

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

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<b>Program Name</b>	Sustainable Rural Water and Sanitation Program
<b>Region</b>	AFRICA
<b>Country</b>	Tanzania
<b>Sector</b>	<i>Water (GWA01)</i>
<b>Financing Instrument</b>	<i>PforR</i>
<b>Program ID</b>	P163732
<b>Borrower(s)</b>	UNITED REPUBLIC OF TANZANIA
<b>Implementing Agency</b>	Ministry of Water and Irrigation
<b>Date PID Prepared</b>	06 June 2017
<b>Estimated Date of Appraisal Completion</b>	16 March 2018
<b>Estimated Date of Board Approval</b>	31 May 2018
<b>Concept Review Decision</b>	Following the review of the concept, the decision was taken to proceed with the preparation of the operation.

## I. Introduction and Context

### A. Country Context

Tanzania has experienced strong economic growth, averaging about seven percent per annum over the last decade. Despite sustained economic growth, Tanzania remains one of the poorest countries in Africa with 47 percent of Tanzanians earning less than US\$ 1.90 per day. At present, 75 percent of Tanzania's 50 million population live in rural areas where more than 80 percent of the poor reside.

Tanzania has successfully reduced death rates in younger age groups and surpassed the Millennium Development Goal related to child mortality. However, stunting among children under five is persistently high, affecting over three million children in Tanzania with large regional disparities, ranging from 15 percent in Dar es Salaam to 56 percent in Rukwa region in western Tanzania. Stunting is a predictor of many developmental constraints, including cognitive deficits and loss of future economic opportunities. Some estimate the overall GDP losses from stunting at between four to 11 percent (Horton and Steckel, 2013). Recent evidence suggests that poor sanitation is the second leading risk factor for child stunting worldwide ([Danaei et al, 2016](#)) and up to 43 percent of stunting may be due to gut infections caused in part by poor water, sanitation and hygiene ([Guerrant et al, 2013](#)).

Water, along with energy, tourism, agriculture, and environment, is one of the sectors in Tanzania most impacted by climate variability, a major threat to economic growth. At the current pace of reduction, freshwater available per capita is projected to drop from current 1,952 m<sup>3</sup> (2014) to 1,000 m<sup>3</sup> by 2036, the threshold below which water scarcity begins to seriously affect economic and human development. Population pressure, deforestation, and unsustainable land and water management in fragile catchment areas exacerbate the situation. The Government of

Tanzania (GoT) has outlined its medium-term objective of becoming a middle-income country through the Tanzania Development Vision 2025 which, among other things, aims to build an educated population, a competitive economy and achieve 90 percent rural access to safe water by 2025.

### ***B. Sectoral and Institutional Context***

In 2006, Tanzania launched its ambitious and overarching Water Sector Development Program (WSDP) covering the period 2006-2025 and encompasses all relevant sub-sectors including: i) Water resources management; ii) rural water supply; iii) urban water supply; v) sanitation and hygiene, and iv) program delivery support. WSDP phase I (2006-2015) placed emphasis on the decentralization of the sector, shifting responsibilities for rural water and sanitation service provision from the central government to Local Government Authorities (LGAs) which was in line with the GoT's decentralization by devolution policy. LGAs became responsible for the construction of new water schemes and the implementation of rural water supply in general. The ownership and management responsibilities of village water schemes were delegated to the autonomous and community elected, Community Owned Water Supply Organizations (COWSOs)<sup>1</sup> as stipulated in the National Water Policy (NAWAPO) of 2002 and the 2009 Water Act. Supervision and capacity building of COWSOs are the responsibility of LGAs along with major rehabilitation/repair of rural water schemes. The NAWAPO recognizes the importance of private sector participation and sets out policies that encourage private sector participation and Public Private Partnerships. Despite these policies, the rural water sub-sector has seen no noteworthy investments or involvement of the private sector.

Funding for the GoT's WSDP I was sourced through a Sector Wide Approach (SWAp) program where the GoT and development partners (DP), including the World Bank, contributed more than US\$ 1.4 billion. The GoT alone contributed US\$ 367 million (26 percent). The rural water supply component received US\$ 560 million while only US\$ 24.2 million (less than 2 percent) was allocated for rural sanitation. According to the GoT, WSDP I provided access to improved water services for more than 10 million people, and more than 4 million gained access to improved sanitation. The second phase of WSDP (WSDP II) commenced in July 2016 as an extension of WSDP I and a National Water Investment Fund (NWIF), financed by fuel levies, was established by the GoT in 2016 with the main purpose of supporting rural water supply.

