



QUARTERLY PROGRESS REPORT NO. 4
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African Water Facility | Facilité africaine de l'eau

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1 INTRODUCTION

1.1 The purpose of this Quarterly Progress Report is to inform all stakeholders on the status of progress on the various operational and organisational activities being undertaken by the AWF for the period of July to September 2007. 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. It starts with a discussion on the progress made during the quarter, on coordination and organisational activities undertaken to consolidate the AWF, including the human resource capacity of the AWF, preparation of operational instruments, project support initiatives and outreach activities. The core operational activities are examined next, with focus on the status of project approvals and appraisals. The financial status of the AWF is then reviewed, along with a discussion of critical financing issues. The fourth section presents a brief summary of the key results in the quarter, highlighting the main achievements and challenges facing the AWF in meetings its operational objectives, and ends with a preview of the results expected during the fourth quarter. The report ends with the conclusion that progress is broadly in line with the targets from the 2007 Operational Programme.

2 OPERATIONAL STATUS AND ACHEIVEMENTS

2.1 The Operational activities consist of the various projects/programmes implemented with the support of the AWF. It also includes the associated support initiatives which are financed from AWF internal funds and implemented directly by AWF staff. The status of operational activities summarised here includes a review of project processing, focusing on project appraisal activities, followed by a review of project commitments and disbursements to date, and ends with a brief overview of the balance of all the projects in the portfolio.

2.1 STATUS OF PROJECT PROCESSING

2.1.1 The processing of projects through the appraisal and approval stages continues to proceed without any significant problems. Table 2.1 below presents a summary of projects under processing by the AWF in the last quarter. A more detailed description of the projects which were approved during the quarter, or which are under review for approval or appraisal as of 30th September, is shown in Annex 1 and 2.

2.1.2 As can be seen, 3 projects were approved (€4,437,000), and another 4 more (€3,978,367) have been appraised and are currently under review for approval by either the Director, the President or the Board - depending on project amount. Another 7 projects (€5,585,000) are being appraised as of the end of September, with all 7 expected to be ready for approval before the end of 2007. However, project approvals may soon have to be put on hold pending release of additional funding from donors, since the available funds on hand is only €1.75 million as of the end of September (see Section 4.4 for details).

Table 2.1 Status of project processing during the quarter (amounts in Euro)

Projects Approved in Last Quarter (July to Sept.)	Amount
Central African Republic: Support to a water supply and sanitation study and priority investment project preparation for the 16 district capitals of RCA.	1,438,000
Congo (Brazzaville): Support to a water supply and sanitation study and priority investment project preparation in Brazzaville and Pointe Noire.	1,419,000
Senegal: Implementation of the IWRM Action Plan for Senegal.	1,580,000
TOTAL: 3 projects approved	€4,437,000
Projects Under Review for Approval as of 30th September	Amount
Egypt: Comprehensive Study and Project Preparation for the Rehabilitation of the Nubarria and Ismailia Canals	1,900,000
Mauritania: Formulation of IWRM and land use plan.	500,000
Mozambique: Integrated Study And Project Preparation For Cofamosa Irrigation Project	1,178,000
Tanzania: Arusha Strategic Sanitation Plan Preparation	400,000
TOTAL: 4 projects under review for approval (subject to availability of adequate funds)	€3,978,000
Projects Under Appraisal as of 30th Sept. (for approval next quarter)	Amount
Ghana: Innovative technologies for low cost integrated water and sanitation project for poor communities.	300,000
Ghana: Effective innovative water supply and sanitation management for urban poor: Public/Private/NGO Partnership.	500,000
Liberia: Water sector reform action plan.	1,257,000
Liberia: Monrovia expansion and rehabilitation of 3 county capitals water supply and sanitation study.	1,520,000
Mozambique: Sustainable access to water and sanitation, and hygiene practices enhancement, in three rural districts.	1,100,000
Seychelles: Water development plan 2008-2030	558,000
Tanzania: Provision of WSS for rural communities in Kongwa and Chamwino districts, Dodoma Region	350,000
TOTAL: 7 projects under appraisal for approval before the end of 2007 (subject to availability of adequate funds)	€5,585,000

2.2 PROJECTS APPROVED VS PLANNED IN 2007

2.2.1 The number of projects that were planned to be approved in 2007, based on project commitments for core programme as shown in the 2007 Indicative Financing Programme, totalled 47, amounting to €42.6 million. In comparison, a total of 11 operational activities comprising projects and strategic regional initiatives have been approved so far in 2007, at a total investment of about €10.9 million (see Table 2.2). The 4 projects that are awaiting approval as at the end of September 2007, and the 7 projects that are under appraisal and expected to be approved in the next quarter, will bring the total number of project approvals to 22 for the year, amounting to €20.5 million.

2.2.2 Both the total number and amount of projects expected to be approved are short of expectations. This is mainly due to inadequacy of funds released from earlier commitments as well as shortage of staff and skills in the Facility.

Table 2.2 Projects approvals in 2007 vs. planned (million Euros)

Area of Intervention	2007 Planned ¹		2007 actual to 30 th Sept.		Total Expected Approvals in 2007	
	No.	Amount	No.	Amount	No.	Amount
IWRM	14	9.9	2	2.3	4	4.0
TWRM	6	5.1	2	2.9	2	2.9
Small Scale Project Investments	12	11.7	2	1.6	7	5.1
Programme/Project Preparation	2	1.0	4	3.7	8	8.1
Information and Knowledge	9	10.7	1	0.5	1	0.5
Monitoring and Evaluation	4	4.2	0	0	0	0
TOTAL OPERATIONAL	47	€42.6	11	€10.9	22	€20.5
% of planned					47%	48%

1) Amounts for 2007 based on project commitments for core programme as shown in the 2007 Indicative Financing Programme.

2.3 PROJECT COMMITMENTS AND DISBURSEMENTS

2.3.1 Project approvals and commitments are proceeding smoothly. The fast track approach aimed at by the AWF is being realised in practice. Project appraisal process has been streamlined, with well prepared project applications by recipients taking only a few weeks to appraise. In addition, projects are normally being approved within one month of date of completion of appraisal (average time 21 days), and signature agreements are normally processed quickly. As of the end of September, a total of €19.9 has been committed on 25 projects approved (see Table 2.3). Given the large number of projects under the approval and appraisal process (see Section 3.1), it is expected that total commitments will rise to €29.5 million by 31st December 2007 (depending on availability of funds).

