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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 02-Mar-2022 | Report No: PIDA31986

Public Disclosure Authorized

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Eastern Africa	P174867	Horn of Africa - Groundwater for Resilience	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
AFRICA EAST	17-Feb-2022	26-Apr-2022	Water
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Somalia - Ministry of Finance, Ethiopia - Ministry of Finance & Economic Development, Kenya - Ministry of Finance	Somalia - Ministry of Energy and Water Resource (MoEWR), Ethiopia - Ministry of Water and Energy (MoWE), Kenya - The Ministry of Water, Sanitation and Irrigation (MOWSI), Intergovernmental Authority on Development (IGAD)	

Proposed Development Objective(s)

To increase the sustainable access and management of groundwater in the Horn of Africa's borderlands.

Components

Component one: Delivery of inclusive groundwater services to priority areas
Component two: Generating groundwater information and strengthening regional and national GW institutions
Component three: Support for project management, knowledge & operations.
Component four: CERC

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	385.00
Total Financing	385.00

of which IBRD/IDA	385.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	385.00
IDA Credit	135.00
IDA Grant	250.00

Environmental and Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate

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Other Decision (as needed)

B. Introduction and Context

Country Context

1. **This document describes a Regional Program in the Horn of Africa (HoA) to strengthen the climate resilience of targeted communities through the collaborative management and use of groundwater resources, using the Multiphase Programmatic Approach (MPA).**[1] Three countries, the Federal Democratic Republic of Ethiopia, the Republic of Kenya, the Federal Republic of Somalia, as well as the Intergovernmental Authority on Development (IGAD), are included in the phase I of this Regional Program, which uses a horizontal multi-country MPA. The Republic of Djibouti and the Republic of South Sudan have also expressed interest in participating, and as they are at different levels of readiness in joining the Program, they will be included in subsequent phases of the MPA. This Program has

[1] For the purposes of this Program, climate resilience refers specifically to the capacity of entities or communities to absorb, adapt and/or transform in the face of climate change impacts, being short term shocks (e.g., droughts, floods) or long-term stresses (e.g., temperature changes). It includes novel forms of social engagement, which enable the achievement of long-term development goals. WB (2017) "Operational Guidance for Monitoring and Evaluation (M&E) in Climate and Disaster Resilience-Building Operations", Resilience M&E (ReM&E) initiative.

one overarching development objective and a common structure for the connected projects, corresponding to the three participating countries and IGAD.

2. **The HoA is one of the most vulnerable regions of the world, characterized by complex development challenges and varying degrees of conflict and fragility, food crises, and social, political, and economic conditions.** High poverty levels in the HoA are most prevalent in the northern parts of Kenya, Somalia, and South Sudan. A large portion of households remain vulnerable to poverty, with consumption levels only marginally exceeding the poverty line. Food crises remain ubiquitous across the region, with pockets of famine particularly in countries like Somalia. Food insecurity in the HoA is primarily driven by armed conflict and ethnic violence, economic shocks and macroeconomic challenges, and by climate change-induced erratic or below-average rainfall and desert locust.[2]

3. **The HoA is home to a rapidly growing population of over 190 million people, with a combined Gross Domestic Product (GDP) estimated at US$170 billion.** Approximately 70 percent of the population live in rural areas and exhibit high levels of poverty, ranging from 68.6 percent in Somalia, to 17 percent in Djibouti. The region's population is also growing rapidly and is expected to reach 250 million by 2030. Most of the population is poor and relies on rainfed agriculture for its livelihood and is highly exposed to the impacts of climate change and variability, including irregular and unpredictable rainy seasons and recurrent droughts. High rates of youth unemployment increase young people's susceptibility to illicit activities and high-risk behavior.[3]

4. **The region is characterized by high levels of fragility, conflict and violence (FCV).** According to the World Bank Group (WBG) FY22 *List of Fragile and Conflict-Affected Situations*, HoA countries experience conflict in various degrees of intensity, and are affected by FCV-associated stresses and spillover effects. As a consequence of these conflicts, the region is home to a large number of forcibly displaced people. Transboundary spillover effects from local conflicts trigger a further increase in forced displacement.[4]

5. **Most of these challenges are particularly acute in the Horn of Africa's borderlands, areas that have been long associated with socio economic marginalization and chronic poverty, but also with economic opportunities and trade.** Existing at the margins of state control, the borderlands often face low agricultural productivity, environmental degradation, food insecurity, conflict and forced displacement[5]. Mostly outside the reach of public policies and investments, they have a low presence of formal institutions and are characterized by the lack of basic services. Yet, borderlands also offer economic opportunities associated with formal and informal trade linked to cross-border price differentials, but also to pastoralism, a key source of local livelihoods.