### ***Rural Water Supply***

Goal 6 of the Sustainable Development Goals calls for universal and equitable access to water supply by 2030. In 2015, rural access to improved water supply was at 46 percent in Tanzania (JMP, 2015), below the Sub-Saharan African average of 56 percent and virtually at the same level as in 1990. Approximately 40 percent of rural households spend more than 30 minutes to fetch drinking water (DHS, 2016). The 2013 national water point mapping survey confirmed that among Tanzania's 86,000 rural water points<sup>2</sup>, 55 percent were functional, 7 percent needed repair and 38 percent were non-functional<sup>3</sup>. In recognition of the sustainability challenges, the

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<sup>1</sup> COWSOs hold the ownership of water infrastructure assets and are responsible for their operation and maintenance. COWSOs participates in water scheme design, sets its own water tariffs and generate revenues from sales of water.

<sup>2</sup> In Tanzania, there are three main types of water schemes: hand pumps, gravity-fed schemes and deep-well boreholes with piped distribution systems. Household connections are uncommon.

<sup>3</sup> The survey covered all water points in Tanzania and was not limited to the schemes constructed under WSDP I.

implementation completion report<sup>4</sup> for WSDP I stated that “achieving sustainable water service delivery continues to be a major challenge”. Considering the lack of preventative maintenance and repair, the low levels of access to rural water supply can arguably be characterized as a result of deferred maintenance of existing systems rather than lack of investment in new infrastructure.

Water points break down for reasons common to other similar public assets in rural districts, but there are three sector-specific lessons from WSDP I worth highlighting. First, the LGAs’ incentives were heavily skewed towards the construction of new infrastructure, and limited attention and resources were dedicated to setting up the proper local institutional arrangements. Second, the decision to move from handpumps and other simple pumping technologies to large multi-village schemes powered by diesel generators exacerbated the need for higher village-level competencies and technical backstopping support mechanisms which, in most cases, were non-existent. Finally, the inability of the MoWI to collect timely and accurate data clouded its ability to address the growing backlog of the multifaceted sustainability challenges. WSDP I was implemented across all 132 LGAs (now 185), which further hampered supervision, coordination, and capacity building efforts. At the village level, the COWSOs’ capacity gaps are most acute in tariff setting<sup>5</sup>, financial and operational management, and many of them are still to be formally registered. Each LGA is on average responsible for 80 village-level COWSOs.

Water quality and quantity vary significantly in Tanzania.<sup>6</sup> Under WSDP I, regional laboratories for water quality testing were established but regular monitoring of water quality is uncommon. Source protection and watershed management are key activities that help maintain sustainable water supply, protecting water quality and quantity by increasing aquifer recharge and reducing movement of sediment and fecal matter into unconfined aquifers and surface water. Such procedures and activities are still to be fully institutionalized.

WSDP I and technical assistance by the Bank’s Water and Sanitation Program (WSP) made some progress in addressing sustainability of rural water supply. In 2016, 10 years into WSDP I, the Ministry of Water and Irrigation (MoWI) launched its Sustainability Strategy that aims to further strengthen the COWSOs’ capacities; unfortunately, resource limitations and a lack of attention to scale and efficiencies in capacity building debilitate these efforts. Following the initial water point mapping survey, MoWI established a Central Data Management Team (CDMT) in 2015 to be the custodian for all data pertaining to the rural water sub-sector. Although data management and monitoring have historically been a challenge and substantial work on M&E is still needed, there has never been better data on rural water supply in Tanzania than what is generated now.

### ***Rural Sanitation and Hygiene***

In 1973, President Nyerere led the nationwide “*Mtu Ni Afya*” (Healthy Man) campaign which was highly successful in moving sanitation practices from open defecation to fixed-point defecation (unimproved latrines). From 1973 to 1978, the use of unimproved latrines rose from 20 percent to over 80 percent. Since then, little attention was given to rural sanitation until 2012 when GoT, through extensive TA from WSP, launched the National Sanitation Campaign

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<sup>4</sup> Implementation Completion Report for the Water Sector Support Project, 2016, ICR3737.

<sup>5</sup> While the price of water at the informal market remain high, the COWSOs often undercharge for water and therefore unable to recover its operations and maintenance expenses.

