme
Development cooperation agencies	AFD	Long-term partner of the AfDB; long experience on WASH on the continent; strong presence in the beneficiary countries; large portfolio of WASH projects in the beneficiary countries	Co-funding WASH projects; investment financing of bankable WASH projects prepared under the programme
	KfW/GIZ	Long-term partner of the AfDB; long experience on WASH on the continent; strong presence in the beneficiary countries; large portfolio of WASH projects in the beneficiary countries	Co-funding WASH projects; investment financing of bankable WASH projects prepared under the programme
	USAID	Long-term partner of the AfDB; long experience on WASH on the continent; strong presence in the beneficiary countries; large portfolio of WASH projects in the beneficiary countries	Co-funding WASH projects; investment financing of bankable WASH projects prepared under the programme
UN agencies	WHO	Long experience in WASH; involvement in management of SDG6 data through the JMP program	Identification of projects; capacity building in application of the GWP/UNICEF framework for climate resilience
	UNICEF	Long experience in WASH; involvement in management of SDG6 data through the JMP program	Identification of projects; capacity building in application of the GWP/UNICEF framework for climate resilience
International non-governmental organizations	GWP	Local presence in the countries; knowledge of water sector issues in the countries; has resources for the climate-resilience framework	Identification of projects; capacity building in application of the GWP/UNICEF framework for climate resilience
National Stakeholders	AMCOW Representatives (Minister of Water and	AMCOW is the initiator and owner of the AWF. The Minister of Water of each country, and AMCOW TAC member will represent the AWF governance in each country.	Mobilization of national political support for the Denmark/AfDB Program.

Group	Partner	Justification for selection	Role and potential synergies
	AMCOW-TAC member)		
	Ministries of Water / Sanitation	Is the Grant Recipient in each country; will provide country contribution (cash and in-kind).	Will support project identification; and will oversee project implementation within each country and establish national project implementation structures including appointing and supervise implementing agency
	Ministry of Finance	Will sign financing agreement on behalf of the beneficiary country; and sign lending agreements for downstream financing of prepared bankable projects; will prioritize prepared projects in national programming.	Resource mobilization for investment projects
	Water utilities	In project areas where there are utilities in operation, they will be responsible for project implementation	Project implementation
	Contractors (commercial companies or NGOs)	Will be contracted to provide services to deliver project outputs	Feasibility and design studies, civil works to improve existing water supply and sanitation systems, capacity building of national agencies, hygiene education, climate change vulnerability assessment, etc.
	Consumer and community groups	The main beneficiaries and users of the facilities delivered	To co-finance where relevant, support cost recovery and operation and maintenance where relevant, promote hygiene behavior change

4. Summary of key partner features

The key partner and grant recipient in each of the five countries is awaiting final confirmation. A generic summary of the role and features is given below:

Partner name What is the name of the partner?	Core business What is the main business, interest and goal of the partner?	Importance How important is the programme for the partner's activity-level (Low, medium high)?	Influence How much influence does the partner have over the programme (low, medium, high)?	Contribution What will be the partner's main contribution?	Capacity What are the main issues emerging from the assessment of the partner's capacity?	Exit strategy What is the strategy for exiting the partnership?
Ministries of Water / Sanitation	Lead agency for the sector providing policy and coordination for other involved parties such as local government and utilities	High – as the programme is central to the partner's mandate	Medium – there will have a high policy and influence and a medium level of influence over downstream actors such as utilities and local government	The partners will co-finance the programme and provide overall policy and institutional support	The capacity varies in each country – details are awaiting confirmation	The exit strategy will be the finalization of the bankable proposals and the handover of the immediate improvement facilities to the relevant operational entities.

Annex 3 - Preliminary Results Framework for Concept Note

(Denmark-financed component of the programme)

Programme		Danish Support to the African Water Facility: Improving access to climate resilient safe water supply and sanitation services in Sahel and Horn of Africa	
Programme Objective		A better quality of life for people in five countries (Mali, Niger, Burkina Faso, Ethiopia and Somalia) by improving access to water supply and sanitation services and enhancing climate resilience through WASH sector interventions	
Impact Indicator		Reduction in mortality rate attributed to exposure to unsafe WASH services (per 100 000 population) (SDG 3.9.2)	
Baseline	Year	2016 (WHO ⁶)	
			Country Mortality rate attributed to exposure to unsafe WASH services (per 100 000 population) (SDG 3.9.2)
			Mali 70.72
			Niger 70.81
			Burkina Faso 49.64
			Ethiopia 43.66
			Somalia 86.58
Target	Year	2025	5% reduction in mortality rate attributed to exposure to unsafe WASH services