[2] WFP and FAO. 2021. Hunger Hotspots. FAO-WFP early warnings on acute food insecurity: August to November 2021 outlook. Rome.; FSIN, 2021. 2021 Global Report on Food Crises, Global Network Against Food Crisis, Food Security Information Network (FSIN), https://www.fsinplatform.org/sites/default/files/resources/files/GRFC%202021%20050521%20med.pdf

[3] Vemuru, V., Sthephens, M., Sarkar, A., Roberts, A., Baare, A. (2020), *From Isolation to Integration: The Borderlands of the Horn of Africa*, World Bank, Washington D.C. 2020.

[4] In 2020, the Population of Concern to the United Nations High Commissioner for Refugees (UNHCR) in these five countries reached 7,025,025, a figure that includes refugees, asylum-seekers, returnees, internally displaced persons (IDPs) and stateless persons. Ethiopia and Kenya are also home to various Sub-Saharan African Historically Underserved Traditional-Local Communities (SSAHUTLC). (UNHCR, 2020. Global Trends – Forced Displacement in 2019. Geneva)

[5,10] World Bank (2020). *From Isolation to Integration: The Borderlands of the Horn of Africa.* World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/33513

6. **The HoA is characterized by high climate variability, and climate change is increasing stress and insecurity in vulnerable areas.** A significant part of the region is composed of arid and semi-arid lands (ASALs), where approximately 30 percent of the total population is found. The region has been affected by longer dry periods since the second half of the 20th century, experiencing several episodes of catastrophic and intense drought. Droughts are expected to intensify in the 21st century due to longer dry spells combined with increased evaporation and a greater proportion of precipitation coming in heavy rainfall events.[6] Climate shocks are contributing to food insecurity, to increased tensions over scarce natural resources, particularly over water and land, and to heightened risks to public health.

7. **There is a long trajectory of institutional efforts across the region to reduce vulnerability and build resilience.** The Intergovernmental Authority on Development (IGAD) was established in 1996 to combat desertification and mitigate the effects of drought. Nowadays, IGAD is leading the coordination of the region's response to key challenges at the intersection of climate resilience, water resources and fragility, and playing a key role facilitating regional dialogue and knowledge exchange.[7]

8. **In line with the growing importance of regional integration goals to combat fragility, five countries (Djibouti, Eritrea, Ethiopia, Kenya and Somalia) launched the Horn of Africa Initiative (HoAI) in 2019 to forge closer economic ties in the sub-region.** The initiative includes four pillars: (i) Regional Infrastructure Networks; (ii) Trade and Economic Integration; (iii) Resilience; and (iv) Human Capital. The countries agreed on priority projects and programs that will constitute the HoAI (requiring financing of up to US$15 billion), which is being developed with support from the African Development Bank (AfDB), the European Union (EU) and the World Bank (WB). This Program supports the Resilience Pillar of the HoAI. [8]At the HoAI Ministerial meeting in October 2021, countries requested further emphasis to be placed on the Resilience Pillar, in light of the heightened fragility risks faced by the subregion.

9. **The effects of the Covid-19 pandemic have exacerbated the region's development challenges.** The pandemic has disproportionately affected the forcibly displaced, limiting the mobility of persons and goods through the region's borders, and increasing water demand in refugee camps.[9] Compounding the effects of Covid-19, the impact of the 2019-2021 locust infestation is threatening the food supply across the HoA.[10] The confluence of these factors heightens the urgency of enhancing resilience, building trust and collaboration towards joint, regional solutions.

Sectoral and Institutional Context

10. **Groundwater plays an important role in building resilience in the borderlands of the HoA but this resource remains neglected and largely untapped.** In a region where surface water is scarce due to high

[6] USAID (2020) *Climate Risk Profile East Africa*, United States Agency for International Development, https://www.climatelinks.org/sites/default/files/asset/document/2020_USAID_ATLAS_CRP-East-Africa-Regional.pdf
[7] Regional responses include IGAD's Drought Disaster Resilience and Sustainability Initiative (IDDRSI), the IGAD Support Platform for refugees, IGAD'S Livestock Policy Initiative, increased regional collaboration in response to the desert locust crisis, and IGAD's multi-country projects directed at building resilience of pastoral and agro-pastoral communities in cross-border areas
[8] Strengthening resilience to climatic shocks including recurrent droughts, floods, and the current locust crisis, and to conflict and displacement including the borderland areas (Source: HoAI website)
[9] UNHCR, 2020. East and Horn of Africa, and the Great Lakes Region. COVID-19 External Update #24. UNHCR.
[10] FAO, 2021. '*Desert Locust Upsurge: Progress report on the response in the Greater Horn of Africa and Yemen*', January-April 2021. Food and Agriculture Organization of the United Nations (FAO), http://www.fao.org/3/cb4925en/cb4925en.pdf