<sup>6</sup> High fluoride concentrations can be found in groundwater in the fluoride-belt and other hydrogeological zones contain high turbidity, arsenic, salinity or *E. coli*.

(NSC). The NSC's goals were to encourage households to build improved sanitation facilities<sup>7</sup> and facilitate the transformation to Open Defecation Free (ODF) communities, through a mix of the globally recognized community-led total sanitation (CLTS) approach, sanitation marketing, a behavior change communication (BCC) campaign, and school toilet rehabilitation and construction. Unfortunately, the NSC received limited funding and the BCC campaign was never realized. According to the 2016 DHS, 86 percent of rural households still have unimproved sanitation facilities almost four decades after the “*Mtu Ni Afya*” campaign. This results in large costs to Tanzanians in terms of access time, premature death, productivity losses and health care costs, amounting to 1 percent of GDP (WSP, 2012). This does not include the long-term costs associated with child stunting, which affects 35 percent of children under five in Tanzania (GoT, 2014).

A recent DfID -WSP process evaluation<sup>8</sup> of phase 1 of the NSC (2012-2015) found several barriers to successful implementation, including: systematic delays in disbursement of GoT funds; weak supply chain for sanitation hardware; lack of GoT funding for sanitation; capacity gaps and limited incentives for reliable monitoring of NSC activities; and delays in the development of the BCC campaign component. As a result, DfID agreed to finance and manage the development of a nationwide sanitation and hygiene BCC campaign, which will be rolled out as part of the second phase of the NSC (2017-2019). This will be carried out in close collaboration with the Ministry of Health and Community Development, Gender, Elderly and Children (MoHCDGEC) in November 2017.

### **C. Relation to CAS/CPF/CPS**

The GoT's WSDP program and the proposed lending operation are both closely aligned with the Bank's twin goals of ending extreme poverty and boosting shared prosperity, and it is in line with the World Bank 2012–15 Country Assistance Strategy<sup>9</sup> (CAS) for Tanzania, which was further extended to 2016 at the time of the CAS Progress Report (CASPR). The operation supports the CAS strategic objective of “Building Infrastructure and Delivering Services” and will contribute to achieving the CAS outcome of “increased access to and quality of water and sanitation services”. It is also consistent with the increased focus on institutional reforms in the context of investment programs identified in the CASPR. The draft Systematic Country Diagnostic (SCD) and the draft Country Partnership Framework (CPF) for Tanzania stresses the importance of strengthening human capital to raise labor productivity, which can be achieved notably by protecting early childhood development through improved access to water and sanitation, and water resource management. The proposed lending operation contributes to the goal of the GoT's National Five Year Development Plan (2016/17 – 2020/21) to increase access to clean and safe water in rural areas to 85 percent and achieve 75 percent of rural households using improved sanitation facilities by 2020-21.

### **D. Rationale for Bank Engagement and Choice of Financing Instrument**

There is a clear rationale and a pressing need for a transformational operation addressing the sustainability of rural water supply in Tanzania, and there has not been a sufficiently large

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<sup>7</sup> Under the Sustainable Development Goals (SDG) framework, the term "improved" is replaced with the term "basic", but shall be used throughout the document for ease of understanding.

<sup>8</sup> Chitty et al (2016) “Process evaluation of Tanzania’s National Sanitation Campaign”, SHARE (Sanitation and Hygiene Applied Research for Equity), London School of Hygiene and Tropical Medicine, Policy Brief.