Outcome 1		Longer term improvement of water and sanitation services and climate resilience in the Sahel and horn of Africa	
Outcome indicator		Additional population served by safely managed water supply sanitation services arising from implementation of 7 bankable projects prepared with support from the programme ⁷	
Baseline	Year	2021	Zero (see annex 1 for JMP 2017 estimates of coverage by country)
Target	Year	2025	650,000 people will be served by safely managed water and 325,000 people will be served by safely managed sanitation through the implementation of bankable projects (likely to be by 2029)
Output 1.1		Seven major projects prepared ready for financing by 2024 that lead to facilities for at least 650,000 people served by improved water and 325,000 people by improved sanitation ⁸	
Output indicator		Number of feasibility/ design reports and bidding documents for climate resilient WASH infrastructure ^{9, 10}	
Baseline	Year	2021	none
Target	Year	2023	3 sets of feasibility/ design reports and bidding documents for climate resilient WASH infrastructure prepared
Target	Year	2025	Total of 7 sets of feasibility/ design reports and bidding documents for climate resilient WASH infrastructure prepared
Output 1.2		Climate vulnerability assessments carried out	
Output indicator		Number of WASH sector climate assessments approved by relevant national authority	
Baseline	Year	2021	None
Target	Year	2023	3 WASH sector climate vulnerability assessments carried out and subsequently approved by the national authority
Target	Year	2025	Total of 7 WASH sector climate vulnerability assessments carried out and subsequently approved by the national authority
Output 1.3		Project preparation capacity increased	

⁶ <https://www.sdg6data.org/country-or-area>. During project implementation, updated WHO data will be sought to establish a 2020 baseline.

⁷ The population served will only be reached once the bankable projects are implemented, this is likely to take 3 to 5 years after the end of the programme. The programme will deliberately over-programme the preparation of bankable projects by at least 30% in term of population numbers to be served in order to take account and reduce the risk that some projects are not financed or fully financed.

⁸ The seven projects are programmed as one each of the country (5) and then an additional 2 where demand and need is highest.

⁹ It is assumed here that the projects will be developed for financing with AfDB as the lead financier; where other financing institutions take the lead, the projects might not be developed to the stage of bidding documents as this will often be taken over by the relevant financing institution using their own systems.

¹⁰ The project designs will incorporate watershed management interventions as appropriate

Output indicator		Number of feasibility/ design reports and bidding documents for climate resilient WASH infrastructure ¹¹	
Baseline	Year	2021	Capacity varies in each country will be determined through assessment
Target	Year	2025	Each country has developed either fully or partially at least one set of feasibility/ design reports and bidding documents for climate resilient WASH infrastructure in addition to those developed through the programme support

Outcome 2		Immediate operational improvements in water and sanitation services and climate resilience in the Sahel and horn of Africa	
Outcome indicator		Population served by safely managed water supply sanitation services arising from implementation of 7 immediate improvement intervention projects ¹²	
Baseline	Year	2021	Not yet known will be reported on once the projects have been selected
Target	Year	2025	350,000 people served by safely managed water and 175,000 people served by safely managed sanitation through the implementation of improvement measures
Output 2.1		Seven immediate improvement interventions implemented that lead to facilities for at least 350,000 people served by improved water and 175,000 people by improved sanitation ¹³	
Output indicator		Number of immediate improvement interventions	
Baseline	Year	2021	none
Target	Year	2023	5 projects identified with 2 project contracts ready for implementation
Target	Year	2025	A total of 7 projects completed with facilities serving at least the targeted population numbers
Output 1.2		WASH sector climate vulnerability assessments carried out	
Output indicator		Number of WASH sector climate assessments approved by relevant national authority	
Baseline	Year	2021	None
Target	Year	2023	3 WASH sector climate vulnerability assessments carried out and subsequently approved by the national authority
Target	Year	2025	Total of 7 WASH sector climate vulnerability assessments carried out and subsequently approved by the national authority
Output 1.3		Watershed management measures implemented	
Output indicator		Number of watershed management measures implemented	
Baseline	Year	2021	None
Target	Year	2023	5 watershed management measures identified with 2 ready for implementation
Target	Year	2025	Total of 7 water shed management measures implemented

¹¹ An alternative lower level indicator is the number of capacity development events completed – this will not require that the Ministries involved have funds for conducting the feasibility studies during the project period.

