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# Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 25-Nov-2024 | Report No: PIDDC01188

## BASIC INFORMATION

### A. Basic Project Data

| Project Beneficiary(ies) | Operation ID | Operation Name |
|---|---|---|
| Angola, Angola, Angola, Angola, Angola, Angola, Angola, Angola, Botswana, Botswana, Botswana, Burundi, Burundi, Burundi, Burundi, Comoros, Comoros, Comoros, Comoros, Congo, Democratic Republic of, Congo, Democratic Republic of, Congo, Democratic Republic of, Eswatini, Eswatini, Eswatini, Ethiopia, Ethiopia, Ethiopia, Ethiopia, Kenya, Kenya, Kenya, Kenya, Kenya, Lesotho, Lesotho, Lesotho, Madagascar, Madagascar, Madagascar, Madagascar, Malawi, Malawi, Malawi, Malawi, Malawi, Mozambique, Mozambique, Mozambique, Mozambique, Sao Tome and Principe, Sao Tome and Principe, Sao Tome and Principe, Somalia, Somalia, Somalia, Somalia, South Sudan, South Sudan, South Sudan, South Sudan, Tanzania, Tanzania, Tanzania, Tanzania, Tanzania, Tanzania, Tanzania, Zambia, Zambia, Zambia, Zambia, Zambia, Zambia | P506439 | Accelerating Access to WASH in the Eastern and Southern Africa Region |

| Region | Estimated Appraisal Date | Estimated Approval Date | Practice Area (Lead) |
|---|---|---|---|
| EASTERN AND SOUTHERN AFRICA | 06-Jan-2025 | 21-Feb-2025 | Water |
| Financing Instrument | Borrower(s) | Implementing Agency | |
| Investment Project Financing (IPF) | TBD | TBD | |

**Proposed Development Objective(s)**

The PDO for phase 1 is to improve governance, institutional capacities and resource mobilization for water and sanitation service delivery in the Eastern and Southern Africa (AFE) Region

The PrDO for the overall MPA is to increase access to drinking water supply, sanitation and hygiene services in participating countries in the Eastern and Southern Africa (AFE) Region

## PROJECT FINANCING DATA (US$, Millions)

### Maximizing Finance for Development

| | |
|---|---|
| **Is this an MFD-Enabling Project (MFD-EP)?** | Yes |
| **Is this project Private Capital Enabling (PCE)?** | Yes |

### SUMMARY

| | |
|---|---|
| **Total Operation Cost** | **5.00** |
| **Total Financing** | **5.00** |
| **of which IBRD/IDA** | **5.00** |
| **Financing Gap** | **0.00** |

### DETAILS

**World Bank Group Financing**

| | |
|---|---|
| International Development Association (IDA) | 5.00 |
| IDA Grant | 5.00 |

| Environmental and Social Risk Classification | Concept Review Decision |
|---|---|

| | |
|---|---|
| Moderate | |

Other Decision (as needed)

## B. Introduction and Context

Regional Context

1. **The steady progress in reducing poverty and boosting shared prosperity in the Eastern and Southern Africa (AFE) region over the past decades has been upended by global shocks**. Climate change continues to threaten the lives and livelihoods of millions of people in the region; and severe climate events such as heatwaves, floods and droughts are likely to become more frequent. Recovery from the global pandemic was disrupted by conflicts resulting in soaring inflation and food and energy shortages. The region also has the highest population and urbanization growth rates globally at 2.4%, 4.3% per year, respectively. The poorest and the most vulnerable populations without access to water, sanitation and hygiene (WASH) services suffer from these shocks disproportionately, leading to rising inequalities.

2. **Lack of access to water, sanitation and hygiene (WASH) is severely impacting the AFE region's ability to lift its population out of poverty and build human capital but also increasing its exposure and vulnerability to climate change.** In 2022, there were 277 million people without access to basic water and 458 million without access to basic sanitation in AFE, this is 41 and 68 percent of the 674 million total population in AFE, respectively. Nine countries are responsible for 80% of the gaps[1]. These gaps are also larger in rural areas, where the largest share of the region's poor live, with some countries in the region having access to basic sanitation rates as low as 5 percent. Lack of WASH access also has strong equity and health implications. In most AFE countries, the percentage of women responsible for water collection drastically exceeds that of men. In some cases this percentage is higher than 80%, highlighting a deeply rooted inequality in the distribution of WASH-related domestic labor.[2] Lack of access to WASH is the main contributor to diarrheal disease, the leading cause of child mortality in Sub-Saharan Africa (SSA).[3]

