

## **PROPOSED 2009 WORK PLAN AND BUDGET**

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

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## **LIST OF ACRONYMS**

ADB	African Development Bank
AMCOW	African Minister's Council on Water
ANBO	African Network of Basin Organisations
AWF	African Water Facility
AWV-FFA	African Water Vision – Framework for Action
CBO	Community Based Organization
CICOS	International Commission of Congo-Oubanguie-Sangha basin
ECA	United Nations Economic Commission for Africa
EU	European Union
GC	Governing Council
GWP	Global Water Partnership
HYCOS	Hydrological Cycle Observing Systems
ICA	Infrastructure Consortium for Africa
IGAD	Inter Governmental Authority on Development
IWRM	Integrated Water Resources Management
JMP	Joint Monitoring Programme under WHO/UNICEF
LFA	Logical Framework Analysis
MDB	Multilateral Development Bank
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
NEPAD	New Partnership for Africa's Development
NGO	Non-Governmental Organisation
PANAFCON	Pan-African Implementation and Partnership Conference on Water
O&M	Operation and Maintenance
OBA	Output Based Aid
OWAS	Water and Sanitation Department of the ADB
PPIAF	Public Private Infrastructure Advisory Facility
PRSP	Poverty Reduction Strategy Paper
PSP	Private Sector Participation
RBM	Results Based Management
RBO	River Basin Organizations
REC	Regional Economic Communities
RMC	Regional Member Country
RWSSI	Rural Water Supply and Sanitation Initiative
SMME	Small, Medium and Micro Enterprises
TA	Technical Assistance
TAC	Technical Advisory Committee
TWRM	Transboundary Water Resource Management
UA	Unit of Account
UNSGAB	UN Secretary-General's Advisory Board on Water and Sanitation
WHO	World Health Organisation
WPP	Water Partnership Programme
WRM	Water Resource Management
WSP	Water and Sanitation Program of the World Bank
WSS	Water Supply and Sanitation
WWC	World Water Council
WWF	World Water Forum

## EXECUTIVE SUMMARY

1. The purpose of this document is to seek approval for the African Water Facility (AWF) Work Plan and Administrative Expenses Budget for 2009 operations from the Board of Directors of the African Development Bank. The document is divided in three main parts: Part I deals with the Work Plan and Indicative Financing Programme for 2009, Part II deals with the Staffing and Administrative Expenses budget for 2009, and Part III with Financial Resource Requirements. The 2009 Work Plan and Budget document is based on a revision of the three-year Operational Programme provided in Annex 6.

2. The Work Plan for 2009 outlines the operational activities that will be implemented in order for the Facility to achieve its goal of mobilising and applying resources to finance water development activities in Africa. In 2009, the AWF will continue to focus on the four main areas of intervention, in-line with its Operational Strategy, with the overall objective of creating the conditions for increased water sector investments. The breakdown of planned activities and associated financial requirements is shown in Table 1.

**Table 1: Indicative Project Financing Requirements for 2009 (million Euros)**

Commitments, by area of intervention:	Projects Approved 2008 <sup>1</sup>		Projects to be Approved 2009		
	No.	Amount	No.	Amount	% of total
Strengthening Water Governance	7	8.5	6	12.0	36%
Investments to Meet Water Needs	6	8.0	7	11.0	33%
Strengthening the Financial Base	0	0	2	2.0	6%
Improving Water Knowledge	2	4.0	5	8.0	24%
<b>TOTAL Project Commitments</b>	<b>15</b>	<b>20.5</b>	<b>20</b>	<b>33.0</b>	

*1) Amounts for 2008 based on actual project commitments to end of September plus estimated amounts for remainder of the year.*

3. The staffing and administrative expenses budget for 2009, provides the various costs incurred by the Facility in order to implement the planned programmes and activities. The budgetary provisions made are broken down by the three major sources of funding: the AWF Special Fund, ADB support to the Facility and Technical Assistance from donors as shown in Table 2. The total cash and in-kind staffing and administrative expenses budget for 2009 is estimated at €4.34 million, which amounts to 5.6% of the project portfolio.

4. An estimate of the human resources requirement of the Facility by the end of 2009 and their sources of funding has also been provided (see Table 3). Under current plans the AWF will have 20 full time staff in place by the end of 2009, consisting of 16 professionals, two support staff, and a Coordinator and Director.

**Table 2          Summary of Staffing and Administrative Expenses Budget (Euros)**

	<b>2008</b>	<b>2009</b>
<b>Staffing and Administrative Expenses</b>		
<b>AWF</b>		
Staffing (paid for directly from AWF account)	0	382,000
Administrative Expenses	925,000	1,544,000
<b>Sub-total</b>	<b>925,000</b>	<b>1,926,000</b>
<b>ADB</b>		
Staffing (ADB secondments to AWF)	888,000	943,000
Administrative Expenses (missions, consultants)	183,000	301,000
Overhead Allocation (office and other expenses.)	173,000	183,000
Operational Support (from Bank Departments)	405,000	410,000
<b>Sub-total</b>	<b>1,649,000</b>	<b>1,837,000</b>
<b>Donors</b>		
Technical Assistance <b>Sub-total</b>	<b>319,000</b>	<b>580,000</b>
<b>TOTAL STAFFING and ADMIN. COSTS</b>	<b>2,893,000</b>	<b>4,343,000</b>
Total Project Portfolio <sup>2</sup>	44,500,000	77,600,000
Staffing & Admin compared to Project Portfolio	6.5%	5.6%

**Table 3          Staffing Plans, by Source of Funding**

	<b>End 2008</b>	<b>2009</b>
<b>Management Staff</b> (ADB funded)	<b>2</b>	<b>2</b>
<b>Professional Staff (totals)</b>	<b>7</b>	<b>16</b>
• ADB funded	4	5
• AWF funded	0	5
• TA funded	3	6
<b>Support Staff</b> (ADB funded)	<b>1</b>	<b>2</b>
<b>TOTAL</b>	<b>10</b>	<b>20</b>

5. To achieve the planned work programme for 2009 as outlined in this document, the total resource requirements are estimated to be €37.3 million (€33.0 million for operational commitments and €4.3 million for overall staffing and administrative expenses in cash and in-kind). Total funds available, assuming all pledges are honoured, are expected to be €38.4 million (€20.0 million in funds pledged plus interest, €2.3 million in ADB and donor staff/administrative contributions, and an unused cumulative balance of €16.9 million from 2008). This leaves an amount of €1.1 million unallocated. As a result, it is expected that the AWF will have adequate financial resources to meet its 2009 requirements.

6. The 2009 Work Plan and Budget has been reviewed and cleared by the Governing Council of the AWF at its meeting in Tunis on October 30, 2008 for submission to the ADB Board of Directors. The Board of Directors of the African Development Bank is invited to take note of the 2009 Work Plan and approve the 2009 AWF Staffing and Administrative Expenses Budget in the amount of €1,926,000 to be financed from the AWF Special Fund.

# 1 INTRODUCTION

1.1 The purpose of this document is to present the proposed 2009 Work Plan and Administrative Expenses Budget of the African Water Facility (AWF) to the Board of Directors of the African Development Bank (ADB) for approval. The document is divided in three parts. Part I deals with the Work Plan and Indicative Financing Programme for 2009, Part II deals with the Staffing and Administrative Expenses Budget for 2009, and Part III the Financial Resource Requirements.

1.2 The AWF Governing Council role is to review and endorse the annual Work Plan and Budget prior to submission to the ADB Board of Directors for approval. This is in line with the Revised Operational Procedures of the African Water Facility, which stipulates that the budget proposals of the AWF shall be submitted to the ADB Board of Directors for approval, after consultation with the Governing Council. In this regard, this Work Plan and Budget for 2009 operations has been reviewed and endorsed by the African Water Facility Governing Council at its meeting of 30<sup>th</sup> October 2008, held in Tunis. Comments from the Governing Council have been incorporated.

1.3 The 2009 Work Plan and Budget document has been drafted in compliance with two key African Water Facility operational documents: 1) The 'Operational Strategy' which describes in detail the overall strategic direction and operational programme from 2008 to 2025; and 2) The '2008-2010 Indicative Operational Programme'. Both of these documents were approved by the Governing Council at its 31<sup>st</sup> October 2007 meeting, in-line with the Instrument establishing the AWF. The three-year rolling Operational Programme has been revised for the period 2009-2011, and is provided in Annex 6. This programme has been developed as a realistic plan of what may be achieved in the short to medium term based on the experience the Facility has gained to date.

## PART I: WORK PLAN AND INDICATIVE FINANCING PROGRAMME

### 2 ACHIEVEMENTS IN 2008

2.1 Highlights of the main achievements during 2008 are described below:

- ***Projects appraised and supervised:*** Seven projects were approved totalling €8.448 million. Another eight projects (approx. €12.04 million) are currently under appraisal, and targeted for approval before the end of year, bringing the expected total to 15 projects valued at approx. €20.5 million. In addition, 28 projects approved in previous years continue to be implemented.
- As of the end of September 2008, €9.4 million had been disbursed, this represents 29% of the €32.6 million committed. As of November 2008, the commitments remain at 32.6 million, but disbursements have increased to €12.2 million, or 37%.
- ***Building the project pipeline:*** The Facility has been taking steps to increase the number of projects in the pipeline, through specific project identification missions,

involvement of Field Offices in project identification, and a focus on intensive screening of the large number of applications that have been received using newly developed guidelines on screening. As a result, there are now 23 good quality projects in the pipeline, and another 20 projects that have been identified for possible admission into the pipeline.

- **Sector assessments:** The Pan African Assessment on Water Sector Monitoring and Evaluation, and the compilation of the ten Country Profiles on Information and Knowledge Management, have been completed. The work sets the stage for a concerted and coordinated approach to monitoring the water sector in Africa.
- **Outreach and partnership efforts:** The African Water Facility has been involved in numerous activities to strengthen partnerships and create awareness of its contribution to the sector. These include: providing significant support toward the organisation of the First Africa Water Week held in Tunis, March 2008, and organising African Water Facility related side events and meetings; support to African Ministers Council on Water (AMCOW) for the African Union Heads of State and Governments Summit in held in Egypt from 30 June to 1 July; and coordinating African input to the World Water Week in Stockholm and 5<sup>th</sup> World Water Forum. The AWF is also forging strong partnerships with African utilities under the Water Operators Partnership Africa (WOP-Africa) and intends to support its programmes.
- **Operational support:** Project implementation workshops were successfully held in Uganda and Tunisia, which brought together 72 key staff drawn from 32 project implementation units. The purpose was to make participants familiar with the policies and procedures of the Bank and the Facility, especially regarding procedures for procurement and financial management. This is expected to result in significant improvements in the efficiency and effectiveness of AWF project execution, leading to an increase in disbursement rates.
- **Mobilisation of short term funding:** Significant efforts have been made to secure funds for the three-year programme, and tangible progress has been achieved. Renewed and increased commitments have been made by two of the existing donors: Sweden (€8 million) and Austria (€300,000); and Spain has committed to join the Facility with a contribution of €12 million for 2008-2010. Algeria has indicated a commitment of €100,000 which is under formalisation as at the time of submitting the Work Plan and Budget document. The United Kingdom has expressed keen interest to join the African Water Facility and to make a financial contribution. AWF held a working session with AMCOW TAC to ensure further emphasis is made on resources mobilisation for the Facility.