2.3.2 Project disbursements are also proceeding well. Table 2.3 presents the disbursement profile for each of the four quarters of 2007. An amount of €6.0 million has been disbursed up to the end of September on 17 projects which are grant effective. Processing of the first disbursement for an additional 8 projects (€2.53 million) is underway, which will result in total disbursements of €8.5 million by year end. The total of 17 projects which are grant effective represents 68% of the 25 projects approved, and the amount of €6.0 million dispersed is 30% of that committed.

Table 2.3 Project Commitment and Disbursement Profile

	Commitment and Disbursement Profile					
	2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007 planned	2007 Total
Approvals						
Number Projects Approved	14	1	7	3	11	22
Cumulative Number Approvals	14	15	22	25	36	
Commitments (€ million)						
Total Amount Committed	9.0	0.5	6.0	4.4	9.6	20.5
Cumulative Commitments	9.0	9.5	15.5	19.9	29.5	
Disbursements (€ million)						
Total Amount Disbursed	0.16	0.70	1.6	3.5	2.5	8.3
Cumulative Disbursements	0.16	0.86	2.5	6.0	8.5	

2.3.3 Project disbursements are now flowing more smoothly due to actions taken to overcome various problems with initiating administrative procedures between the AWF and the Bank. The average time from approval to first disbursement (grant effectiveness) is currently about 120 days, with a large variance ranging from about 60 days for some projects to over 200 days for others. All the projects which have been able to quickly disburse funds (in 60 days or less) are those that have been recently approved, indicating that streamlined AWF internal procedures are now in place to enable fast tracking of disbursements. The few problematic projects have been delayed to the lack of timely response by the beneficiaries in meeting disbursement conditions. Following up on these issues is proving to be very time consuming for AWF task managers, with frequent communications required or the occasional field mission to the country.

2.3.4 However, the process can still be improved upon, particularly legal processing, and in this regard discussions are underway for the appointment of a short term legal officer to the AWF (pending the recruitment of a full-time legal officer in 2008). In addition, the ability of the beneficiaries to meet project disbursement conditions will require building the capacity of Recipients early in the project cycle to resolve.

2.4 DISTRIBUTION OF PROJECTS IN THE PORTFOLIO

2.4.1 The AWF has received, screened and placed in the pipeline a total of 56 project proposals since January 2006, totalling approximately €52.25 million. A breakdown by area of intervention of all the 56 projects, along with budget, is shown in Table 2.4. There is a good balance in project proposals across the main areas of intervention identified for AWF involvement, and also under each of the sub-components. However, certain categories of activities are showing a strong demand at this stage, namely National IWRM, investment for water supply and sanitation, project preparation, and information and knowledge categories.

Table 2.4 Summary of Projects in the Portfolio (Approved, Under Processing or in the Pipeline)

Operational Projects and Programmes	Number	Approx. Budget (Million Euros)
NWRM	12	9.09
TWRM	5	5.23
Investments - Water Supply, Sanitation and Hygiene	10	10.22
Investments - Agriculture and Food Security	4	2.95
Programme/Project Preparation	12	10.82
Information and Knowledge	12	10.24
Monitoring and Evaluation	1	3.70
TOTAL	56	€52.25

2.4.2 The regional distribution of the proposals received so far by the AWF is as shown in Table 2.5. As can be seen, the Northern, Southern and Central regions are under-represented based on the number of proposals received and their monetary value. The AWF is planning on undertaking additional activities in line with the Communication Strategy to create awareness and promote submission of proposals from these regions.

Table 2.5 Regional Distribution of Projects in the Portfolio

Region	Number of Proposals Received	Amounts (Euro)
Multi-Regional	11	10,192,000
Western Africa	17	13,038,000
Eastern Africa	12	12,216,000
Southern Africa	7	5,142,000
Central Africa	6	5,566,000
Northern Africa	3	6,100,000
Total	56	€52,254,000

3 ORGANISATIONAL ACTIVITIES AND ACHEIVEMENTS

3.1 This section reports on the various coordination and partnership activities and support to AWF operations. This includes building the human resources capacity of the AWF, the preparation of strategies and operational instruments, and undertaking many important outreach, partnership and communication activities.

3.1 HUMAN RESOURCES

3.1.1 The status of staffing and the organizations seconding staff to the AWF remained unchanged from the second quarter of 2007. As well, staff members from the Water and Sanitation Department and other Bank Departments and Units have continued to contribute significantly to the Facility's activities in areas of project identification, appraisal and review, processing of disbursements and implementation support.

3.1.2 The staff recruitment drive continued in the quarter to increase the staffing capacity of the Facility. The status of recruitment is as follows:

- The recruitment process in respect of two additional water experts seconded by the Bank for the Facility was completed during the quarter, with both candidates to start work in October.
- DFID (The United Kingdom Department for International Development) supported position of the Financial Management Specialist has been completed with the finalisation of the contract agreement. The selected candidate is expected to start work in November 2007.
- Denmark's proposed secondment of a Socio-economist/Gender Specialist has been completed and the selected candidate will start work early in October 2007
- Requests for extension of the positions of the three seconded TA professionals whose contracts end this year has been made to their respective donor countries (Austria, France and Norway).

3.1.3 The result of the above recruitments will result in the addition of four professional staff to the Facility in the next quarter, bringing the total number of full-time professional staff under the Coordinator to nine. This will help to reduce the pressure of the work and create capacity to handle more activities. The AWF will continue its discussions with other potential donors who have indicated interest to second Technical Assistance professionals to enhance the range of expertise available to the Facility. In this regard, discussions between the bank and the Government of Egypt continued during the quarter regarding Egypt's proposed secondment of a Water Resources Specialist.

3.1.4 To better assess and plan for the future needs, the AWF has prepared a Staffing Strategy as part of the broader review of its Operational Programme (see paragraph 3.2.13). Over the longer term, staffing needs are significant. The task of assisting recipients to prepare projects which offer value, the small size of most of these projects, the wide range of eligible beneficiaries including NGOs, the need to ensure the effective implementation of the ever increasing numbers of ongoing projects, and the large number of partnership building activities, all underline the need for increased numbers of professional staff and range of expertise. In particular, there is an urgent need for professional level project support staff to handle legal, procurement and grant administration tasks.

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 internal administrative funds. These include:

Participation in workshops related to AWF projects:

3.2.2 AWF staff participated in workshops that are directly related to projects that the AWF are supporting. These included:

- The AWF provided support to CICOS for the preparation of a workshop of technical experts from the Congo basin riparian countries to review and finalize a situation assessment on Integrated Water Resource Management in the Congo Basin. The workshop was held on September 14, 2007 in Kinshasa, DRC, with an AWF

representative in attendance. The AWF covered all the workshop expenses, with technical and logistical support provided by the ADB office in Kinshasa.