3. **Water and sanitation access gaps are growing in the AFE region, with very significant impacts on the region´s economy.** In 2022, there were an additional 63 million people without water and 174 million people without sanitation in the region, compared to the year 2000. If these trends continue, by 2030, 345 million and 550 million people in the region will be without basic water and sanitation services, respectively, making them further exposed to the worsening impacts of climate change. In the AFE region, 69 percent of all people without access to water and 71 percent of those without access to sanitation live in Fragile, Conflict and Violence (FCV) settings. WASH access in FCV countries is affected by lack of security, as well as institutional weaknesses and capacity constraints typically associated with FCV contexts. In addition, an increasing number of forcibly displaced persons and their host communities are in urgent need of improved WASH

[1] Ethiopia, Sudan, DRC, Kenya, Tanzania, Uganda, Madagascar, Mozambique and Angola.
[2] The World Bank. https://www.worldbank.org/en/data/interactive/2024/03/13/gendered-burden-of-water-collection-in-afe-afw-sub-saharan-africa
[3] Ngabo F, Gatera M, Karema C, Donnen P, Lepage P, Parashar UD, Tate JE, Mwenda JM, Rugambwa C, Binagwaho A. Can routinely collected national data on childhood morbidity and mortality from diarrhea be used to monitor health impact of rotavirus vaccination in Africa? Examination of pre-vaccine baseline data from Rwanda. Pediatr Infect Dis J. 2014 Jan;33 Suppl 1: S89-93.

access to reduce their vulnerabilities. It is estimated that the region is losing 5 percent of its annual gross domestic product (GDP)[4] or approximately US$170 billion per year due to poor WASH services.

## Sectoral and Institutional Context

4. **In AFE, public expenditure in WASH is extremely low and inefficient, with regressive subsidies, high donor dependence, and poor sustainability and efficiency of services.** In thirteen AFE countries analyzed, the average annual government budget allocated to WASH ranges between 0.1 and 0.8 percent of the GDP[5], with a declining trend in half of them. The region's estimated investment gap for achieving universal WASH access between 2023 and 2030 is $150 billion, or 1.4 percent of AFE's GDP. Actual investment rates would need to increase 3 times, for urban water, and 14 times, for rural sanitation, to reach universal WASH access. The sustainability of WASH investments is a key challenge, especially as further investment is needed to ensure infrastructure can withstand more frequent and intense climate shocks. In some AFE countries up to 40 percent of rural waterpoints fail within two years after construction.[6] Average water losses in urban water utilities stand at 45 percent in the AFE region.[7] A significant share of already low WASH public expenditures is used to cover operational expenses of utilities, as half of the regions' utilities are not able to cover their operational costs. This diverts scarce public resources away from investments in expanding access, especially in rural areas. In fact, it is estimated that 56 percent of subsidies go to the wealthiest quintile of the population.[8]

5. **While public funding levels are low, private sector capital mobilization remains a bottleneck for scaling up WASH access due to regulatory and other risks.** Across Africa, 59 percent of countries are regulating networked water supply services, with regulatory authorities often lacking independent mandates and resources to exercise effective service and tariff regulation. Only 30 percent of AFE countries have autonomously operating regulators. Public Private Partnerships (PPPs) are often hampered by weak legislative and regulatory environments, lack of technical expertise and institutional capacity to effectively engage with the private sector, lack of de-risking instruments and high country and foreign exchange risks. Accessing commercial financing remains challenging for municipalities and utilities, often due to poor operational efficiency and low investment rates, low creditworthiness of service providers, poor understanding of the water sector by financial institutions as well as the mismatch of financing demand and offers in domestic markets. Such a lack of financing makes it difficult for utilities to make the necessary investments to improve the resilience of their systems and infrastructure to climate and other shocks.