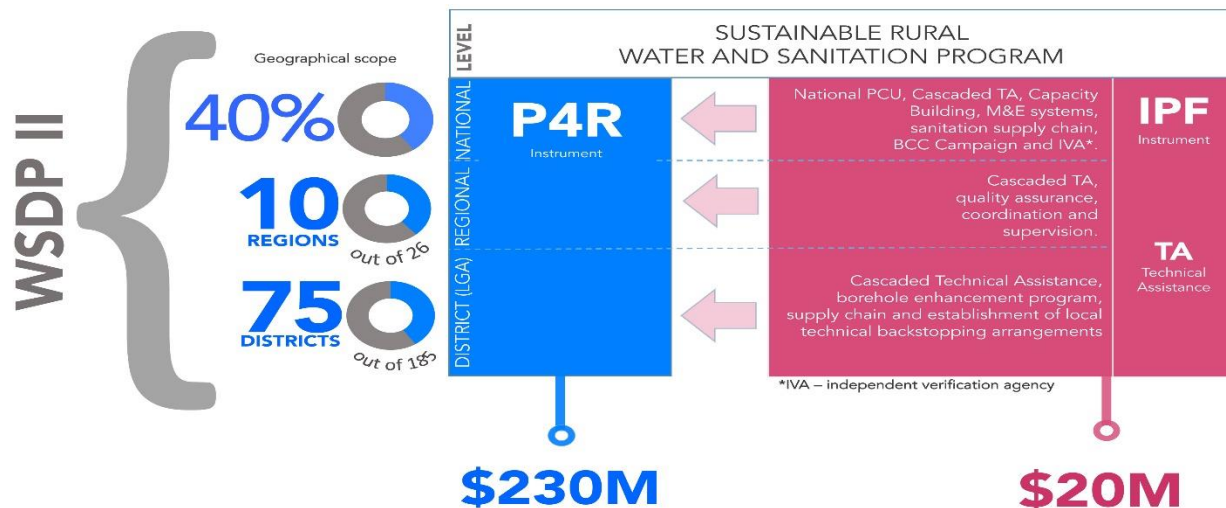
<sup>9</sup> Report Number: **60269**.

sanitation and hygiene intervention since the 1970s. The GoT's WSDP provides a well-established framework for the delivery of rural water supply and sanitation services at scale; however, it has had limited impact on sustainability of rural water supply and sanitation.

The rationale for the proposed Sustainable Rural Water and Sanitation Program and the Bank's involvement is to maintain the momentum of the sector reforms and the developments initiated during the implementation of previous World Bank-financed projects: River Basin Management and Smallholder Irrigation Improvement Project (P038570), Rural WSS Project (P047762), Water Sector Support Projects I-II (P87154, P15036). The proposed Program will precede the Bank's anticipated health operation on children under five, however, efforts will be made to ensure the two operations explore synergies and target the same geographical areas. Additionally, the Bank's continued involvement provides opportunities to build on the lessons learned under the past projects and address persistent challenges specifically pertaining to sanitation, hygiene, sustainability of rural water supply and sector capacity building.

The rural water supply sub-sector is on a positive trajectory of addressing many of the underlying barriers to sustainability. Nonetheless, the COWSOs' capacity gap remains one of the major challenges that needs to be addressed at scale by reshaping local institutional procedures and the prevailing incentive structures. Lessons from Vietnam, Egypt and Mexico indicate that a results-based approach can be effective in creating new incentive structures for local institutions. The results-based approach is being used more and more by the World Bank in Tanzania, which has active Program-for-Results (PforR) lending operations in the education, health, urban and energy sectors. It is becoming increasingly evident that the result-based approach is more effective when Disbursement-Linked Indicators (DLIs) include both outcome and process DLIs, and when these incentives are complemented by substantial technical assistance to support client governments through the change process and by establishing new systems, capabilities and procedures. To this point, the Program will be best facilitated via a flexible and overarching technical assistance (TA) support package similar to the Tanzania PforR in education. To ensure quality and timely implementation, the TA will be implemented via the Investment Project Finance (IPF) instrument. The proposed Program will be a hybrid of the PforR and IPF instruments as illustrated in Figure 1 below.

**Figure 1. Structure of the Sustainable Rural Water and Sanitation Program**



The use of the PforR lending instrument to support the Government's program – WSDP II – will add significant value by:

- incentivizing the achievement of the most important goals of the ongoing government program (such as ensuring the sustainability of rural water supply) through financial support from the central government to participating regions and LGAs;
- addressing the political economy and institutional incentive challenges associated with budget allocations and lack of focus on the sustainability of rural water and sanitation services;
- strengthening the Government's program, including at the LGA and lower levels, by establishing a structured framework to enhance its own systems and procedures with respect to rural water and sanitation;
- supporting the development of a results-based culture for rural water and sanitation within the GoT, with strengthened output and outcome M&E and a credible and independent verification system that can continue beyond the life of the Bank-funded Program;
- allowing for flexibility in implementation, and through a TA component, addressing the risks inherent in low capacity LGAs in Tanzania; and
- promoting new and innovative approaches for transformational impacts on rural water and sanitation in Tanzania.