- Participation in the final workshop of the ESA-TIGER AQUIFER project (5-6-7 September 2007, Tunis) as part of the GEO-AQUIFER project supervision activities. This is a project designed by the ESA-TIGER Initiative to pilot the use of Earth Observation in water management, with the SSO as the coordinating body of the project. The workshop findings will be incorporated into the GEO AQUIFER project and will form the basis for the collaboration of Algeria, Libya and Tunisia in their shared groundwater resources.

Undertaking status assessments:

3.2.3 The AWF is working with partners in undertaking important assessments of the status and need for various types of interventions. Activities in the last quarter included:

- Procurement of consultants to undertake the pan African Assessment of M&E in the Water Sector. A consultant has been selected and contract negotiations were underway as of 30th September 2007. The study will take place in the fourth quarter.

Project preparatory and appraisal activities:

3.2.4 AWF staff and consultants - and at times AfDB - regularly undertake missions and engage in various other important activities related to project identification, preparation and appraisal. Highlights of some significant activities that were done in the third quarter of 2007 include:

3.2.5 *Missions:* Some of the missions undertaken in the last quarter include:

- An AWF mission visited Kinshasa from Sept 12-15 and discussed with CICOS on the progress of preparatory activities for two projects i.e. i) Preparation of the Strategic Action Plan for the sustainable water resources management of the Congo River Basin ii) Strengthening the information and knowledge capacity of CICOS for the water resources management of the Congo River Basin. The mission ascertained that CICOS has action to prepare the office of the consultancy services as well as establish a procurement committee to follow-up project procurements.
- Mission to Djibouti from 19 to 30 September 2007 in response to a request by the Government of Djibouti for AWF support. The main outcome of the mission was the identification of a project to support water harvesting and storage for domestic consumption, livestock watering and agriculture in the rural areas of Djibouti. The project will be appraised in the fourth quarter.
- An AWF mission was carried out to Burkina Faso from 22 September to 6 October. This is a good example of how the Facility attempts to efficiently use staff time by combining many activities in one mission, with the following tasks undertaken by one person: (i) DGRE: Appraisal of Project for reinforcement of capacity for Monitoring and Evaluation of water resources and users in Burkina Faso; (ii) VBA: Appraisal of Support to Volta Basin Authority for the implementation of the Volta-HYCOS project; (iii) 2iE: Identification of Support to the International Institute of Water and Environmental Engineering; (iv) Ouagadougou City Council: Identification of Feasibility Study on storm water drainage and solid waste management in

Ouagadougou; and (v) Participation in the 2nd Steering Committee Meeting for the Volta-HYCOS project. In addition the mission included the following arising matters: (vi) ECOWAS submission of a new tentative proposal for funding of a water information project in Cap Verde, (vii) meeting with ARID on an existing request to AWF, (viii) Project Completion Report for the AWF Support to the Creation of VBA, (ix) possible de-blocking of the EIER-ETSHER project on strengthening of Decentralised IWRM in Mali that was put on hold in 2006.

- Mission to the Lake Victoria Basin Commission for the Appraisal of the WATSAN Initiative Preparation Project, from September 19, 2007.

3.2.6 ***Desk Appraisals and Processing for Approval:*** Eleven projects were under appraisal as of the end of September. All of these appraisals are expected to be completed by the end of 2007, and approvals granted.

3.2.7 ***Screening Projects to place in pipeline:*** Some new projects were identified and initially screened for placement in the pipeline. As some examples, they include project proposals from NETWAS Uganda and ECOLINK South African, which were reviewed and recommendations made to redesign them to better align with the AWF mandate.

3.2.8 ***Approvals:*** Three projects were approved during the quarter, thereby entering a pre-implementation phase consisting of ensuring Signature of Grant Protocols and assuring fulfilment of conditions of Effectiveness and First Disbursement. The concerned projects are briefly described in Annex 1.

Project Implementation, Supervision and Monitoring:

3.2.9 As the number of approved projects increase, a new set of activities is increasingly becoming important- that of expediting projects to ensure that approved projects have signed Protocol Agreements, and that these projects become grant effective and disbursement begins. This has taken a significant part of staff time during the reporting quarter, particularly for liaison with recipients to assist them in meeting AWF conditions for disbursement. To assist in these activities, the Facility recruited a consultant to aid with the initial unblocking of disbursements and the processing of documents through the Bank's financial, legal, procurement and project management systems.

3.2.10 For those projects which have gone past first disbursement the next challenge is to ensure adherence to schedule and attainment of objectives within the budget, while respecting the conditions of the Agreement, in particular with regards to procurement and disbursement. This will require staff time to follow up recipient's progress reports and undertake supervision missions where required. The AWF is in the process of recruiting auditing firms in each country with active projects, in order to audit all projects for conformance to AWF procedures before the release of second disbursements.

Preparation of Strategies and Operational Instruments

3.2.12 The ongoing preoccupation of the AWF in 2007 is the development of the operational instruments and internal capacity building. This consists of revision of the Operational Programme and preparation of the Operations Manual, Operational Procedures and Application Format. Related activities in the last quarter include:

3.2.13 Operational Programme: The process for the revision of the AWF Operational Programme is proceeding as planned. In the past quarter, a Stakeholders' Workshop for Reviewing the AWF Operational Strategy and 3 Year Indicative Work and Financing Programme was held at the UN Conference Centre, Addis Ababa Ethiopia, from the 18th to 20th September 2007. The workshop was attended by representatives of AMCOW TAC, UN Water Africa, Regional and River Basin Organizations, NEPAD, GWP, Governments, donors and partners. The stakeholders reviewed the experiences of the AWF operation during past two years, and discussed pertinent issues focusing on the proposed long and short term strategies and actions, and the short term 2008-2010 programme. The observations and comments made by the meeting have been used to revise the documents, which will now be submitted to the GC for review and approval at its meeting of 31st October.

3.2.14 Revision of the Operational Procedures: During the quarter, revision of Operational Procedures continued. The draft has now been internally reviewed and finalised for submission to the AWF Governing Council for review and endorsement at its meeting of 31st Oct. The revised document will then be submitted to the Board of the Bank for approval before the end of the year.

3.3 OUTREACH AND PARTNERSHIP ACTIVITIES

3.3.1 The AWF has been involved in several activities to strengthen its regional and international relationships and to forge cooperation and good working relationship with other actors in the African water sector.