6. **Governance bottlenecks in the WASH sector include a highly fragmented institutional landscape, low of predictability of funding, poor coordination mechanisms, and no incentive systems to focus on sustainable, climate resilient results.** While many AFE countries report the existence of donor-led coordination arrangements, only nine countries in the region have a functioning national government-led platform.[9] Additionally, only five AFE countries have systematically funded national WASH investment programs with monitored implementation, and only two countries are applying or considering result-based incentives as part of their resource allocation process. Despite these challenges, there are promising initiatives and opportunities across the region that - if replicated at scale - could accelerate WASH access.

7. **There is wide consensus in the sector on the need to move beyond business-as-usual approaches to a strategic vision that employs a *systems change* approach to accelerate access rates and sustain gains towards the achievement**

[4] Africa's Rising Investment Tide: How to Mobilise US$30 Billion Annually to Achieve Water Security and Sustainable Sanitation in Africa, International High-Level Panel on Water Investments for Africa, South Africa, March 2023.
[5] United Nations (2022). Strong systems and sound investments: evidence on and key insights into accelerating progress on sanitation, drinking water and hygiene. UN-Water global analysis and assessment of sanitation and drinking-water (GLAAS) 2022. United Nations, New York.
[6] World Bank. 2018. Reaching for the SDGs: The Untapped Potential of Tanzania's Water Supply, Sanitation, and Hygiene Sector. WASH Poverty Diagnostic. World Bank, Washington, DC.
[7] Average for major water utilities in SSA, IBNET, 2020
[8] Van den Berg, Caroline, and Alexander Danilenko. 2017. "Performance of Water Utilities in Africa." World Bank, Washington, DC.
[9] Authors' elaboration based on surveys across AFE countries in advance of the November 2023 WASH Leadership Summit

**of the Sustainable Development Goal (SDG6).** At the WASH Leadership Summit, held in Addis Ababa in November 2023, participating AFE countries endorsed this vision. They supported the five principles of the systems change approach: (i) government-led planning, coordinating, and monitoring platforms to support national WASH investment programs, (ii) tackling governance-related bottlenecks in the sector, (iii) making service delivery more efficient by offering incentives, (iv) boosting investments and private sector participation, and (v) embedding resilience to climate change and others shocks across the entire water service chain, from water resources management to last-mile service delivery, and the closely related sanitation chain, from containment to final disposal or reuse of human waste and wastewater.

8. **When assessing progress on *systems change* across AFE countries, most countries start at a basic level in terms of their readiness to scale-up WASH access, though some frontrunners can also be identified.** As illustrated in Figure 2, countries are ranked according to the level of progress in the five principles of Systems Change outlined above:[10] (i) countries ready to scale up access, with key elements of the enabling environment in place such as consolidated sector governance, an existing national investment plan, well-functioning country platforms and incipient tapping into private capital financing, (ii) countries with a moderate to aspiring rating, with not all but at least some key elements of the enabling environment in place, and (iii) countries with a basic rating, with elements in an incipient stage, oftentimes FCV countries.




**Figure 1. Five Principles of the Systems Change approach**

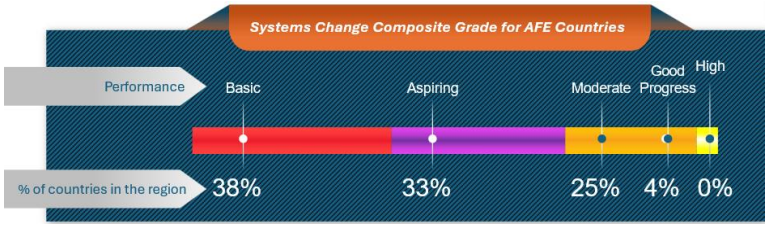



**Figure 2. Systems Change Composite Index for 24 AFE Countries**

## Relationship to CPF

9. **The WASH AFE MPA directly supports the World Bank Group's mission to end extreme poverty and boost shared prosperity on a livable planet and is in line with the Evolution Roadmap discussed by the Board on October 12, 2023 (Report No. 185303)**. The MPA addresses both climate change vulnerability and local development challenges by ensuring water security, which is integral to the water-climate-food-energy nexus. It supports the Global Challenge Program on Water Security and Climate Adaptation[11] that aims to provide sustainable WASH services to 150 million people and aligns with the WBG Action Plan on Climate Change Adaptation and Resilience 2021–2025.[12] The proposed MPA is part of a broader WBG strategy that includes government and private sector collaboration for investment and financing.

