



## **PROGRESS REPORT APRIL TO JUNE 2008**

**July 2008  
Tunis**

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**African Water Facility | Facilité africaine de l'eau**

African Development Bank | Banque africaine de développement

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## LIST OF ACRONYMS

AfDB	African Development Bank
AMCOW	African Minister's Council on Water
AWF	African Water Facility
CEDARE	Center for Environment and Development for the Arab Region and Europe
CICOS	International Commission of Congo-Oubangui-Sangha basin
EU	European Union
GC	Governing Council
HYCOS	Hydrological Cycle Observing Systems
IGAD	Inter Governmental Authority on Development
IWRM	Integrated Water Resources Management
M&E	Monitoring and Evaluation
NEPAD	New Partnership for Africa's Development
OWAS	Water and Sanitation Department (of the AfDB)
PAR	Project Appraisal Report
PCT	Project Coordination Team
QPR	Quarterly Progress Report
RBO	River Basin Organization
REA	Recipient Executing Agency
REC	Regional Economic Community
RFP	Requests for Proposals
RMC	Regional Member Country
RWSSI	Rural Water Supply and Sanitation Initiative
TAC	Technical Advisory Committee
TOR	Terms of Reference
TWRM	Transboundary Water Resources Management
WRM	Water Resources Management
WSP	Water and Sanitation Program (of the World Bank)
WSS	Water Supply and Sanitation

# 1 INTRODUCTION

1.1 The purpose of this Quarterly Progress Report is to inform all stakeholders on the status of the various operational and organisational activities being undertaken by the AWF for the period of April to June 2008. The intended audience includes the AfDB Board, AWF Governing Council, AMCOW and its committees, and donors to the AWF.

1.2 The Quarterly Progress Report is prepared in response to the requirements of the AWF Operational Procedures section 9.2, which requires the preparation of quarterly progress report. The report examines the core operational activities, with a focus on the status of project processing and implementation of ongoing projects. This is followed by a discussion on organisational activities during the quarter including the human resource capacity of the AWF, support to project operations, and important outreach, partnership and communication activities. The financial status of the AWF is then reviewed. The final section presents a brief summary of the key results in the quarter, highlighting the main achievements and challenges facing the AWF in meeting its operational objectives.

1.3 The planned activities and expected results are described in the 2008 Work Plan and Budget, which was approved by the Board on the 14<sup>th</sup> December 2007. Details on the work programme are described in various parts of this document where appropriate. The Work Plan and Budget is based on the first year of the 2008-2010 Operational Programme, which was approved by the AWF Governing Council at its meeting held on 31<sup>st</sup> October 2007 in Tunis.

## 2 OPERATIONAL STATUS

### 2.1 STATUS OF PROJECT PROCESSING

2.1.1 This section discusses the processing of projects through project appraisal and approval stages, and including signature of grant agreements.

2.1.2 *Project approvals:* A total of three projects amounting to €2,047,000 were approved during the quarter covering programme/project preparation (2) and national water resources management (NWRM) (1) (see Table 2.1), versus the six projects that were planned for approval as noted in the last quarterly report. A brief description of these projects is appended in Annex 3.

**Table 2.1 Projects Approved in the Second Quarter (amounts in Euro)**

	<b>Amount</b>
<b>Seychelles:</b> Water Supply Development Plan 2008-2030	955,000
<b>Burkina Faso:</b> Strengthening of institutional capacity for decentralised IWRM	450,000
<b>Burkina Faso:</b> Feasibility and design study of stormwater drainage and solid waste management systems in Ouagadougou.	642,000
<b>TOTAL: 3 projects approved during the second quarter</b>	<b>€2,047,000</b>

2.1.3 *Project appraisals:* The AWF undertook three project appraisal missions during the quarter, which will permit completion of the appraisal document and submission for approval before the end of 2008. These covered Preparation of a National IWRM Plan for Madagascar,

a Water MDGs Monitoring and Evaluation Programme for North Africa under the CEDARE, and the Niger Basin Authority Water Charter. Another 8 projects have been earmarked as high priority for approval before the end of the year, and all are currently under appraisal.

2.1.4 **Projects in the pipeline:** Five projects are in the pipeline for appraisal. Another 8 or more projects previously admitted into the pipeline have uncertain status due to changing circumstances since they were screened, and may need to be reassessed. Project identification missions were undertaken to Zambia and Malawi in the last quarter, in order to build the project pipeline (see Annex 4). Additional identification missions are planned in the 3<sup>rd</sup> quarter. In total, the AWF has identified at least 20 projects, and dialogue is ongoing with potential recipients to submit an application. Several of these projects, based on a screening of the applications received, will most likely be included in the pipeline in the next few months. These may also be appraised later in 2008 or early in 2009.

2.1.5 **Signature of grant agreements:** In the second quarter, 7 project grant agreements were signed, bringing the total number of ongoing projects to 34 signed (see Annex 2 for date of signature of all project grant agreements). Only one approved project is awaiting signature as of 30<sup>th</sup> June, the Lake Victoria Basin Commission Water & Sanitation Initiative. It is expected to be signed during the third quarter.

## **2.2 PROGRESS OF ONGOING PROJECTS**

2.2.1 Ongoing projects may be defined as those for which a Grant Protocol Agreement has been signed and under implementation up until project completion. On-going project processing may be sub-divided into two main components; project start-up phase - comprising projects for which processing for grant effectiveness is on-going, and project execution phase - involving procurement of goods, works, services, disbursement, project management and control of implementation up to completion. A status assessment of each of these two phases, for on-going projects, is presented hereunder. A summary table of the status of ongoing projects is shown in Annex 2.

### **Project Start-up Activities (Grant Effectiveness and Project Launching)**

2.2.2 There are twelve projects, as of 30 June 2008, for which the Grants have been approved and the Protocol Agreements signed, but Recipients had not yet fulfilled the conditions for the AWF to declare them effective.

2.2.3 In order to expedite project start-up and declaration of effectiveness, the Facility undertook five Project Launching Missions during the quarter to Congo Brazzaville, Chad, Cameroun, Djibouti and Senegal. These launching missions, combined with dialogue and meetings with Recipients, and the Project Implementation Workshop which was conducted in Kampala, Uganda in June, constitute the major actions taken by the Facility to ensure that the remaining 12 approved projects become grant effective as soon as possible.

### **Project Implementation - Supervision and Follow-up**

2.2.4 Nine (9) project supervision missions were undertaken during the quarter covering the following Projects (see Annex 4 for details). The projects include the following:

- (i) CICOS – Strengthening the Information and Knowledge Capacity of CICOS on the Water Resources Management of the Congo Basin;
- (ii) CICOS - Preparation of the IWRM Strategic Plan for the Congo Basin;
- (iii) Uganda - Roof Catchment Rainwater Harvesting and Management;
- (iv) Uganda – Implementation of an Integrated WSS Services for Urban Poor in Kagugube Parish in Central Kampala;
- (v) Kenya – Kisumu District Primary Schools Water Supply and Sanitation;
- (vi) Senegal – Ziguinchor Sanitation Master Plan;
- (vii) CAR – Support to WSS and Priority Investment Preparation in 16 Districts;
- (viii) Rwanda - Pilot Project for Introduction of Rainwater Harvesting Techniques in Bugesera;
- (ix) SSO – GEO-Aquifer – North Western Sahara Aquifer System (SASS) Knowledge and Water Resources Management and Improvement by using Satellite Imagery.