## II. Program Development Objective(s)

The development objective for the operation is to *increase access to rural water supply and sanitation services and strengthen the institutional capacity to manage WSDP in participating rural districts.*

### PDO Indicators

The proposed PDO indicators are the following:

- People provided with access to an improved water source (male and female) (number) – Corporate Results Indicator
- People provided with access to improved sanitation (male and female) (number) – Corporate Results Indicator
- Monitoring and reporting system for rural water and sanitation established and operationalized
- Annual Institutional Development Plans approved and implemented at district level

### A. Key Program Results

The proposed key result areas and corresponding DLIs are presented in Table 1 below. GoT has expressed interest in the inclusion of rural sanitation and hygiene results within the PforR Program, therefore a significant result area for rural sanitation and hygiene will be developed. A detailed Results Framework, containing both performance and disbursement indicators will be developed during program preparation.

**Table 1. PforR Program: Overview of Proposed DLIs (to be confirmed)**

Program Result Area	Disbursement-Linked Indicators	Other Intermediate Results Indicators (which do not trigger disbursements)
<b>Outcome DLIs</b>		
<b>Result Area 1</b> Sustainable access to improved water sources in rural areas	1.1 District: Number of existing functional water points <sup>10</sup>  1.2 District: Number of new improved water points (in underserved areas <sup>11</sup> )	<ul style="list-style-type: none"> <li>▪ Source protection measures planned and implemented</li> </ul>
<b>Result Area 2</b> Sustainable access to improved sanitation and hygiene	2.1 District: Population with access to (i) improved sanitation and (ii) hand-washing stations  2.2 District: Population living in verified ODF communities <sup>12</sup>	<ul style="list-style-type: none"> <li>▪ National BCC campaign launched and under implementation</li> </ul>
<b>Process DLIs</b>		
<b>Result Area 3</b> Strengthened institutional capacity to manage the WSDP	3.1 District: Reliable monitoring and reporting system for rural water and sanitation established  3.2 District: Annual Institutional Development Plans approved and implemented  3.3 District: Registered and fully operational COWSOs <sup>13</sup>	<ul style="list-style-type: none"> <li>▪ Citizens engagement indicator (TBD)</li> <li>▪ Completion of annual capacity building activities as per the PIM</li> <li>▪ Percent of villages with registered COWSOs</li> <li>▪ % of COWSO that are fully metered</li> </ul>

The proposed operation will contribute to increased and sustained access to rural water supply and sanitation and improved hygiene behavior through a total investment of US\$250 million as an IDA credit. The five-year Program is estimated to benefit more than 3.5 million people. The participating LGAs are incentivized to spend their Program allocation on a combination of both software and hardware, thereby increasing access while strengthening the relevant local institutions and systems. GoT and beneficiary counterpart financing is estimated at US\$ 100 million per year for rural water supply, excluding sanitation.

### III. Program Description

Drawing on lessons from previous rural water and sanitation programs globally and in Tanzania, the proposed five-year Program is recommending a results-based approach with a flexible technical assistance component to support the implementation and provide quality assurance at

<sup>10</sup> The Regional Secretariats (RSs) play an increasingly important role in the supervision, coordination, capacity building and quality assurance of LGAs. The flow of fund will be arranged such that the DLIs provides an incentive to RSs, and rewards them for the performance of their respective LGAs.

<sup>11</sup> The proposed Program will develop modalities to incentivize equitable investments in low-coverage communities by leveraging satellite population data and water point geo-references. A list of villages with no access to an improved water source has already been developed by MoWI.

<sup>12</sup> ODF verification criteria to be agreed with the GoT, but could include use of improved sanitation facilities in all households and public schools and health clients and other public areas. Recent literature suggests that safe infant and child excreta disposal greatly improves health impacts and does not require big changes in the interventions to the ODF verification criteria, which is why this will also be considered under the ODF verification criteria.

<sup>13</sup> This will be a scalable DLI.

national, regional, and district levels.

Lessons from the WSDP I clearly demonstrate the challenging implications of nationwide implementation in the Tanzanian rural water and sanitation sectors. To make sure that this Program is well coordinated, monitored and sufficiently supported, the geographical scope will be limited to 10 regions equivalent to about 40 percent of the country's rural area. The geographical selection will be determined by the Bank's detailed poverty WASH diagnosis and based on a clear algorithm combining stunting, poverty, sanitation, and water access indicators that will be refined during the preparation of the Program. To ensure logistical and administrative efficiency in the implementation of the Program, the geographical selection process will be regional, meaning that all LGAs in a selected region will participate in the Program.<sup>14</sup> The regional focus is conducive for verification and for the technical assistance deemed critical for the success of the Program. Despite the regional selection approach, it will be mainly the LGAs that the Program seeks to incentivize, as they are responsible for the provision of rural water and sanitation services.