temperatures and consequent evapotranspiration rates, groundwater remains often the most reliable source to provide stable supplies of water for domestic, agriculture and livestock use, acting as a natural reservoir during times of drought, facilitating adaptation to high climate variability and shocks. Despite the considerable potential of enhancing access to groundwater sources to prevent conflict and address drivers of fragility in the region, including water-related communal disputes in the borderlands, groundwater remains underused and its exploitation largely untapped.

11. **Transboundary aquifers (TBAs) constitute a crucial resource for vulnerable livelihoods in the HoA's borderlands.** Home to large pastoral and semi pastoral communities with a growing young population,[11] the region's borderlands are located either on top or near major groundwater aquifers, some of which are transboundary.[12] The region is known to have 11 TBAs.[13] The high yielding productive aquifers are located along cross-country border areas, where groundwater constitutes the main drinking water source, is key for rural livelihoods and livestock rearing, and is also used for urban water supply.[14]

12. **Groundwater's potential is constrained by challenges related to inclusive community-level use of the resource, information, infrastructure and institutions (the 'Four I's)[15],** as highlighted below:

- ***Inclusion:*** **Local readiness and community inclusion are key to ensuring that vulnerable communities are effectively engaged and prepared to play an active role in the sustainable management and use of groundwater resources.** This involves the sustainable use of the resource as drinking water, for irrigation purposes, for the promotion of Climate Smart Agriculture (CSA) and for livestock use, as well as increased involvement of women and other vulnerable groups in local planning and monitoring of the resource. Women and girls in rural areas play a leading role in providing water for the household and spend a disproportionate amount of time fetching water from public surface and groundwater sources.[16] The Community Driven Development (CDD) approach is particularly relevant in FCV contexts and to work effectively with traditionally marginalized groups, including those excluded from groundwater decision making.

- ***Infrastructure*****: Investments needed to extract and distribute groundwater remain low, and existing infrastructure face serious sustainability challenges that contribute to the under-utilization of the resource in vulnerable communities.** Challenges include the lack of /or inadequacy of boreholes and access roads, steep technical requirements to identify and exploit the resource due to the aquifers' depth, and the deficient operation and maintenance (O&M) of the

[11] In Kenya, over 60 percent of the population is under the age of 25 and in Somalia an estimated 70 percent is under the age of 30. Source: Vemuru, V., Sthephens, M., Sarkar, A., Roberts, A., Baare, A. (2020), *From Isolation to Integration: The Borderlands of the Horn of Africa*, World Bank, Washington D.C. 2020.
[12] See map of the region's transboundary aquifers in Annex 6.
[13] See TB aquifer location in the map available in Annex 6.
[14] Nijsten, G.J., Journal of Hydrology: Regional Studies (2018), https://doi.org/10.1016/j.ejrh.2018.03.004.
[15] See figure in Annex 8 illustrating the Program's approach to the 'Four I's' of groundwater in the HoA.
[16] Nigussie, L.; Barron, J.; Haile, A. T.; Lefore, N.; Gowing, J. 2018. Gender dimensions of community-based groundwater governance in Ethiopia: using citizen science as an entry point. Colombo, Sri Lanka: International Water Management Institute (IWMI).

infrastructure[17]. These challenges contribute to the fragility of the systems that cannot withstand stress factors, and ultimately end up failing.

- ***Institutions:*** **While there is heterogeneity in institutional structures and capacities related to groundwater management across the HoA, groundwater governance systems are still incipient.** Few countries globally have come together with endorsed strategies and joint institutions dedicated to the sustainable management and use of transboundary aquifers. In the HoA, even national level groundwater governance systems are at inception stage. Legal and policy instruments related to water management rarely include groundwater. Institutional and technical capacities to monitor, assess and manage groundwater also remain low, including the integration of climate considerations in decision making processes.

- ***Information:*** **The HoA lacks systematic data and information on the resource, and the systems currently used for gathering, collating, and analyzing groundwater information are inadequate[18].** The region also lacks targeted groundwater monitoring to support the management and regulation of water allocation and use. Reasons include the absence of clear institutional arrangements and responsibilities, insufficient resourcing, lack of technical expertise, and a disconnect between database management and retrieval systems.