2.2.5 The supervision missions have been utilised to support project implementation. These missions assisted Recipient Executing Agencies to assess the status of project execution, including any problems encountered, and formulated the strategy for resolving outstanding issues with the aim of facilitating completion of the remaining components of the projects. It was clear that the facilitative and capacity building parts of most of these projects were far advanced in terms of their execution. During the quarter, emphasis was therefore placed on implementing aspects involving mostly the procurement of the works and goods. The importance of expediting project implementation and delivery of outputs were emphasised.

### **Project Reporting and Planning**

2.2.13 Project monitoring was strengthened this quarter with an increasing number of Recipients using the newly designed Quarterly Progress Report (QPR) format. These reports outline start-up activities, organization and management, procurement status and as well as procurement work plan, implementation status and programme of work, project performance (results), financial (disbursement) status and projections, as well as issues and planned actions.

### **Project Audits**

2.2.14 In pursuance of the execution of *Article 8.3 on Audit of Operations* in the AWF Operational Procedures, the AWF continued the recruitment of Auditors. The number of Auditors recruited this quarter were ..... And this brings to twelve the total number of auditors recruited. Contracts have been signed for seven of these, while the remaining five are pending signature, subject to sufficient progress being made in project implementation procurement and disbursement to warrant the first interim audits.

2.2.15 The Auditor recruited under the Niger Basin Authority’s Niger HYCOS Project, commenced work in May and was completed in June 2008. The first interim Audit Report was therefore submitted to AWF at the close of the quarter under review. The overall opinion was favourable.

2.2.16 The second phase recruitment of Auditing Firms for the remaining AWF ongoing projects and programmes continued during the quarter. The countries where these projects are located were grouped into lots such that projects covering neighbouring countries could be conveniently audited by one Auditing Firm at reasonable cost. The recruitment process is

following the Bank's Integrated Consultants Recruitment and Management System (ICRMS) which is SAP-based.

### **Realisation of project level targeted results/outputs**

2.2.17 Since only one project has been completed to date (establishment of the Volta Basin Authority), end of project assessments of realisation of targeted results and outputs cannot yet be done. However, many projects are showing good interim results. As one significant example, the SSO-GEO AQUIFER project has achieved one of its most important expected results – to facilitate SSO to leverage funds for the next phase of the SASS project. The effective leverage facilitated by the AWF Granted €486,00 is reported by the SSO as €0.5 million from the French Global Environment Fund (FFEM), and \$1 million from the Global Environment Fund (GEF), which is equivalent to 1.5 times the expected leverage effect. The completion of EIA studies on the ongoing Padematenga Water Control Project in Botswana has enabled the approval of the ADB funded Pademantenga Agricultural Infrastructure Development Project at an amount of Euro 45 million. The AWF project has leveraged about substantial investment funds.

### **Issues and Actions**

2.2.18 Some of the specific project execution issues that have been identified to date include the following:

- Lack of familiarity of Recipient Executing Agencies (REAs) with AWF and Bank procurement, disbursement and financial management procedures;
- Limited capacity of Executing Agencies;
- Limited Project Launching and Supervision activities by AWF;
- Lack of submission of Quarterly Progress Reports (QPRs) by Executing Agencies and the need for feedback from AWF;
- Constraints in initiating the auditing process due to limited project execution activities and expenditures on the ground.

2.2.19 During the past quarter various actions were identified and implemented to remedy these constraints and thereby expedite project execution. Ongoing actions include the following:

- Sensitisation of Executing Agencies to the need to expedite project execution, through requests for submission of an up-to-date summary of project status, and preparation of timely Quarterly Progress Reports and Procurement Plans.
- Undertaking procurement, disbursement and financial management training workshops for REA staff;
- Intensification of AWF launching and supervision missions;
- Institutionalisation of AWF quarterly mission programming;
- Increased involvement of Country Offices in project execution or supervision;
- Recruitment of auditing firms, with specific actions as noted above (2.2.14).

## **2.3 STATUS OF AWF PERFORMANCE INDICATORS**

2.3.1 The overall performance of the AWF in meeting its planned operational targets for 2008 is summarised in Annex 5, which presents a compilation of all the performance indicators, targets and actual results for the first half of 2008, along with comments as appropriate. The planned results for 2008 are based on the range of indicators and targets presented in the 2007 Annual Report. The targets were based on those noted in the AWF Operational Programme 2008-2010 and the 2008 Annual Budget documents, with revisions made during the preparation of the Annual Report.

2.3.2 As can be seen in Annex 5, the AWF has shown overall good progress in the first half of the year in meeting its planned targets for 2008. For example, the NWRM and TWRN and Information Management components are on target. However, some progress is behind schedule, such as the achievement of planned results under strengthening the financial base, and establishing or strengthening national/regional M&E systems, for which appropriate actions are being taken. Further details on results achieved and reasons for specific shortcomings are noted in the comments column of Annex 5.

## **3 ORGANISATIONAL ACTIVITIES**

3.1 This section reports on the various coordination and partnership activities, and support to AWF operations.

### **3.1 HUMAN RESOURCES**

3.1.1 There have been one change in the staffing situation during the quarter, with one Technical Assistant (Water Supply and Sanitation Expert funded by Austria) terminating his appointment in May. The Austrian authorities have promised to replace this TA position and have already advertised on Austrian Development Agency's website (closing date 16<sup>th</sup> July). The list of staff as of the end of June is shown in Annex 1.

### **3.2 OPERATIONAL SUPPORT ACTIVITIES**

3.2.1 The AWF continues to carry out a number of important activities in support of project operations using the administrative expenses budget. These are briefly described below:

#### **Project Implementation Workshop, Kampala, Uganda, 23-27 June 2008**

3.2.2 The African Water Facility held a Project Implementation Workshop in Kampala, Uganda from 23 to 27 June, 2008, for project managers and their staff involved in AWF projects in Eastern and Southern African sub-regions. Its main purpose was to assist senior officials of AWF Project Executing Agencies, as well as senior government and public enterprise officials, to become more familiar with the policies and procedures of the Bank and the Facility, with an overall aim of improving the efficiency and effectiveness of AWF project execution.

3.2.3 The Workshop was attended by 36 participants drawn from 12 Project Coordination Teams of AWF funded projects, drawn from parastatal, central government, NGOs and

municipalities in the Eastern and Southern Africa sub-region. The countries represented were Ethiopia, Kenya, Tanzania, Lesotho, Botswana, Mozambique, Namibia, Rwanda, Burundi and Uganda.

3.2.4 The Workshop programme included the following four main modules:

- General Module: The general module covered an overview of the AWF and its operations, general conditions applicable to Bank Group Agreements; the project cycle; the role of ADB Field Offices in projects; and the reporting requirements for AWF Projects (Quarterly Progress Reports, Financial Reports).
- Procurement Module: The procurement module was specifically tailored to the needs of the AWF projects. While the full range of new ADB policies and procedures for the procurement of goods, works and the acquisition of consultancy services were covered, emphasis was given to the procedures and practices for the recruitment and use of consultants.
- Financial Management Module: The financial module covered ADB Disbursement Procedures, with a focus on efficient management of the Special Account Method of disbursement and associated requirements for replenishment of funds, including accounting justification for the payment of a second and subsequent tranches. In addition, the terms of reference (TOR) of the Auditors and the financial reporting requirements were explained to the participants to facilitate the work of external auditors to AWF projects.
- Country Project Presentations Module: The participants made presentations on their projects, which covered the status of implementation of the project components. The objective of this aspect of the Workshop was to provide the opportunity for Project Managers to share their experiences and to assist each other to address any problems encountered during project start-up and implementation.