### 3 2009 WORK PLAN

3.0.1 This section summarises the key operational areas of intervention and associated types of projects, programmes and support activities which will be undertaken by the Facility in 2009. Under each of the areas of intervention is included an overview of projects identified for appraisal, along with estimates of expected numbers and amounts of project approvals in 2009. The Organisational activities undertaken by the AWF to coordinate and manage the activities of the Facility are also discussed.



3.0.2 The indicative programme is mainly based on the projects in the pipeline for appraisal in 2009 (see Annex 1), and the projects under identification at the present time. The planned allocations have also been adjusted to take into account the distribution of projects under each area of intervention, as indicated in the revised Operational Programme 2009-2011 (see Annex 6). Consideration has also been given to AWF human resource capacity, particularly the number of Professional Staff required to appraise and supervise projects (see Section 5 for more details), and the expected skills mix (see Annex 3). The Key Performance Indicators with which the achievements of the AWF will be assessed are contained in Annex 2

### **3.1 STRENGTHENING WATER GOVERNANCE**

3.1.1 The AWF provides support for a wide range of water governance interventions which are designed to improve the enabling environment and strengthen water resources management. To achieve this, the existing focus on National and Transboundary Water Resource Management will continue to be emphasised in 2009.

#### **National Water Resources Management**

3.1.2 This is one of the main focal areas of the Facility. It is aimed at improving or establishing Integrated Water Resource Management (IWRM) principles and practices through assisting RMCs in the development of comprehensive policies and strategies, legislative and regulatory frameworks, institutional arrangements, and effective planning and implementation processes. As a result, RMCs will have increased capacity to sustainably manage their water resources effectively based on an IWRM perspective, and to attract appropriate national and international investments in the sector.

3.1.3 Several requests under this component have been screened and eligible proposals amounting to about €4.3 million have been placed in the pipeline for appraisal in 2009,

#### **Transboundary Water Resources Management**

3.1.4 The overall objective of this component is to support the joint development of shared waters using an IWRM approach. This will be achieved through facilitating political will, development of legislative frameworks, promotion of cooperation, mobilisation of resources, and planning joint development programmes which are able to attract investments. This will lead to an overall outcome of improved Transboundary Water Resources Management (TWRM), with regional organisations having increased capacity to manage transboundary water resources under a cooperative framework. Interventions focus on the ten shared lake/river basins and aquifers that have been prioritized by AMCOW and NEPAD and these are:

- West Africa: Senegal, Niger, Volta;
- Central Africa: Lake Chad, Congo;
- East Africa: Nile (which includes Victoria and Kagera);
- Southern Africa: Zambezi, Okavango, Orange/Senqu;
- North Africa: Shared aquifers in North Africa (including the Nubian Sandstone aquifer and the Northern Sahara Aquifer System).

3.1.5 The eligible proposals which have been identified for appraisal in 2009 under this component, amounting to about €4.7 million, are shown in Annex 1. In addition, project related activities consisting of the organization of workshops will be undertaken by the African Water Facility using its own staff and consultants. It is planned that at least two workshops related to coordination and consensus building for river basins, involving RBOs and RECs and donors, will be organized in 2009.

### **Improving service delivery**

3.1.6 The AWF supports a wide range of activities designed to improve delivery of water supply and sanitation services, such as: putting in place the proper conditions by improving the enabling environment for sustainable investment and effective service management; taking concrete actions to ensure that the needs of the poor are met such as use of targeted subsidies for new service connections; encouraging service provision by a wide spectrum of providers; and improving the performance of service providers. Since this is a new area of intervention for the Facility, identification of relevant projects is still ongoing. Projects are under discussion with potential Recipients include: benchmarking of African water utilities to provide a tool for strengthening their operation and maintenance capacity; and strengthening pro-poor water supply and sanitation service delivery using effective operational public private partnerships (PPP) arrangements and improved policies and strategies. The AWF is also supporting the newly established WOP-Africa secretariat to develop a programme for building capacity and improving performance of utilities in Africa through networking and cooperation. In total €3.0 million has been earmarked under this area of intervention.

## **3.2 INVESTMENTS TO MEET WATER NEEDS**

3.2.1 The AWF provides targeted and strategic capital grants for water infrastructure projects that are designed to address the African Water Vision and Millennium Development Goals (MDG) targets related to meeting water needs for water supply, sanitation, or productive uses. The focus is on meeting water needs with the intention of catalysing or attracting substantial additional investments through the replication or scaling-up of successful technologies, and on making better use of available resources through the widespread adoption of improved approaches. In addition, preparation of investment programmes and projects will continue to receive emphasis.

### **Water Supply and Sanitation**

3.2.2 One of the key areas of AWF support concerns the technological development and pilot trials of low cost and appropriate technologies for expanding safe water supply. Equally important is the need to expand access to improved sanitation with enhanced hygiene promotion and education components. Interesting examples in the pipeline consist of support to Mozambique for the provision of sustainable access to water supply and sanitation in three rural districts and piloting of innovative technologies and approaches for the area. Other water supply and sanitation projects are under identification and total expected financing will amount to about €3.0 million in 2009.

### **Water for Productive Uses**

3.2.3 Ensuring supply of adequate water for productive uses is an important area of intervention for AWF capital investment grants, especially given the current need to respond

to the food crisis in Africa. In this regard a focal area of the Facility is water for agricultural uses to achieve food security. Interesting projects in the pipeline include support to an NGO in South Africa to improve water harvesting techniques for multi-purpose uses. Efforts will also be made to increase the number of projects addressing food security, multi-purpose water use and climate change, through pursuing a thematic approach to soliciting projects, including issuing calls for proposals (see paragraph 3.5.7). An allocation of about €3.2 million is expected to be devoted to agriculture/multipurpose water use projects in 2009.

### **Project and Programme Preparation**

3.2.4 The AWF supports the preparation of larger water and sanitation development programmes and projects, at national and regional levels, which will lead to the availability of suitable projects with high likelihood to access financing from public and private sector sources. There has been considerable demand for this type of support by the AWF. Project proposals in the pipeline amounting to €4.8 million have already been identified. The projects concern: the formulation of water supply and sanitation sector policies and investment plans and strategies in the Republic of Congo; support to SADC in the establishment of a regional wa

3.4.2 There has been considerable demand from national and regional organisations for assistance to improve the reliability, quality, and quantity of hydrological data and develop better information management systems. Several project proposals relating to water resources information management have been identified for appraisal in 2009, amounting to €4.5 million. The projects relate to transboundary information management activities in order to strengthen the information base of the water resources of shared river basins, lakes and aquifers. These regional information projects involve activities such as improving the water database, enhancing the hydrological network, upgrading the existing Hydrological Cycle Observing Systems (HYCOS) systems in each river basin, strengthening national hydrological service and capacity building of basin authorities and agencies in information management.

### **Monitoring and Evaluation**

3.4.3 Monitoring and evaluation of the African water sector is a major challenge which needs to be met. The AWF is responding to this challenge through direct project interventions aimed at establishing or strengthening water sector monitoring and evaluation systems and management capabilities at national or regional levels, as well as supporting African Ministers Council on Water (AMCOW) in organising consultative workshops and undertaking sector assessments. For example, on behalf of AMCOW, the African Water Facility organised a *Monitoring and Evaluation Stakeholders Consultative Meeting* in September 2006 in Tunis. The outcomes of the meeting now serve as a roadmap for establishing and strengthening water sector monitoring and evaluation in Africa, and the AWF, in close collaboration with other partners, is providing appropriate support to coordinate and implement the main actions that were agreed upon at the workshop. In-line with one of the outcomes of the Stakeholders workshop, the AWF undertook an important pan African assessment of the status of M&E in 2008. The AWF and other partners will use the outcomes of this assessment to guide interventions in sector monitoring and evaluation.

3.4.4 Identified projects in the pipeline involve the development of performance indicators for assessment of water management and information system in West Africa and Malawi. As well, the AWF is considering direct support to individual countries or regional organisations to strengthen their M&E capacity. An amount of €3.5 million has been allocated for these projects.

### **Knowledge Generation and Dissemination**

3.4.5 The AWF aims at providing resources to projects that facilitate change and innovation in the water sector, in order to promote adoption of good practices by others, knowledge generation and dissemination. Although no specific projects focused primarily on knowledge aspects are planned for 2009, there will be numerous knowledge related activities undertaken, particularly to assess and learn from the many projects that are expected to be completed over the upcoming year. Since this type of activity will be done by AWF staff and consultants, it is budgeted for under the Administrative Expenses Budget (see Section 6).

## **3.5 ORGANISATIONAL ACTIVITIES**

3.5.1 The special nature of the AWF requires that adequate resources are devoted to undertaking a wide range of organisational activities which are essential to the effective operation of the Facility. Linkages with the ADB, AMCOW, contributing donors and many

other partners; requirement for special operational instruments and strategies; need for effective outreach and communications; and ensuring effective operational support; are all reasons why the Facility has been devoting much time and internal resources to ensuring that its operations flow smoothly. These activities are paid from the Administrative budgets described in Section 6.

### **Strengthening Partnerships and Communications**

3.5.2 Building strong partnerships, both between the AWF and its stakeholders, and between regional and national organisations, is essential for success. In this regard, the African Water Facility works closely with a wide range of organisations at global, regional, and country levels to build consensus on effective policies and practices, coordinate activities, leverage resources, share knowledge, build capacity and enhance advocacy. For example, in order to strengthen national and transboundary integrated water resources management (IWRM/TWRM) implementation activities on the ground the African Water Facility is in joint discussion with the GWP, IUCN and UNESCO with the view to forging a partnership that will synergise the strengths of each of these institutions for effective execution of these types of projects in RMCs.

