

# COMMUNITY-LED ACCELERATED WASH (COWASH) PROJECT PHASE III (2016-2019)

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## COWASH PHASE III FEDERAL LEVEL NINE MONTHS PERFORMANCE REPORT (07/07/2017-31/03/2018)

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### Competent Authorities:

Ethiopia: Ministry of Finance and Economic Cooperation

Finland: Ministry for Foreign Affairs

Distribution: MoFEC, MoWIE, MoH, MoE, MFA, EoF, 5 regions

ARTO SUOMINEN (CTA), ADDIS ABABA, APRIL 2018

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## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Interpretation</b>
BoE	Bureau of Education
BoFED	Bureau of Finance and Economic Development
BoH	Bureau of Health
BoWA	Bureau of Women Affairs
BSGR	Benishangul-Gumuz Region
CMP	Community Managed Project
COWASH	Community Led Accelerated WASH in Ethiopia
CWA	Consolidated WASH Account
EoF	Embassy of Finland
ETB	Ethiopian Birr
EUR	Euro
GoE	Government of Ethiopia
GoF	Government of Finland
GTP	Growth and Transformation Plan
M&E	Monitoring and Evaluation
MFA	Ministry for Foreign Affairs (of Finland)
MoE	Ministry of Education
MoFEC	Ministry of Finance and Economic Cooperation
MoH	Ministry of Health
MoWIE	Ministry of Water, Irrigation & Electricity
O&M	Operation and Maintenance
OWNP	One WASH National Program
PMDB	Planning and Monitoring Data Base
PMP	Project Monitoring Plan
SNNPR	Southern Nations & Nationalities Peoples Region
SOE	State of Emergency
WASH	Water Supply, Sanitation and Hygiene
WASHCO	Water Supply, Sanitation and Hygiene Committee
WSP	Water Safety Plan

## PROJECT PROFILE

Project Title	Community-Led Accelerated WASH(COWASH), Phase III	
Sector	Social Development	
Sub-sector	Water, Sanitation and Hygiene	
Project Area	76 Districts of five Administrative Regions of Ethiopia (Amhara, Tigray, SNNPR, Oromia & BSGR)	
Duration	Phase III from August 2016 to July 2019	
Project Financing	Total (Grant)	EUR 40 Million + 1.3 Million roll over
		ETB 912 Million
	Government of Finland(GoF)	EUR 12.7 million + 1.4 Million roll over
		ETB 311 Million
	Government of Ethiopia(GoE)	EUR 23.3 Million
		ETB 513 Million
Beneficiary Community	EUR 4 Million	
	ETB 87 Million	
Competent Authorities	Ministry of Finance and Economic Cooperation(MoFEC)	
	Bureau of Finance and Economic Development (BoFED) of Amhara, Tigray, Oromia, Southern Region and Benishangul-Gumuz National Regional States	
	Ministry of Foreign Affairs of Finland (MFA)	
Lead implementing agencies and programme oversight	Ministry of Water, Irrigation and Electricity (MoWIE) Water Resources Development Bureaus of Amhara, Tigray, Oromia, Southern Nations & Nationalities Peoples and Benishangul-Gumuz National Regional States in association with regional WASH partners: Bureau of Health (BoH) and Bureau of Education (BoE) and Bureau of Women Affairs (BoWA)	
	National WASH Steering Committee, Regional WASH Steering Committee, Zone WASH Team, Woreda WASH Team	
Overall Objective	To achieve universal access to WASH in the rural areas of Ethiopia	
Project Purpose	To support the acceleration of Universal Access Plan-rural water, sanitation and hygiene targets attainment through the establishment of an enabling environment and the implementation of CMP interventions in selected rural areas of Ethiopia	
Exchange rate	1 EUR equals to 22 ETB	

## 1 EXECUTIVE SUMMARY

In nine months, COWASH FTAT planned a lot of activities contributing to the attainment of Outcome 5 and regional targets. The progress in attaining the output level targets are presented as per the indicators set for each output.

As most of manuals and guidelines have been already developed in the first year of the project (2009 EFY) emphasis was given to deepening and widening the implementation of the different activities planned at the federal level. Climate risk screening, disability inclusion and Micro and Small Scale (MSE) development were the major focus areas of COWASH FTAT in the reporting period. The major activities executed in the first nine months of the 2<sup>nd</sup> implementation year of the project are presented and elaborated below.

**1. Building the capacity of stakeholders:** A total of 220 people were planned to be trained by COWASH FTAT in the first nine months of the fiscal year. As a result, 157 people (16.0% female), 71.4% of the planned, have received different trainings, mainly disability inclusion and women leadership in WASHCO, conducted by the COWASH FTAT and some consultants hired by the project. Among these trainees, 16 of them (12.4%) are with some kind of physical disability. COWASH FTAT has been providing technical support for regional level trainings as per the request of the regions. Many of these trainings and other major events of the project have been promoted in face book <https://www.facebook.com/cmpethiopia/> and the project's website [www.cmpethiopia.org](http://www.cmpethiopia.org).

**2. M&E and Supportive Supervisions:** As per the responsibility vested in it, the COWASH FTAT planned and undertook a number of activities strengthening the systems and capacities of the stakeholders of the project. Core and detailed planning templates (both physical and financial), monitoring tools and reporting outlines have been updated and implemented based on the Results Framework of the project.

Based on these tools updated by the COWASH FTAT, the 2009 EFY annual performance reports were prepared and shared to stakeholders of the project. The reports prepared are one project level and one each for the project regions. The regional performance reports were prepared with the technical support of the COWASH FTAT in line with agreed content.

Moreover, COWASH FTAT conducted 10 supportive supervisions (67%) to selected project woredas and regional sector offices. Most of the supervisions have focused on climate risk screening and water safety plan (WSP) implementations in pilot woredas. On-the-job trainings have been made during the supervisions.

