



@#&OPS~Doctype~OPS^blank@pidaprsimplifiedpfrcoverpage#doctemplate

Updated Program Information Document (PID)

Technical Design Stage | Date Prepared/Updated: 15-Oct-2026 | Report No:

**BASIC INFORMATION****A. Basic Program Data**

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Ethiopia	EASTERN AND SOUTHERN AFRICA	P516998	Ethiopia Sustainable WASH Access Program
Financing Instrument	Estimated Approval Date		Practice Area (Lead)
Program-for-Results Financing (PforR)	23-Feb-2027		Water
Borrower(s)	Implementing Agency		
Federal Democratic Republic of Ethiopia	Ministry of Education, Ministry of Finance, Ministry of Health, Ministry of Water and Energy		

Proposed Program Development Objective(s)

The PDO of ESWAP is to increase access to basic water supply, sanitation and hygiene services, and strengthen institutional capacity for sustainable and climate-resilient service delivery.

Sector & institutional context / problem statement

Ethiopia has one of the largest and widening WaSH service gaps in sub-Saharan Africa, particularly in rural areas. There are about 60 million without basic water and 112 million without improved sanitation. Between 60 to 80 percent of communicable diseases are linked to poor WaSH. Achieving sustainability of WaSH services is a persistent challenge in Ethiopia. Non-functionality rates in rural WaSH schemes range from 17 to 47 percent, due to poor construction, unreliable source, inadequate maintenance, lack of ownership, weak technical backstopping systems, insufficient spare parts, and lack of trained personnel. Financially, public expenditure in the WaSH sector is insufficient, and private sector participation is very low. Water is underpriced, and tariff collection is low. Most urban utilities lack business models that can achieve full cost recovery and financial sustainability, while most rural schemes do not have regularized tariffs based on O&M cost recovery.

Summary Description

ESWAP will support the scale-up of improved water supply, sanitation and hygiene (WaSH) services in rural and urban areas of Ethiopia, building on the OWNPP Consolidated WASH Account (CWA) platform — a sector-wide pooled financing mechanism involving the Ministry of Water and Energy (MoWE), Ministry of Health (MoH), Ministry of Education (MoE), and Ministry of Finance (MoF), alongside multiple DPs. The project is planned to be structured as a hybrid Program-for-Results (PforR) and Investment Project Financing (IPF) instrument with total expected IDA



financing of US\$250 million and US\$60 million from the Government. Discussions are ongoing with various DPs and it is anticipated that various DPs may finance a further approximately US\$200 million, to be confirmed at a later date.

ESWAP will be organized around three result areas. Result Area 1 covers sector program, strategy and institution development — including sector policy and regulatory reform, WaSH data management, and institutional systems for sustainable service delivery. Result Area 2 covers sustainable and climate-resilient WaSH development, including provision of access to basic rural and urban WSS services, enhancement of the sustainability of rural water supply systems, institutional WaSH for schools and health facilities. Result Area 3 will focus on operational efficiency, including sanitation service expansion in urban WSS utilities (Addis Ababa and secondary cities). The IPF component will finance program management support, an Independent Verification Agent (IVA), support to the Water Development Fund, support to the Ethiopia Water Technology Institute (EWTI), and a national sanitation and behavior change campaign.

ESWAP is fully aligned with the OWNPP Phase III Government Program (2025–2030) and the Government of Ethiopia's broader development agenda. It also aligns with all four pillars of the Accelerating Access to Water, Sanitation and Hygiene in the Eastern and Southern Africa Region (P512763) Multi-Phase Programmatic Approach (MPA): WASH Platforms and Investment Planning; Governance and Regulatory Reform; Service Delivery Improvement; and Financing Climate-Resilient Infrastructure. ESWAP is aligned with both the existing Country Partnership Framework (CPF) (FY18–FY22) and the draft CPF (FY27–37). Under the current CPF, ESWAP directly advances Objective 2.3 — Increased access to improved water and sanitation — which recognizes safe water access as critical for health, nutrition, labor productivity, and reducing the burden on women. Under the draft CPF (FY27–37), which anchors all WBG investments in Ethiopia's central challenge of job creation, ESWAP contributes to Outcome 4 (Strengthened Health and Nutrition for All) and Outcome 3 (Reduced Learning Poverty), while supporting the jobs agenda by improving the health and productivity of the workforce. The program's focus on climate-resilient infrastructure, financially sustainable service delivery, and equitable access in underserved communities further reflects the CPF's cross-cutting resilience agenda.