### **Box 1. Synergies with Existing Results-Based Activities**

In 2013, DfID allocated US\$ 102 million to WSDP II through a Payment by Results (PbR) approach with the aim of improving the number of functioning water points. After a significant delay caused by lack of data and poor reporting by LGAs, the DfID PbR started in December 2016 in 57 LGAs scattered throughout the country. The design of DfID's PbR was informed by the Bank's first PforR in Vietnam, and includes only two outcome DLIs. DfID's PbR rewards LGAs for water points kept in operation and for additional newly constructed water points; it does not include any DLIs on sanitation or hygiene.

To ensure full complementarity with the PbR, the proposed PforR Program has adopted DfID's two DLIs, namely, DLI 1.1 and 1.2 in Table 1. As opposed to the current PbR, the PforR will have a regional geographical focus so the two programs will inevitably overlap. In regions where the PbR and the PforR overlap, all LGAs under the region will benefit in full from the PforR; only the LGAs under the PbR will have DLI 1.1 and 1.2 paid through the PbR. To avoid confusion, the payments of the two programs will be synced so that the LGAs will only experience one result-based program. During the preparation of the proposed Program, efforts will be made for the PforR to fully take over all LGAs under the targeted regions which would allow DfID to adopt additional LGAs in other regions.

The proposed Program will ensure full complementarity with DfID's PbR, with an approach that can be phased and replicated to other geographical areas of Tanzania. The Program's alignment with DfID will include monitoring, evaluation and verification, and complementary DLIs. At the same time, the program will utilize and build on the substantial work already undertaken by the GoT including the M&E framework and the national sanitation BCC campaign.

Learning from global and Tanzania-specific experiences, the Program will have the following three closely interrelated components corresponding with WSDP II and DfID's PbR:

#### ***Result Area 1: Sustainable access to improved water sources in rural areas***

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<sup>14</sup> There are on average seven LGAs per region.



**Instrument: PforR (US\$ 180 million)**

This component will be implemented by the MoWI and the President's Office – Regional Administration and Local Government (PO-RALG) and will support comprehensive improvements in sustainable access to water supply services in the participating regions and districts by:

- Increasing coverage of water supply services by financing investments identified in district WASH plans with a focus on low-coverage communities.
- Rehabilitating and repairing non-functional and partly functional water points.
- Reducing the cost of water extraction by mainstreaming solar power.
- Developing district-wide monitoring systems that regularly collect and report data on the sustainability of services.
- Protecting quality and quantity of water sources for relevant water points.
- Sustaining existing water points by instilling efficiency, focus, benchmarking and scale in LGAs' activities on sustainability such as:
  - Ensuring COWSOs are registered and that their institutional are continuously assessed, strengthened and professionalized.
  - Establishing long-term sustainability support mechanisms, to ensure that maintenance schedules, technical assessments for rehabilitation and repair needs are met.
  - Supporting COWSOs on setting appropriate and affordable tariffs.
  - Developing district WASH networks to regularly connect all COWSOs and LGA-level stakeholders for coordination and horizontal learning.

The vast distance and disconnect between communities and district level authorities, coupled with the large number of unregistered and low capacitated COWSOs suggest that LGA officials alone will not be able to build the COWSOs' capacity in a timely and sufficient manner to ensure sustainability. Given the large backlog of sustainability support work and the lack of appropriate support systems in most districts, this component will support the LGAs to outsource this work to local organizations (NGOs or other service providers) with appropriate experience and capacity to build the basic capacity needed at scale. This will involve registration of COWSOs and the establishment of basic operating procedures, including setting a cost-reflective tariff and ensuring that all water points are metered.