3.2.5 At the end of the Workshop, the results of the participants' assessments indicated that 83% of their expectations had been met, while 85% felt that the programme addressed their critical needs for knowledge and skills to function effectively as Project Coordination Team members. However, as regards the level of difficulty of the training process and presentations, the participants felt that more time was required to give full coverage of all the topics. This will be incorporated as a lesson learnt into the forthcoming trainings to be organized by the Facility for French speaking countries in October. Preparations are underway to hold this Workshop for Central, North and West Africa projects in November in Tunis.

### **Regional M&E Stakeholders Workshop**

3.2.6 The AWF and the Center for Environment and Development for the Arab Region and Europe (CEDARE), acting as N-AMCOW (AMCOW North Africa) Secretariat, co-organized a regional Monitoring and Evaluation Stakeholders Workshop at the Intercontinental Citystars Hotel and the CEDARE premises in Cairo, Egypt, from 15-17 June 2008. The workshop gathered 65 participants including 36 RMCs representatives, 11 CEDARE staff, 2 Regional organisations, 10 development partners and 6 ADB/AWF staff including the ADB field office EGFO. Each RMC delegation was led by the country AMCOW TAC member or representative.

3.2.7 Following the request for funding submitted by N-AMCOW through CEDARE, the Facility and CEDARE organized the workshop to: (i) review and get feedback on the proposed project by the major AMCOW-N countries stakeholders involved in water sector M&E; (ii) update the project with the country activities based on the latest developments of national water sector M&E, including Sector Information and Monitoring Systems; (iii) develop a shared understanding with development partners and regional organizations involved in water sector M&E on the sub regional action plan; and (iv) initiate the preparation of collaborative actions to support M&E systems development and co financing by the development partners and countries.

3.2.8 The workshop registered an intensive contribution from the participants, which formulated detailed suggestions to improve and amend the project document, and ensure full involvement of the national M&E stakeholders as stated in the Tunis September 2006 Action Plan. The workshop participants agreed to limit the scope of the initial project to allow immediate development of the regional M&E activities and the National M&E framework, and assess the medium and long terms needs at both national and regional level to ensure future national and regional M&E systems sustainability, especially in terms of stakeholders participation and capacity building.

### **Pan African Water Sector M&E Status Assessments:**

3.2.9 A major milestone achieved by the AWF in support of water sector M&E development was the completion of a Pan African Assessment on Water Sector Monitoring and Evaluation, and the Compilation of the 10 Country Profiles on Information and Knowledge Management, which was undertaken by a Consultancy firm recruited by the AWF. A draft template for rapid country M&E systems was prepared by the Consultant, and 5 selected test cases in Congo, Malawi, Senegal, Tunisia, and Uganda were undertaken. AWF staff were closely involved in reviewing the draft template and documents, providing linkages with ongoing M&E related activities and stakeholders (especially the Water and Sanitation Programme for Africa and the WHO/UNICEF Joint Monitoring Programme), preparing the Consultant Country missions (Senegal, Tunisia and Uganda duly executed), and accompanying the Consultant in Tunisia.

## **3.3 OUTREACH AND PARTNERSHIP ACTIVITIES**

3.3.1 AWF staff participated in several consultative workshops, conferences and meetings to foster co-operation, harmonize activities, and consolidate partnerships. These included:

- AWF Governing Council meeting held in Lesotho, from 21<sup>st</sup> to 24<sup>th</sup> April 2008. Four AWF staff and the ADB Vice President Operations attended the meeting.
- Third conference on Shared Aquifer Management held in Libya from 24-28 May.
- Niger Basin Authority Heads of State meeting held in Niger on 30 April.
- Niger Basin Authority donors meeting and round table held in France and Niger from 21-24 June.
- AU summit held in Egypt from 30 June to 1 July.

## **3.4 RESOURCE MOBILISATION ACTIVITIES**

3.4.1 A major activity of the AWF in the quarter has been mobilisation of the funds needed to implement the 2008-2010 Operational Programme. Activities undertaken up to April have been described in detail in a document prepared for the 7<sup>th</sup> GC meeting (*Resource Mobilization Update*). The following is a summary of the activities undertaken during the quarter:

- As a follow up to their statement to join the AWF, the Spanish Government informed the Facility of their intention to contribute an amount of €12 million for 2008-2010. The process to formalise this intention is underway.
- AMCOW, in liaison with AWF issued funding request letters to eight African countries.
- As a follow up to the AWF Roundtable held in March 2008, AMCOW, in liaison with AWF, issued a funding request to Finland.
- Through the ADB Executive Directors, initial contacts were made with Japan, Saudi Arabia and Switzerland. Additionally, the Australian authorities were contacted.
- Sweden submitted a new Instrument of Commitment amounting to SEK 75 million (approximately €8 million). In doing so, they are the first of the Facility's original donor members to confirm a second phase of funding.

## **4 FINANCIAL STATUS**

### **4.1 FUNDING COMMITMENTS**

4.1.1 The AfDB maintains a Special Fund for financing project operations and administrative expenses of the AWF. As of the end of June 2008, the amount of funds pledged by the various donors for projects to be undertaken by the AWF amounts to €85 million (see Table 4.1).

4.1.2 No funds were received by donors in the quarter. Discussions with donors indicate that additional payments of €22.44 million may be forthcoming in the remainder of 2008 (from the EU, France, Denmark, Austria and Spain).

**Table 4.1 Amounts Pledged by Donors to AWF Special Fund Projects (million Euros)**

<b>Donor</b>	<b>Amount Pledged *</b>	<b>Funds Received as of 30June.08</b>	<b>Funds expected June to Dec. 2008</b>
European Commission	25.0	9.1	12.9 (may be in 2009)
Canada	14.0	8.7	0
France	12.0	9.6	2.4 (may be in 2009)
Denmark	5.4	3.2	1.1
Sweden	12.7	4.8	2.6
Norway	3.6	3.7	
Austria (0.3m pledged, not yet formalised)	0.40	0.1	0.1
Spain (pledged not yet formalised)	12.0	0	6.0
<b>Sub-Total</b>	<b>85.1</b>	<b>39.2</b>	<b>25.1</b>
Interest	1.7	1.7	0.2
<b>Total</b>	<b>€86.8</b>	<b>€40.9</b>	<b>€25.3</b>

*\*) This does not include funds committed for in-kind contributions such as Technical Assistants*

## **4.2 PROJECT COMMITMENTS AND DISBURSEMENTS**

4.2.1 As at the end of June 2008, a total of €30.64 million has been committed on 35 projects approved (see Annex 2), with €2,047,000 committed in the second quarter (see Section 2.1). Disbursements in the quarter amounted to €262,551.50 on one project. In total, €8.6 million has been disbursed on the 21 projects which are grant effective, which is 28% of the total committed amount for the 35 projects and 21% of the funds received.

4.2.2 During the third quarter of 2008 the AWF is expecting a significant increase in the disbursement rate, partly as a result of the Project Implementation Workshop for project staff from eastern and southern Africa, which was held with the aim of familiarising them with AWF and Bank procedures for procurement and disbursement. The expected increase in disbursement during the third quarter will arise from two sources; first tranche disbursement on approximately seven (7) of the fourteen (14) projects, and second tranche disbursement on approximately ten (10) of the twenty-one (21) projects already disbursed.

### 4.3 STAFFING AND ADMINISTRATIVE EXPENSES BUDGET

#### Administrative Expenses Budget

4.3.1 The AWF maintains an administrative budget which categorises expenses according to certain predefined internal categories. In Table 4.2 below, the amounts planned for 2008 and utilised over the last quarter under each of the administrative expense categories have been compiled. In total, the AWF has allocated €2.0 million for administrative expenses in 2008. In comparison, €379,002 or 19% of the budget provision was utilised by the end of June 2008. The expected utilisation is not as planned for most categories, especially consultancy firms due to the delays in starting project audits. Low spending on missions and workshops is partially due to the ADB Administrative budget being used for these activities, as un-used funds under the ADB budget may not be carried into the following year, and therefore these provisions have to be absorbed first. Please refer to Annex 6 for the cumulative financial statement of the AWF Fund account as at June 30<sup>th</sup> 2008.