3.3.2 Participation in other workshops and conferences: AWF staff have participated in several consultative workshops and conferences to foster co-operation, harmonize activities, and consolidate partnerships. These include:

- Participation in the Stockholm water week (09-16 August 2007). AWF representatives were involved in many of the workshop and meetings, including: i) Workshop on CSD-13 monitoring approach (9-10 Aug.); ii) Sustainable Sanitation Alliance Workshop (11-12 Aug.); iii) Participation to the 2nd meeting of the EU Water Initiative – Africa Working Group (13 Aug.), where AWF staff provided updated information on AWF achievements. The AWF also co-organised with the WSP-Af, Uganda and Senegal, a side event on Sector Information and Monitoring Systems, held on 14th Aug.
- Participation in the 6th Petersburg Round Table on Tran-boundary Water Cooperation on Africa, held from 24-26 September 2007 in Bonn, Germany 2007. Under the theme 'From Agreement to Investment – how to Put measurable Value on Transboundary Water Cooperation in Africa', the roundtable provided the platform for deep and wide ranging deliberations on all aspects of transboundary water management in Africa by representative of all stakeholders present (Governments, River Basin Organization, Financial Institutions, Civil Society and the UN Agencies). The AWF Director chaired the Plenary Session on *Financing of Transboundary Water Projects*, and an AWF representative presented a paper titled "*Financing Cooperation on Transboundary Water Resources Management*". A poster presentation on the AWF was also prepared.
- Participation in the expert panel discussion about sanitation issues and ongoing sector activities in the context of international development cooperation alongside the

Exhibition “Water is Life, Sanitation is Dignity“, held in Vienna on 27th September under the auspices of the Austrian Development Agency (ADA). An AWF representative reported on the Facility’s engagement in the field of ecological sanitation.

3.3.3 Representation on governing bodies or involvement in task forces: Senior staff of the Facility are represented on various Board of Governors of major regional and international organisations, and are involved in Bank task forces as well as special-purpose global/regional task forces. These are significant roles since it promotes partnerships, provides a forum for dissemination of project generated knowledge, and enables the AWF to influence the policies and direction of the African water agenda. In the past quarter, AWF representatives have participated in the following related activities:

- Participation in the 2nd Steering Committee Meeting for the Volta-HYCOS project, as part of a mission to Burkina Faso from 22 September to 6 October.
- Task Force Member inputs were provided on the Bank’s "Clean Energy and Development Framework", and "Preparation of RWSSI Achievement and Sanitation Assessment Reports"
- Actively participated in the Bank led consultancy on Water Information and Data Management System, from 19 September to 19 October 2007. The consultancy, funded by the Bank Water Partnership Programme, aimed at assessing the existing information available within the Bank Departments and hosted programmes and units, and at proposing a framework to enhance the management of this information.

3.4 RESOURCE MOBILISATION ACTIVITIES

3.4.1 The AWF has developed a Resources Mobilization Strategy which clearly sets out how the targeted resource requirements of the AWF will be mobilized, and defines the associated roles for the AWF, AfDB, AMCOW and the Governing Council. The Strategy outlined a number of strategic directions for the AWF to follow in its resource mobilization efforts. Since its approval by the GC in 2006, the Strategy has generally served as a guide for implementation of resource mobilisation activities by the Facility. The key components of the strategy that have received focus in the past quarter are highlighted below.

3.4.2 An *Indicative Operational Programme for 2008 to 2010* has been drafted. This document presents in detail the implementation plan and associated resource requirements over the next 3 years. It will be submitted to the GC for review and approval at its 31st Oct meeting. Once approved, the Programme will be an important component of resource mobilisation efforts.

3.4.3 Meetings have been held with various donors in the past quarter, including:

- Meeting with donor representatives that attended the Stakeholders Workshop in Addis on Sept 20, 2007. These included EU, Austria, France and Germany. The agenda was twofold: i) to discuss the three-year financial requirement for the AWF programme for 2008-2010; and ii) to discuss the timing of a high level meeting to mobilise resources for the 2008-2010 programme.

- Engaged with Austria in support discussions - agreement was reached to extend the TA arrangement for 2 more years starting from Nov. 2007. Discussions also centered on increased financial contributions to the Facility.
- Meeting with USAID and Finish ministry of foreign affairs during the Stockholm water week in September.

3.4.4 Numerous letters have been prepared and sent to various donor countries in Africa, Europe and the Middle East and Asia.

3.4.5 As one of the outcomes of the Addis meeting on 20th Sept., it was agreed that a high-level Resource Mobilisation meeting should be held in conjunction with the upcoming Africa Water Week, in March or April 2008, in order to secure funds for the 2008 to 2010 period in support of the 3 year Operational Programme. In particular, discussion should be initiated with various African countries to secure their contributions to the AWF Special Fund, taking into account their respective capacities. Expanding the financial base of the AWF to include resources from other donors and potential sources, such as foundations, should also be pursued.

3.4.6 In advance of the high-level meetings, a Technical Committee meeting should be held later in November or early December, 2007. Arrangements for this are underway. It will be attended by all the TAC members and donors, including broad representation from potential new donors.

3.5 COMMUNICATIONS ACTIVITIES

3.5.1 The Communications Strategy, which was approved in 2006, has generally served as a guide for implementation of the routine communication activities in the Facility. Some of the key components of the strategy that have received focus in the reporting quarter are highlighted below.

- External communications related to the activities and achievement of the water initiatives are being regularly undertaken to improve the visibility and reaffirm the credibility of the AWF. These include exchange of information with partners and presence at international water events.
- The AWF is continuing to coordinate its communications activities with those of the AfDB Water and Sanitation Department (OWAS) and the Bank in general, thus improving its internal information network. For example, the AWF has been benefiting from OWAS staff missions to disseminate information on AWF mission, mandate and achievements.
- The AWF continues to work at developing and improving its new website, which was launched in October 2006, and can be accessed at www.africanwaterfacility.org. The website serves as the basis for AWF communications and is the priority information channel of Facility.

3.4.2 Full implementation of the Communications Strategy has been hampered by the lack of a Communications Officer for the Facility – the former Officer left the AWF after her contract ended in May. A full-time replacement is planned to be hired in 2008 under the overall AWF staffing strategy.

4 FINANCIAL STATUS

4.1 STATUS OF FUNDING COMMITMENTS

4.1.1 The AfDB maintains a Special Fund for financing project operations and administrative expenses of the AWF. Pledges and payments to the AWF Special Fund have been received from the Governments of Canada, France, Denmark, Sweden, Norway and Austria. As well the EU has made substantial commitments and is expected to make their first payment later in 2007.