10. **The proposed WASH MPA builds on the progress made under the WBG's existing WASH portfolio and is informed by lessons learned from the Independent Evaluation Group (IEG) evaluations.** The proposed MPA addresses IEG's recommendations to (a) engage intensely with client governments on water and sanitation service sector reforms to strengthen the financial viability of service providers and to create conditions for increased access to commercial

[10] Source: Authors' elaboration. System Change Analysis as part of the AFE WASH Leadership Summit.
[11] World Bank.2024. Global Challenge Program: Fast-track Water Security and Climate Adaptation - Approach Paper. Washington, D.C.: World Bank Group.
[12] World Bank Group. 2021. *World Bank Group Climate Change Action Plan 2021–2025; Supporting Green, Resilient, and Inclusive Development*. Washington, DC: World Bank Group.

finance; and (b) increase cross-sectoral collaboration to address complex water and sanitation service-related challenges (such as climate change resilience, municipal pollution, groundwater over abstraction) in lending, technical assistance and knowledge support.[13]

11. **The WASH AFE MPA is aligned with the Mobilizing Finance for Development principles, working in tandem with IFC and MIGA to mobilize private capital.** It supports the Scaling Up Water Finance initiative through various means, including establishing national WASH access platforms, promoting public-private partnerships, and supporting innovative financing facilities. The proposed MPA aims to enhance the attractiveness of the WASH sector to private investors by strengthening the legal and regulatory frameworks, implement private sector participation schemes backed by suitable payments guarantees and, where needed, investments grants / VGF to improve affordability of services, thereby mobilizing private capital for viable investment projects.

12. **The proposed MPA aligns with the WBG 2020 FCV Strategy[14] and the WBG's new Concept of the Gender Strategy 2024-30.[15]** It addresses inequalities, one of the underlying causes of fragility, aiding the transitioning out of fragility. The proposed MPA will contribute to human development by improving health and education outcomes, especially for girls, through better WASH facilities in schools and health centers. It will narrow gender gaps by empowering women and girls, reducing their physical burden of collecting water through improved access to WASH, and creating economic opportunities. All country phases of the MPA will be fully aligned with their respective Country Partnership Frameworks (CPFs).

### C. Proposed Development Objective(s)

The PDO for phase 1 is to improve governance, institutional capacities and resource mobilization for water and sanitation service delivery in the Eastern and Southern Africa (AFE) Region.

The PrDO for the overall MPA is to increase access to drinking water supply, sanitation and hygiene services in participating countries in the Eastern and Southern Africa (AFE) Region.

Key Results (From PCN)

13. The MPA aims to significantly increase access to WASH at the household level, in schools and in health facilities, following a common intervention framework across participating countries, deployed through both country-oriented and regional phases, thus enhancing community climate resilience by providing more secure and sustainable water and sanitation access in the face of increasing variability of water supply.

14. The proposed PrDO indicators include:

- PrDO Indicator 1: Increased number of people with access to water supply services. Disaggregated by gender, and sub sector (rural-urban), and level of service (% safely managed) (households, schools, health clinics, public facilities) at the intermediate indicator level.

[13] IEG, 2017. A Thirst for Change: An IEG Evaluation of the World Bank Group's Support for Water Supply and Sanitation, with Focus on the Poor, FY2007–16. World Bank Group, Washington DC, 2017
[14] World Bank Group. 2020. World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025. Washington, DC: World Bank Group.
[15] And its predecessor: World Bank Group. 2016. World Bank Group Gender Strategy 2016—2023: Gender Equality, Poverty Reduction and Inclusive Growth. Washington, DC: World Bank Group

  - Target 1 by 1/2035: 41.8 million people with access to at least basic water supply services, of which 50 percent having safely managed access, and at least 30 percent in rural areas.[16]
- PrDO Indicator 2: Increased number of people with access to sanitation services. Disaggregated by gender, and sub sector (rural-urban), and level of service (% safely managed)
  - Target 2 by 1/2035: 28.7 million people with access to at least basic sanitation services, of which 20 percent access to safely managed services, at least 60 percent in rural areas[17]
- PrDO indicator 3: number of schools and health care facilities with WASH facilities, disaggregated by schools and health care facilities.
  - Target 3 by 1/2035: 17,500
- PrDO indicator 4: number of beneficiaries with enhanced resilience to climate risks, disaggregated by gender.
  - Target 4: by 1/2035: 40 million