**Table 4.2 AWF Administrative Expenses Budget for 2008 (in Euro)**

Item	Budget Allocation	Actual Jan-Mar.08	Actual Apr-June08	Total for the year to 30 June08	% Utilisation
Staff Missions	300,000	29,150	40,902	70,052	23
Consultancy - Individuals	400,000	53,420	96,220	149,640	37
Consultancy - Firms	600,000	0	17,810	17,810	3
Workshops and Seminars	500,000	3,514	58,967	62,481	12
Governing Council Meetings	100,000	477	62,581	63,058	63
Resources Mobilisation	50,000	13,519	1,167	14,686	29
Communications	50,000	1,275	0	1,275	3
<b>Total AWF</b>	<b>€2,000,000</b>	<b>€101,355</b>	<b>277,647</b>	<b>379,002</b>	<b>19</b>

4.3.3 The audit of the 2007 financial statements of the AWF Fund account was completed in the quarter, with a favourable opinion.

#### AfDB Staffing and Administrative Support to the AWF

4.3.2 In addition to the provision made under the AWF Special Fund for administrative expenses, the AfDB is providing financial support for a range of activities associated with the implementation of AWF operational and management activities. These include Bank staff missions related to project identification, appraisal and supervision; provision of consultant services for assistance to AWF operational activities and to undertake special studies; and hosting of workshops and seminars. The amounts for 2008 are detailed in Table 4.3 according to the administrative expense categories used by the AfDB. The total allocation for the year was €212,675, of which €77,444 or 37% of the AfDB budget was utilised in the first six months.

**Table 4.3 AfDB Administrative Expenses Contribution to the AWF (in Euro)**

Item	Budget Allocation	Actual to 31Mar.08	2 <sup>nd</sup> Quarter 1 Apr. to	Total for the year to	% Utilisation
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			<b>30June08</b>	<b>30 June08</b>	
Missions by AfDB Staff	104,000	12,776	62,438	75,214	72%
Consultant Services	104,000	2,987	0	0	0%
Entertainment and Hospitality	4,675	0	2,230	2,230	48%
<b>Total AfDB</b>	<b>212,675</b>	<b>15,763</b>	<b>64,668</b>	<b>77,444</b>	<b>69%</b>

## 5 KEY RESULTS

### 5.1 ACHIEVEMENTS

5.1.1 Some of the main achievements during the second quarter of 2008 are summarised below:

- Three projects amounting to €2,047,000 million were approved, As well, the AWF completed three project appraisals, for approval in the next quarter.
- A project implementation workshop was successfully held in Kampala, Uganda, which brought together 36 key staff drawn from 12 project implementation units of AWF funded projects in Eastern and Southern Africa sub-regions. The purpose was to make participants familiar with the policies and procedures of the Bank and the Facility, especially regarding procedures for procurement and disbursement. This is expected to result in significant improvements in the efficiency and effectiveness of AWF project execution, leading to an increase in disbursement rates.
- The Pan African Assessment on Water Sector Monitoring and Evaluation, and the Compilation of the 10 Country Profiles on Information and Knowledge Management, were completed by a Consultancy firm supporting the AWF in this activity.
- Significant efforts have been made over the last quarter to secure funds for the 3-year Operational Programme, and tangible progress has been achieved.

### 5.2 MAIN CHALLENGES AND WAY FORWARD

5.2.1 *Achieving the 2008 Activity Programme:* Achieving the planned number of 34 project approvals as noted in the 2008 Work Plan will be a challenge. Progress on appraisals in 2008 remains well behind schedule, with only three projects approved in first and second quarters (vs. 17 planned over these two quarters). This poor level of performance is due mainly to the need for Task Managers to devote much of their time to supervising the 34 active projects in the portfolio and to provide considerable support to Executing Agencies (EAs), in order to ensure that projects progress as scheduled. In addition Task Managers are overwhelmed in supporting Applicants to develop bankable proposals and this often requires their time consuming preparation activities due to lack of capacity among many Applicants. The AWF is taking the necessary actions to increase the project approval rate, including providing dedicated training sessions to a group of project EAs at one time (see section 3.2), and hiring of more consultants to assist Task Managers with project preparation and appraisals.

5.2.2 *Expediting project implementation:* Implementation of projects according to their planned schedules is proving to be difficult. Assistance to executing agencies to ensure good project level management, procurement in conformity with Bank guidelines, transparent financial control mechanisms and comprehensive reporting is often needed - especially for

those who are not familiar with AWF and Bank procedures. Ways and means to efficiently provide this support is an ongoing preoccupation of the AWF, with plans for recruiting new project support staff in 2008 to assist in this process. Preparations are also underway to hold a Project Implementation Workshop for Central, North and West Africa projects in Tunis, building on the successful workshop held in the last quarter in Uganda. Increased focus on quality at entry in order to reduce problems during implementation, and greater involvement of ADB field offices where they have the human resources capacity (mainly water specialists and procurement staff), are two additional actions being undertaken to address this challenge.

**ANNEX 1: AWF STAFF (AS OF 30 JUNE 2008)**

<b>Name</b>	<b>Title</b>	<b>Seconding Organisation</b>
Andrianarison Rakotobe	Director (OWAS and AWF)	AfDB
Freddie Kwesiga	Coordinator	AfDB
Tefera Woudeneh	Chief Water Operations Officer	AfDB
Peter Akari	Chief Water Policy Officer	AfDB
Jean-Michel Ossete	Principal Water Resource Management Officer	AfDB
Abderrahmane Outaguerouine	Principal Water and Sanitation Expert	AfDB
Torbjorn Damhaug	Principal Water Resources Management Specialist	Norway
Yvan Kedaj	Principal Monitoring and Evaluation Specialist	France
Lone Badstue	Principal Socio-Economics and Gender Specialist	Denmark
Malinne Bloomberg	Principal Financial Management Specialist	UK
Ignacio Tourino-Soto	Young Professional Program	AfDB
Leli Didia Morgan	Secretary	AfDB
Haitheim Oueslati	Operations Assistant (STS)	AfDB
Adama Kone	Accountant (STS)	AfDB
Hela Sassi	Secretary (Short Term Staff - STS)	AfDB

***Departures during the quarter***

Hans Schattauer	Principal Water and Sanitation Expert	Austria
Nadege Dion	Secretary (Short Term Staff - STS)	AfDB