**3. Preparation of Annual Plans:** With the view to improving the implementation rate of the project, COWASH FTAT developed a Core Plan template for the regions so as to get GoF funds early in the first half of the fiscal year. This system minimized the delay in the approval of the regional plans and hence the implementation of many activities.

Besides, the detailed planning templates prepared for 2009 EFY planning were updated. These templates constitute detailed activities to be implemented over the life of the project. This template is sub-divided for woreda, zone, region and federal levels with clear codes for each activity suitable for managing the project data using the database. Consequently, federal and five regional level detailed annual plans were prepared based on the agreed templates with the support of the COWASH FTAT. The regional level plans were prepared after reviewing the preceding year's performances in the presence of stakeholders. The plans approved at the

federal and regional levels have been encoded into the database installed for all project regions.

- 4. Technical assistance in GoF fund transfer to Regions:** One COWASH FTAT member is assigned for each project region to provide close support in the implementation of the project interventions in the region. Like the previous phases of COWASH, technical assistance has been provided for the regions in the preparation of GoF fund transfer requests using formats prepared for the purpose.

In the reporting period, 12 fund transfer requests (80.0%) were submitted to Embassy of Finland through the technical assistance of the COWASH FTAT. Regions requested less than the plan mainly due to the fact that some regions had requested funds for two quarters in one transfer request and some didn't request fund for the first quarter of the fiscal year. The COWASH FTAT had provided technical assistance in preparing the fund transfer requests and making sure that all the necessary attachments (performance reports, annual plans and quarterly cash flows) are prepared with the required quality and attached with the fund requests timely.

- 5. Technical assistance in Steering Committee Meetings:** COWASH FTAT also facilitates and provides technical assistance in the federal and regional steering committee meetings. This reporting period, half of the meetings on COWASH (1 federal and 5 regional levels) were conducted through the facilitation and technical support of COWASH FTAT. While most of the regional level steering committee meetings were conducted in the second quarter, the federal level steering committee meeting was held at the beginning of the third quarter. A number of supports were provided for the preparation of these meetings: preparing plans and performance reports, power point presentations, preparing minute of meetings, etc.

- 6. Printing of O&M Manual:** MoWIE informed the approval of the long-awaited O&M manual during the 2010 EFY federal level steering committee meeting of COWASH in January 2018. Since then, COWASH FTAT has been speeding up the printing of the manuals to be distributed to the project level regions, zones and woredas and training on the use of the manuals is also planned for Q4.

- 7. Federal level annual budget utilization:** A total of EUR 2,329,900 is allocated for the federal technical assistance. Some 37% of this budget (EUR 854,271) was allocated for the 2010 EFY. Much of the 2010 EFY technical assistance budget was allocated for the first 9 months (EUR 606,088). Consequently, about EUR 572,277 has been utilized for activities planned for the reporting period. The utilization represents about 94% of the 9 months budget or 67% of the annual technical assistance budget. The main reason for the under utilization of the 9 months budget were: i) cancellation of the planned replacement of office equipment as the need was not realized; ii) JPO house 6-months rent payment planned for the third quarter was postponed to the last quarter of the fiscal year; and iii) Junior Professional Office (JPO) salary payment records are one month behind.

## 2 PROJECT DESCRIPTION

The goal of COWASH Phase III is "*improved health, women's equal access to and control over WASH management and related entrepreneurship in the program areas by 2019*". This achievement is measured by the reduction in under 5 mortality rate in target woredas, and by reduction in under 5 diarrhea incidences in target woredas.

The project objective is “to contribute to the achievement of the second Growth and Transformation Plan (GTP II) targets for WASH sectors in Ethiopia by 2019 by using Community Managed Project (CMP) approach.”

Project outcomes are the following: (In Annex 1 the outputs of each outcome are presented in detailed)

1. Increased climate resilient community and institutional water supply access coverage (GTP II standards, including water quality) in the target Woredas in 5 project regions by 2019.
2. Increased community, institutional sanitation & hygiene access coverage (GTP II), in the target Woredas in 5 project regions by 2019.
3. Increased functionality and sustainability (O&M) of built WASH facilities in the target Woredas in 5 project Regions by 2019
4. Increased Women’s empowerment, leadership and inclusion of people with disabilities in the 5 project Regions by 2019
5. Project Implementation effectively managed

COWASH Phase III bi-lateral agreement between Finland and Ethiopia has been signed between the MoFEC and MFA. COWASH Phase III is implemented in 76 Woredas of 5 regions of Amhara, Tigray, SNNP, Oromia and Benishangul-Gumuz regions. Separate regional bi-lateral agreements have been also signed between MFA and BoFED of each region. Separate technical assistance provision agreement has been signed by the MFA with Ramboll Finland representing the Ramboll-Niras consortium. In each project region, Regional Water Bureaus employed Regional Support Unit (RSU) which facilitates the COWASH implementation in the regions. Each regional WASH sector bureau has assigned COWASH focal person to lead COWASH implementation in the sector area. At Woreda level, the Woreda Water Office is the main responsible office to implement COWASH and assigns CMP Supervisor to facilitate COWASH implementation with focal persons assigned from woreda Finance, Health, Education and Women Affairs offices. The investment funds for physical implementation and most of the operational costs are allocated from the regional governments. Finland’s contribution is mainly used for physical and human capacity building.

COWASH Phase III started on August 1, 2016. This report highlights the achievement of the project management and budget utilization in the first 9 months of 2010 EFY. Detailed project level results-based report will be prepared upon the receipt of the regional performance reports.