Results Areas

Result Area 1: Improving Policy and Institutions

Result Area 2: Increasing access to WaSH services

Result Area 3: Improving Operational Efficiency for Service delivery

COST & FINANCING (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? Yes

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost

1,160.80



Total Program Cost	1,110.80
IPF Component	50.00
Total Financing	1,160.80
Financing Gap	0.00

FINANCING

Total World Bank Group Financing	350.00
World Bank Lending	350.00
Total Government Contribution	610.80
Total Non-World Bank Group Financing	200.00
Multilateral and Bilateral Financing (concessional)	200.00

Environmental and Social Risk Classification

Low

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

Yes

Projects in Disputed Area OP 7.60

No

Decision

B. PforR Program Scope

1. **The proposed Program is a phase of the Accelerating Access to Water, Sanitation and Hygiene in the Eastern and Southern Africa Region Program (AFE WASH) using the Multiphase Programmatic Approach (MPA). The proposed Program will support the third phase of the Government of Ethiopia's (GoE's) One WASH National Program (OWNP).** The OWNP is the GoE's main vehicle to address the development and access challenges in the water supply, sanitation and hygiene (WASH) sector. The implementation of OWNP commenced in 2013, following a Memorandum of Understanding (MOU) signed by the Ministry of Finance (MoF), the Ministry of Water, Irrigation and Energy (MoWIE), the Ministry of Health (MoH), and the Ministry of Education (MoE). This enabled the sector to begin transitioning to an integrated approach, using a "One Plan, One Budget, and One Report" for WASH development. The OWNP adopted a program-based,



sector-wide approach (SWAp), involving the water, education, health, and finance sectors. OWN-Phase I included four components of Rural and Pastoral WASH, Urban WASH, Institutional WASH, and Program Management and Capacity Building. The OWN-CWA was established to pool resources from the World Bank and other DPs to finance part of the OWN, with fund management overseen by the MoF. Building on lessons learned from Phase I, OWN Phase II (commenced in 2019) added a fifth component of Climate Resilient WASH to address the urgent need to integrate climate resilience and WRM into WASH development. The Government is about to embark on OWN Phase III (2026-2030).

2. OWN Phase III (which is the ‘program’) will have five key components as described below:

- **Rural WASH.** To improve WASH services in rural communities and pastoralist areas, including improving rural water supply technologies and operations, enhancing sustainability and resilience of rural water supply schemes, supporting water treatment, improving sustainable sanitation and hygiene development, promoting sustained behavior change, and scaling up Baby WASH for children’s growth and well-being.
- **Urban WASH.** To improve urban WASH services, including improving the sustainability and safety of urban water supply, promoting appropriate technologies, and improving project management and construction supervision.
- **Institutional WASH.** To improve WASH services in schools, health facilities, public offices and other institutions, including providing full WASH packages to schools, and improving WASH in health facilities.
- **Climate Resilient WASH.** To secure water sources and improve infrastructure sustainability, including water resources mapping, planning and monitoring, piloting climate resilient solutions, intensifying investments in drought prone areas, and improving emergency preparedness, early response and recovery.
- **Enabling Environment, Program Management and Capacity Building.** To improve skills and capacity at all levels to plan, manage and monitor program activities.

3. The Consolidated WASH Account (CWA) was established to pool resources from multiple development partners (DPs) in support of the implementation of OWN. The CWA served as a harmonized funding mechanism, enabling the Government to consolidate sector resources to achieve common goals for improving WASH services in the country. The World Bank took a leading role in designing and implementing the CWA, with close collaboration with other DPs. The MoF manages the overall CWA account, while the World Bank provides fiduciary, safeguard, and monitoring and evaluation (M&E) oversight for the CWA activities. The CWA not only reduces transaction costs for DPs but also reduces the administrative burden for GoE by harmonizing fiduciary and safeguards policies. Over the course of supporting the OWN Phases 1 and 2, the Bank and several DPs, including the United Nations Children’s Fund (UNICEF), African Development Bank (AfDB), the Saudi Fund for Development, the Korea International Cooperation Agency (KOICA), and the governments of the United Kingdom, Finland, the Netherlands and Denmark, have collectively provided nearly US\$1 billion in support through the CWA mechanism, benefiting over 20 million people.