To instill long-term sustainability, the Program will seek to replicate international good practices from Benin and Brazil by establishing local service providers to fill the existing capacity gap between the LGAs and COWSOs. The operation of rural water supply can be clustered across several villages and contracted out to local private sector service providers as successfully demonstrated in Benin. This will be initiated by the GPOBA-funded solar project where one service provider will receive a 5-year service contract for 25-50 COWSOs within a specific locality. Another model is where a cluster of rural COWSOs form a water trust that subsequently can provide technical and managerial support to each COWSO; this model has proven successful in Brazil and in the Kilimanjaro Region of Tanzania. Both models seek to foster economies of scale in the service provision of rural water supply by clustering COWSOs and linking the operations with resourceful and capable service providers. The two models can operate interchangeably and, through these approaches, the community ownership structure will remain while the associated capacity gaps are being addressed.

An external and independent verification agent will conduct the verification exercises for the Program's DLIs. The Ministry of Water and Irrigation and participating LGAs will also be encouraged to strengthen internal verification mechanisms and the use of routine monitoring data in order to improve data reliability, strengthen progress tracking, and develop feedback loops that enable LGAs to take rapid and appropriate action when any project areas or results are found to be off track.

***Result Area 2: Sustainable access to improved sanitation and hygiene***

**Instrument: PforR (US\$ 50 million)**

This component will be implemented by the Ministry of Health and Community Development, Gender, Elderly and Children (MoHCDGEC) and PO-RALG, and will support the second phase of the National Sanitation Campaign (NSC) and the rollout of the DfID-supported sanitation and hygiene BCC campaign. As under WSDP I, the LGAs will implement the NSC, and the Program's TA will encourage and support the implementation of the planned community-led total sanitation activities. The component will support supply-side interventions at community level, notably the support and encouragement of local private sector suppliers and service providers in using locally available materials or plastic pans, hand-washing stations and other appropriate products and services for the low-cost upgrading and improvement of sanitation facilities, and in collaborating with local financial institutions for the delivery of sanitation and hygiene products and services to rural communities.

The verification and certification processes for Open Defecation Free (ODF) communities will be developed and institutionalized in the participating regions and districts. As in Results Area 1, the strengthening of internal verification mechanisms and the use of routine monitoring data in the analysis of progress and performance will be supported. An independent verification agent will conduct the verification exercises for the Program's DLIs. Due to its health impact, a DLI based on an increase in the population that practices handwashing with soap at critical times was considered. However, previous WASH programs have failed to effect sustainable or even substantial change on handwashing behavior, in part because of the ineffective and often cumbersome monitoring of household handwashing practices. Therefore, the Program will use handwashing stations as a proxy for good handwashing.

***Result Area 3: Strengthened institutional capacity to manage the WSDP***

**Instrument: IPF (US\$ 20 million)**

This TA component will be implemented by both MoWI and MoHCDGEC. Activities relevant for rural water will be implemented by MoWI whereas TA activities pertaining to sanitation and hygiene will be implemented by MoHCDGEC. At the system level, program activities will be strategically designed to enhance the capacity of the government to monitor, ensure quality, and improve and sustain WASH service delivery. This component will support the high-level coordination and cooperation between Ministries and different levels of government that will be required for successful implementation of the Program.

Cascaded Technical Assistance to Program Implementation: To optimize and fast-track implementation, the Program will include a substantial technical assistance support (TAS) package to support the GoT in: (i) implementing the PforR Program approach with embedded DLIs, (ii) undertaking capacity building, planning, systems strengthening and financial management improvement activities, aiming to improve the overall quality of rural water supply and sanitation services, and (iii) communications to build awareness and buy-in to the Project

and the PforR approach.

*Support in developing integrated reporting and management information systems:* More specifically, the TA intends to strengthen the capacity of the MoWI, MoHCDEGEC and PO-RALG to collect, consolidate and use real-time data on service delivery for planning and monitoring of program activities. The Program will fund a modernization of the management and information systems and processes in the WASH sector, both for M&E and for the required verification of program results. A detailed verification protocol will be developed and the Program will engage a qualified independent verification agent throughout the project. For modernization and efficiency purposes, the Program seeks to implement the Rural Water and Sanitation Information System, SIASAR, successfully adopted by 11 countries and supported by the World Bank (P148645 and P153736). The adaptation is envisaged to be fast, cost-effective and to avail actionable data to the LGAs, a critical aspect of strengthening the sustainability of rural water supply.