### **3 PROGRESS TOWARDS PROJECT MANAGEMENT TARGETS**

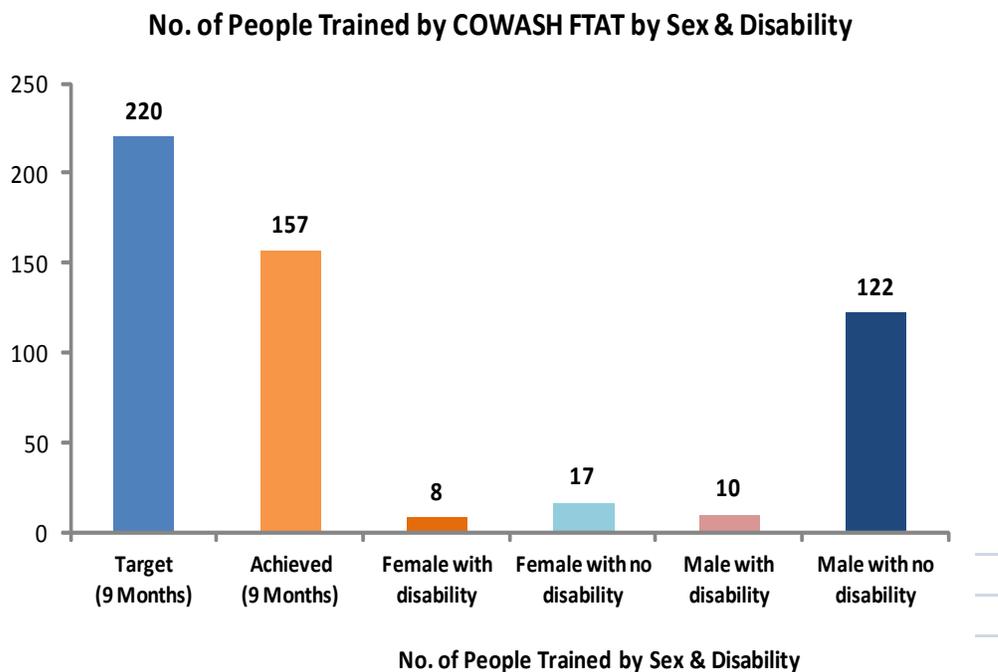
COWASH FTAT contributes to the attainment of the different Output levels of the project. The fifth Outcome “Project Implementation effectively managed” is set exclusively for project management and six outputs are designed under this outcome. The attainment of the 9 months’ output level targets are presented here under.

#### **3.1 ANALYSIS OF MAJOR OUTPUT LEVEL MANAGEMENT INDICATORS**

##### **3.1.1 Output 5.1 Capacity of COWASH Phase III stakeholders to implement COWASH Phase III enhanced by the FTAT**

The indicators set to measure the attainment of this output is “No. of people trained by COWASH FTAT as per the standard” and “No. of visits facilitated to COWASH Phase III intervention areas”

The COWASH FTAT has planned and developed working guidelines, handbooks and training materials to successfully implement the project interventions in the entire project sites. A number of activities aimed at building the capacity of implementers at all levels were planned and have been implemented by the COWASH FTAT. Efforts have been also exerted to participate in the annual planning and review workshops of the project regions and shared experiences of other project regions so as to quicken and smoothen the implementation of the project interventions at all levels. The main human capacity building activities planned and executed by the COWASH FTAT are: (i) Train TVET and other partners to familiarize on the business training package (Canvas); (ii) Training of Trainers (ToT) training for regional staff on inclusive WASH activities guideline; and (iv) ToT training on Women Leadership in WASHCO.



*Figure 1: Number of People Trained in the First 9 Months by COWASH FTAT by Sex & Disability*

It was planned to train 220 people by COWASH FTAT in the 9 months of 2010 EFY. Among these people targeted to be trained, 157 (71.4%) have received different trainings related to business development, disability inclusion and women leadership in WASHCO. The achievement is below the target as the Communication related training could not be conducted due to delay in the replacement of the Communication and Knowledge Management Specialist. Twenty five of the people trained (16.0%) are female. The people trained were asked if they have some kind of disability. Accordingly, 11.5% reported that they have some kind of disability.

Besides, COWASH FTAT facilitated one high level visit to Amhara region. Finnish Foreign Trade and Development Minister paid a visit to Amhara National Regional State of Ethiopia in March 2018. The visit was held in Yinessa Sostu Kebele and Amore Wanza water scheme. News of the event was prepared and uploaded in the CMP face book page.

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### **3.1.2 Output 5.2 COWASH Project lessons and best practices documented and communicated**

Two output level indicators are set to measure the progress towards attaining this output. These are “*No of documents prepared on the lessons and best practices during COWASH Phase III*” and “*No. of Information Packages uploaded online or disseminated by other means.*” COWASH has planned and implemented a lot of communication related activities with the aim of promoting the CMP approach through dissemination of information on its implementation, lessons and best practices.

In the first 9 months of the fiscal year, the project planned to prepare 12 documents on the lessons and best practices of the CMP approach. Accordingly, it was managed to prepare only a calendar notebook that was distributed early in the first quarter of the fiscal year. The achievements are lower than the plans as the Communication and Knowledge management Specialist has resigned and delay of his replacement. The project has also planned to prepare and disseminate 5 information packages (mainly news) in the reporting period. As a result of the hiring of new communication and knowledge management advisor, 20 news have been produced and uploaded in CMP face book page and web site. Many of these news are on the different trainings conducted by COWASH FTAT.

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### **3.1.3 Output 5.3 M&E and Supportive supervisions conducted**

The COWASH FTAT is vested with the responsibility of providing technical assistance to all the project regions, zones and woredas in order that the project interventions can be implemented smoothly thereby targets can be attained timely.

The project sets two lower level (or intermediate result) indicators for measuring the attainment of this output. These are: “*No. of annual performance reports prepared as per the content agreed*” and “*No. of supportive pre-planned supervisions conducted by FTAT as per agreed checklist*”.

COWASH FTAT planned to carry out quite a lot of activities in the area of M&E and to build the capacity of the stakeholders at all levels. The 2009 EFY planning templates (both physical and financial) were revised and implemented. Accordingly, the regional plans prepared, in line with the templates, were approved by the Regional Steering Committees of the respective project regions. Moreover, based on the monitoring tools and reporting outline prepared by COWASH FTAT, the 2009 EFY annual performance reports were prepared and shared to stakeholders of the project. The reports prepared are one project level and one each for the project regions. While the regional performance reports focus on the performance of the regions, the project level report is a detailed results-based report containing the indicators set for measuring the changes brought about by the project.