¹² The population served will be reached by the end of the programme and will represent the number of people who have benefitted from moving from very level service levels (basic or below) to safely managed service levels. In some cases this will be effected by ensuring a more regular and climate resilient service level.

¹³ The seven projects are programmed as one each of the country (5) and then an additional 2 where demand and need is highest.

Annex 4 - Preliminary budget details

Budget item (Euro million)	Denmark	AfDB/AWF	NDF				
Outcome 1 project preparation capacity and long term improvement of services	5.000	0.750	0.700				
Outcome 2 Immediate operational improvements in services	13.400	0.500	6.425				
Programme management	1.000	0.500	0.375				
Price and physical contingencies	0.700	0.250					
Total	20.100	2.000	7.500				
Budget item (Euro million)	mid 2021	2022	2023	2024	mid 2025	Total	DKK
Outcome 1 project preparation capacity and long term improvement of services	0.5	2	2	0.5		5	37.19
Outcome 2 Immediate operational improvements in services	1.4	3	4	4	1	13.4	99.67
Programme management	0.15	0.25	0.25	0.25	0.1	1	7.44
Price and physical contingencies		0.2	0.2	0.2	0.1	0.7	5.21
Total	2.05	5.45	6.45	4.95	1.2	20.1	149.50
DKK	15.2	40.5	48.0	36.8	8.9	149.5	
Notes							
1 Project preparation costs: approximately Euro 0.75m per project							
2 Immediate operational improvements will vary considerably from project to project and also on the extent to which they involve hardware or software. The average per capita cost is estimated at Euro 25 million per water or sanitation intervention							
3 1 Euro =	7.438	dkk					

Annex 5 - Risk Management Matrix

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Escalation of armed conflict in the countries	Moderate	High	<p>Locating projects in areas that are have been relatively safe.</p> <p>Monitoring security situation closely and adjusting travel and work plans based on security advisories provided by the national and local security agencies.</p>	Short-term risks are reduced substantially due to selection of safe areas. However general risk remains, but can be acted upon by working closely with security agencies.	There is a security crisis in the Sahel and Horn of Africa that is worsening due to political disgruntlement, presence of violent extremist and armed groups, weak state authority, flow of illegal firearms, and destitution brought about by environmental degradation and impacts of climate change. Denmark is playing a role at the international level in addressing the above security concerns through its integrated peace and stabilisation engagement programme.
Disgruntlement in the community due to corruption and misappropriation of project funds	Low	High	<p>Training of Project Executing Agencies in financial risk management</p> <p>Supervision of projects by Task Managers</p> <p>Strict enforcement of the Banks financial management and procurement regulations</p> <p>Mid-term and end of project audit</p>	Residual risk remains, put mitigation measures will substantially decrease risk of occurrence of corruption	Risk of corruption exist in the countries due to weak state control systems.
Possible upsurge in COVID-19 cases that could make working in the five rural areas difficult	Moderate	High	Introducing COVID-19 control measures for all workers connected with project implementation	Residual risk remains but mitigation measures could reduce risk of infections amongst project workers.	The world is under the COVID-19 epidemic, and vaccines have only just been developed. Most African countries were in the process of re-opening after lockdowns in the second and third quarters of 2020.

Programmatic risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Inadequate budgetary allocation and policy measures to the WASH sector to sustain impacts (especially operation and maintenance and hygiene)	Likely	Moderate	<p>Selecting high priority projects recommended by the national and local authorities</p> <p>Consultation with national authorities to maintain projects on the high priority list</p> <p>Coordination with health ministries and agencies</p>	Residual risk will be reduced through the active engagement of national authorities, but some level of risk remains due to inadequate budget allocation to the water sector in the beneficial countries.	There is a large and growing gap between the level of financing required to attain the SDGs, and the financing available to the water sector in Africa. This is largely due to the weak economies of the region.

Weak ability of Executing Agencies to implement projects smoothly.	Likely	High	Including capacity building for Executing Agencies in the scope of national projects	Short-term risks are reduced substantially due to capacity building.	Institutional capacity in the water sector in the countries is weak leading to poor quality of service delivery. The risk is greater for local level institutions which have difficulty in attracting and retaining qualified personnel.
The need for swift implementation leads to short cuts on community involvement, hygiene promotion and following operation and maintenance policies	Moderate	High	Ensure that national policies are followed on community aspects and operation and maintenance and cost recovery systems .	Residual risk will be reduced by AfDB supervising that the national systems and policies are being followed	AfDB follow the national systems and policies but pressure on delivery by contractors and agents might lead to short cuts being taken
Slow start-up and progression of national projects	Likely	High	Strong monitoring of project activities by AWF Task Managers	Short-term risks are reduced substantially due to mitigation measure.	Approval and decision process are typically slow in the water sector institutions due to the generally weak capacity of the sector.