4.1.2 As of the end of September 2007, the amount of funds pledged by the various donors for projects to be undertaken by the AWF amounts to €67.1 million, with the amount of funds actually paid (plus interest earned) totalling €235 million (see Table 4.1). For the period under review funds have been received from Sweden (€1,600,000). Discussions with donors indicate that additional payments of €21.1 million will be forthcoming in the remainder of 2007 (from the EU, Canada, France and Denmark).

Table 4.1 Amounts of Donor Pledges and Contributions to AWF Special Fund

	Amount Pledged (million Euro)	Actual Payments up to 30th Sept. 2007	Expected Payments Q4 2007	Total Planned Contributions as of end of 2007
European Union	27.0	0	8.0	8.00
Canada	14.03 ¹	6.82	7.2	14.02
France	12.0	4.80	4.8	9.60
Denmark	5.37 ¹	2.14	1.1	3.24
Sweden	4.84 ¹	4.84		4.84
Norway	3.6 ¹	3.88		3.88
Austria	0.23	0.23		0.23
Interest Earned		0.79		0.79
Total AWF Fund	€67.1	€23.5	€21.1	€44.6

1) Calculated using applicable exchange rate on 15th November 2006

4.1.3 The major outstanding commitment is that of the European Union, who have pledged €27 million (in the past quarter, the EU announced an additional pledge of €7 million, from the initial 20 million). Negotiations between the Bank and the European Commission have been ongoing since 2005 to obtain these funds. In the past quarter these discussions have been successfully concluded, resulting in the approval for release of the €20 million earlier pledged. There is one outstanding condition precedent to releasing EU funds to the Facility, which involves allowing all EU members to participate in the procurement proceedings of the AWF activities. The GECL is taking urgent action to speed up the processing of this procurement condition for Board clearance, which should result in the payment of an initial €8 million in the next quarter.

4.2 AUDIT

4.2.1 The AWF is subject to an annual audit conducted by the external auditors of the Bank. This auditing exercise was completed in July, for the year ended 31 December 2006. The overall conclusion of the auditors was positive, in that the Statement of Financial Position

presents fairly the financial position of the AWF Fund and complies with the terms of the Agreement.

4.3 STATUS OF STAFFING AND ADMINISTRATIVE EXPENSES BUDGET

4.3.1 The Staffing and Administrative Budget comprise various costs incurred by the Facility in order to implement the planned programmes and activities, including salaries and consultant fees, workshops, office expenses, communications, etc. This section presents a review of the status of these budgetary provisions. These include the AWF under its Special Fund, the various types of AfDB support to the Facility, and contributions from other donors for technical assistance.

AWF Staffing and Administrative Expenses Budget

4.3.2 The AWF maintains an administrative budget which categorises expenses according to certain predefined internal categories based on quantifiable inputs. In Table 4.2 below, the amounts planned and utilised under each of the administrative expense categories have been compiled. In total, the AWF has allocated €1,960,000 for administrative expenses in 2007, of which €1,770,000 or 90% of the AWF budget is expected to be utilised by the end of 2007. In general, the expected utilisation is on track for most categories except that for consultancy firms due to the scaling back of the scope of the M&E assessment from that planned. As well, the utilisation for resource mobilisation and communications are also down, due to postponement of the planned resource mobilisation meetings, and the lack of a Communications Officer for most of the year.

Table 4.2 AWF Administrative Expenses Budget for 2007 (in Euro)

Item	Budget Allocation	Actual up to end Sept.07	Estimated utilisation over the last quarter 2007	Total Budget Utilisation for 2007	% Utilisation
Staff Missions	250,000	130,000	100,000	230,000	92%
Consultancy - Individuals	500,000	450,000	100,000	550,000	110%
Consultancy - Firms	600,000	3,150	396,850	400,000	67%
Workshops and Seminars	450,000	387,850	62,150	450,000	100%
Governing Council	60,000	71,560	28,440	100,000	167%
Resources Mobilisation	50,000	0	20,000	20,000	40%
Communications	50,000	0	20,000	20,000	40%
Total AWF	€1,960,000	€1,042,560	€727,440	€1,770,000	90%

AfDB Staffing and Administrative Support to the AWF

4.3.3 The African Development Bank has been providing significant support to the operations of the AWF. In line with the provisions of the AWF Instrument, the Bank is providing a sizeable proportion of the human resources needed to support AWF operations. These are summarised in Table 4.3 along with estimated cost to the Bank which totals €667,000 for 2007.

Table 4.3 AfDB Staff Secondment Contribution to the AWF

	2007
Number of Management Staff ²	2
Number of Professional Staff	4 ³
Number of Support Staff	1
Cost of staff (salary and benefits¹)	€667,000

1) Salary and benefit includes basic salary; home leave, pension, education and medical grants; and dependent and installation allowances (Source: Memo ADB/BG/WP/2004/11 and ADF/BG/WP/2004/09).

2) The budget allocated for the position of director is half of the total cost to the Bank since the position also covers OWAS

3) The two new professional staff are planned to start work in 4th quarter 2007

4.3.4 In addition, the AfDB is providing financial support (mainly related to staff time and professional fees), 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 2007 are detailed in Table 4.4 according to the administrative expense categories used by the AfDB. The total allocation for the year was €215,000, of which all of the AfDB budget is expected to be utilised by the end of 2007.

Table 4.4 AfDB Administrative Expenses Contribution to the AWF (in Euro)

Item	Budget Allocation	Actual up to mid Oct.07	Estimated utilisation over the last quarter 2007	Total Budget Utilisation for 2007	% Utilisation
Missions by AfDB Staff	63,000	52,941	10,059	63,000	100%
Consultant Services	147,000	86,694	60,306	147,000	100%
Hospitality/Entertainment	5,000	725	4,275	5,000	100%
Total AfDB	€215,000	€140,360	€74,640	€215,000	100%

4.3.5 The Bank is also meeting the costs for office space and associated expenses (power, communications, etc.), as well as providing office equipment and furniture. This is estimated as approximately €80,000 for 2007. These are paid for under the AfDB internal operations budget and hence are not budgeted for under the administrative expenses budget noted in Table 4.4.

4.3.6 In addition, there are many types of indirect contributions Bank staff make in support of AWF activities which are not directly budgeted for since they are supplied on an on-demand basis. These include the support provided by various Bank departments in reviewing projects reports and various AWF operational and procedural documents; involvement in preparing appraisal reports; advising, supporting and training AWF staff in administrative and procurement procedures; managing the Special Fund and keeping financial records; providing legal services; attending and contributing to workshops and conferences; and assisting in the coordination of AWF activities from Regional Offices of the Bank. The AWF is also subject to an annual audit which is to be conducted by the external auditors of the Bank.