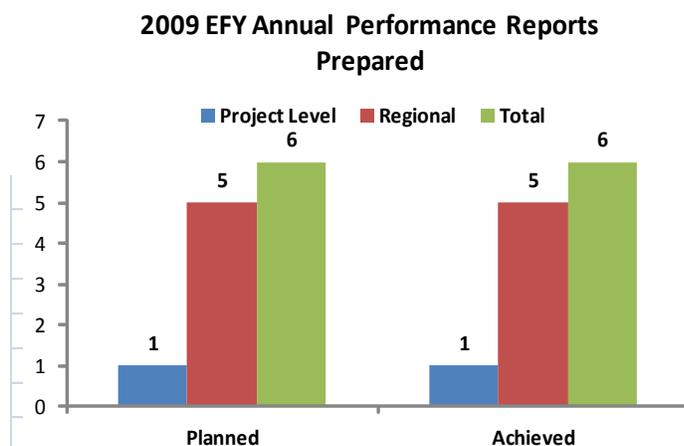


Figure 2: Annual Performance Reports Prepared at federal and regional levels

Moreover, 15 supportive supervisions were planned to be conducted in the first nine months of the fiscal year. Consequently, 10 (67%) supportive supervisions have been conducted in the five regions in the reporting period. These supervisions mainly focused on the implementation of Water Safety Plans (WSP) in the pilot woredas and institutionalizing and evaluating the Social, Environmental, Climate Risk Screening and Management (SECRSM) in the CMP appraisal system. The achievement is below the plan mainly due to competing activities at the federal level demanding the time of the federal level specialists. On-the-job technical assistance in WSP and Climate Risk Screening has been provided to woreda water experts and field observation reports shared to the visited woredas to make corrections in the problems observed at the field level.

### 3.1.4 Output 5.4 Project Annual Plans prepared and implemented

*No. of federal and regional annual plans prepared as per agreed template and implemented* is the indicator set to measure the achievement of this output. Annual plans, disaggregated by federal and regional, should be prepared in line with agreed templates and approved by Steering Committees.

Learning from COWASH Phase I & II, the COWASH FTAT prepared a detailed planning template comprising of physical and financial activities implemented at different levels. The planning template, which is divided in to woreda, zone, region and federal levels, is prepared by assigning codes to each activity of the project and disaggregating the fund sources. The activities of the project are encoded into the Planning and Monitoring Database (PMDB) to ease the data management and performance report preparation.

Consequently, federal and five regional level annual plans were prepared based on the agreed templates with the support of the COWASH FTAT. The regional level plans have been prepared after reviewing the preceding year's performances in the presence of woreda, zone and regional level stakeholders and COWASH FTAT. Finally, the consolidated plans were approved by the respective Steering Committees at a meeting held to discuss on the performance of the previous year and the plan of the fiscal year. The plans approved at the federal and regional levels have been implemented by the respective stakeholders of the project.

Following the approval of the plans, all the planned activities are being encoded into the database installed in the regions to monitor the progress of their implementation.

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### **3.1.5 Output 5.5 GoF Funds transferred**

The achievement of this output is measured by the indicator “*No. of fund transfer requests of project regions facilitated by FTAT.*” Every fiscal year, a total of 15 fund transfer requests, 3 per project region, are expected to be submitted to Embassy of Finland by BoFED of project regions as per the financing agreement signed between BoFED of each region and Embassy of Finland. In the first 9 months of the fiscal year, 15 fund transfer requests are expected from the regions. COWASH FTAT staff, who are assigned to provide technical support to each project region, are responsible to check and oversee the preparation of these fund transfer requests before they are submitted to Embassy of Finland. A fund transfer request format developed for COWASH Phase I & II is being used for COWASH Phase III.

In the reporting period, a total of 12 fund transfer requests (80.0%) have been submitted to Embassy of Finland. The achievement is below the plan mainly due to the fact that some of the regions requested the funds for the first two quarters in one request. In the period under reporting, a total of about EUR 3,133,562.67 (equivalent to Birr 100,269,517.84) has been transferred to BoFED of the project regions from MFA. The COWASH FTAT had provided technical assistance in preparing the fund requests and making sure that all the necessary attachments (performance reports and quarterly cash flows) are prepared with the required quality and attached with the fund requests timely.

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### **3.1.6 Output 5.6 COWASH Management Meetings Facilitated**

The project is governed at federal and regional level by the WASH Steering Committees. These are the same WASH steering committees except that the chairmanship of the regional committees varies during the discussions on COWASH issues. The federal level technical assistance team housed in the Ministry of Water, Irrigation and Electricity facilitates the meetings of these committees as part of the overall implementation and capacity building of COWASH. The indicator set to measure the achievement of this output is “No. of federal and regional steering committee meetings on COWASH Phase III facilitated.”

Each steering committee is expected to meet bi-annually to discuss on COWASH issues. The first meeting discusses on the previous implementation year’s performance report and the plans of the upcoming fiscal year. The second meeting deals with the progress of the planned interventions and challenges encountered and preparation of plans for the next fiscal year.

In the reporting period, all of the meetings (2 federal and 10 regional) were planned to be conducted. However, only half of the meetings (1 federal and 5 regional) meetings have been conducted in the first nine months. The five regions have conducted their first meeting in the first half of the fiscal year while the federal level meeting was held in the 3rd quarter of the fiscal year. These regional level steering committee meetings deliberated on the annual performance reports of 2009 EFY and annual plans of 2010 EFY. COWASH FTAT has assisted in the preparation of performance reports, presentations to the meetings, preparing planning templates with unit costs and plans.