## D. Concept Description

15. **The MPA structure consists of four pillars encompassing the overall scope of the Program. The four pillars contain specific activities tailored to the needs of participating countries to achieve the Program's development objectives. The pillars form a comprehensive menu of options for participating countries in the different phases.** Each country phase, or the regional phases, will therefore include activities to be structured along these pillars. The choice of financing instruments will also depend on country contexts**.**

**Pillar 1: Platforms to Accelerate Access to WASH**

16. **The national platform approach consolidates government-led efforts to achieve universal, sustainable, and climate-resilient WASH services by integrating funding and promoting cross-sectoral cooperation, focusing on National Climate Resilient WASH Investment Plans, policy development, and financing, with an emphasis on climate resilience, inclusivity, and gender equality**. Digital applications will enhance planning and transparency. The Regional WASH Acceleration Platform (Phase I) will support the MPA learning agenda, helping countries adopt systematic approaches to scale up climate-resilient WASH access. It will focus on capacity building, progress monitoring, and knowledge sharing to assess climate vulnerabilities and enhance resilience while reducing GHG emissions. The regional platform will also provide incentives and mobilize funds to advance the regional WASH agenda, aiming for sustainable improvements in WASH access across the region.

**Pillar 2: Sector Governance Reforms**

17. **This pillar will focus on accelerating climate resilient WASH access through strategic governance and institutional reforms and enhancing regulatory oversight.** It will provide incentives and technical assistance to conduct necessary governance and institutional reforms to improve the enabling environment, including integrating climate change (or flood and drought management) strategies, and the efficiency of public investments to attract increased private sector capital. Sector reforms and their implementation will be informed by analytics and the deployment of tools like Public Expenditure and Institutional Reviews, Water Sector Assessment Programs (Water SAPs) and the EPIC[18] Response Framework for flood and drought management to identify bottlenecks, find policy gaps and establish roadmaps for improvement. The Pillar will also support improving institutional capacity for citizen engagement and accountability. The

[16] Basic access refers to access to an improved water source that is within 30 minutes return trip; safely managed access means that water is accessible on premises, available when needed, and free of contamination. (JMP)
[17] Basic access refers to access to an improved sanitation facility (that is, one that hygienically separates human excreta from human contact); safely managed is a higher level of service that requires safe collection and off-site treatment and disposal/re-use.
[18] Enable, Plan, Invest, Control

approach includes designing incentive schemes to promote efficient, resilient and low carbon capital expenditure and regulatory alignment, with a focus on decentralized government levels. Regulators will receive technical assistance to expand their capacities and mandates. This includes initiatives under Phase 1, such as regional benchmarking and twinning arrangements, to ensure effective sector oversight, integration of climate resilience and service delivery improvements. Regional knowledge exchange on governance reforms will be mobilized through Phase 1 of the MPA.

**Pillar 3: Service Performance Improvement**

18. **This pillar focuses on enhancing WASH service delivery models by improving the sustainability and climate resilience of operations and service provision in both urban and rural areas.** This pillar aims at improving the creditworthiness and climate resilience of urban utilities as well as the implementation of sustainable, climate resilient and low carbon operations and maintenance (O&M) models in rural areas. It will support the development and implementation of Performance Improvement Action Plans (PIAPs) and Rural Water and Sanitation Service Professionalization Strategies (RWSSPS) to set medium-term objectives and improve operational and financial sustainability. The implementation of such plans and strategies will aim to reduce water losses and energy consumption (thus reducing GHG emissions) and improve the operating ratio of utilities and rural service providers through increasing revenues, cost-efficiency measures, and leveraging digitalization. The pillar will also support developing information management systems and monitoring tools as necessary to generate reliable data and evidence to guide the PIAPs. Climate resilience will be mainstreamed throughout the plans and strategies by emphasizing the need for flood and drought management, as well as the use of renewable or low carbon energy sources. This pillar will emphasize the importance of synchronized strategies for service expansion and operational efficiency, particularly in sanitation, and may involve City-Wide Inclusive Sanitation (CWIS) Plans and their implementation where relevant. Under this pillar, private sector capacity and innovation need to be leveraged whenever possible as it can significantly accelerate the necessary improvement of the performance of service providers. Additionally, the pillar aims to ensure affordability and inclusion for low-income and highly climate vulnerable populations, promote citizen engagement, and improve service delivery through mechanisms like utility scorecards and closing customer feedback loops. Phase I will support regional capacity building initiatives for utilities, rural service providers, city administrations and rural WASH agencies.