3.5.3 The AWF is regularly involved in various outreach activities to strengthen its regional and international presence, and to forge cooperation and good working relationship with other actors in the African water sector. These outreach activities centre on participation in meetings, workshops, conferences and task forces, and representation on Governing bodies of various regional organisations. These types of activities are important in order to further the interests of the Facility, and will continue in 2009. Examples include proposed JMP co-sponsored consensus building workshops on M&E and participation in the World Water Week.

3.5.4 The attainment of the objectives of the AWF and the effective implementation of the AWF programme requires efficient and systematic communications with a focus on stakeholders' awareness and participation. The AWF will continue to actively implementing various recommendations of its Communications Strategy, such as: improving its new website; regularly disseminating information; coordinating communication activities with those of the ADB; and effectively engaging with the media.

### **Promoting Strategic Initiatives**

3.5.5 As one of the flagship initiative of AMCOW, the African Water Facility will instigate and promote strategic initiatives in support the AMCOW agenda. This will contribute and enable AMCOW in providing oversight, guidance and advisory support to RMCs and other partners. In 2009, activities will consist of support to AMCOW for: regional participation in the 5<sup>th</sup> World Water Forum which will be held in March 2009 in Istanbul Turkey; implementation of specific outcomes of the African Water Week; implementation of the 2008 Africa Union Heads of States and Governments Summit commitments on water and sanitation in Sharm El Sheikh, Egypt; preparation for the 2<sup>nd</sup> African Water Week; and continued engagement with the stakeholders of the World Water Week in Stockholm.

### **Providing Operational Support**

3.5.6 AWF staff and consultants undertake various types of operational support activities aimed at ensuring effective project and programme management. These include project identification, preparatory, appraisal and supervision activities; organising and/or participating in AWF project related workshops; and undertaking status assessments. As well, the AWF will continue to further consolidate and strengthen its operations through the refinement of tools for effective portfolio management throughout the project cycle.

3.5.7 In order to balance its portfolio in areas of intervention not adequately represented, the AWF intends to pursue a thematic approach to soliciting projects, including issuing calls for proposals during the course of the year. These calls are expected to focus on Strengthening the Financial Base; Investments to Meet Water Needs and Multipurpose Water Uses; Improving Service Delivery; and M&E. Modalities for pursuing this thematic approach are under preparation, including out-sourcing the task to a consultancy firm under AWF supervision.

### **Resources mobilisation**

3.5.8 Within its limited capacity, the Facility will continue to support AMCOW and the Governing Council in this area. In particular, discussion will continue with various African, European, Asian and Middle-Eastern countries to secure their contributions to the AWF Special Fund, taking into account their respective capacities.

## **4 INDICATIVE FINANCING PROGRAMME FOR 2009**

4.1 Based on the analysis in the previous section, a comprehensive estimate of indicative financing requirements for the operational programme has been developed for 2009, as shown in Table 4.1. This estimate includes just the projects activities, with the organisational activities that are noted in section 4.5 included under the staffing and administrative budget reviewed in Part II.

4.2 The total cost for the overall operational programme is estimated at €33.0 million for 2009. Of this, €12.0 million or 36% is planned for Water Governance, €11.0 million or 33% for Investments, €2.0 million or 6% for Strengthening the Financial Base, and €8.0 million or 24% for Water Knowledge. In comparison, the overall cost of the programme in 2007 and 2008 was €15.1 million and €20.5 million respectively, which shows a significant but manageable increase.

**Table 4.1 Indicative Project Financing Requirements for 2009 (million Euros)**

Project commitments, by area of intervention:	Projects Approved 2008 <sup>1</sup>	Projects to be Approved 2009	
	Amount	Amount	% of total
<b>Strengthening Water Governance</b>			
NWRM	7.11	4.3	
TWRM	1.38	4.7	
Improving Service Delivery	0	3.0	
Sub-total	<b>€8.49</b>	<b>€12.0</b>	<b>36%</b>
Number of projects	7	6	
<b>Investments to Meet Water Needs</b>			
Water Supply and Sanitation	2.00	3.0	
Agriculture/Multipurpose Water Uses	1.94	3.2	
Programme/Project Preparation	4.11	4.8	
Sub-Total	<b>8.05</b>	<b>11.0</b>	<b>33%</b>
Number of projects	6	7	
<b>Strengthening the Financial Base</b>			
Sub-total	<b>0</b>	<b>2.0</b>	<b>6%</b>
Number of projects	0	2	
<b>Improving Water Knowledge</b>			
Information Management	0	4.5	
Monitoring and Evaluation	2.00	3.5	
Knowledge Generation	1.99	0	
Sub-total	<b>3.99</b>	<b>8.0</b>	<b>24%</b>
Number of projects	2	5	
<b>Total Project Commitments</b>	<b>€20.53</b>	<b>€33.0</b>	
<b>Total Number of Projects</b>	<b>15</b>	<b>20</b>	

1) Amounts for 2008 are based on actual project commitments to end of September plus estimated amounts for remainder of the year.

4.3 The percentage allocation by amount to each area of intervention has been adjusted compared to the original three year Operational Programme for 2008-2010, with the allocation to governance greater (36% vs. 31%) and to investments lower (33% vs. 41%) than planned for 2009. The allocations for Financial Base and Water Knowledge are as planned. This modified allocation reflects actual demand based on projects in the pipeline and potential projects under identification. The Facility will nonetheless endeavour to increase investments to meet water needs through issuing calls for proposals, subject to availability of adequate funds. These actions will bring allocations more in-line with the overall targets set for the lifetime of the AWF as noted in the Operational Strategy.

4.4 The expected number of project approvals for each area of intervention is also presented in Table 4.1. As can be seen, the AWF plans to increase project approvals to 20 in 2009 (from the 15 expected to be approved in 2008, and the 15 actually approved in 2007). In addition, given the expected 44 ongoing projects at end of 2008, and approximately 14 projects expected to be completed in 2009, the Facility could have up to 50 projects in its portfolio by the end of 2009.

4.5 The appraisal of 20 projects and ongoing supervision of between 44 and 50 projects is expected to be achievable given the increased capacity of the AWF in 2009 and the well functioning project processing procedures. In particular, the time required to appraise and supervise these numbers of projects has been carefully assessed against the expected time available from the staffing complement.

## **PART II: STAFFING AND ADMINISTRATIVE EXPENSES BUDGET**

A detailed review of the staffing and administrative expense requirements for 2009 has been developed in order to ensure that the AWF has sufficient resources on hand throughout the year to manage its portfolio of projects and engage adequate staff with the requisite skills to achieve objectives. This section begins with a summary of the human resource requirements to implement the work plan for 2009. This is followed by a breakdown of the staffing and administrative expenses budgets for the AWF, the ADB and other donors.

### **5 HUMAN RESOURCE REQUIREMENTS**

5.1 A detailed assessment of human resource requirements for 2009 has been prepared, which updates the Staffing Needs Analysis which was presented in the Operational Programme 2008-2010 document. This update is based on the three years of operational experience by the Facility, which now permits a much more accurate assessment of staffing needs based on actual time spent by AWF staff to undertake project tasks and associated organisational activities. Details on the methodology and outcomes of the Staffing Needs Analysis are shown in the revised Operational Programme presented in Annex 6.

5.2 Based on this assessment of the numbers and skills needed by the end of 2009, the AWF plans to have 16 full time professional staff, two support staff, a Coordinator and Director in place by the end of 2009. Details of staffing are shown in Annex 3. To reach this staffing level, the AWF launched a recruitment drive in 2008 to fill the approved seven new positions, consisting of six professionals and one administrative staff. In addition, recruitment of two Technical Assistance replacements (Norway and Austria) is underway. One new professional position is proposed for 2009. Five of the new staff positions will be funded by the AWF, two by the ADB, and three by donors. In the mean time, AWF continues to rely on consultants and short-term staff as well as the Directors' Front Office staff and other services provided by the Bank Departments and Field Offices.

5.3 An update of the status of the positions approved in 2008 is presented below. It should be noted that due to the current need for more staff to undertake project cycle activities, the positions of Procurement and Legal Officers have been deferred to a later date in favour of recruiting water sector professional staff.

- i. **Grants Processing Officer** (funded by AWF): Recruitment is nearing completion, with the new staff member to be in place in the first quarter of 2009.
- ii. **Communications Officer** (funded by AWF): Recruitment is nearing completion, with the new staff member to be in place in the first quarter of 2009.
- iii. **Water Resources Information Specialist** (funded by AWF): This position will be a water resources management expert with experience in hydrological monitoring. Given



the high demand for information management projects (see 3.4), and recruitment is underway.

- iv. **Environmental** (donor Technical Assistance): There is a critical need for environmental expertise in the Facility since most of the projects, particularly those dealing with IWRM/TWRM and pilot investment projects, requires significant review of their environmental aspects. In addition there has arisen the need for projects focusing on Environmental management and climate change. The AWF is continuing to hold discussions with prospective donors about supporting this position.
- v. Procurement Officer (funded by AWF): This position is currently being filled by a long term consultant with additional support provided by the Bank's procurement department. Recruitment of the procurement officer will therefore be deferred. It is proposed that in replacement a **Water/Irrigation Engineer** be recruited to support the many requests received related to investments to meet water for productive uses, given the need for the Facility to increase its support in this area.
- vi. Legal Officer (funded by AWF): This position was initially put forward due to the high volume of projects approvals originally planned (up to 44 per year). Under the current Work Plan, it is expected that 20 projects will be approved in 2009. The Banks legal department will continue to ably provide the necessary services. Therefore this position is deferred to a later date. Instead it is proposed that a **Water Resources Management Expert** be recruited given the continuing strong demand for integrated water resources projects (see section 3.1) necessitates taking on additional expertise in this area.
- vii. **Administration Assistant** (ADB): This position consists of support to the AWF team, including organisation of workshops and meetings, editing of documentation, maintaining the Facility archives, making travel arrangements. Currently, the Bank, through the Directors front office is providing these services and this support is expected to continue until recruitment is completed.

5.4 The ADB will fund one additional **Water Supply and Sanitation** professional in 2009. This person will strengthen the Facilities capacity to deal with water utilities and independent service providers, focusing on activities related to improving service delivery by public and private utilities. Given the increased levels of support to utilities planned for 2009 and beyond this position is vital.

5.5 One potential problem concerns the lack of sustained funding commitments from 2009 onwards. As the ADB Board of Directors advised during its review of the 2008 Budget, staffing increases should be in-line with increases in the size of the project portfolio, which in turn depends on adequate levels of funding over each of the next three to five years to make the planned project commitments. The concern is that should funding remain at current low levels, it may result in the inability for the AWF to make a sufficient number of project commitments to justify the increased numbers of operations staff (i.e. there may be not enough work to do). However, the risk of overstaffing is deemed minimal, and is certainly less than the impact of having inadequate staffing levels. The Facility has therefore given priority to ensuring adequate staffing by allocating sufficient budgetary provisions.