## 4 BUDGET ALLOCATION AND UTILIZATION

### 4.1 GOF FUNDS ALLOCATED FOR COWASH PHASE III

The clarifications on the remaining funds of Phase II in the regions were received and the following tables (Table 1 and 2) re-conclude the total available budgets in COWASH Phase III. It is to be noted that these tables below differ from the tables presented in 2009 EFY first quarter report.

Table 1: COWASH Phase III budget allocated in Euro

Region	Roll over from Regions	GoF Phase III Agreement	GoF Phase III Total	GoE for Phase III	Community for Phase III	TOTAL Phase III
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Amhara</b>	<b>329,671</b>	<b>4,510,000</b>	<b>4,839,671</b>	<b>10,782,609</b>	<b>1,833,043</b>	17,455,323
<b>Tigray</b>	<b>141,021</b>	<b>1,596,013</b>	<b>1,737,034</b>	<b>3,717,391</b>	<b>631,957</b>	6,086,382
<b>Oromia</b>	<b>112,822</b>	<b>1,556,610</b>	<b>1,669,432</b>	<b>3,234,783</b>	<b>549,913</b>	5,454,128
<b>SNMP</b>	<b>134,550</b>	<b>1,205,165</b>	<b>1,339,715</b>	<b>2,156,522</b>	<b>366,609</b>	3,862,846
<b>BSG</b>	<b>357,245</b>	<b>1,507,138</b>	<b>1,864,383</b>	<b>2,426,087</b>	<b>412,435</b>	4,702,905
<b>SUB TOTAL</b>	<b>1,075,309</b>	<b>10,374,926</b>	<b>11,450,235</b>	<b>22,317,392</b>	<b>3,793,957</b>	<b>37,561,584</b>
<b>Federal TA</b>		<b>2,329,900</b>	<b>2,329,900</b>			2,329,900
<b>GRAND TOTAL</b>	<b>1,075,309</b>	<b>12,704,826</b>	<b>13,780,135</b>	<b>22,317,392</b>	<b>3,793,957</b>	<b>39,891,484</b>

Table 2: COWASH Phase III budget allocated in Birr

Region	Total GoF Rolled over from Phase II	GoF Phase III agreed	Total GoF Phase III	GoE as agreed	Community 17% from Investments	TOTAL Phase III
	Birr	Birr	Birr	Birr	Birr	Birr
<b>Amhara</b>	<b>9,890,133</b>	<b>99,220,000</b>	<b>109,110,133</b>	<b>248,000,000</b>	<b>42,160,000</b>	399,270,133
<b>Tigray</b>	<b>4,230,648</b>	<b>35,112,286</b>	<b>39,342,934</b>	<b>85,500,000</b>	<b>14,535,000</b>	139,377,934
<b>Oromia</b>	<b>3,384,665</b>	<b>34,245,428</b>	<b>37,630,093</b>	<b>74,400,000</b>	<b>12,648,000</b>	124,678,093
<b>SNMP</b>	<b>4,036,499</b>	<b>26,513,630</b>	<b>30,550,129</b>	<b>49,600,000</b>	<b>8,432,000</b>	88,582,129
<b>BSG</b>	<b>10,717,364</b>	<b>33,157,036</b>	<b>43,874,400</b>	<b>55,800,000</b>	<b>9,486,000</b>	109,160,400
<b>SUB TOTAL</b>	<b>32,259,309</b>	<b>228,248,380</b>	<b>260,507,689</b>	<b>513,300,000</b>	<b>87,261,000</b>	<b>861,068,689</b>
<b>Federal TA</b>		<b>51,257,800</b>	<b>51,257,800</b>			51,257,800
<b>GRAND TOTAL</b>	<b>32,259,309</b>	<b>279,506,180</b>	<b>311,765,489</b>	<b>513,300,000</b>	<b>87,261,000</b>	<b>912,326,489</b>

The utilization of the regional funds could not be presented as the regional performance reports have not been prepared and shared to Federal TA. The Federal TA fund utilization is presented as follows.

### 4.2 FEDERAL BUDGET ALLOCATION AND UTILIZATION

The **total Phase III technical assistance budget** is EUR 2,329,900. When 56 % of the Phase III has passed the actual total TA-budget utilization (fee+reimbursable) is EUR 1,402,192. This represents 60% budget utilization (time utilization is 56 %). This indicates that whole TA budget in Phase III will be used fully. The same is confirmed in Figure 3 below, which illustrates the total TA budget utilization.

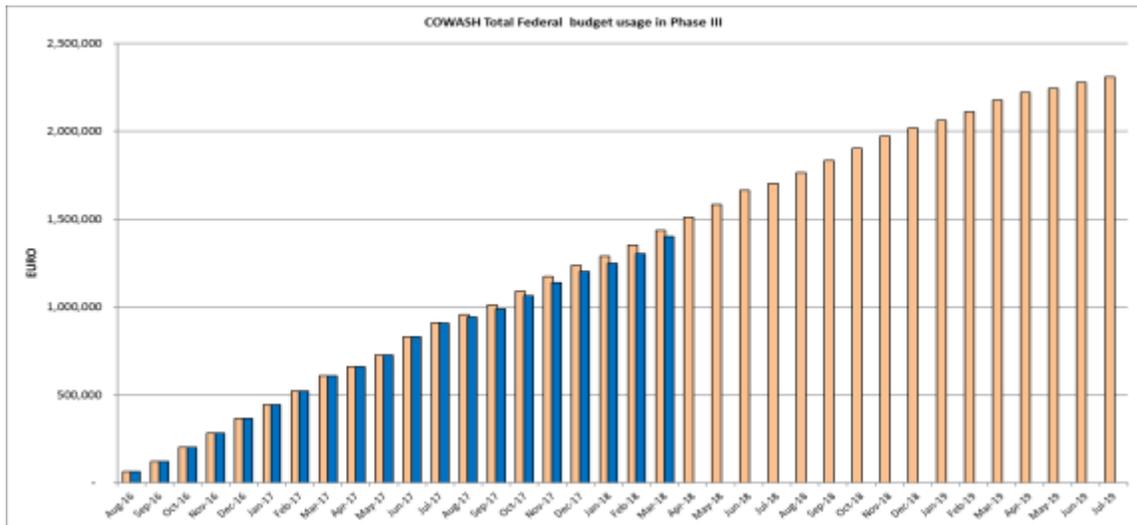


Figure 3 Total TA budget utilization

The **total annual budget** of the federal Technical Assistance Team (FTA) for the 2010 EFY is EUR 854,271. The utilization of this 2010 EFY annual budget by FTAT during the first 9-months of 2010 EFY was EUR 572,277. This accounts about 67% from the total annual budget and time utilization is 75 %.