Donor Technical Assistance Contributions

4.3.7 In addition to financial commitments to the AWF Special Fund, donor organisations make significant in-kind contributions in the form of Technical Assistance (TA). For 2007, Technical Assistance personnel have been seconded to the AWF by Austria, Norway, France, Denmark and DFID, at an estimated cost of about €525,000.

Summary of Staffing and Administrative Expenses Budget

4.3.8 A summary of all financial inputs to meet AWF staffing and administrative expense needs for 2007 is shown in Table 4.5. The total staffing and administrative expenses budgetary utilisation of €3,257,000 amounts to 11.0% of the €29.5 million in active projects which will be in the portfolio by the end of 2008, with the AWF portion at 6.0%, the AfDB contribution at 3.3%, and donor support at 1.8%.

Table 4.5 Summary of Staffing and Administrative Expenses Budget (Euros)

	2007
Total Amount of Projects in Portfolio	€29,500,000¹
Staffing and Administrative Expenses	
AWF	
Administrative Expenses	1,770,000 ²
Sub-total	€1,770,000
Percent Admin. Cost	6.0%
AfDB	
Staffing	667,000 ²
Administrative Expenses	215,000 ²
Office Expenses	80,000 ²
Sub-total	€962,000
Percent Admin. Cost	3.3%
Donors	
Technical Assistance	€525,000 ²
Sub-total	€525,000
Percent Admin. Cost	1.8%
TOTAL ADMIN. BUDGET	€3,257,000
Percent Admin. Cost	11.0%

1) Based on cumulative commitments to end of the year (as shown in Table 2.3)

2) Based on estimated utilization for 2007

4.4 ANALYSIS OF RESOURCE REQUIREMENTS

4.4.1 The projected resource situation of the AWF is shown in Table 4.6. This was developed by comparing operational commitments (as shown in Table 2.3) and administrative expenses (shown in Table 4.5) with the expected payments (as shown in Table 4.1), and the other amounts to be contributed by the AfDB and donors (as described in Section 4.3).

4.4.2 The availability of funds to support operational activities may become a critical issue in the fourth quarter of 2007 if outstanding fund commitments are not received before the end of the year as expected. As shown in Table 4.6, the available balance in the AWF fund of

€1.75 million as of the end of September leaves little margin. Given the planned additional project commitments of €9.56 million in the last quarter, the additional payments from donors are essential. Since the AWF policy directs the Facility to commit only the amount of funds actually available from its account, the AWF will be obliged to stop signing grant agreements once the total amount for committed projects has reached the amounts on hand (project preparation and appraisal activities will continue as planned, however).

4.4.3 The discussion above indicates that it is urgent for donors to make good their existing pledges and expected payments dates for the remainder of 2007 in order for the Facility to continue with project approvals this year and into the first quarter of 2008. To help achieve this, resource mobilisation efforts will be strengthened, following the guidelines of the AWF Resource Mobilisation Strategy (see discussion in Section 3.4).

Table 4.6 Resource Requirement Analysis (€ million)

	2006 Actual	Actual for 2007 up to 30 th Sept.	Amount Planned Q4-2007	Total for 2007
Operational (Project) Commitments	-8.98	-10.93	-9.56	-20.49
Staffing and Admin Budget	-1.80	-2.44	-0.81	-3.26
Payments into AWF Fund	19.40	4.10	21.08	25.18
AfDB Support	0.83	0.72	0.24	0.96
Other Donor TA Support	0.45	0.39	0.13	0.53
Total Contributions	+20.69	+5.22	+21.45	+26.67
Balance over the time period	+9.91	-8.16	+11.07	+2.91
Cumulative balance (funds available)		+1.75	+12.82	

5 KEY RESULTS

5.1 ACHIEVEMENTS

5.1.1 During the third quarter of 2007 the AWF performed satisfactorily in terms of operational and organisational achievements. Some of the main achievements are summarised below:

5.1.2 *Projects efficiently appraised and approved:* The processing of projects through the appraisal and approval stages continues to proceed without any significant problems. Three projects were approved in the last quarter, totaling €4.4 million. The appraisal for another 4 projects (€4.0 million) has been completed and they are under review for approval as of 30th September. Another 8 projects (€5.5 million) are currently under appraisal, and it is expected that all of them will be approved before the end of the year, subject to availability of funds.

5.1.3 *Good levels of project Commitments and Disbursements:* Projections to the end of 2007 suggest 20 projects totaling €20.5 million will have been approved during the course of the year. This will bring the total number of project commitments since the start of operations in 2006 to 36, amounting to €29.5 million. A total of €6.0 million has been disbursed up to the end of September on 17 projects which are grant effective. Processing of the first disbursement for an additional 8 projects (€2.5 million) is underway, which will bring total disbursements to €8.5 million by the end of the year.

5.1.4 ***Fast-tracking of portfolio management and implementation:*** The AWF has been able to effectively fast-track the processing and implementation of projects. Project approvals are normally provided within one month from completion of appraisal, and the time taken for first disbursement for the approved projects is now down to 2 months in most cases. This good level of performance is expected to significantly strengthen resource mobilization efforts.

5.1.5 ***Improved institutional capacity:*** Good progress is being made in addressing the challenge of ensuring adequate human resources over the short term, with the strong support of the Bank and donors. The recent staff recruitment drive will result in the addition of four professional staff to the Facility in the next quarter, bringing the total number of full-time professional staff under the Coordinator to nine.

5.1.6 ***Strategic operational support provided by the AWF:*** The AWF has carried out a number of important activities in support of project operations using internal administrative funds. In particular, support was provided for a workshop on IWRM in the Congo River Basin. AWF and ADB staff and consultants have also undertaken many missions and desk reviews to prepare and appraise projects. As well, key targets relating to development of basic documents to strengthen and consolidate the AWF continue to be achieved in 2007. In particular, the revision of the Operational Programme and Operational Procedures are on course, and both documents should be approved before the end of 2007.

5.1.7 ***Strong outreach and partnership efforts:*** The AWF has been involved in activities to strengthen partnerships and create awareness about the AWF. These include participation in consultative workshops and conferences, such as the Stockholm Water Week and its associated side events and meetings.

5.1.8 ***Continued support from the AfDB:*** The African Development Bank has continued to provide significant support to the operations of the AWF. In particular, two new professional staff have been seconded to the Facility. They are expected to start work in October.