## 6 STAFFING AND ADMINISTRATIVE EXPENSES

6.0.1 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 and communications. The costs are paid for under three budgetary provisions, namely the AWF Special Fund, the various types of ADB support to the Facility, and contributions from other donors in technical assistance. The budget approval being sought in this document relate to funds from the AWF Special Fund, however it is deemed necessary to provide the complete sources of funds for all the administrative expenses to be incurred by the AWF.

### 6.1 AWF FUND SUPPORTED EXPENSES

6.1.1 In line with the AWF Operational Strategy document which has been approved by the Governing Council at its meeting of 31 Oct. 2007, a portion of the AWF Special Fund will be used to pay for the cost of implementing the operational and administrative functions of the Facility. It is planned that the emoluments of five new staff members will be paid from the AWF Special Fund as of 2009 (see Section 5), at a total cost of **€382,000** including salary and benefits.

6.1.2 The AWF also maintains an administrative budget which categorises expenses according to certain predefined internal categories based on quantifiable inputs. The AWF plans to spend **€1,544,000** on various administrative expenses in 2009. The amounts planned under each of the administrative expense categories have been compiled and shown in Table 6.1.

**Table 6.1 AWF Fund Supported Administrative Budget for 2008 (in Euro)**

Cost Component	Budget Amounts from AWF Special Fund		
	2008 Allocated	2008 Utilised <sup>1</sup>	Proposed 2009
Staff Missions	300,000	100,000	150,000
Consultancy Services - Individuals	400,000	335,000	460,000
Consultancy Services – Firms <sup>2</sup>	600,000	160,000	500,000
Workshops and Seminars	500,000	205,000	280,000
Governing Council Meetings (including TAC)	100,000	100,000	60,000
Resources Mobilisation Activities	50,000	20,000	50,000
Communications	50,000	2,000	40,000
Audit of the Facility	0	3,000	4,000
<b>Total</b>	<b>€2,000,000</b>	<b>€925,000</b>	<b>€1,544,000</b>

1) Utilised amounts based on actual amounts up to 30th September, and estimates for Oct., Nov and Dec.

2) Includes Audit firms, consultancy services for call for proposals and major sector assessments

6.1.3 This administrative budget is related to the level of project activities, and the 2009 budget has been based on the 2008 actual spending and the expected growth in projects for 2009. It is based on assumptions of the anticipated number of staff missions, the level of efforts for consultant services and costs of organising workshops and seminars. These costs include the following activities:

- **AWF Staff Missions:** Staff will undertake field missions to support the preparation, appraisal and implementation of projects, as well as attend relevant and selected

national and regional meetings. In this manner AWF staff will undertake about 38 missions from the AWF budget at an average cost of €4,000 per mission, which gives a total of about €150,000. Additional missions will be covered under the ADB support budget.

- **Consultancy Services:** Individual consultants will be recruited to support specific implementation activities related to programme/project preparation and appraisal, at an estimated cost of about €460,000. Consultancy firms will also be recruited to execute specific activities of the Facility such as auditing ongoing projects, processing calls for proposals, and undertaking sector assessments, at an estimated total cost of €500,000. This gives a total consultant cost of about €960,000.
- **Workshops:** Various workshops will be organised and attended in 2009 as in previous years. These will include international and regional events, and support to project executing agencies. An amount of €280,000 has been earmarked.
- **Governing Council Meetings:** It is estimated that one ordinary Governing Council meeting and one extraordinary meeting will be organised during the course of 2009 at the cost of about €60,000..
- **Resource Mobilisation:** Missions will be undertaken by AMCOW and the AWF to mobilise resources for the Facility. This will include consultation meetings with AMCOW and missions to donor countries to advocate for funding support to the AWF. The total cost of these activities is estimated at €50,000.
- **Communications Activities:** Cost provisions are made for the preparation of brochures, leaflets, and other print products, as well as for media engagement. The total cost of these activities is estimated at €40,000.
- **Fees for auditing** the AWF Special Fund, estimated at €4,000.

## 6.2 ADB SUPPORT TO THE AWF

6.2.1 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. It is estimated that the cost of the ADB personnel assigned to the facility during 2009 will be €43,000. This includes one third of the cost of the Director (as he also manages the two divisions of the Water and Sanitation department, the Coordinator, five professional staff and two support staff (see Section 5). The cost covers salary and benefits (home leave, pension, education and medical grants; as well as dependent and installation allowances). Linked to this headcount is also an overhead allocation assigned to all the Bank's operational units. This covers ADB's central costs and includes office space and services, IT support, public relations, and senior management time amongst others. The overhead allocation estimated for the Facility is €83,000.

6.2.2 In addition, the ADB is providing financial support for activities associated with the implementation of AWF operational and management activities. These include Bank funded missions related to project identification, appraisal and supervision; and the provision of consultant services for assistance to AWF operational activities and to undertake special studies. In total, it is planned that Bank will provide €301,000 for these activities in 2009 as described in Table 6.2 below, according to the administrative expense categories used by the

ADB. However, at the time of writing this document, the ADB Administrative Budget for 2009 has not yet been approved and the provisions are therefore tentative.

**Table 6.2 ADB Administrative Expenses Contribution to the AWF (in Euro)**

<b>Cost Component</b>	<b>Budget for 2008 Allocated<sup>1</sup></b>	<b>Budget Reallocation<sup>3</sup></b>	<b>2008 Utilised<sup>2</sup></b>	<b>Budget for 2009</b>
Missions by ADB Staff <sup>3</sup>	130,000	180,000	180,000	133000
Consultant Services <sup>3</sup>	50,000	0	0	166000
Hospitality, Entertainment	4,675	4,675	3,000	2,000
<b>Total</b>	<b>184,675</b>	<b>184,675</b>	<b>183,000</b>	<b>301,000</b>

1) Budget figures are those assigned in the ADB budget system. This differs from the 2008 Work Plan and Budget document where a total of Euro 208,000 was assigned.

2) Utilised amounts based on actual amounts up to 30<sup>th</sup> September and estimates for Oct., Nov. and Dec.

3) During the year (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z) (aa) (ab) (ac) (ad) (ae) (af) (ag) (ah) (ai) (aj) (ak) (al) (am) (an) (ao) (ap) (aq) (ar) (as) (at) (au) (av) (aw) (ax) (ay) (az) (ba) (bb) (bc) (bd) (be) (bf) (bg) (bh) (bi) (bj) (bk) (bl) (bm) (bn) (bo) (bp) (bq) (br) (bs) (bt) (bu) (bv) (bw) (bx) (by) (bz) (ca) (cb) (cc) (cd) (ce) (cf) (cg) (ch) (ci) (cj) (ck) (cl) (cm) (cn) (co) (cp) (cq) (cr) (cs) (ct) (cu) (cv) (cw) (cx) (cy) (cz) (da) (db) (dc) (dd) (de) (df) (dg) (dh) (di) (dj) (dk) (dl) (dm) (dn) (do) (dp) (dq) (dr) (ds) (dt) (du) (dv) (dw) (dx) (dy) (dz) (ea) (eb) (ec) (ed) (ee) (ef) (eg) (eh) (ei) (ej) (ek) (el) (em) (en) (eo) (ep) (eq) (er) (es) (et) (eu) (ev) (ew) (ex) (ey) (ez) (fa) (fb) (fc) (fd) (fe) (ff) (fg) (fh) (fi) (fj) (fk) (fl) (fm) (fn) (fo) (fp) (fq) (fr) (fs) (ft) (fu) (fv) (fw) (fx) (fy) (fz) (ga) (gb) (gc) (gd) (ge) (gf) (gg) (gh) (gi) (gj) (gk) (gl) (gm) (gn) (go) (gp) (gq) (gr) (gs) (gt) (gu) (gv) (gw) (gx) (gy) (gz) (ha) (hb) (hc) (hd) (he) (hf) (hg) (hh) (hi) (hj) (hk) (hl) (hm) (hn) (ho) (hp) (hq) (hr) (hs) (ht) (hu) (hv) (hw) (hx) (hy) (hz) (ia) (ib) (ic) (id) (ie) (if) (ig) (ih) (ii) (ij) (ik) (il) (im) (in) (io) (ip) (iq) (ir) (is) (it) (iu) (iv) (iw) (ix) (iy) (iz) (ja) (jb) (jc) (jd) (je) (jf) (jg) (jh) (ji) (jj) (jk) (jl) (jm) (jn) (jo) (jp) (jq) (jr) (js) (jt) (ju) (jv) (jw) (jx) (jy) (jz) (ka) (kb) (kc) (kd) (ke) (kf) (kg) (kh) (ki) (kj) (kk) (kl) (km) (kn) (ko) (kp) (kq) (kr) (ks) (kt) (ku) (kv) (kw) (kx) (ky) (kz) (la) (lb) (lc) (ld) (le) (lf) (lg) (lh) (li) (lj) (lk) (ll) (lm) (ln) (lo) (lp) (lq) (lr) (ls) (lt) (lu) (lv) (lw) (lx) (ly) (lz) (ma) (mb) (mc) (md) (me) (mf) (mg) (mh) (mi) (mj) (mk) (ml) (mm) (mn) (mo) (mp) (mq) (mr) (ms) (mt) (mu) (mv) (mw) (mx) (my) (mz) (na) (nb) (nc) (nd) (ne) (nf) (ng) (nh) (ni) (nj) (nk) (nl) (nm) (nn) (no) (np) (nq) (nr) (ns) (nt) (nu) (nv) (nw) (nx) (ny) (nz) (oa) (ob) (oc) (od) (oe) (of) (og) (oh) (oi) (oj) (ok) (ol) (om) (on) (oo) (op) (oq) (or) (os) (ot) (ou) (ov) (ow) (ox) (oy) (oz) (pa) (pb) (pc) (pd) (pe) (pf) (pg) (ph) (pi) (pj) (pk) (pl) (pm) (pn) (po) (pp) (pq) (pr) (ps) (pt) (pu) (pv) (pw) (px) (py) (pz) (qa) (qb) (qc) (qd) (qe) (qf) (qg) (qh) (qi) (qj) (qk) (ql) (qm) (qn) (qo) (qp) (qq) (qr) (qs) (qt) (qu) (qv) (qw) (qx) (qy) (qz) (ra) (rb) (rc) (rd) (re) (rf) (rg) (rh) (ri) (rj) (rk) (rl) (rm) (rn) (ro) (rp) (rq) (rr) (rs) (rt) (ru) (rv) (rw) (rx) (ry) (rz) (sa) (sb) (sc) (sd) (se) (sf) (sg) (sh) (si) (sj) (sk) (sl) (sm) (sn) (so) (sp) (sq) (sr) (ss) (st) (su) (sv) (sw) (sx) (sy) (sz) (ta) (tb) (tc) (td) (te) (tf) (tg) (th) (ti) (tj) (tk) (tl) (tm) (tn) (to) (tp) (tq) (tr) (ts) (tt) (tu) (tv) (tw) (tx) (ty) (tz) (ua) (ub) (uc) (ud) (ue) (uf) (ug) (uh) (ui) (uj) (uk) (ul) (um) (un) (uo) (up) (uq) (ur) (us) (ut) (uu) (uv) (uw) (ux) (uy) (uz) (va) (vb) (vc) (vd) (ve) (vf) (vg) (vh) (vi) (vj) (vk) (vl) (vm) (vn) (vo) (vp) (vq) (vr) (vs) (vt) (vu) (vv) (vw) (vx) (vy) (vz) (wa) (wb) (wc) (wd) (we) (wf) (wg) (wh) (wi) (wj) (wk) (wl) (wm) (wn) (wo) (wp) (wq) (wr) (ws) (wt) (wu) (wv) (ww) (wx) (wy) (wz) (xa) (xb) (xc) (xd) (xe) (xf) (xg) (xh) (xi) (xj) (xk) (xl) (xm) (xn) (xo) (xp) (xq) (xr) (xs) (xt) (xu) (xv) (xw) (xx) (xy) (xz) (ya) (yb) (yc) (yd) (ye) (yf) (yg) (yh) (yi) (yj) (yk) (yl) (ym) (yn) (yo) (yp) (yq) (yr) (ys) (yt) (yu) (yv) (yw) (yx) (yy) (yz) (za) (zb) (zc) (zd) (ze) (zf) (zg) (zh) (zi) (zj) (zk) (zl) (zm) (zn) (zo) (zp) (zq) (zr) (zs) (zt) (zu) (zv) (zw) (zx) (zy) (zz)