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Risk to personal safety of AWF staff from insecurity and COVID-19 diseases during supervision missions	Moderate	High	Closely following AfDB travel advisories and conducting virtual supervision missions when level of risk is assessed to be high.	Residual risk will be reduced through close monitoring of security and health advisories.	There are violent extremist groups operating in the Sahel and Somalia, and political unease prevailing in the Ethiopia. The COVID-19 pandemic continues to affect all aspect of development work.
Financial loss and risk of institutional liability for loss/failure resulting from corruption or financial mismanagement	Low	High	Strong integration of projects in the national systems where there are checks and control. Application of the Bank's fiduciary risk management measures to complement national systems	The risk will be substantially diminished by application of the Bank's strong financial management, audit and procurement management systems.	Risk of corruption exist in the countries due to weak state control systems.
Damage to a Danida and AfDB's reputation from failure to successfully complete projects or ensures follow up financing for projects prepared	Low	High	Close monitoring of the programme on day-to-day level at AfDB/AWF and through the AWF governance bodies including the Oversight Committee, Governing Council and Board of Directors.	Reputational risks substantially reduced as plans are in place for close monitoring and prompt reaction to ensure successful project completion and delivery of development impacts.	Development projects in Sub-Saharan Africa occasionally get cancelled due to multiple challenges including rate of budget utilisation, and change in political priorities.

Annex 6 - Preliminary List of supplementary materials

#	Document / Material
1	African Water Facility Progress Report (January to September 2020), November 2020
2	African Water facility 2021 work plan and budget, November 2020
3	African Water Facility Annual Report 2019, September 2020
4	A Green and Sustainable World, A Green and Sustainable World: The Danish Government's long-term strategy for global climate action, September 2020
5	Nordic Development Fund Final Consideration_C128 COVID-19 Recovery through Climate-resilient Water Supply and Sanitation, November 2020
6	MFA, Organisational Strategy for the AfDB 2020-2024
7	AfDB , draft Integration study 03 December 2020
8	GWP, WASH climate resilient development,2017
9	AWF, Strategy 2017-2025
10	Universal Independent evaluation of AWF 2005-2018, 2020