A total of EUR 606,088 was allocated for the **first 9-months** of 2010 EFY. During the reporting period, EUR 572,277 has been utilized for the activities planned for the 9 months. The budget utilization performance was about 94%. The main reasons for under-utilization were the following:

- The planned replacement of office equipment was not made as the need was not realized.
- JPO house 6-months rent payment planned for Q3 was postponed to Q4.
- Also JPO salary payment records are one month behind

The **9-months fee budget** was EUR 303,141. Of this amount, EUR 302,125 was utilized. This represents 100% utilization. Figure 4 and Figure 5 below illustrate the fee budget and reimbursable budget total utilization, respectively.

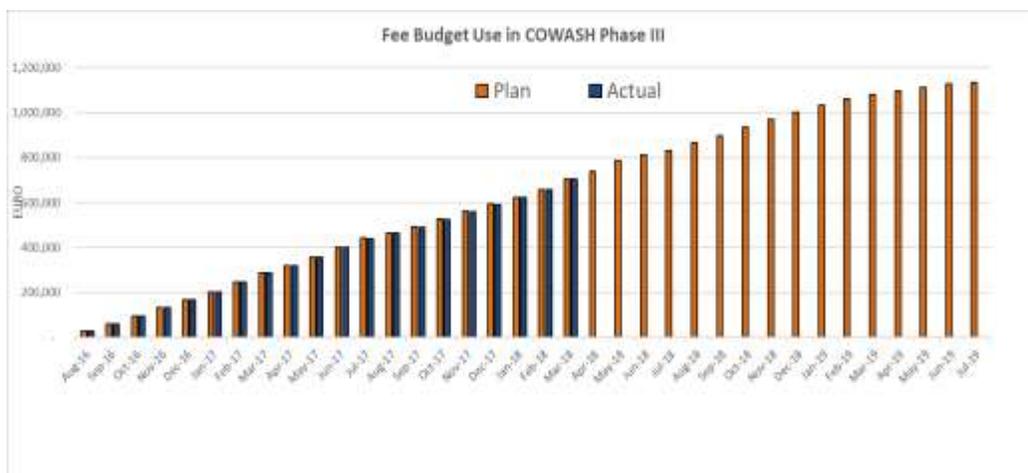


Figure 4. Fee budget utilization

The **9-months reimbursable budget** was EUR 302,947. About EUR 270,152 was utilized from the reimbursable budget allocated. This represents 89% budget utilization. Non-realization of the planned office equipment replacements and recordings of one rent payment and JPO salary payment one month behind were the main reasons for underutilization of the reimbursable budget of the 9 months.

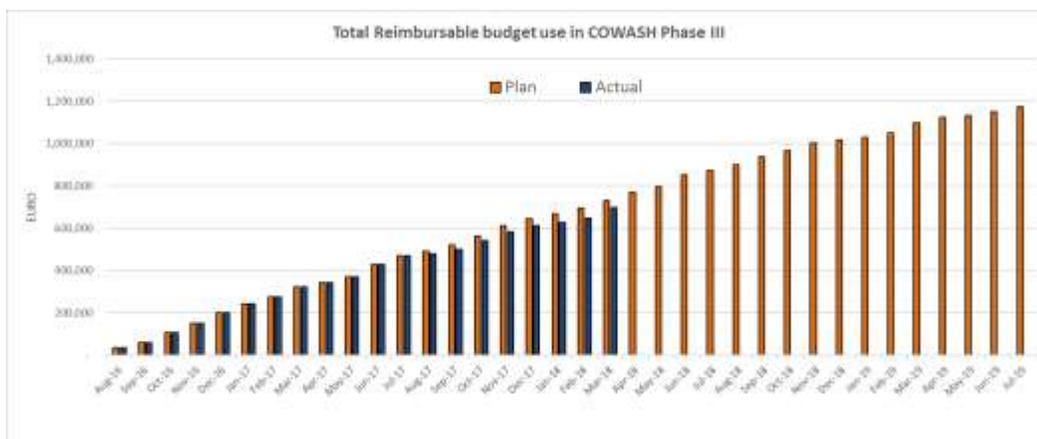


Figure 5. Reimbursable budget utilization

The **9-months technical assistance running cost budget** (part of reimbursable costs) was underutilized by 18 %. The main reasons for this underutilization were the delayed recording of one rent payment and JPO salary payment and non-procurement of the planned office equipment replacements.

The **9-months sector support budget** was overutilized by 12 %. The postponement of trainings to the third quarter was the main reason for this overutilization of sector support budget..

The details of Federal budget plans and usage is presented in Table 3 below.