**Table 6.3 Summary of Staffing and Administrative Expenses Budget (Euros)**

	2008 <sup>1</sup>	2009
<b>Staffing and Administrative Expenses</b>		
<b>AWF</b>		
Staffing (paid for directly from AWF account)	0	382,000
Administrative Expenses	925,000	1,544,000
<b>Sub-total</b>	<b>925,000</b>	<b>1,926,000</b>
<b>ADB</b>		
Staffing (ADB secondments to AWF)	888,000	943,000
Administrative Expenses (missions, consultants)	183,000	301,000
Overhead Allocation (office and other expenses.)	173,000	183,000
Operational Support (from Bank Departments)	405,000	410,000
<b>Sub-total</b>	<b>1,649,000</b>	<b>1,837,000</b>
<b>Donors</b>		
Technical Assistance <b>Sub-total</b>	<b>319,000</b>	<b>580,000</b>
<b>TOTAL STAFFING and ADMIN. COSTS</b>	<b>2,893,000</b>	<b>4,343,000</b>
Total Project Portfolio <sup>2</sup>	44,500,000	77,600,000
Staffing & Admin compared to Project Portfolio	6.5%	5.6%

1) Based on actuals up to end of September plus estimates for last quarter of the year.

2) Defined as ongoing projects at start of year plus expected approvals during year

## **PART III: FINANCIAL RESOURCE REQUIREMENTS**

Availability of sufficient financial resources is crucial for the AWF to make appropriate project commitments in fulfilment of its mandate. This section presents an analysis of resource requirements of the AWF for 2009. It starts with a brief review of project commitments to date and planned for next year, followed by a review of pledges and schedule of payments to the AWF Special Fund. It closes with comparison of operational commitments vs. available funding, which indicates the amounts and timing of funds required for 2009.

### **7 PROJECT COMMITMENT AND DISBURSEMENT PROFILE**

7.1 As at the end of September 2008, a total of €32.6 million had been committed on 36 projects approved. With the additional eight projects targeted for approval by the end of the year, total commitments are expected to rise to 44 projects amounting to €44.7 million by 31<sup>st</sup> December 2008 (see Table 7.1). For the year 2009, an additional €33.0 million for 20 project commitments is planned (see Table 4.1), giving a cumulative total of €77.7 million on 64 projects.

7.2 An amount of €9,374,380 million has been disbursed up to the end of September on 25 projects which are grant effective. Processing of the first disbursement for the remaining 11 projects is underway, as well as several second tranche disbursements. As a result, total disbursements are expected to amount to €13.6 million by the end of 2008, representing 42% of commitments, and €33.4 million by the end of 2009, representing 43% of commitments (see Table 7.1). Annex 5 presents details on the disbursement plan.

**Table 7.1 Project Commitment and Disbursement Profile**

Current Project Status	Commitment and Disbursement Profile							
	2006	2007	2008 <sup>1</sup>	Q1-2009	Q2-2009	Q3-2009	Q4-2009	2009 Total
<b>Approvals</b>								
Number Projects Approved	14	15	15	5	5	5	5	20
Cumulative Number of Approvals	14	29	44	49	54	59	64	64
<b>Commitments (€million)</b>								
Total Amount Committed	9.0	15.1	20.6	8.2	8.3	8.2	8.3	33.0
Cumulative Commitments	9.0	24.1	44.7	52.9	61.2	69.4	77.7	
<b>Disbursements (€million)</b>								
Total Amount Disbursed	0.2	8.4	5.0	4.4	4.2	8.4	2.8	19.8
Cumulative Disbursements	0.2	8.6	13.6	18.0	22.2	30.6	33.4	

1) Totals for 2008 based on actual amounts up to end of September plus estimates for the last quarter.

## 8 PLEDGES AND PAYMENTS TO AWF SPECIAL FUND

8.1 The ADB 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, Austria, and the European Commission (see Table 8.1). As of the end of September 2008, the amount of funds pledged by the various donors to the AWF amounted to €84.6 million (excluding technical assistants and interest), with the amount of funds actually paid totalling €41.9 million. Assuming further payments will be made in the last quarter of 2008 by Austria, Denmark, France and the European Commission, the total at the end of 2008 is expected to be €58.6 million. Based on current donor commitments, another €19.1 million will be paid to the Facility during 2009. This assumes that Spain joins the Facility and is able to disburse €9.0 million (the planned 2008 and 2009 payments) by the end of 2009. Two African countries, comprising Algeria and Senegal have expressed firm commitments to join the donors contributing to the Facility and initiated payments to the Water Fund. The United Kingdom has also expressed strong desire to join the Facility and contribute financially.

8.2 After the expected payments have been made in 2009, the Facility will remain with only €6.9 million (excluding interest) in outstanding pledges to be carried over into 2010. This highlights the need for continued and sustained efforts to mobilise additional resources.

## 9 ANALYSIS OF RESOURCE REQUIREMENTS

9.1 The projected resource requirements of the AWF are shown in Table 9.1. This was developed by comparing operational commitments (as shown in Table 7.1) and administrative expenses (shown in Table 6.3) with the schedule of payments (as shown in Table 8.1), and the other amounts to be contributed by the ADB and donors (as described in Section 6).

9.2 As can be seen in Table 9.1, the funds pledged are just about sufficient to meet the ongoing operational requirements for 2009 with the proviso that existing and new donors make good their pledges and expected payment dates for 2009. This will enable the Facility to continue with project approvals throughout the year.

**Table 8.1 Amounts Pledged by Donors to AWF Special Fund Projects (million Euros)**

	Amount Pledged <sup>1</sup>	Payments up to 30 <sup>th</sup> Dec. 2008 <sup>2</sup>	Schedule of Payments for 2009				
			Q1	Q2	Q3	Q4	Total 2009
EU	25.0	22.0	-	-	-	3.0	3.0
Canada	13.3	8.7	3.3	-	-	-	3.3
France	12.0	12.0	-	-	-	-	-
Denmark	5.4	4.3	-	-	1.1	-	1.1
Sweden	12.8	7.5	-	-	2.7	-	2.7
Norway	3.7	3.7	-	-	-	-	-
Austria	0.40	0.4	-	-	-	-	-
Spain	12.0	-	6.0	-	-	3.0	9.0
<b>Total donors</b>	<b>84.6</b>	<b>58.6</b>	<b>9.3</b>	<b>-</b>	<b>3.8</b>	<b>6.0</b>	<b>19.1</b>
Interest Earned	2.1	2.3	0.2	0.2	0.2	0.3	0.9
<b>Total AWF Fund</b>	<b>86.7</b>	<b>60.9</b>	<b>9.5</b>	<b>0.2</b>	<b>4.0</b>	<b>6.3</b>	<b>20.0</b>

1) Euro value based on Euros received by September 30<sup>th</sup> 2008, and September 2008 exchange rate applied to remaining balance.

1) Algeria and Senegal have indicated a commitment of €100,000 each which is under formalisation as of time of preparation of the Work Plan and Budget.

2) Payments for 2008 based on actual amounts up to end of September plus expected amounts for the last quarter.

9.3 As a step in ensuring efficiency in cash management, the Facility is freeing up unused balances from the previous years administrative budgets. By the end of 2008, the Facility has a cumulative administrative budget totalling €7.1 million (including three technical assistants) covering 2006 to 2008. Of this, it is expected that €3.0 million will be used by the end of 2008, leaving a balance of €4.1 million. The amount of €0.5 million allocated for Technical Assistance is earmarked and may not be reallocated. However, out of the remaining fungible balance of €3.6, an amount of €3.1 has been re-allocated for projects. The outstanding balance of €0.5 million has been set aside as a contingency. This reallocation has been included in Table 9.1.