Annex 7 - Communication Plan

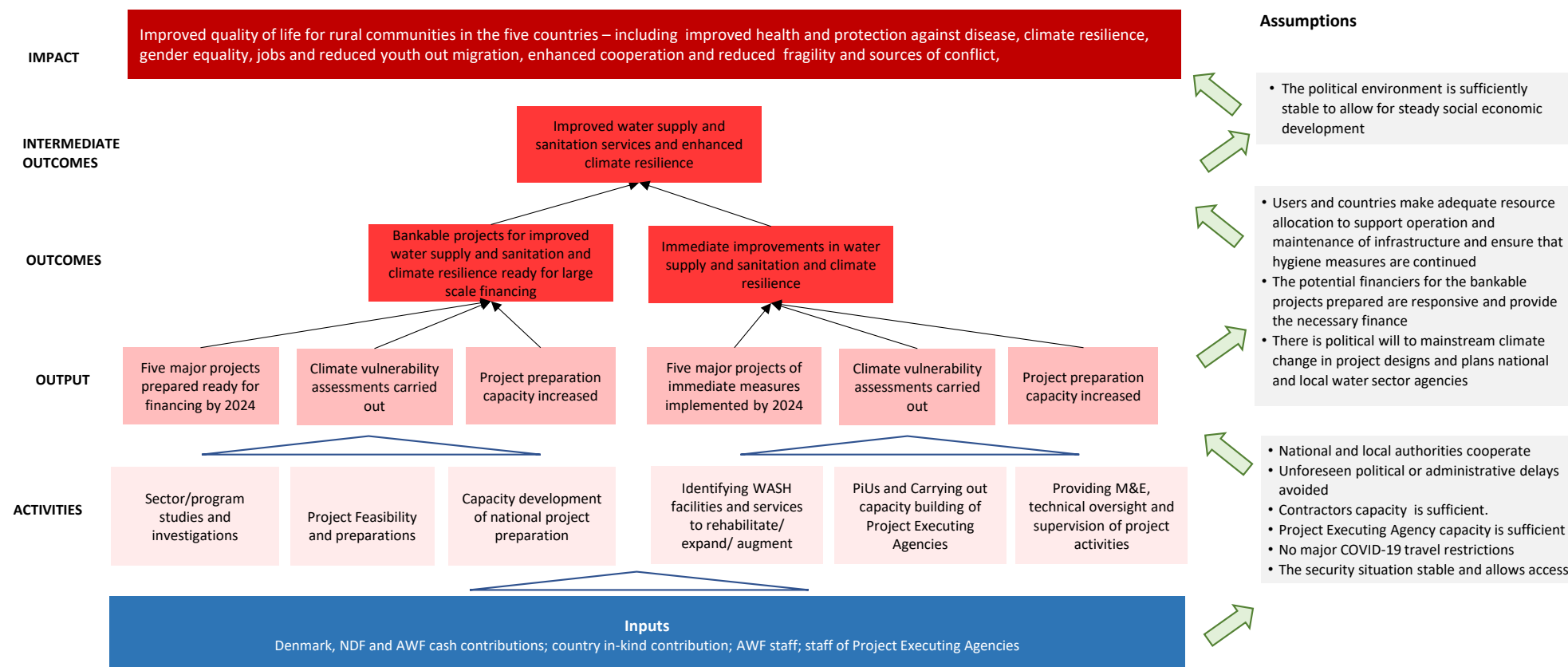
What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
1. General information about the programme: its objectives, beneficial countries, expected outputs	Immediately before, at, and after project launch.	<ul style="list-style-type: none"> Website posts Press release Project flyers Social media platforms PowerPoint presentations 	<ul style="list-style-type: none"> Key water sector institutions in beneficiary countries (primary) Target beneficiaries in urban and rural areas (primary) General Public (secondary) . 	AWF/PIU
2. Progress made by the Programme	Annually (end of year)	<ul style="list-style-type: none"> Programme and project progress reports 	<ul style="list-style-type: none"> AfDB and Denmark (primary) Other Programme partners (primary) AWF Governance Council (primary) Key water sector institutions in beneficiary countries (primary) Target beneficiaries in urban and rural areas (primary) General Public (secondary) . 	AWF/PIU
3. The results and impacts of the programme; lessons learnt from implementation of the programme.	End of programme	<ul style="list-style-type: none"> Project Completion Report Project policy briefs Short video documentary for TV and YouTube Short podcast Social media platform posts Press release 	<ul style="list-style-type: none"> AfDB and Denmark (primary) Other Programme partners (primary) AWF Governance Council (primary) Key water sector institutions in beneficiary countries (primary) Target beneficiaries in urban and rural areas (primary) General Public (secondary) International Development community (secondary) 	AWF/PIU

Annex 8 - Process Action Plan

(specific dates for deadlines to be included below when known)

Action/product	Deadlines
Prepare concept note	May-December 2020
Confirm agenda item for Programme Committee	Early November
Internal MFA consultation incl. embassies on the draft concept note	Early December
Submit concept note to Danida Programme Committee including public consultation	January 12 2021
Danida Programme Committee	February 4
Prepare programme documents including annexes	Mid-March
Appraisal	Mid-April
Confirm agenda item for Council for Development Policy	April 15
Incorporate recommendations from appraisal into programme documentation	Late April
Submit programme documentation including annexes to Council for Development Policy	May 6
Council for Development Policy meeting	May 27
Approval of the programme by the minister	Early June
Prepare “aktstykke”	Early June
Meeting in the Finance Committee	Late June
Signing of agreement	Early July
First disbursement	July/August

Annex 9 - Preliminary theory of change



Note: The AWF will use Strategic Framework for WASH Climate Resilience and tool-set to prepare the detailed design of intervention measures. This preparation will ensure that the entire hydrological cycle is part of all interventions. Moreover, the framework will enhance adaptation and contribute to building climate resilience of the target communities. The Strategic Framework has four elements: i) Assess and rank climate-related risks to WASH infrastructure and services; ii) Prioritize technical options for WASH infrastructure and services; iii) Integrate climate resilience into project interventions and in plans and services of urban authorities, utilities and national water sector agencies and; iv) Monitoring and evaluation framework for climate-resilient WASH measures and applying the framework at project completion evaluation.