5.2 MAIN CHALLENGES AND WAY FORWARD

5.2.1 The main challenges that currently preoccupy the AWF are discussed below:

5.2.2 ***Securing donors' contributions over the next quarter:*** The availability of funds to support operational activities may become a critical issue in fourth quarter of 2007 if outstanding fund commitments are not quickly received. The available balance in the AWF fund amounts to only about €1.75 million as of the end of September. Given the planned additional project commitments of €9.56 million in the last quarter, the expected payments from donors (EU, Canada, France and Denmark) in the next quarter are essential to enable the Facility to continue with its project approvals and commitments.

5.2.4 ***Mobilising adequate resources for next 3 years:*** The inadequacy of financial resources over the next 3 years in the face of high demand is a significant strategic challenge which must be urgently addressed. The AWF must continue to work closely with AMCOW to mobilise resources to meet the planned targets outlined in the Indicative Operational Programme 2008-2010, using its Resource Mobilisation Strategy as a guide. In particular, the AWF will redouble its efforts to mobilize resources from middle income African countries that can contribute resources, as well as from Middle East countries and non-regional

members who are not providing funds at the present time. A high-level resource mobilisation meeting is planned for the first quarter of 2008.

5.2.5 *Increasing Project Sizes:* Average project size to date is just over €800,000. The AWF will aim at increasing project sizes in 2008 in order to increase efficiency of project processing and approval. To realise these larger projects sizes, the Facility will use a variety of methods. For investment projects, increasing the size up to the €5 million ceiling for AWF grants will be targeted. However, since many of the facilitative project requests are likely to continue to be in the €1 to €2 million size range, opportunities to combine or package these projects together to achieve economies of scale will be explored.

5.2.6 *Strengthening longer term AWF institutional capacity:* To better assess and plan for the future needs, the AWF has prepared a Staffing Strategy as part of the broader review of its Operational Programme. Over the longer term, staffing needs are significant, with increased numbers of professional staff and range of expertise needed. Actions will begin next quarter to recruit the additional staff needed for 2008, particularly the professional level project support staff such as the legal, grant administration and procurement officers.

5.2.7 *Strengthening visible linkages with AMCOW:* One of the main strategic challenges is strengthening linkages with AMCOW and ensuring its more pronounced involvement in the activities of the Facility. In particular, ownership by AMCOW of the AWF needs to be evident and convincing. It has to be viewed by all stakeholders as the directing force of the AWF. To achieve this, the role and continued participation of AMCOW will be better communicated to ensure that its involvement is clearly visible to all.

5.2.8 *Improving AWF Performance Monitoring:* Strengthening of the AWF operational and institutional performance monitoring mechanism, which is based on the RBM format, is needed. A comprehensive review with stakeholders of the proposed indicators is necessary to allow easier monitoring of outputs, outcomes and developmental impacts. Tying the process into the ongoing pan-African monitoring efforts, which are being supported by the AWF, would be useful. Linking with or inclusion of the Bank's Key Performance Indicators is also needed to enable effective performance review by the Bank.

5.3 EXPECTED RESULTS IN THE NEXT QUARTER

5.3.1 In the Operational area, it is expected that:

- Another 11 projects will be approved subject to availability of adequate funds. This consists of the 4 projects under review for approval, and the 7 projects under appraisal as of the end of September.
- Launching of the remaining 8 of 25 projects that have been approved - in terms of ensuring signature and entry into force of protocol agreements, and release of first disbursements - is expected to consume a significant amount of staff resources.

5.3.2 In terms of Organisational activities:

- An initial meeting will be held with the Oversight Steering Committee of the AWF early in October, followed by another one later in November to review the 2008 Work Plan and Budget and other documents prior to submission to the Board.

- The 4 newly recruited staff will start work early in the next quarter.
- The revised Operational Strategy and 3 year Indicative Operational Programme will be submitted to the Governing Council for review and approval at its meeting of 31st Oct. The documents will be finalised before the end of the year.
- The revision of the Operational Procedures will be reviewed by the GC and completed for presentation for approval by the Board in the fourth quarter.
- A Technical Committee meeting on resource mobilisation will be held later in November or early December, in advance of the high-level Resource Mobilisation meeting planned for the first quarter of 2008.

ANNEX 1: LIST OF PROJECTS APPROVED IN LAST QUARTER

Total 3 projects, €4,437,000 million

Water Governance: NWRM - Total 1 projects (€1,580,000).				
Project Title, Budget, Duration	Project Objectives and Components	Expected Benefits and Value Added	Partners	Status
Senegal Implementation of the IWRM Action Plan for Senegal. €1,580,000, 24 months	Strengthen and activate DGPRE at national and local levels to pursue the implementation of the PAGIRE to achieve equitable and sustainable development of the nation's water resources for enhanced economic growth and improved livelihood of the people. Components (i) Improvement of operational water information and knowledge; (ii) strengthening of water resources strategic investment planning; (iii) strengthening of DGPRE's regulatory operations and economic recovery; (iv) sensitisation and activation of stakeholders and decision makers; and (v) reinforcement of institutional capacity and development of an investment programme for IWRM.	Give momentum to the implementation of the PAGIRE to perform systematic water resources licensing, planning and appropriate integration of national IWRM into Senegal's trans-boundary water management involvement. It will contribute to the Government's poverty reduction strategy and will give momentum to the country's achievement of the MDGs and the Water Vision for 2025.	GWP Senegal	Approved 31 August 2007. Not yet grant effective.
Investments: Project/Programme Preparation - Total 2 projects (€2,857,000).				
Project Title, Origin, Budget	Project Objectives and Components	Expected Benefits and Value Added	Partners	Status
Central African Republic Support to a water supply and sanitation study and priority investment project preparation for the 16 district capitals of RCA. €1,438,000, 16 months	Preparation of feasibility studies for 16 cities, preliminary and detailed work plans for the supply of drinking water and sanitation services for 6 cities, including grey water reuse and rain water collection, and organization of a mini round-table of donors.	Water supply and sanitation program available for improving access to water and sanitation for 525.000 inhabitants, and to mobilize resources.	Submitted by the Government of the Central African Republic.	Approved 9August07. Not grant effective.
Congo (Brazzaville) Support to a water supply and sanitation study and priority investment project preparation in Brazzaville and Pointe Noire. €1,419,000, 16 months	To carry out an institutional and technical diagnostic and to prepare priority work for water supply, sanitation, storm water and solid wastes in Brazzaville and Pointe Noire.	Improved institutional and technical framework of the sector leading to financing of priority projects.	Submitted by the Ministère de l'Energie et de l'Hydraulique,	Approved 11July07. Not grant effective.