**Table 9.1 Resource Requirement Analysis (€million)**

	2005-06	2007	2008	2009	2009	2009	2009	2009
	Actual	Actual	Expected	Q1 Planned	Q2 Planned	Q3 Planned	Q4 Planned	Total Planned
<b>REQUIREMENTS</b>								
Project Commitments	9.0	15.1	20.5	8.2	8.2	8.3	8.3	33.0
Staffing and Administration	1.8	3.3	4.2	1.0	1.1	1.1	1.1	4.3
<b>Program Requirements - annual</b>	<b>10.8</b>	<b>18.4</b>	<b>24.7</b>	<b>-9.2</b>	<b>-9.3</b>	<b>-9.4</b>	<b>-9.4</b>	<b>37.3</b>
Cumulative Requirements	10.8	29.2	53.9	-63.1	-72.4	-81.8	-91.2	91.2
<b>CONTRIBUTIONS</b>								
Payments into AWF Fund	19.4	11.0	31.4	9.5	0.2	4.0	6.3	20.0
AfDB Support	1.0	1.4	1.4	0.4	0.4	0.4	0.5	1.7
Other Donor TA Support	0.5	0.5	0.3	0.1	0.1	0.2	0.2	0.6
Reallocation of unused cumulative Administrative budget			3.1					
<b>Pledged Contributions - annual</b>	<b>20.9</b>	<b>12.9</b>	<b>36.2</b>	<b>10.0</b>	<b>0.7</b>	<b>4.6</b>	<b>7.0</b>	<b>22.3</b>
Cumulative Contributions	20.9	33.8	70.0	80.0	80.7	85.3	92.3	92.3
<b>BALANCE</b>								
Annual balance	10.1	-5.5	11.5	0.8	-8.6	-4.8	-2.4	-15.0
<b>Cumulative balance (fund surplus/defecit)</b>	<b>10.1</b>	<b>4.6</b>	<b>16.1</b>	<b>16.9</b>	<b>8.3</b>	<b>3.5</b>	<b>1.1</b>	<b>1.1</b>

## 10 CONCLUSIONS AND RECOMMENDATIONS

10.1 In this Work Plan and Budget for 2009, the AWF has clearly shown the operational activities that will be implemented in order for the Facility to continue to achieve its goal of mobilising and applying resources to finance water development activities in Africa.

10.2 The AWF will continue to focus on the four main areas of intervention outlined in its Operational Strategy. In total, 20 projects are expected to be approved in 2009, amounting to €33.0 million.

10.3 To undertake all these activities and achieve planned targets, AWF will require financial resources both for investment as well as for administration. It is estimated that the Facility will require a total amount of about €37.3 million in 2009 to achieve the plans outlined in this document (€33.0 million for operational commitments and €4.3 million for staffing and administrative expenses respectively.).

10.4 Based on the planned financial requirements and the expected contributions, there are just about sufficient funds to meet operational and administrative requirements for 2009. However, it is important for existing and new donors to make good their pledges and expected payment dates for 2009 in order for the Facility to continue with project approvals throughout the year.

10.5 The AWF is taking strong actions towards mobilizing adequate staff to meet the targeted operational and organisational activities outlined. Under the current plan, the AWF will have 16 full time professionals, two support staff, a Coordinator and a Director in place by the end of 2009. Five of these new staff will be funded by the AWF, two by the ADB, and three by donors. In the mean time, AWF continues to rely on consultants and short-term staff as well as the Directors Front Office staff and other services provided by the Bank Departments and Field Offices.



10.6 The Board of Directors of the African Development Bank is invited to take note of the 2009 Work Plan and approve the 2009 AWF Staffing and Administrative Expenses Budget in the amount of €1,926,000 to implement the programme. These funds will be drawn from the AWF Special Fund.

## ANNEX 1: INDICATIVE PROJECTS IN PIPELINE FOR 2009

Total 15 projects (€20.2 million) are under preparation for appraisal in 2009

### STRENGTHENING WATER GOVERNANCE

NWRM (National Water Resources Management) - Total 1 project under preparation (€1.0 m).	
Project Details	Objectives, Main Activities, Expected Results
<b>Central African Republic</b> <i>Support to water and sanitation sector reforms.</i> <b>Financing:</b> €bd (possibly €1,000,000 m) <b>Submitted by</b> Ministère des Mines, de l'Energie et de l'Hydraulique. <b>Status :</b> Screened 27Aug08. Under preparation for appraisal in 2009.	<b>Objectives:</b> Support the CAR Government to improve the institutional framework of the water and sanitation sector <b>Activities:</b> Reorganization and support to the water and sanitation agencies; definition of financial mechanisms for the development of the water and sanitation sector; and development of a national information system. <b>Results:</b> Water and sanitation institutional framework improved and main agencies operationalised.
TWRM (Transboundary Water Resources Management) - Total 2 projects under preparation (€4.7).	
<b>Malawi and Tanzania</b> <i>Detailed Design of Songwe River Basin Development Programme (SRBDP)</i> <b>Financing:</b> AWF €3,000,000, IPPF €1.2 m, counterpart €800,000 (€5 m total). <b>Submitted by</b> Ministry of Irrigation and Water Development, Malawi, on behalf of both governments. <b>Status:</b> Screened 12Sept08. Under preparation for appraisal in 2009.	<b>Objectives:</b> Establishment of an integrated Songwe River Basin development and management program. <b>Activities:</b> include a) flood control measures, joint hydropower development and river stabilization, b) land tenure and land use planning; c) water supply and sanitation services, d) development of fisheries and tourism, e) water resources monitoring. To be implemented by SRBDP Joint Steering Committee. <b>Results:</b> Sustainable management of the trans-boundary Songwe River Basin and overall socio-economic improvement of the river basin inhabitants, including a) Improved water availability during droughts; b) Mitigation of floods; c) Stabilization of international border between Malawi and Tanzania; d) Hydropower; e) Small scale fisheries to enhance protein intake and alternative sources of income; f) Improved food security due to irrigation / drainage development; g) Enhanced trade and cooperation between Malawi and Tanzania, h) Improved water resources information and monitoring
<b>NBA (Niger Basin Authority)</b> <i>Preparation of Niger Basin water charter.</i> <b>Financing:</b> €1,700,000. <b>Submitted by</b> NBA. <b>Status:</b> Under preparation for approval in 2009	<b>Objectives:</b> Provide support to the NBA to operationalise the Niger Basin Water Charter signed between the riparian countries which will function as a political and legal instrument for effective water sharing, common investments, and environmental management. <b>Activities:</b> Dissemination of the Water Charter, additional legal annexes related to navigation, and environmental protection. <b>Results:</b> Equitable and predictable water resources allocations between countries and sectors to facilitate socio-economic development.

### INVESTMENTS TO MEET WATER NEEDS

Water Supply and Sanitation – Total 1 project under preparation (€1.1 m).	
Project Details	Objectives, Main Activities, Expected Results
<b>Mozambique</b> <i>Sustainable access to water and sanitation, and hygiene practices enhancement, in three rural districts.</i> <b>Financing:</b> €1,100,000. <b>Submitted by</b> ESSOR (NGO) <b>Status:</b> Under preparation for appraisal in 2009.	<b>Objective:</b> Support provision of sustainable access to WSS and reinforcement of hygiene practices in three rural districts. <b>Activities:</b> Training of communities and NGOs on WASH and construction of WSS schemes. Implemented by ESSOR and 2 local NGOs in Mozambique. <b>Results:</b> WSS access for 24,000 inhabitants; community and local NGO capacity to implement and maintain WSS schemes strengthened.
Water for Productive Uses - Total 1 projects €2.0 m, under preparation	
<b>South Africa</b> <i>Integrated water harvesting.</i> <b>Financing:</b> €bd, (possibly €2,000,000) <b>Submitted by</b> Ecolink (NGO). <b>Status:</b> Screened 14Apr08. Under preparation for appraisal in 2009.	<b>Objectives:</b> Enhance water security for small scale food production in rural communities in the Mpumalanga region of South Africa; <b>Activities:</b> include: i) improve teaching and learning resources for community based IWRM; ii) strengthen relationships between communities, partner organizations, pertinent NGOs, community groups and the local municipal governments; iii) improve and/or construct community storage tanks or other appropriate low cost technological solutions in Mpumalanga.; and iv) enhance

	<p>ability of small-scale farmer groups and households to improve food security through new appropriate practices for water resource management.</p> <p><b>Results:</b> Improved ability of local communities to analyze and address issues of water scarcity in relation to food production and income-generating activities, while demonstrating locally adapted solutions that build on a combination of local knowledge, technology, and collective action. Enhancement of local governance processes by empowering local populations to take part (and responsibility) for improved resource management.</p>
<b>Project/Programme Preparation</b> - Total 3 projects €4.800 m, under preparation.	
<p><b>Congo (Brazzaville)</b>  <i>Support to water supply and sanitation policy and strategy development.</i>  <b>Financing :</b> €800,000, 14 months  <b>Submitted by</b> Ministère de l’Energie et de l’Hydraulique. <b>Status :</b> Under preparation for appraisal in 2009.</p>	<p><b>Objective:</b> Formulate sectoral policies and strategies for financing water and sanitation investments for meeting the MDG targets for Water and Sanitation.</p> <p><b>Activities</b> include undertaking an inventory of WSS systems, provision of institutional support, developing an action plan and preparation of a financing strategy.</p> <p><b>Results:</b> Improved institutional and technical framework of the sector leading to financing of sector projects.</p>
<p><b>Ethiopia</b>  <i>Programme for enhanced water resources management</i>  <b>Financing:</b> €bd, possibly €2,000,000  <b>Submitted by</b> Ministry of Water Resources  <b>Status:</b> Under preparation for appraisal in 2009. Overall scope of activities to be reviewed and revised.</p>	<p><b>Objective:</b> Compiling a package of 7 water sector proposals into a concerted programme of support which aims to enhance the effectiveness of water resources development schemes</p> <p><b>Activities:</b> Development of various tools, guidelines, standards and strategies for development of hydraulic infrastructure for flood control, irrigation and mini-hydropower development</p> <p><b>Results:</b> improved water resources development environment with the availability of required tools. A broad programmatic approach to AWF support to the Ethiopian water sector will have a greater impact on the water sector than piecemeal individual projects.</p>
<p><b>SADC</b>  <i>SADC water supply and sanitation programme</i>  <b>Financing:</b> tbd, possibly €2,000,000  <b>Submitted by:</b> SADC Secretariat  <b>Status:</b> Screened 10Sept08. Further dialogue, including a consensus building workshop needed, and an updated proposal to be submitted. Under preparation for appraisal in 2009.</p>	<p><b>Objectives:</b> Establish a collaborative regional framework for planning and management of water supply and sanitation to enable Member States to effectively improve and accelerate the provision of WSS at country level in order to achieve the MDGs as well as the Southern African Water Vision.</p> <p><b>Activities</b> will focus on the assessment, identification, promotion and application of tools, measures and approaches related to: i) alternative financing sources; ii) institutional rationalisation and strengthening; iii) WSS infrastructure development support; iv) development and implementation of a WSS monitoring and reporting systems; and v) knowledge management, advocacy and information sharing.</p> <p><b>Results:</b> More effective provision of water supply and sanitation in the individual Member States in SADC region.</p>