## ANNEX 2: STATUS OF APPROVED PROJECTS (AS OF 30<sup>TH</sup> JUNE 2008)

	Beneficiary Country or Organization	Project name	Grant amount	Date Approved	Status of grant signature G.E.C.L	Date Effectiveness	Amount Disbursed	Date of first Disbursement
1	Volta Basin	Support for the Creation of the Volta Basin Authority	165,000	25-mar.-06	07-apr.-06	20-apr.-06	165,000	
2	Burundi	Formulation of IWRM Plan for Burundi	480,000	01-sept.-06	22-sept.-06	09-may-07	200,000	21-jun-07
3	Ethiopia	Support to the Development of Water Information and Knowledge Management Systems in Ethiopia	500,000	02-oct.-06	31-oct.-06	14-may-07	150,000	25-jun-07
4	NBA (Niger Basin Authority)	Support for Niger-HYCOS Project	1,200,202	06-oct.-06	18-oct.-06	02-feb.-07	1,021,705	23-mar.-07
5	Kenya	Kisumu District Primary Schools Water and Sanitation Project	228,606	19-dec.-06	29-jan.-07	21-may-07	154,000	21-may-07
6	Mozambique	Preparation of the National Rural Water Supply and Sanitation Programme	486,223	21-dec.-06	30-jul.-07	07-dec.-07	298,092.	01-apr-08
7	Uganda	Implementation of an Integrated Project of Water Supply and Sanitation Services for the Urban Poor in Kagugube Parish, Central Division – Kampala	800,000	21-dec.-06	31-jan.-07	24-may-07	322,150	24-may-07
8	ANBO (African Network of Basin Organization)	Support to the Development of African Network Of Basin Organisations (ANBO)	439,000	22-dec.-06	29-mar.-07	03-jul.-07	302,850	18-jul.-07
9	Cameroon	Inventory Of Rural Water Supply and Sanitation Infrastructures	469,486	22-dec.-06	12-feb.-07	13-jul.-07	299,997	27-aug.-07
10	Namibia	Development of an IWRM Plan for Namibia	498,200	22-dec.-06	29-may-07	29-may-07	268,660	20-aug.-07
11	Rwanda	Pilot Project for the Introduction of Water Harvesting Technique in Bugesera	450,000	22-dec.-06	22-may-07	14-aug.-07	249,578	28-sept.-07
12	Senegal	Ziguinchor Sanitation Master Plan Study	935,000	22-dec.-06	09-aug.-07	06-sept.-07	465,967	27-sept.-07
13	OSS (Sahara and Sahel Observatory)	Geo-Aquifer: North-Western Sahara Aquifer System (SASS) Knowledge and Water Resources Management Improvement by using satellite imagery	487,800	26-dec.-06	03-jan.-07	23-mar.-07	327,300	12-jun-07
14	IGAD (Intergovernmental Authority on Development)	Mapping, Assessment and Management of Transboundary Water Resources in the IGAD Sub Region	1,831,600	09-jan.-07	18-may-07	15-aug.-07	561,350	6-sept.-07
15	Niger	Preparation of IWRM Action Plan for Niger	660,775	30-apr.-07	07-sept.-07	Not yet effective		
16	Uganda	Roof Catchment Rainwater Harvesting and Management in Uganda	449,830	09-may-07	04-jun.-07	29-jun.-07	193,441	30-jul.-07
17	Lesotho	Development of Planning Framework for Rural Water Supply and Sanitation	400,000	11-may-07	10-jan.-08	Not yet effective		
18	CICOS (International Commission of the Congo-Oubangui-Sangha Basin)	Strengthening the Information and Knowledge Capacity of CICOS on the Water Resources Management of the Congo Basin	455,000	17-may-07	01-jun-07	30-jul.-07	250,000	24-aug.-07

19	CICOS	Preparation of the Strategic Action Plan for the Sustainable Water Resources Management of the Congo of basin	1,988,673	30-may-07	01-jun-07	30-jul.-07	792,434	24-aug.-07
20	LCBC (Lake Chad Basin Commission)	Preparation of Lake Chad Basin Water Charter	890,000	30-may-07	06-jul.-07	31-jul.-07	583,803	27-aug.-07
21	Botswana	Development of Improved Water Control and Management System for Pandamatenga Agricultural Production Project	1,169,000	12-jun-07	12-jul.-07	19-nov.-07	870,000	6-dec.-07
22	Congo Brazzaville	Water supply and sanitation services study and priority investments preparation in Brazzaville and Pointe Noire	1,418,235	11-jul.-07	01-aug.-07	12-nov.-07	664,010	3-dec.-07
23	Central African Republic	Support to a water supply and sanitation study and priority invest preparation in 16 district capitals in central Africa	1,438,000	09-aug.-07	22-aug.-07	03-sept.-07	712,058	22-oct.-07
24	Senegal	Implementation of the IWRM action Plan for Senegal	1,580,000	28-aug.-07	10-oct.-07	13-may-08		
25	Egypt	Comprehensive Studies for the Rehabilitation of the Nubaria and Ismailia Canals	1,900,090	18-oct.-07	4-may-08	Not yet effective		
26	Mauritania	Formulation of IWRM and land use Plan for Mauritania	500,000	07-nov.-07	8-may-08	Not yet effective		
27	Mozambique	Study and project preparation for COFAMOSA irrigation project	1,178,367	22-nov.-07	11-feb.-08	Not yet effective		
28	Tanzania	The Arusha strategic sanitation plan preparation	654,000	22-nov.-07	10-apr.08	Not yet effective		
29	Chad	Institutional Support for Rural Water Supply and Sanitation Inventory	490,000	27-dec.-07	14-may-08	Not yet effective		
30	Liberia	Study for the expansion of Monrovia water supply and sanitation system and rehabilitation of water supplies of three country capitals	1,520,000	22-jan.-08	11-mar.-08	Not yet effective		
31	Djibouti	Water harvesting project for water supply and agriculture in rural districts of the republic of Djibouti	1,937,000	29-jan.-08	04-feb.-08	Not yet effective		
32	LVBC (Lake Victoria Basin Commission)	Lake Victoria Basin commission - Water & Sanitation Initiative	994,000	02-mar.-08	Not yet signed	Not yet effective		
33	Seychelles	Water Supply Development Plan 2008-2030	995,000	14-apr.-08	14-may-08	Not yet effective		
34	Burkina Faso	Strengthening of institutional capacity for decentralised IWRM	450,000	25-apr.-08	14-may-08	Not yet effective		
35	Burkina Faso	Feasibility and design study of stormwater drainage and solid waste management systems in Ouagadougou.	642,000	29-apr.-08	29-apr.08??	Not yet effective		
	<b>Total Amount</b>		<b>30,641,087</b>				<b>8,610,303</b>	
	<b>Total Number</b>		<b>35</b>		<b>34</b>	<b>21</b>	<b>21</b>	

Notes:

1) Projects ordered by date of approval

2) Dates highlighted in yellow indicate progress in the past quarter (January to March 2008)

## ANNEX 3: DESCRIPTION OF PROJECTS APPROVED IN SECOND QUARTER

NWRM (National Water Resources Management)		
Project Details	Objectives, Main Activities	Expected Results
<p><b>Burkina Faso</b>  <i>Capacity building for decentralized IWRM.</i>  <b>Financing:</b> AWF €450,000, Gov. €200,000 (in-kind).<b>Recipient:</b> Ministry of Agriculture and Water Resources.  <b>Implemented by:</b> DGRE (Directorate of Water Resources) in collaboration with DANIDA, SIDA, AFD, EU and other donors involved in the National Water Action Plan. <b>Duration</b> 24 months.  <b>Status:</b> Approved 25Apr08. Not grant effective.</p>	<p><b>Objective:</b> Strengthening of institutional capacity and performance for monitoring, evaluation, and development regulation of water resources and water use in the country to support implementation of Burkina's IWRM plan.  <b>Activities</b> include: sensitisation, training in water information and modelling, and enhancement of DGRE's regulatory performance to authorise water abstraction, hydraulic works and discharge and compliance control.</p>	<p>The project will cover the urgent needs for human capacity building to perform IWRM in the field, including enhancement of DGRE's regulatory performance to achieve tangible results in terms of issuing of water permits and compliance control in water conflict areas.</p>