Definitions	Actual Use	Plan	Actual	Usage	Plan	Use	Usage	Plan	TOTAL Phase III Budget Plan	TOTAL Phase III Budget Usage to the end of 2010 EFY Q3	Usage from Total Phase III budget end of 2010 EFY Q3	Consultant tender
	2016/2017 (2019 EFY)	2017/2018 YEAR 2 (2010 EFY)	Up to end of Q3 of YEAR 2	From Year 2 budget	Q1+Q2+Q3 of Year 2	Q1+Q2+Q3 of year 2	Of Q1 + Q2+Q3 (9 mth)	2018/2019 (2011 EFY)	EUR	EUR	%	EUR
	EUR	EUR	EUR	%	EUR	EUR	%	EUR	EUR	EUR	%	EUR
<b>Fees</b>	<b>401,444</b>	<b>432,824</b>	<b>302,125</b>	<b>70%</b>	<b>303,141</b>	<b>302,125</b>	<b>100%</b>	<b>321,631</b>	<b>1,155,900</b>	<b>703,569</b>	<b>61%</b>	<b>1,155,900</b>
International Long term Consultants	185,848	188,301	141,678	75%	141,653	141,678	100%	177,305	551,454	327,526	59%	551,250
International short term consultants	21,167	8,400	8,000	95%	8,000	8,000	100%	800	30,367	29,167	96%	83,550
National long term consultant	183,827	170,313	129,815	76%	130,273	129,815	100%	125,666	479,806	313,642	65%	435,000
National short term consultants	10,603	65,810	22,632	34%	23,215	22,632	97%	17,860	94,273	33,234	35%	86,100
<b>Total Reimbursable costs</b>	<b>428,471</b>	<b>421,447</b>	<b>270,152</b>	<b>64%</b>	<b>302,947</b>	<b>270,152</b>	<b>89%</b>	<b>324,083</b>	<b>1,174,000</b>	<b>698,623</b>	<b>60%</b>	<b>1,174,000</b>
<b>Technical assistance costs (Reimbursable)</b>	<b>273,890</b>	<b>307,882</b>	<b>175,579</b>	<b>57%</b>	<b>214,382</b>	<b>175,579</b>	<b>82%</b>	<b>250,584</b>	<b>832,356</b>	<b>449,469</b>	<b>54%</b>	
Home office coordination	11,000	12,000	9,000	75%	9,000	9,000	100%	13,000	36,000	20,000	56%	
JPO salary costs	57,746	68,843	40,093	58%	51,443	40,093	78%	29,000	155,590	97,840	63%	
Travelling	80,661	72,026	39,836	55%	45,026	39,836	88%	75,600	228,287	120,497	53%	
Housing	24,258	38,063	17,599	46%	24,263	17,599	73%	16,100	78,421	41,857	53%	
Office	45,668	66,754	37,893	57%	51,154	37,893	74%	78,084	190,506	83,561	44%	
Education costs (international)	54,382	49,242	30,919	63%	32,842	30,919	94%	37,650	141,274	85,302	60%	
Miscellaneous	175	953	239	25%	653	239	37%	1,150	2,278	413	18%	
<b>Sector support costs (Reimbursable)</b>	<b>101,548</b>	<b>113,565</b>	<b>98,829</b>	<b>87%</b>	<b>88,565</b>	<b>98,829</b>	<b>112%</b>	<b>26,198</b>	<b>241,311</b>	<b>200,378</b>	<b>83%</b>	
Impact Assessment costs (Reimbursable)	53,032	(4,256)	(4,256)		-	(4,256)		47,301	100,333	48,776	49%	
<b>TOTAL</b>	<b>829,915</b>	<b>854,271</b>	<b>572,277</b>	<b>67%</b>	<b>606,088</b>	<b>572,277</b>	<b>94%</b>	<b>645,714</b>	<b>2,329,900</b>	<b>1,402,192</b>	<b>60%</b>	<b>2,329,900</b>

Table 3: Federal budget plan and utilization

The planned and executed Federal Technical Assistance Team working days are presented in Table 4 below.

TA TIME ALLOCATION			Initial Work Months from PD				Proposed revised Work Months				Project time lapsed			
#	Position	Name (if applicable)	Allocated for Phase III	Used by Mar 2018	Remaining	Remain%	Allocated	Used by Mar 2018	Remaining	Remain%	Time/mths	Mths lapsed by Mar 2018	Mths Remain	Remain%
<b>International long term specialists</b>			<b>31</b>	<b>19</b>	<b>12</b>	<b>38%</b>	<b>31</b>	<b>19</b>	<b>12</b>	<b>38%</b>	<b>36</b>	<b>20</b>	<b>16</b>	<b>44%</b>
1	Chief Technical Advisor	Arto Suominen	31	19	12	38%	31	19	12	38%	36	20	16	44%
<b>National long term specialists</b>			<b>154</b>	<b>104</b>	<b>50</b>	<b>32%</b>	<b>164</b>	<b>104</b>	<b>60</b>	<b>36%</b>	<b>36</b>	<b>20</b>	<b>16</b>	<b>44%</b>
2	Capacity Development Specialist	Melaku Worku	28	18	10	35%	28	18	10	35%	36	20	16	44%
3	CMP Specialist	Yohannes Melaku	28	19	9	32%	28	19	9	32%	36	20	16	44%
4	Gender and MSE Specialist	Meaza Kebede	26	18	8	32%	27	18	9	33%	36	20	16	44%
5	Communication and Knowledge Management Specialist	Benti Ejeta	12	12	0	0%	21	12	9	43%	36	20	16	44%
6	Climate , Environmental Risk and Water Safety Specialist	Mussie Hailegeorgis	28	18	10	35%	28	18	10	35%	36	20	16	44%
7	M&E Specialist	Abebaw Getachew	32	19	13	40%	32	19	13	41%	36	20	16	44%
<b>International Short Term Specialists</b>			<b>2.4</b>	<b>3.0</b>	<b>-0.6</b>	<b>-24%</b>	<b>3.3</b>	<b>3.0</b>	<b>0.4</b>	<b>11%</b>				
8	Business Financing consultant	Saskia Kloezeman	0.4	0.4	0.0	0%	0.4	0.4	0.0	0%				
9	GIS mapping consultant	Kimmo Koivumaki	0.5	1.1	-0.6	-109%	1.5	1.1	0.4	26%				
10	Impact Assessment baseline coordinator	Oona Hulmi	1.4	1.4	0.0	0%	1.4	1.4	0.0	0%				
<b>National Short Term Specialists</b>			<b>10.3</b>	<b>6.8</b>	<b>3.5</b>	<b>34%</b>	<b>14.9</b>	<b>6.8</b>	<b>4.6</b>	<b>31%</b>				
11	O&M training consultancy		4.3	0.0	4.3	100%	4.6	0.0	4.6	100%				
12	Market study consultancy		0.4	0.0	0.4	100%	0.0	0.0	0.0					
13	Hygiene & Sanitation consultancy		0.5	0.0	0.5	100%	0.0	0.0	0.0					
14	Sanitation Marketing consultancy		0.5	0.0	0.5	100%	0.0	0.0	0.0					
15	Performance monitoring DB consultancy	Asnakew Assefa	0.9	0.9	0.0	0%	0.9	0.9	0.0	0%				
16	Disability and inclusion consultancy	Several	3.3	3.4	0.0	-1%	3.4	3.4	0.0	0%				
17	GIS mapping consultancy		0.5	0.0	0.5	100%	0.0	0.0	0.0					
18	Financial Management Consultancy	Paulos Basazewen	0.0	2.5	-2.5	100%	4.9	2.5	2.3	48%				
19	Others still to be decided		0.0	0.0	0.0		1.2	0.0	1.2	100%				
<b>Grand Total</b>			<b>197</b>	<b>133</b>	<b>64</b>	<b>33%</b>	<b>213</b>	<b>133</b>	<b>80</b>	<b>38%</b>				