ANNEX 2: LIST OF PROJECTS UNDER APPROVAL AND APPRAISAL PROCESS

Total 11 projects (€9,555,000), of which 4 under review for approval, 8 under appraisal for approval in last quarter 2007.

Water Governance: NWRM				
- Total 2 projects (€1,757,000), 1 under review for approval, 2 under appraisal.				
Project Title, Budget, Duration	Project Objectives and Components	Expected Benefits and Value Added	Partners	Status
Liberia Water sector reform study. €1,257,000, 32 months	Implement a reform agenda of the water sector through the development and government endorsement of policy, strategy, regulation and legislation instruments.	Water sector reformed and restructured to address comprehensively the rational and sustainable development of water resources of the country. The creation of favourable environment for increased sector investments inflows	Submitted by Ministry of Lands, Mines and Energy.	Under appraisal. Approval Q4-07
Mauritania Formulation of IWRM and land use plan. €500,000, 24 months	To formulate an IWRM and land use Plan for Mauritania, through the development of IWRM and land use framework, land and water use strategies and reform, building capacity for M&E	Improved water governance to enhance development and investment in the water sector	Submitted by Government of Mauritania. Implemented with UNDP, EU Commission.	Under review for approval in Q4-07

Investments: Meeting Basic Needs for Water Supply and Sanitation				
- Total 4 projects (€2,250,000), under appraisal.				
Project Title, Origin, Budget	Project Objectives and Components	Expected Benefits and Value Added	Partners	Status
Ghana Innovative technologies for low cost integrated water and sanitation project for poor communities €300,000, 24 months	To extend access to water supply and sanitation to poor communities by construction of water supply and sanitation, promotion of hygiene and sanitation, practices and building capacity on the operation and maintenance WSS schemes	Access to basic water supply and sanitation improved. Innovative technology using solar pasteurization and ecological sanitation piloted	Submitted by New Energy.	Under appraisal. Approval Q4-07
Ghana Effective innovative water supply and sanitation management for urban poor: Public/Private/NGO Partnership. €500,000, 36 months	To strengthen pro-poor urban water sector policy & strategies at all levels with effective operational TPP and developing models for peri-urban areas & small towns by strengthening capacity of national & local sector agencies & stakeholders including local private sector & NGOs to plan & implement effective PPP/TPP management programs and develop a framework for sector learning and, knowledge sharing .	Access to basic water supply and sanitation improved and a partnership arrangement involving public private and NGO tested	Submitted by Training Research and Networking for Development Group (TREND).	Under appraisal. Approval Q4-07
Mozambique Sustainable access to water and sanitation, and hygiene practices enhancement, in three rural districts. €1,100,000, 24 months	To support provision of sustainable access to WSS and reinforcement of hygiene practices in Mozambique's three districts by training of communities and NGOs on WASH and construction of WSS schemes	Community and local NGO capacity to implement and maintain WSS schemes strengthened and WSS access for 24,000 inhabitants.	Submitted by NGO ESSOR. and 2 local NGOs in Mozambique.	Under appraisal Approval Q4-07.

Tanzania Provision of WSS for rural communities in Kongwa and Chamwino districts, Dodoma Region €350,000, 18 months	To contribute to the improvement of access to water supply and sanitation provisions through the creation of awareness, building capacity providing water and sanitation schemes	Access to water and sanitations improved and communities capacity the systems strengthened	Submitted by Ufudiko - NGO. Implemented with lay volunteers, International association, Maji ne Maendeleo	Under appraisal. Approval Q4-07
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Investments: Water for Agriculture and Food Security

- Total 1 projects (€1,178,000), under review for approval.

Project Title, Origin, Budget	Project Objectives and Components	Expected Benefits and Value Added	Partners	Status
Mozambique Integrated Study And Project Preparation For Cofamosa Irrigation Project €1,178,367, 13 months	To undertake feasibility study and irrigation project preparation to enable the mobilization of funds for the development of 10,000 ha irrigated farmland. Components include analysis of technical, institutional, economic, social, environmental and financial aspects of the project; preparation of semi-detailed designs and bill of quantities; a typical farm business model; and a draft agreement for potential public-private partnership	Utilization of water resources and water infrastructure optimized. Investment for 10,000 ha irrigated farm land development leveraged. Efficiency of water productivity through irrigated high value crops production increased.	Submitted by Gov of Mozambique.	Under review for approval Q4-07

Investments: Project/Programme Preparation

- Total 4 projects (€4,370,000), 2 under review for approval, 2 under appraisal.

Project Title, Origin, Budget	Project Objectives and Components	Expected Benefits and Value Added	Partners	Status
Egypt Comprehensive Study and Project Preparation for the Rehabilitation of the Nubaria and Ismailia Canals. €1,900,000, 26 months	Seek technically feasible and economically and socially viable solutions for efficient water control and system management in the canal. Prepare technical proposals for major infrastructure investment. Mobilize financial resources to reduce water shortage and logging in the Ismailia & Nubaria canal systems.	Investments of €120 million triggered. 244 km of canal rehabilitated and upgraded. Increased volume of water and area of irrigable land made available.	Submitted by Gov. of Egypt.	Under review for approval Q4-07.
Liberia Monrovia expansion and rehabilitation of 3 county capitals water supply and sanitation study. €1,520,000, 16 months	To develop viable water supply and sanitation systems to meet 2025 demands in Monrovia and three county capitals. Study consists of feasibility study; detailed designs for WSS systems; preparation of tender documents; and resource mobilization donors meeting.	Proposals and designs for provision of reliable WSS services for the people of Monrovia (1,500,000 people), Kakata (25,000 people), Zwedru (10,000 people) and Buchanan (35,000 people).	Liberia Water and Sewerage Corporation (LWSC) as executing agency.	Under appraisal. Approval Q4-07
Seychelles Water development plan 2008-2030 €558,000, 10 months	Prepare Water Development Plan up to 2030 focusing on increasing supply sources, reducing water demand and water reuse.	Meet demand for water by all users, prepare plans for comprehensive water sector investment leading to fund mobilisation.	Submitted by Public Utilities Corporation.	Under appraisal. Approval Q4-07
Tanzania Arusha Strategic Sanitation Plan Preparation. €400,000, 12 months	Develop strategic sanitation plan for comprehensive and coherent sanitation investment.	Sanitation and urban environmental management investments will address the real demands of the inhabitants of the municipality	Submitted by Arusha Municipal Council	Under review for approval Q4-07