## IMPROVING WATER KNOWLEDGE

<b>Information Management</b> - Total 6 projects €6.3 m, of which all are under preparation.	
<b>Project Details</b>	<b>Objectives, Main Activities, Expected Results</b>
<p><b>DRC (Democratic Republic of Congo)</b>  <i>Establishment of hydro-metrological database for DRC.</i>  <b>Financing:</b> €1,000,000. <b>Submitted by</b> the Gov. of DRC. <b>Status:</b> Under preparation for appraisal in 2009.</p>	<p><b>Objectives:</b></p>

<p><b>Malawi</b>  <i>Strengthening the Water and Sanitation Sector Management Information System in Malawi</i>  <b>Financing:</b> AWF tbd (possibly €1,000,000),  <b>Submitted by:</b> Ministry of Irrigation and Water Development. <b>Status:</b> Screened 28Aug08. Under preparation for appraisal in 2009.</p>	<p><b>Objectives:</b> Developing and upgrading the collection and processing of water related data in the country with a water sector M&amp;E perspective.  <b>Activities:</b> To be redesigned with applicant during appraisal mission  <b>Results:</b> Effective sector management (water resources and investment programmes) through regular and reliable monitoring reports.</p>
<p><b>SSO (Sahara and Sahel Observatory)</b>  <i>GECO-SAIT: Iullimenden and Taoudeni aquifer systems and Niger River Basin information and water resources management improvement.</i>  <b>Financing:</b> €500,000+ <b>Duration:</b> 18 months.  <b>Submitted by</b> SSO - Sahara and Sahel Observatory (Senegal, Mauritania, Mali, Algeria, Niger, Nigeria, Benin). Implementing partner NBA. <b>Status:</b> Under preparation for appraisal in 2009</p>	<p><b>Objective:</b> Create information and knowledge base to support sustainable trans-boundary water resources management policies and strategies both at national and sub-regional level  <b>Activities:</b> Building the capacity of the agencies in charge of water supply and sanitation; update information and knowledge about the transboundary aquifer systems; undertake a transboundary diagnostic analysis.  <b>Results:</b> Effective integrated management of the shared aquifers and the Niger River through a consultation mechanism based on harmonized data that involves all riparian countries and regional organizations.</p>
<p><b>Togo</b>  <i>Establishment of an integrated water resources information system.</i>  <b>Financing:</b> AWF tbd (possibly €1,000,000),  <b>Submitted by:</b> Ministère des Mines, de l'Energie et de l'Eau - Direction Générale de l'eau et de l'assainissement  <b>Status :</b> Screened 28Aug08. Under preparation for appraisal in 2009.</p>	<p><b>Objectives:</b> Develop and operationalise a national water information system.  <b>Activities:</b> i) improve the knowledge of available water resources through studies, data gathering and assessments on sub-basin and basin levels; ii) ascertain water use and demand patterns; v) install an integrated information management system; and vi) create a water resource center for dissemination of information.  <b>Results:</b> The necessary water resource information management tools and data are available to support implementation of the countries IWRM plans and regulation of water use.</p>
<p><b>VBA (Volta Basin Authority)</b>  <i>Implementation of the Volta-HYCOS.</i>  <b>Financing:</b> €700,000. <b>Submitted by</b> VBA.  <b>Status:</b> Under preparation for appraisal in 2009.</p>	<p><b>Objective:</b> Upgrade and strengthen the Volta-HYCOS  <b>Activities:</b> Enhancing the hydrological network, development of an early warning system for the Volta river, strengthening the National Hydrological Services, and building the capacity of the Volta Basin Authority.  <b>Results:</b> The reliability, quality and quantity of hydrological data and information improved, with water resources planning and development facilitated.</p>
<p><b>Monitoring and Evaluation – Total 1 project under preparation (€0.3 m)</b></p>	
<p><b>CEDEAO (Unité de coordination des ressources en Eau de la Communauté économique des États de l'Afrique de l'Ouest)</b>  <i>Observatoire régional de l'eau Afrique de l'Ouest : Analyse des performances de la gestion de l'eau – Etude pilote sur cinq pays</i>  <b>Financing:</b> €300,000. <b>Submitted by</b> UCRE-CEDEAO. <b>Status:</b> Screened 28Aug08. Under preparation for appraisal in 2009.</p>	<p><b>Objectives:</b> Support for development of a regional water monitoring system in West Africa.  <b>Activities:</b> Analysis of performance indicators for water resource management comprising a pilot study for 5 countries and preliminary situation assessment of water management and information systems in Nigeria.  <b>Results:</b> Improved IWRM in the 5 West African countries.</p>

## ANNEX 2: AWF KEY PERFORMANCE INDICATORS

Indicator	Unit	Actual 2008	Target 2009	Remarks
<b>I-Operations Programme Financing</b>	<b>EURO million</b>			
Total Financing	EURO million	20	33	
Projects Approved	Number	15	20	
<b>II-Disbursements</b>	<b>EURO</b>			
Disbursed amount in the year		5	14.79	
Undisbursed balance at the beginning of the year	Euro	15.5	31.1	
Disbursement Ratio	%	32	48	Disbursement since the beginning of the year(excluding disbursements associated with operations signed in year) as a % of undisbursed balance at the beginning of the year
<b>III-Portfolio Management</b>				
Potential Problematic Projects	%	11	9	Not declared effective in 18 months or 50% not disbursed in 2 years
<b>IV-Process Efficiency</b>				
Lapse of time between approval and first disbursement	Months	8	7	The time from approval to first disbursement for all new projects with first disbursement effected during the last 12 months
<b>V- Non-lending Work</b>				
Outreach/Partnership Forums Organised	Number	3	4	Workshops/Seminars fully funded by AWF
Support to AMCOW Strategic Initiatives	Number of Events	3	4	Number of Forums organized or assisted

### ANNEX 3: STAFFING STATUS AND PLANNED RECRUITMENT FOR 2009

Theme/Sector	Job Title	Secondment	Expected Status End 2008	Recruitment for 2008 <sup>7</sup>	Planned additional recruit.2009	Planned Status End 2009
Management	Director	ADB	1			1
	Coordinator	ADB	1			1
<b>Total Management</b>			<b>2</b>			<b>2</b>
	Water Policy Officer	ADB	1			1
	Water Supply & Sanitation Experts	ADB <sup>3</sup> Austria <sup>1</sup>	1	1		1
		ADB			1	1
	WRM	ExstrWR		262-2(A)6(W)0F3(		0792.21

## ANNEX 4: AWF DISBURSEMENT AND EXPENDITURE BUDGET

DESCRIPTION	(in Euro)			NOTES
	AWF Fund	In kind	Total	
Project Commitments in 2009	33,000,000	0	33,000,000	
<b>Project Disbursements in 2009</b>	<b>19,800,000</b>	<b>0</b>	<b>19,800,000</b>	
<b>Staff Costs</b>				
Technical Assistants	390,000	290,000	680,000	7 TAs by end 2009, 4 paid through AWF fund, 3 seconded 5 professional staff paid by AWF by end 2009 Director (1/3), Coordinator, 4 professional, 2 support staff
AWF funded staff	445,948	0	445,948	
ADB staff remuneration	0	943,114	943,114	
<b>Total staff costs</b>	<b>835,948</b>	<b>1,233,114</b>	<b>2,069,062</b>	
<b>Administrative Costs</b>				"In-kind" administrative support is provided by ADB
Consultancy services	850,000	128,508	978,508	
Staff missions	150,000	58,659	208,659	
Workshops & seminars	350,000	-	350,000	
Governing Council	100,000	-	100,000	
Resource Mobilisation	50,000	-	50,000	
Communications	40,000	-	40,000	
AWF Fund Audit Fees	4,000	-	4,000	
Entertainment & hospitality	-	2,000	2,000	
ADB overhead allocation (office etc)	-	182,964	182,964	
ADB ops support (reviews, legal, etc)	-	410,000	410,000	
<b>Total Administrative Costs</b>	<b>1,544,000</b>	<b>372,132</b>	<b>1,916,132</b>	
<b>TOTAL EXPENDITURE BUDGET</b>	<b>22,179,948</b>	<b>1,605,246</b>	<b>23,785,193</b>	

## ANNEX 5: AWF DISBURSEMENT PLAN

Based on the experience the Facility has gained of the time frames involved in project processing and implementation to date, it is expected that the average duration from approval to completion will be 3 years. On average, a project has two disbursements, the first one being made as soon as the project is grant effective and the second when 50% of the first disbursement has been spent, which is expected to be approximately 12 months later. The disbursement plan for 2009 has been based on these assumptions.

## Disbursement forecast for projects programmed for approval up to up to end of 2009

	Disbursement 2010	Disbursement 2011
1. Q		
2. Q		
3. Q		
4. Q		
Total		



## ANNEX 6: OPERATIONAL PROGRAMME 2009-2011

### 1. Introduction

1.1 The '2008-2010 Indicative Operational Programme' was approved by the AWF Governing Council at its October 2007 meeting, with the request for the AWF to revise the Programme at the end of 2008 to reflect the ability of the Facility to achieve its intended results, as well as the amount of funding mobilised. This Annex presents the revision of the three-year rolling Operational Programme for the period 2009-2011. The programme has been developed based on the experience the Facility has gained to date, and sets out a realistic plan of what may be achieved in the short to medium term.

1.2 The overall objective and short term focus of the AWF remains unchanged from the previous Operational Programme. Support will continue to be provided in the following areas:

- ***Strengthening water governance:*** improving the enabling environment and strengthen water resources management at community, national and regional level through IWRM and TWRM.
- ***Investments to meet water needs:*** providing strategic capital grants for small-scale, innovative technologies or approaches for water infrastructure projects designed to address the AWF and MDG targets related to meeting water needs for water supply and sanitation; water for productive uses and food security; or multi-purposes uses. In addition, support is provided for the preparation of projects and programmes for funding.
- ***Strengthening the financial base:*** improving the environment for sustainable financing and increase availability and access to financing by local governments and sub-sovereign bodies, as well as the private sector.
- ***Improving water knowledge:*** enhancing the availability of vital data and information for planning, design and management of sustainable water sector programmes, and to meet the monitoring and evaluation requirement.
- ***Organisational activities:*** ensuring the effective operations of the Facility. These activities, requiring considerable financial and human resources, include strengthening partnerships and providing operational management and support.

### 2. OPERATIONAL PROGRAMME for 2009-2011

2.1 The planned activities and associated financial requirement over the period 2009-2011 are summarized in Table 1 below. This programme has been developed based on the following methodology and assumptions:

- The programme for 2009 is mainly based on projects in the pipeline.
- Since the AWF does not have any projects in the pipeline for 2010 and 2011 given the short term demand driven nature of its operations, projections have been made based on distribution trends to date for each area of intervention, and the planned allocation as noted in the AWF Operational Strategy.
- Project sizes under each area of intervention are expected to continue to be in the same range as planned for 2009.