Table 4: Federal TA working days utilization and re-planning

All international TA consultancies were executed as planned. The Communication and Knowledge Management Specialist (CKMS) in national long-term Technical Assistance consultancy was terminated in early September 2017 and new one was employed in March 2018 as a short-term consultant. Therefore, the transfer of long-term national working days of CKMS to national short term CKMA is required. This was approved by the MFA during the period. This arrangement has resulted in some savings to the project.

The O&M training consultancy could not be executed due to the delay in the approval of O&M manuals. The O&M manual was anyhow approved in January and the O&M consultancy is now re-planned to May 2018 (Q4 of 2010 EFY). The market study consultancy, hygiene and sanitation study consultancy, sanitation marketing consultancy and local GIS mapping consultancy work has been carried out by the FTAT staff and therefore the resources of these consultancies were used for the disability inclusion consultancy.

Table 4 above indicates the change needed in technical assistance consultancy. It is proposed the following:

- Gender and MSE long term national consultancy extended for one month
- Communication and Knowledge Management long term national consultancy days will be cut to 12. New CKMA is employed as short-term consultant jointly with IRC WASH 50/50. With this arrangement the post can last to the end of Feb 2019 and some savings will be made. The CKMA short term assignment is for a total of 12 months from which 6 months is covered by COWASH.
- Business and financing international short-term consultancy inputs will be reduced from 0.5 months to 0.4 months
- International short-term GIS consultancy was increased from 0.5 months to 1.5 months

- Planned O&M national short-term consultancy will be increased from 3.8 months to 4.6 months as the O&M training requires more consultancy days due to the joint training with OWNP
- Planned market study, Hygiene & Sanitation, Sanitation Marketing and GIS national short-term consultancies will be cancelled. The assistance from local GIS expert will be covered from sector support budget as the cost is minimal.
- Financial Management national short-term consultancy was established for 4.9 months inputs to improve COWASH financial management.

## 5 EXTERNAL AUDIT

The COWASH External Audit report was published in September 2017. According to the recommendations, COWASH federal initiated regional audit mitigation plan preparations. All four regions (Amhara, BG, Oromia and SNNP) audited prepared and submitted their audit mitigation plans to the Embassy of Finland before the end of 2017. COWASH Federal employed the short term Financial Management Specialist (Paulos Basazew) to assist in Tigray financial management assessment and in the preparation of COWASH Internal Audit Guideline and related trainings.

Implementation of all audit recommendations started in 2017 and most of the actions were also completed in 2017. A traffic light system was developed by COWASH Federal to follow-up the implementation of audit mitigation plans. Updated audit mitigation traffic lights as attached to this report as **Annex 3**. Financial Management Workshop was held with all regions in December 2017 to lay foundation for the COWASH financial management improvement.

Each region is separately reporting the audit mitigation plan implementation progress in their quarterly reports.

The outstanding issues' situation of Audit Mitigation plan implementation at the end of March 2018 is the following:

- RSU roles and Commitment to CMP issues will be solved during the MTE in May 2019
- Many financial management trainings planned are postponed to the 4<sup>th</sup> quarter (Q4) of 2010 EFY but planned to be completed before the end of this fiscal year
- Internal audits postponed to Q4 and follow the Internal Audit ToT training scheduled to be conducted in April 2018
- Ramboll internal COWASH audit and reporting postponed to Q4 of 2010 EFY
- Five woredas investment funds reconciliation in BG region postponed to Q4 of 2010 EFY due to other demanding activities in the region

## 6 ASSUMPTIONS AND RISKS

Major challenges during the 2010 EFY implementation were the civil unrest and violent demonstrations in Amhara and Oromia regions during the first three quarters of 2010 EFY. Movements to the Woredas were temporarily restricted and forbidden. The situation was tense and second 6 months State of Emergency was launched in March 2018. The situation improved early April 2018 when new Prime Minister was elected for Ethiopia.

New personnel for leading positions in regions and woredas have been assigned in Q1 and Q2 of 2010 EFY. Due to the changes, new heads needed time to familiarize themselves to their new duties and therefore most steering committee meetings were postponed to the end of the 2<sup>nd</sup> quarter. Most of the new zone and woreda office heads were trained for COWASH implementation in Q2 & Q3.

The planned number of new water supply and sanitation facilities was limited in Benishangul Gumuz region due to the unavailability of regional investment funds for COWASH. This problem was temporarily solved by allocating the GoF Phase III roll-over funds in the region to the investments (about 7 METB) and late in March 2018, the BG Regional Cabinet approved 9.5 METB investment budget for COWASH from the region treasury. The problem is expected to continue in upcoming fiscal year (2011 EFY).

More detailed risk management plan update is presented in **Annex 2**.