4. The Program Boundary encompasses a portion of OWN Phase III, covering selected woredas in all 12 regional states and the two chartered city administrations. A total of 133 woredas (including 22 refugee hosting woredas), 15 small towns, 5 medium towns, Addis Ababa and 22 secondary cities have been selected against an agreed set of criteria, prioritizing woredas and towns with (i) low level of water supply service delivery, (ii) low level of sanitation service delivery, (iii) low level of WaSH service for institutions, (iv) high vulnerability to climate shocks (drought), and (v) better readiness for implementation.



5. **The Program will have three Result Areas, which are aligned to the five key components of OWN Phase III:**

- **Result Area 1: Improving Policy and Institutions.** Result Area 1 (RA1) addresses the systemic sector-wide changes required to build robust foundations for sustainable WASH service delivery in the country. Experience from prior World Bank-supported WASH operations have shown infrastructure investments alone are insufficient without commensurate strengthening of policy frameworks, institutional strengthening, and data management capacity. This Result Area comprises the three mutually reinforcing pillars: (i) sector policy and regulatory reform; (ii) WASH data and information management; and (iii) institutional systems for sustainable service delivery
- **Result Area 2: Increasing access to WaSH services.** Result Area 2 (RA2) represents the core service delivery investment of the Program, addressing both the access and sustainability dimensions simultaneously. It targets the expansion of sustainable and climate-resilient WASH access in rural communities, institutional facilities (schools and healthcare facilities), and small to medium towns. This Result Area will also address the persistent sustainability challenges, including scheme non-functionality, weak O&M, and inadequate technical backstopping.
- **Result Area 3: Improving Operational Efficiency for Service delivery.** Result Area 3 (RA3) focuses expanding sanitation service coverage in large urban centers through increased collection and treatment of sewage, and improvements in operational efficiencies of the utilities in Addis Ababa and secondary cities. This Result Area is explicitly designed as a utilization and operations improvement program, not an infrastructure construction program.

6. **The Bank aims to continue to lead the multi-donor CWA mechanism through the proposed Program.** Discussions are ongoing with various DPs to complement the Bank's proposed US\$350M IDA resources (of which US\$100M is grant). It is envisaged that US\$200 million can be leveraged from DPs. Within its scope and boundary, the Program is designed to be scalable, with DPs welcome to join during preparation or implementation.

7. The Program is expected to provide basic drinking water services to approximately 3.35 million people, including refugees and host communities, across the Program geographical boundary. About 5.9 million people are expected to gain access to basic sanitation facilities, reducing the rate of open defecation in Program areas. Additionally, about 1,500 schools and 350 healthcare facilities are targeted to be provided with basic WASH facilities under the Program, improving school attendance rate and hygiene, leading to improved human capital outcomes.

8. **High-risk activities are excluded from the Program.** These include activities causing permanent or irreversible biodiversity loss, significant damage to cultural heritage sites, physical relocation of more than 15 households, or any use of forced or child labor. The procurement expenditure profiles at all levels indicates that there are no high-value single contracts. It is envisaged that the amounts of single contracts are below the exclusion threshold noted in PforR Bank directive. Implementing agencies will ensure contracts will not be awarded to firms that are under the Bank's debarment and temporary suspension list by diligently checking the Bank's website during award decisions.

C. Proposed Program Development Objective(s)



Program Development Objective(s)

The PDO of ESWAP is to increase access to basic water supply, sanitation and hygiene services, and strengthen institutional capacity for sustainable and climate-resilient service delivery.

Key Results

9. Progress towards the PDO will be measured through two PDO-indicators aligned with the AFE WASH MPA Program PDO (PrPDO) and contributing to Corporate Results Indicators (CRI):

- PDO Indicator 1: Number of people with access to water supply services (disaggregated by gender, youth, refugees, host communities, including percentage safely managed)
- PDO Indicator 2: Number of people with access to sanitation services (disaggregated by gender, youth, refugees, host communities, including percentage safely managed)

10. Further intermediate-level indicators will contribute to the AFE WASH MPA PrPDO and CRI, including:

- Number of schools and health care facilities with WASH facilities (disaggregated by schools and health care facilities).
- Number of WASH facilities that are sustainably functioning year-on-year (disaggregated by schemes/schools/health care facilities).