*Specific technical assistance:* The component will particularly support the strengthening of the sanitation supply chain to ensure appropriate and affordable products are available in the market. The TA will support Basin Water Boards and WUAs in developing capacity and institutional arrangements required to monitor water quality and quantity parameters. This project will draw on a number of global lessons from on-going operations where source protection and water quality issues are addressed, particularly in India. It will also support LGAs in improving borehole drilling supervision through such means as the use of borehole cameras, a technology that is currently unfamiliar to district level officials. Standard engineering designs will also be standardized and include the provision of simple water treatment applications among others. Building on the success of Tanzania's Dar es Salaam Water and Sewerage Corporation's (DAWSCO) participation in the leadership center of excellence training, the Program will facilitate a similar exercise for key officials in the rural water and sanitation sub-sectors.

#### **A. Role of Development Partners**

As per the SWAp framework adopted by the GoT under WSDP I, financing for WSDP II was anticipated to come from a range of development partners (DPs) and with GoT's share largely coming from the general budget. However, contributions from DPs have decreased significantly over the last couple of years. Of the major former contributors, only DfID currently supports rural water and sanitation, with some earmarked support from Belgium and the Japan International Cooperation Agency (JICA), and *ad hoc* support from UNICEF and numerous local and international NGOs. The results-based approach will thus have to be successfully demonstrated in order to ignited future backing from DPs.

Through its input finance, DfID has allocated an additional TSH 20 million (US\$ 9,000) per year per each LGA for registration and capacity building of COWSOs, and UNICEF will provide technical assistance on water quality and treatment. With regards to the many NGOs operating in the sector, efforts will be made to promote division of labor so that NGOs participating in the Project focus on specific geographical areas of the country. The Program will be implemented in close collaboration with DfID and its PbR project and synergies between the two programs as explained in Box 1.

#### **IV. Initial Environmental and Social Screening**

Sector experience suggests that the overall environmental impact of this Program is expected to be positive and the negative impacts insignificant. The core environmental considerations concern water availability, its quality, and protection of water sources. The ESSA will review the capacity of implementing institutions (both at central and LGA levels) to address direct social and environmental risks. The ESSA will focus on institutional, organizational, and procedural aspects that are relevant to environmental protection and social inclusion. It is important to note that an Environmental and Social Management Framework (ESMF) has been developed for the ongoing Second Water Sector Support Project (P150361). The ESMF has been prepared by the MoWI and disclosed in-country and on the World Bank's external website. It establishes clear procedures and methodologies for site-specific environmental and social assessments and safeguard instruments to be carried out before implementation of projects in the water sector. In addition, the framework establishes the principles and procedures to undertake consultations and to implement grievance mechanisms, as required during project implementation. The ESSA will be a supplement of the ESMF.

#### **A. Citizen engagement and gender**

*Citizen engagement:* As per the demand-responsive approach to rural water supply intended by the GoT, the Program will have the significant participation of beneficiaries, notably through the community management and ownership model as stipulated by the NAWAPO. In addition, the Program will fund an SMS-based citizen feedback mechanism to support the existing water point mapping system.

With regards to gender, significant progress has been noted on women's participation in the management of COWSOs. Nevertheless, men still constitute a larger proportion than women on COWSO boards, and it is still uncommon to find women as the COWSO chairman. The COWSO competency model developed jointly by the MoWI and the World Bank includes women's participation as one of the competencies to be attained. The Program plans to roll-out the competency model to all participating LGAs, thus incentivizing COWSOs to achieve gender balance.

Sanitation and hygiene often have better gender equality propensities than water supply. Women and girls tend to value sanitation and hygiene more highly than men, and often have higher benefits in terms of security, dignity, privacy for menstrual hygiene management, and fewer risks around child defecation, than men and boys. Furthermore, women are also more often involved as sanitation and hygiene promoters, and can be pro-actively involved in the promotion of sanitation goods and services.

#### **B. Climate risk screening**

The exposure of the Project to climate shocks was assessed using the Bank's Climate and Disaster Risk Screening Tool. The assessment indicated a potential increase in extreme temperatures, severe storms and floods, as well as recurrent droughts in the future. The Program will contribute to global goods such as mitigation through CO<sub>2</sub> emissions reductions achieved by replacing diesel pumping with solar water pumping. Climate change adaptation measures will include improved watershed management and switching rural villages from seasonal to permanent water sources. A greenhouse gas accounting analysis will be carried out during the preparation of the program.

## V. Tentative financing

*{Same as in AUS}*

Source:	(\$m.)
Borrower/Recipient	500
IBRD	0
IDA	250
Others (specify)	
Total	750

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