Project/Programme Preparation		
Project Details	Objectives, Main Activities	Expected Results
<p><b>Burkina Faso</b>  <i>Feasibility and design study of stormwater drainage and solid waste management systems in Ouagadougou.</i>  <b>Financing:</b> AWF: €642,000.  <b>Recipient:</b> Ministry of Finance.  <b>Implemented by:</b> Ouagadougou City Authorities. <b>Duration</b> 20 months.  <b>Status:</b> Approved 29Apr08 Not grant effective.</p>	<p><b>Objectives:</b> Contribute to the improvement of public health and hygiene conditions for the underprivileged social layers of Ouagadougou, and safeguarding of the environment. Infrastructure investments consist of: extension of the city sanitary landfill, closure and removal of all illegal garbage dumps, rehabilitation of the main storm water channel, and upgrading road networks and associated storm water drainage systems; <b>Activities</b> include: (i) feasibility and design studies, environmental impact assessments and tender documents; (ii) improving capacity of the city authorities to govern and finance the infrastructure O&amp;M by strengthening technical, managerial, and public communication capabilities; and (iii) establishment of a credit mechanism for small independent service providers.</p>	<p>The project will prepare the technical, financial, and institutional basis for sustainable sanitary and drainage infrastructure development under an overall planning framework. It will also create a basis for implementation of the identified infrastructure investments in Ouagadougou at an anticipated value of about €25 million, and it will involve identification of prospective financial sources and arrange a donor meeting to mobilise the required funding.</p>
<p><b>Seychelles</b>  <i>Water supply development plan 2008-2030.</i>  <b>Financing:</b> AWF: €955,000, Gov. Seychelles €207,900 (cash and in-kind).  <b>Recipient:</b> Gov. of Seychelles.  <b>Implemented by</b> the Water and Sewerage Division of the Public Utilities Corporation. <b>Duration</b> 17 months. <b>Status:</b> Approved 3Apr08. Not grant effective.</p>	<p><b>Objectives:</b> The project is primarily intended to formulate a Water Supply Development Plan for the three main islands of the Seychelles in order to attract the necessary water project investments to meet demands up to the year 2030. <b>Activities:</b> (i) Preparation of Water Supply Development Plan and a priority investment programme to 2015. It will also (ii) identify and implement measures to reduce overall water demand, and (iii) improve performance and service delivery of the Public Utility Corporation.</p>	<p>The overall goal is to mobilise adequate financing to ensure the availability of adequate and affordable water up to the year 2030 to meet needs of population, industry and tourism. The implementation of the investment projects identified in the Water Supply Development Plan will have a positive impact on the indigenous population and the economy of the Seychelles.</p>

## ANNEX 4: AWF SECOND QUARTER 2008 MISSION PROGRAMME

Type of Mission/ Title of Project	Country	No. of Pers.	Programmed Mission Date			No. of Days	Remarks
			Apr.	May	Jun.		
<b>Identification</b>							
Southern Africa Projects - Zambia	Zambia	3		18-23			
Southern Africa Projects - Malawi	Malawi	3		12-17		13	
<b>Appraisal (including pre-Appraisals and Update)</b>							
NBA Water Charter	Niger	1	28	-06		7	Combined NBA Meetings / NIGER PANGIRE
CEDARE M&E Programme (AMCOW-N)	Egypt	2			13-8	4	Regional Appraisal Workshop
Nationl IWRM	Madagascar	1		17-23		7	Final date depends upon receipt of the Request
<b>Launching</b>							
Brazzaville/Pointe Noire Project	Congo Brazzaville	1	10-12			3	
Lake Chad Basin Water Charter	Chad	1		26-31		5	
Inventory of RWSS Infrastructure in Rural Areas	Cameroun	1		22-31		6	
Implementation of IWRM Inventory	Senegal	2			02-09	2	Combined with Supervision of Ziguinchor Project
PANGIRE Project	Niger		28	-06		7	Combined with NBA Water Charter
Support to Water Harvesting for Water Supply and Sanitation Programme	Djibouti				14-20	5	
<b>Supervision</b>							
Strengthening Information and Knowledge Capacity of CICOS / Preparation of the IWRM Strategic Action Plan for the Congo Basin	DRC	2	6-12			6	
Integrated WSS Services for Urban Poor / Roof Catchment Rainwater Harvesting and Management / Kisumu District Primary Schools WatSan	Uganda	1	6-12	24-30		6	
Ziguinchor Sanitation Master Plan	Senegal	2			02-09	3	
Support to WatSan and Priority investment Preparation in 16 District capitals	CAR	1			05-12	7	
Preparation of National RWSS Programme	Mozambique	2			8-14	6	
Support to Formulation of IWRM Plan / Pilot Project for the Introduction of Rainwater Harvesting in Bugesera District	Burundi / Rwanda	2			18-23	15	
GEO-AQUIFER Project	Tunisia	3			5-6	3	
<b>Dialogue Missions</b>							
AWF Governing Council Meeting	Lesotho	4	27-30			3	
<b>Training</b>							
Eight Eastern Africa AWF Project Managers - Workshop on Project Implementation	Uganda				7-17	10	
<b>Aid Coordination/ Conferences/ Workshops</b>							
3rd Conference on shared aquifer Management	Libya	1		24-28		5	
NBA Donors Meeting	Niger	1			21-24	7	=
NBA Heads of State Meeting	Niger	1	30				

## ANNEX 5: AWF 2008 PERFORMANCE INDICATORS, TARGETS AND RESULTS (AS OF 30<sup>TH</sup> JUNE 2008)

Components/Outputs	Performance Indicators	2007 Actual	2008 Planned <i>Actual to 30June</i>	Comments Relevant Projects
<b>Improved Water Governance</b>				
<b>OUTCOMES:</b> RMCs and regional organisations have increased capacity to govern their water resources effectively based on IWRM principles and transboundary cooperative arrangements.	No. of RMCs with effective IWRM policies, strategies and institutions.	Underway in 2 RMCs	Underway in 8 RMCs <i>2 projects under implementation 4 projects approved but not yet underway.</i>	IWRM: <u>Under implementation:</u> Burundi; Namibia <u>Approved:</u> Burkina Faso; Mauritania; Niger; Senegal
	Number of river basins with shared water agreements and effective cooperative mechanisms	Underway in 4 River Basins	Underway in 4 River Basins <i>1 project completed 3 projects under implementation</i>	TWRM: <u>Completed:</u> VBA <u>Under implementation:</u> ANBO; CICOS; LCBC
<b>IWRM:</b> Progressive adoption of IWRM policies and institutional frameworks	Assessment of the status of IWRM in RMCs	Assessment being planned	Underway in all 53 RMCs	Status assessment put on hold.
	Progress in supporting RMCs to strengthen or develop comprehensive IWRM framework	2 project underway, 3 more approved	8 projects in progress <i>2 projects under implementation 3 projects approved but not yet underway.</i>	<u>Under implementation:</u> Burundi; Namibia <u>Approved:</u> Mauritania; Niger; Senegal
	Allocation of water rights for meeting needs of all users and for environmental sustainability.	1 project approved	Underway in 2 RMCs <i>2 projects approved but not yet underway.</i>	<u>Approved:</u> Burkina Faso; Senegal
Preparation of strategies and implementation plans in RMCs	Number of RMCs supported to prepare IWRM strategies and action plans	Underway in 2 RMCs	8 projects in progress <i>2 projects under implementation 3 projects approved but not yet underway.</i>	<u>Under implementation:</u> Burundi; Namibia <u>Approved:</u> Mauritania; Niger; Senegal
Improved environmental management and protection	Programmes for conserving and restoring the watershed ecosystem		Underway in 1 RMC	No relevant projects yet
	Programmes for effective management of drought, floods and desertification		Underway in 1 RMC	
<b>TWRM:</b> Progressive development of shared visions and framework agreements on water sharing	Progress in development of shared visions and legislative frameworks for river basins.	2 projects underway	2 projects underway <i>2 projects under implementation</i>	<u>Under implementation:</u> ANBO; LCBC
Regional organisations better able to manage transboundary water resources in a cooperative manner.	Number of RBOs strengthened through cooperative arrangements and capacity building.	Underway in 4 RBOs	Underway in 5 RBOs <i>1 project completed 3 projects under implementation</i>	<u>Completed:</u> VBA <u>Under implementation:</u> ANBO; CICOS; LCBC
Mechanisms in place to guide the development of transboundary water resources based on coherent strategic goals and joint planning processes.	Number of regional programmes and master plans prepared	Underway in 1 river basin	Underway in 2 river basins <i>1 project under implementation</i>	<u>Under implementation:</u> CICOS;