- The number of new projects are linked to planned increase in staffing, as discussed in Section 3.
- The number of projects is also linked to the overall financial requirements, and have taken into consideration the €85 m in cash contributions pledged by donors to date. This ensures amounts that can realistically be mobilized in the next three years (see Section 1.4 of this Annex).
- In addition to the current demand driven approach in responding to proposals, the AWF intends to pursue a thematic approach to soliciting projects, including issuing calls for proposals, during this period. This approach will focus on areas of intervention not adequately represented in order to balance the portfolio. However, adequate levels of funding must be available before calls for proposals can be issued, since the AWF would not want to generate a large demand that cannot be met.

**Table 1: 2009-2011 Operational Programme: Projects and funding required**

ACTIVITY	2009	2010	2011	2009 -2011	% (over 3 yr period)
<b>Water Governance</b>					
NWRM	€4	€6	€6	€16	
TWRM	€5	€6	€6	€18	
Improving Service Delivery	€3	€2	€2	€6	
<b>Sub-total</b>	<b>€12</b>	<b>€14</b>	<b>€14</b>	<b>€40</b>	<b>29%</b>
Number of projects	6	8	8	22	
<b>Investments to Meet Water Needs</b>					
Water Supply, Sanitation and Hygiene	€3	€8	€10	€21	
Water for Productive Uses	€3	€3	€4	€9	
Programme/Project Preparation	€5	€7	€8	€21	
<b>Sub-total</b>	<b>€11</b>	<b>€18</b>	<b>€22</b>	<b>€51</b>	<b>37%</b>
Number of projects	7	12	15	34	
<b>Strengthening the Financial Base</b>					
<b>Sub-total</b>	<b>€2</b>	<b>€2</b>	<b>€3</b>	<b>€7</b>	<b>5%</b>
Number of projects	2	2	3	7	
<b>Water Knowledge</b>					
Information Management	€4	€4	€4	€12	
Monitoring and Evaluation	€4	€4	€4	€12	
Knowledge Generation/Dissemination	€0	€1	€1	€2	
<b>Sub-total</b>	<b>€8</b>	<b>€9</b>	<b>€9</b>	<b>€26</b>	<b>19%</b>
Number of projects	5	9	9	23	
<b>TOTAL OPERATIONAL</b>	<b>€33</b>	<b>€42</b>	<b>€50</b>	<b>€125</b>	
Total number of projects	20	30	36	86	
<b>Organisational</b>					
Operational Management and Support	€4.0	€4.2	€4.4	€12.6	
Partnerships and Communications	€0.3	€0.3	€0.3	€0.9	
Support to AMCOW Strategic Initiatives	€0.1	€0.2	€0.2	€0.5	
<b>Sub-total</b>	<b>€4.4</b>	<b>€4.7</b>	<b>€5.0</b>	<b>€14.0</b>	<b>10%</b>
<b>GRAND TOTAL</b>	<b>€37.4</b>	<b>€46.7</b>	<b>€55.0</b>	<b>€139.0</b>	<b>100%</b>

2.2 The resource requirements for the delivery of the 2009-2011 Operational Programme amount to €139 million, for 86 projects, reflecting the modest growth of the Facility across the three-year period. The percentage of the total programme represented by each area of intervention is very similar to the previous Operational Programme. Organisational activities

have been increased from 7 to 10% to reflect more inclusive valuation of overhead and in-kind costs, and increased support to AMCOW strategic initiatives.

### **3. STAFFING REQUIREMENTS**

3.1 A detailed assessment of human resource requirements for 2009-11 has been prepared, which updates the Staffing Needs Analysis which was presented in the Operational Programme 2008-2010 document. This update is based on three years of operational experience by the Facility, which now permits a much more realistic assessment of staffing needs based on actual time spent by AWF staff to undertake project tasks and associated organisational or non-lending activities.

3.2 The main assumptions and experience upon which the staffing needs assessment has been developed include the following:

- The baseline staffing complement of seven professionals by the end of 2008.
-

(job title), are shown in Table 2 below. Of the 2009 expansion, the recruitment of eight positions is ongoing, of which four are expected to be in place in the first quarter (see Annex 3 for details). Increases in 2010 and 2011 will be to secure additional expertise in certain complementary areas to enable the AWF to broaden its range of interventions. Overall staffing numbers and skill mix at the end of 2011 are very similar to that of 2010 in the previous Operational Programme.

**Table: 2            AWF Staffing Plan for 2009-2011**

<b>Theme</b>	<b>Job Title</b>	<b>2008<sup>1</sup></b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Management</b>	Director	1	1	1	1
	Coordinator	1	1	1	1
<b>Sub Total Management</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Nation Water Resources Management	Water Policy Officer	1	1	1	1
	Water Supply & Sanitation Expert	1	3	3	3
	WRM Expert	0	1	1	2
	Water/Irrigation Engineer	0	1	1	2
Transboundary Water Resources Management	Water Resources Operations Officer	1	1	1	1
	WRM Specialist	1	2	2	2
	Ground Water Management Specialist	0	0	1	1
	Water Resources Economist	0	0	0	1
Finance & Resources Mobilisation	Financial Management Expert	1	1	1	1
	Private Sector Investment Expert	0	0	1	1
	Financial Analyst	0	0	0	1
Environment and Social Aspects	Environmentalist	0	1	1	1
	Socio-Economist and Gender Specialist	1	1	1	1
Water Knowledge and M&E	M&E Specialist	1	1	2	2
	Water Resources Information Officer	0	1	1	1
Project Support Services	Grant Administration Officer	0	1	1	1
	Procurement Officer	0	0	1	1
	Communications Officer	0	1	1	1
<b>Sub Total Professional Staff</b>		<b>7</b>	<b>16</b>	<b>20</b>	<b>24</b>

**Table 3          Staffing Needs, by Source of Funding**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Management Staff</b> (ADB funded)	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Professional Staff</b>	<b>7</b>	<b>16</b>	<b>20</b>	<b>24</b>
• ADB funded	4	5	6	6
• AWF funded	0	5	7	11
• Technical Assistance funded	3	6	7	7
<b>Support Staff</b> (ADB funded)	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>

#### **4.          FUNDING THE AWF OPERATIONAL PROGRAMME**

4.1      Of the €139 million required for the 2009-2011 operational programme, €50 million has been pledged. The pledges may be broken down by in-kind and cash contributions:

- Pledges for In-Kind Support: €6.2 million, broken down as follows:
  - ADB hosting arrangement: €5.1 million pledged for the three-year period. This is based on the 2007 support valued at €1.4 million. The figure has been adjusted to cater for increased support resulting from increased AWF operations, and the secondment of additional staff. However, the Bank's budget for 2009 has not yet been approved so this figure remains indicative.
  - Donor funded Technical Assistants (TAs): €1.1 million committed. The AWF currently has four technical assistant positions committed, compared to the planned six for 2008 and seven for 2009. The commitment declines across the three years according to the expiry of the current agreements.
- Pledges for Cash Contributions: €44 million, explained as follows:
  - Sweden and Austria have made a new commitment of approximately €7.9 million, and €300,000 respectively, and Spain has pledged (but not formalized) an amount of €12 million. All these commitments are for the period 2008-2010.
  - Other donors remaining with outstanding commitments going into 2009 are Canada, European Commission, Denmark and France.
  - New donors expected to contribute in 2009 are Algeria, Senegal and the United Kingdom.
  - Bank balances at the end of 2008 are available for use in the 2009-2011 Operational Programme, and are expected to amount to €16.1 million.

#### **Funding Gap**

4.2      With €50 million of the €139 million requirement, a gap of €89 million remains to be bridged. The financial situation of the Operational Programme is summarized in Table 4 below.

**Table 4: Funding the AWF Operational Program 2009-2011 (Euro million)**

Status as at 30 September 2008

RESOURCE REQUIREMENTS				
	2009	2010	2011	Total 2009-2011
<b>In-Kind Requirement</b>				
ADB in-kind contribution	1.7	1.7	1.7	5.1
Technical Assistance	0.7	0.9	0.9	2.5
<b>Total In-kind</b>	<b>2.4</b>	<b>2.6</b>	<b>2.6</b>	<b>7.6</b>
<b>Cash Requirements</b>	<b>34.9</b>	<b>44.1</b>	<b>52.4</b>	<b>131.4</b>
<b>TOTAL REQUIREMENTS</b>	<b>37.3</b>	<b>46.7</b>	<b>55.0</b>	<b>139.0</b>
FUNDING COMMITTED				
	2009	2010	2011	Total 2009-2011
<b>In-Kind Commitments</b>				
ADB in-kind contribution	1.7	1.7	1.7	5.1
Technical Assistance	0.6	0.3	0.2	1.05
<b>Total In-kind</b>	<b>2.3</b>	<b>2.0</b>	<b>1.9</b>	<b>6.15</b>
<b>Donor</b>	<b>2009 payments</b>	<b>2010 payments</b>	<b>2011 payments</b>	<b>Total 2009-2011</b>
European Commission	3.0	-	-	3.0
Canada	3.3	1.3	-	4.6
France	-	-	-	-
Denmark	1.1	-	-	1.1
Sweden	2.7	2.6	-	5.3
Norway	-	-	-	-
Austria	-	-	-	-
Spain (pledged, not confirmed)	9.0	3.0	-	12.0
<b>Total Donors</b>	<b>19.1</b>	<b>6.9</b>	<b>-</b>	<b>26.0</b>
Interest Earned	0.9	1	-	1.9
<b>Total Cash Contribution</b>	<b>20.0</b>	<b>7.9</b>	<b>-</b>	<b>27.9</b>
balances brought forward from 2008	16.1	-	-	16.10
<b>Total Cash Available</b>	<b>36.1</b>	<b>7.9</b>	<b>0.0</b>	<b>44.0</b>
<b>TOTAL FUNDING COMMITTED</b>	<b>38.4</b>	<b>9.9</b>	<b>1.9</b>	<b>50.2</b>
FUNDING GAP				
	2009	2010	2011	Total 2009-2011
In-Kind Contributions gap	-0.1	-0.6	-0.8	-1.5
Cash Contributions gap	1.2	-36.2	-52.4	-87.4
<b>Total funding gap (-ve = deficit)</b>	<b>1.1</b>	<b>-36.8</b>	<b>-53.2</b>	<b>-88.9</b>