**Pillar 4: Leveraging Financing and Private Sector Participation to Expand WASH Coverage**

19. **This pillar aims to leverage private sector expertise and capital to expand resilient water and sanitation infrastructure, focusing on investments in access expansion, including WASH facilities in schools and health centers, and rural sanitation programs, as well as the long-term sustainability of the built infrastructure via adequate operation and maintenance.** By working with IFC and MIGA, this pillar will finance climate resilient WASH infrastructure designed to both withstand climatic shocks and improve drought and flood resilience of beneficiaries while aiming to enable and mobilize private capital and expertise, for example through hybrid finance structures, PPP transactions and risk mitigation instruments to mobilize commercial financing and equity and attract competent management. The pillar includes a range of resilience-building activities, including improving the broader water resource management (WRM) to more efficiently allocate water resources during times of scarcity and provide flood protection; promoting basin-level WRM strategies that integrate flood and drought preparedness and response; supporting investments in water storage, aquifer recharge, and water reuse for drought resilience; and ensuring new and rehabilitated infrastructure is climate-resilient.[19] At the regional level (Phase 1) expertise will be mobilized to support countries with state-of-the art advisory services on technical support, climate-resilient design and planning, and opportunities for service delivery by the private sector .

[19] The World Bank's *Resilient Water Infrastructure Design Brief*, published in 2017, focuses on the three natural hazards most likely to affect water and sanitation infrastructure—droughts, floods, and high winds. It provides hard and soft recommendations for the climate-proofing of WSS infrastructure.

Legal Operational Policies

| Policies | Triggered? |
|---|---|
| Projects on International Waterways OP 7.50 | No |
| Projects in Disputed Area OP 7.60 | No |

Summary of Screening of Environmental and Social Risks and Impacts

Phase 1 of WASH AFE MPA (P506439) are mostly related to TA activities on improving governance, institutional capacities and resource mobilization for water and sanitation service delivery in the Eastern and Southern Africa (AFE) Region. Although the activities will not finance any civil works that may have direct environmental footprints on the ground, it will finance technical assistance studies that have the objectives to lead to new investments that may include civil works. The potential downstream environmental impacts from these TA activities are associated with occupational health and safety, waste management, improper handling of hazardous materials and hazardous waste, water use, drinking water quality, impact to water balance, inappropriate disposal of wastes of all types leading to the spread of infectious disease among workers and community members, community health impacts from local water resource and land contamination from inappropriate management of solid and hazardous waste, negative impacts on community water use, etc., should these investments materialize. The social risks stemming from these activities deemed Moderate at this stage. Phase 1 will also support country-level WASH investment plans, and their downstream social impacts will need to be assessed further once participating countries are formally confirmed. Stakeholder engagement activities will play key role to coordinate with various stakeholders to improve program's outcomes. The project will include an Environmental and Social Commitment Plan (ESCP) and a Stakeholder Engagement Plan (SEP).

**CONTACT POINT**

**World Bank**

Victor Vazquez Alvarez
Senior Water Specialist

Nishtha Mehta
Senior Water Supply and Sanitation Specialist

Susanna Smets
Senior Water Specialist

### Borrower/Client/Recipient

**TBD**

**TBD**

### Implementing Agencies

**TBD**
tbd tbd
tbd
tbd@gmail.com

**TBD**
tbd tbd
tbd
tbd@gmail.com

## FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: http://www.worldbank.org/projects

## APPROVAL

| | |
|---|---|
| Task Team Leader(s): | Victor Vazquez Alvarez, Nishtha Mehta, Susanna Smets |

### Approved By

| | | |
|---|---|---|
| Practice Manager/Manager: | Soma Ghosh Moulik | 18-Oct-2024 |

| | | |
|---|---|---|
| Country Director: | Boutheina Guermazi | 25-Nov-2024 |