Components/Outputs	Performance Indicators	2007 Actual	2008 Planned <i>Actual to 30June</i>	Comments Relevant Projects
<b>Investments to Meet Water Needs</b>				
<b>OUTCOMES:</b> Advances made in meeting water needs through direct project investments and widespread adoption of improved technologies and approaches.	Amount of attributable follow-on investments arising from AWF direct investment project funding		€30 million	Too early to achieve this result since no projects yet completed
<b>All Sub-sectors:</b> Strategic and innovative investment in small scale projects, with improved technologies and approaches widely adopted.	Number of pilot projects that are scaled up.		2 projects scaled up	Too early to achieve this result since no projects yet completed
<b>Water Supply and Sanitation:</b> Increase in meeting basic needs for safe water and sanitation through direct investments	Number of people with sustainable access to an improved water source from AWF investments.	3 projects underway for 20,000 people	160,00 people <i>5 projects underway benefiting 48,000 people.</i>	Another 5 water supply related projects to be approved in 2008, benefiting about 140,000 people <i>Under Implementation: Djibouti, Kenya, Rwanda, Uganda (2)</i>
	Number of people with access to improved sanitation from AWF direct investments.	3 projects underway for 20,000 people	140,000 people <i>3 projects underway benefiting 35,000 people.</i>	Another 5 sanitation related projects to be approved in 2008, benefiting about 120,000 people <i>Under Implementation: Kenya, Uganda (2)</i>
<b>Water for Productive Uses:</b> Increased quantity and productivity of water for agriculture and food security.	Direct contribution or catalytic role of AWF projects to water productivity for food production	2 projects underway	3 projects underway <i>2 projects underway</i>	<i>Under Implementation: Botswana, Rwanda</i>
	Size of irrigated area attributed to AWF investments – direct or catalytic	One project in progress 27,000 ha	37,000 ha <i>2 projects underway 37,000 ha</i>	<i>Under Implementation: Botswana, Mozambique</i>
Adequate water for industry, energy & transportation uses at national level.	Direct contribution or catalytic role of AWF projects to development of water for industry etc.			No relevant projects yet.
<b>Programme/Project Preparation:</b> Increased number of quality water sector proposals prepared and submitted for funding	Amount of donor funds provided to projects/programmes as result of AWF preparation	4 projects underway	€200 million for 4 Projects <i>14 projects underway</i>	Too early to achieve this result since no projects yet completed.
	Amount of private sector capital investments arising from AWF project preparation support.		€50 m <i>2 projects underway</i>	Too early to achieve this result since no projects yet completed.

<b>Strengthening the Financial Base</b>				
<b>OUTCOMES:</b> RMCs and regional organisations benefit from increased financial resources	Overall amounts of water sector investments in RMCs and RECs arising from AWF activities		€100 million	No relevant projects yet.
<b>Improved Environment for Sustainable Financing</b> Policies, strategies and financing plans prepared to mobilise resources from customer base and investments from service providers.	Number of RMCs with effective water financing plans and equitable pricing policies			No relevant projects yet.
	Increase in domestic government water sector budgetary allocations across all RMCs		€200 m	No relevant projects yet.
	% of public utilities operating on a financially sustainable basis without government subsidies			No relevant projects yet.
<b>Increased Access to Financing</b> Improved availability and access to funds by private sector, government and other sub-sovereigns bodies.	Number of RMCs with policies for access to financing by local gov. & sub-sovereigns			No relevant projects yet.
	Amount of micro-credit made available for SMME, NGOs resulting from AWF co-financing		€10 m tbd	<i>Under Implementation: Burkina Faso (as part of project preparation)</i>

Components/Outputs	Performance Indicators	2007 Actual	2008 Planned <i>Actual to 30June</i>	Comments Relevant Projects
<b>Improving Water Knowledge</b>				
<b>OUTCOMES:</b> Increased capacity for informed decision making at all levels and across all stakeholders to guide water sector development planning and implementation.	Improvement in type and quality of data and information used for planning and implementation in RMCs and RECs.	1 RMC 4 RECs RBOs benefiting from improved info.	3 RMCs, 8 RBOs /RECs benefiting <i>Under implementation in 1 RMC and 4 RBOs</i>	<u>Under Implementation:</u> CICOS, Ethiopia, IGAD, NBA, OSS, and Burkina and Senegal (as part of NWRM projects)
<b><u>Information Management</u></b> Status assessments completed in all RMCs to establish baseline and plan interventions.	Number of countries/regions covered by situation assessment	Underway for 10 RMCs	<i>Synthesis completed in 10 RMCs</i>	Synthesis of water information assessment studies completed in May 2008.
Standards and mechanisms established, and information management systems operational in RMCs, RBOs and RECs.	Progress in establishing or strengthening national/regional information systems	1 RMC 4 RBOs/RECs	5 RMCs; 4 RBOs/RECs <i>Under implementation in 3 RMCs and 4 RBOs</i>	<u>Under Implementation:</u> CICOS, Ethiopia, IGAD, NBA, OSS, and Burkina and Senegal (as part of NWRM projects)
<b><u>Monitoring and Evaluation:</u></b> Status assessments completed in all RMCs to establish baseline and plan interventions	Number of country/regional situation assessments.	Assessment underway in 5 RMCs and 3 RBO	Completed <i>Assessment completed in 5 RMCs</i>	Undertaken as part of pan-African water sector M&E assessment.
M&E systems and reporting mechanisms established and in operation at national and regional level.	Development of a framework for a Pan-African approach to water sector M&E		Underway <i>Initial study completed.</i>	Undertaken in May 2008 as part of pan-African water sector M&E assessment. Other studies are planned.
	Progress in establishing or strengthening national/regional M&E system		Underway in 5 RMC, 1 RBO	Dialogue and preparation ongoing for a large M&E project for 6 RMCs in North Africa.
	Number of countries regularly monitoring achievements in meeting targets and reporting.		tbd	To be determined from planned assessments.
<b><u>Knowledge Generation and Dissemination</u></b> Research and learning activities generating water wisdom.	Progress in establishing or strengthening regional or national knowledge-based organisations, programmes or research institutions		1 RMC, 1 REC	