D. Environmental and Social Risks and Impacts

Summary of Assessment of Environmental and Social Risks and Impacts (With IPF Component for PforR)

The IPF component of this Project will support specific elements of the Program to implement it smoothly. The IPF will support Type 1, 2, and 3 TA activities based on the World Bank's Advisory Note on Technical Assistance including: Capacity building for water utilities and WRDF, IVA for DLI verification, EWTI; support Program management, support for the national behavior change and communication sanitation campaign; support MoWE on policy preparation, strategic studies on water storage, and monitoring and information system in WASH sector; Prepare subsequent phases of MPA for urban WASH, including reviewing and developing feasibility studies and detailed design for key urban WASH projects. For the TA activities associated with developing strategic and policy documents including other components of the project activities, a systematic examination of environmental and social risks and impacts i.e., Strategic environmental and social assessment (SESA) will be prepared in consideration of the full range of environmental and social standards. The Program is implemented nationwide and will be implemented by the Ministry of Water and Energy. MoWE will strengthen the existing One WASH arrangement and staff (federal, regional, and woreda level) and will make sure that E&S experts are hired at national and each region to support the project ESRM. The Project under the IPF component will undertake a separate capacity assessment and is expected to recommend capacity-building improvement areas that will support the recently established Ethiopian Water Technology Institute (EWTI). The anticipated environmental risks associated with the Project construction and operation activities of future downstream WASH investments include impacts related to civil works such as OHS Risks, noise, waste, dust, contamination of soil, solid and liquid waste, contamination of soil with salts, heavy metals, and nutrients from fecal sludge treatment activity; indiscriminate disposal bio-waste around placenta pit and impact of unmanaged ash residues from incinerators from health facilities/centers, surface and groundwater contamination,



soil erosion, sedimentation; overexploitation of aquifers, habitat alteration, and disruption, vegetation clearance, fire risks, road traffic accidents, etc. The anticipated downstream social risks are related to the TA component of the IPF, which supports the design and preparation of subsequent phases of the MPA program, will involve in physical works that could cause other significant social risks, including (i) risks associated with land acquisition, restrictions on land use, involuntary resettlement, and loss of asset and properties, which may adversely affect people's livelihoods (ii) risk of exclusion from project benefits and participatory processes, particularly due to elite capture of project benefits, presence of socioeconomically vulnerable groups, lack of adequate stakeholder engagement, and lack of functioning grievance mechanisms; (iii) potential intensification of local tensions, conflicts, and disputes over resource allocation and project benefits; , disruptions of services in local communities, Other social risks related to labor influx include community health and safety, forced labor, child labor, SEA/SH, or other forms of GBV, potential conflicts/disputes over resource allocation, and lack of functioning grievance mechanisms. On top of these, the limited technical and implementation capacity of the implementing agencies to manage such environmental and social risks and impacts in a manner consistent with the ESSs of the WB's ESF would be also among the contributing factors for exacerbating and raising the level of E&S risks. The MoWE will prepare and agree with the Bank on the ToRs for the feasibility studies and the process and timing for preparing relevant E&S instruments during project implementation, specifying the requirements for consultation and disclosure of these instruments (for detailed technical design) to ensure ES issues are taken into account in conducting the studies and in a manner that is consistent with the ESF and the World Bank's Advisory Note on Technical Assistance. Therefore, at this stage, the environmental and social risk of the IPF component is rated Substantial.

Grievance Redress Services:

Grievance Redress Services (GRS). Communities and individuals who believe that they are adversely affected by a Bank supported PforR Operation, as defined by the applicable policy and procedures, may submit complaints to existing PforR Operation-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. PforR Operation affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.

E. Financing

As indicated above, discussions are ongoing with various DPs to complement the Bank's proposed US\$350M IDA resources. Envisaged funding below (including from DPs) are indicative and subject to change. More information will be made available as discussions on the details of funding availability, amounts, timing and nature are confirmed with DPs as preparation progresses.

Program Financing

Table. Operation cost and financing (US\$ millions)



Source	Amount (US\$, Millions)	% of Total
Counterpart Funding		52.62%
Government	610.80	52.62%
International Development Association (IDA)	350.00	30.15%
IDA Credit	250.00	21.54%
IDA Grant	100.00	8.61%
Cofinancing – Other Sources (IFIs, Bilaterals, Foundations)	200.00	17.23%
Total Program Financing	1160.80	

CONTACT POINT

World Bank

Fook Chuan Eng
Lead Water Supply and Sanitation Specialist

Borrower/Client/Recipient

Federal Democratic Republic of Ethiopia

Implementing Agencies

Ministry of Education

Ministry of Finance

Ministry of Health

Ministry of Water and Energy

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>



Legal Operational Policies		Triggered?
Projects on International Waterways OP 7.50		Yes
Projects in Disputed Area OP 7.60		No

Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component

APPROVAL

Task Team Leader(s):	Fook Chuan Eng	
----------------------	----------------	--

Approved By

Country/Division Director:		
----------------------------	--	--