Components/Outputs	Performance Indicators	2007 Actual	2008 Planned <i>Actual to 30June</i>	Comments Relevant Projects
<b>Organisational Activities</b>				
<b>OUTCOMES:</b> Implementation of AWF Operational Programme proceeding as planned with projects processed quickly.	Amount of annual disbursements	€8.5 m	€20 m <i>€0</i>	
<u><b>Partnerships and Communications</b></u> Closer working relationships established	Number of partners jointly participating in the implementation of AWF projects and activities	50 partners	150 Partners <i>tbd</i>	500 Partners
Outsourcing of AWF projects/programmes	Number of outsourcing arrangements		2 outsourcing <i>5 outsourcing</i>	Bank Field Offices to be involved in project implementation; namely, ETFO, UGFO, SNFO, GHFO, EGFO
Participation in conferences and meetings	Participation in conferences/meetings	10 conferences	20 Conference <i>tbd</i>	To be quantified
Information disseminated, events reported in press	Number of communication products	10 press releases	24 press releases <i>6 press releases</i>	One Press Release for each project approved
<u><b>Providing Assistance to AMCOW</b></u> AWF supporting AMCOW in providing sector leadership and coordination at all levels.	% of staff time spent on providing assistance to AMCOW	2% estimated	3% <i>4.1% estimated</i>	Coordinator = 5%, Woudeneh = 20%, Akari = 5%, Badstue = 0%, Blomberg = 15%, Kedaj /Damhaug /Schattauer = 0% , Ossete/Outagerouine/Tourino = 0%
<u><b>Operational Management and Support</b></u> Projects efficiently processed	Number of project approvals per year	15 approvals	34 Project approved <i>6 projects approved</i>	Due mainly to AWF staff shortages and inadequate funds
	Average time from approval to 1 <sup>st</sup> disbursement	6 months	5 months <i>6 months</i>	
Operational support initiatives provided	Number of workshops organised in support of operations	10 workshops	10 workshops <i>13 workshops</i>	3 SAP Training Workshops for AWF Staff; 4 Procurement and Disbursement Training Workshops for AWF Staff ; 4 Regional Procurement and Disbursement Training Workshops for Project Managers; 2 Training Workshops for FO Staff
Operational instruments prepared and procedures streamlined.	Progress in completing operational instruments and procedures	3 completed	1 instrument completed <i>In progress</i>	Operations Manual to be completed in 2008
<u><b>Planning and Implementation</b></u> Adequate financial resources available to the AWF	Amount of annual payments into AWF Special Fund	€10.3 m	€27.7 m <i>€11.0</i>	
Adequate human resources in place	Number of professional staff	9 staff + Coordinator	15 staff <i>10 staff</i>	End June: PL=5; TA=4; YP=1

## ANNEX 6: AWF FUND ACCOUNT - PRELIMINARY FINANCIAL STATEMENT AS AT JUNE 30 2008

<u>STATEMENT OF FINANCIAL POSITION</u>	<u>EUR</u>		<u>EUR</u>	
	As at June 30 2008		As at December 31 2007 (audited)	
<b>Contributions</b>				
Austria	439,197.00		308,197.00	
Canada	8,674,807.20		6,818,026.86	
Denmark	3,520,104.95		3,520,104.95	
European Commission	9,129,600.00		0.00	
France	9,600,000.00		9,600,000.00	
Norway	4,131,626.69		4,131,626.69	
Sweden	4,838,148.55		4,838,148.55	
Total Contributions	40,333,484.39		29,216,104.05	
Add: Net interest earned & investment income	1,733,237.30		1,186,963.02	
<b>Total funds available</b>		<b>42,066,721.69</b>		<b>30,403,067.07</b>
<u>Less: Disbursements</u>				
Administrative expenses component (see next page)	(2,305,331.02)		(1,811,219.75)	
Project support component (see Annex 2)	(8,525,094.65)		(8,227,003.00)	
		(10,830,425.67)		(10,038,222.75)
<b>Funds available</b>		<b>31,236,296.02</b>		<b>20,364,844.32</b>
<b>REPRESENTED BY:</b>				
Cash in bank		349,392.17		536,816.57
Investments		31,000,000.00		20,030,000.00
Less: Net amount payable		(113,096.15)		(201,972.25)
<b>Fund balance</b>		<b>31,236,296.02</b>		<b>20,364,844.32</b>
<u>STATEMENT OF COMMITMENTS</u>				
	<u>EUR</u>		<u>EUR</u>	
	As at June 30 2008		As at December 31 2007 (audited)	
<b>Total funds available</b>		<b>42,066,721.69</b>		<b>30,403,067.07</b>
<u>Less: Commitments</u>				
Administrative expenses component (see next page)	(7,096,911.66)		(4,875,526.66)	
Project support component (see Annex 2)	(30,628,256.00)		(24,130,256.00)	
		(37,725,167.66)		(29,005,782.66)
<b>Total funds available for commitment</b>		<b>4,341,554.03</b>		<b>1,397,284.41</b>

**ADMINISTRATIVE EXPENSES COMPONENT DISBURSEMENT AS AT JUNE 30, 2008**

**(Expressed in EUR)**

<b>Codes</b>	<b>Project Title</b>	<b>Amount Allocated</b>	<b>Amount Disbursed at 31/12/07</b>	<b>Expenses 01/01 - 31/03/08</b>	<b>Expenses 01/04 - 30/06/08</b>	<b>Expenses 01/07 - 30/09/08</b>	<b>Expenses 01/10 - 31/12/08</b>	<b>Total Expenses for the year</b>	<b>Advances* at 30/06/08</b>	<b>Total Amount Disbursed at 30/06/08</b>	<b>Undisbursed Balance</b>
402639	Staff Missions for Operations Activities	850,000.00	186,520.43	42,669.21	27,382.73			70,051.94	4,750.00	261,322.37	588,677.63
402640	Consultancy Services - Individuals	1,400,000.00	572,848.76	53,420.13	96,220.32			149,640.45	-	722,489.21	677,510.79
402671	Workshop and Seminars	1,400,000.00	477,116.79	4,788.69	57,692.57			62,481.26		539,598.05	860,401.95
402672	Governing Council Meetings	260,000.00	118,361.10	477.11	62,580.60			63,057.71	-	181,418.81	78,581.19
402673	Resources Mobilisation	150,000.00	-		14,686.19			14,686.19	-	14,686.19	135,313.81
402674	Consultancy Services - Firms	1,797,000.00	24,390.00		17,810.01			17,810.01	-	42,200.01	1,754,799.99
403693	Communication	100,000.00	-		1,274.58			1,274.58	-	1,274.58	98,725.42
403194	AWF Audit fees	6,000.00	3,000.00					-	-	3,000.00	3,000.00
	<i>Sub-total Organisational Activities</i>	<i>5,963,000.00</i>	<i>1,382,237.08</i>	<i>101,355.14</i>	<i>277,647.00</i>	<i>-</i>	<i>-</i>	<i>379,002.14</i>	<i>4,750.00</i>	<i>1,765,989.22</i>	<i>4,197,010.78</i>
402591	Austrian Water & Sanitation Specialist	436,612.00	163,702.91	12,424.00	27,604.35			40,028.35	-	203,731.26	232,880.74
402611	Norwegian Water Resources Mgt Specialist	393,031.00	216,705.97	23,796.48	20,361.00			44,157.48	-	260,863.45	132,167.55
403351	Danish Socio-economist/gender Specialist	304,268.66	46,273.79	17,253.44	11,219.86			28,473.30	-	74,747.09	229,521.57
	<i>Sub-total Technical Assistants **</i>	<i>1,133,911.66</i>	<i>426,682.67</i>	<i>53,473.92</i>	<i>59,185.21</i>	<i>-</i>	<i>-</i>	<i>112,659.13</i>	<i>-</i>	<i>539,341.80</i>	<i>594,569.86</i>
	<b>TOTAL</b>	<b>7,096,911.66</b>	<b>1,808,919.75</b>	<b>154,829.06</b>	<b>336,832.21</b>	<b>-</b>	<b>-</b>	<b>491,661.27</b>	<b>4,750.00</b>	<b>2,305,331.02</b>	<b>4,791,580.64</b>
	*Advances represent disbursements for which justifications have not been received at June 30, 2008										
	** Three TAs are paid through the fund account. The other two, funded by France and the UK, are paid through other mechanisms										