13. **Experience shows that gaining knowledge on aquifers, building trust and jointly developing groundwater management mechanisms among countries, is a long-term trajectory that needs to be approached gradually, where the role of a regional institution is key to achieve synergies and economies of scale.** In this context, the Program's long-term vision to enhancing the region's sustainable use and management of groundwater consists of three stages:

a. *In the short term:* A low hanging fruit consist of delivering resilient, inclusive and low-carbon groundwater services to the region's vulnerable areas, including the borderlands. Yet, this approach needs to be fully embedded in robust local service delivery provision to overcome sustainability challenges. In this initial stage, data gathering and processing on aquifer dynamics, and training and capacity building on groundwater management, are also considered.

b. *In the medium term:* Larger scale infrastructure and more complex aquifers could be exploited, given that there is more knowledge available (a foundation would be built during the previous stage). In this stage, the regional institution is stronger and can provide high value added in terms of information to foster dialogue on transboundary aquifers and joint management.

c. *In the long term:* In this stage, countries take advantage of the regional institution's strong role in helping understand complex aquifer dynamics, and are able to develop shared groundwater management projects with mutual benefits. Strengthening IGAD's role is key in the achievement

[17] In Kenya, up to 50 percent of boreholes fail in the first years of use, and are associated to high O&M costs, highly dependent on diesel pumps. The non-functionality rate of rural water supply schemes in Ethiopia is estimated as 19 percent (National WASH Inventory, 2019) due to similar challenges.

[18] In some cases, information systems have been implemented but are not digitalized nor coordinated among the relevant institutions

of the Program's long-term vision of building a robust basis of trust and collaboration towards regional GW management.

14. **In developing this strategy, this Program focuses on the short-term building blocks that will enable the medium and long-term agenda towards transboundary water management in the HoA.** The Program´s central goal is to provide sustainable access, through medium/small scale infrastructure, to groundwater resources in the borderlands of the HoA, as a basis to start building the resilience of vulnerable communities in these areas. At the same time, the Program places emphasis on developing information and knowledge on regional aquifers, building institutional capacity on groundwater management and governance, as key building blocks towards regional cooperation.

15. **The role of IGAD as a facilitator of regional dialogue and knowledge sharing is key to build resilience in the HoA through sustainable groundwater development.** IGAD will undertake activities that are crucial as a basis for enhanced trust and collaboration, including promoting information sharing in the region, creating value added by developing functioning data analysis platforms and aquifer studies, building a groundwater knowledge base and institutional capacity on sustainable and low-carbon groundwater management, and fostering regional dialogue.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To increase the sustainable access and management of groundwater in the Horn of Africa's borderlands.

16. **The Program Development Objective (PrDO)/PDO is common to all the countries joining the horizontal phases.** Progress towards the PrDO/PDO will be measured through the following PDO-level indicators:

PrDO level Outcome Indicators	Baseline	Program Target
1. *Beneficiaries provided with access to improved water supply (number and percentage of women)*	0	3.3 M[19]
2. *Water points constructed or rehabilitated under the Program that are functioning (percentage of water points)*	0	90 percent
3. *Regional groundwater institutions with increased access to improved information critical for sustainable GW management (number)*	0	4

Indicator No. 1 focuses on enhanced groundwater access for domestic, agricultural, and/or pastoral purposes. Indicator No.2 measures sustainability of access to groundwater, and it has been selected to reflect the Program´s focus on addressing the high failure rate of groundwater service delivery in the region's borderlands. The definition of "functioning" is included in the Operations Manual (OM). Indicator No. 3 targets increased information access by the National Groundwater Centers (NGWC) of participating countries, and by IGAD's Groundwater Center (GWC), which form a regional network and access the HoA Groundwater Information System (GWIS). The system will generate and share groundwater data and

[19] Corresponds to 1.5 M Ethiopia, 1.5 M Kenya and 350,000 Somalia. The baseline for PDO indicators (1) and (2) is zero, as they will measure new Program beneficiaries and new service delivery arrangements.

information to understand the complex dynamics of TBA in the region. 'Increased access' and 'information critical for sustainable GW management' will be defined in the OM.

D. Project Description

17. **The proposed project structure (Components 1-3) is strongly rooted in the need for solutions to build climate resilience, particularly of borderland communities, through actions across scales (at the local, sub-national, national and regional level).**[20] This long-term goal is aligned with the regional vision of the HoAI, as part of its Resilience pillar. Components remain technically the same for all participating countries, but differ in terms of their scope, targets, and investments required in each country.

18. **The following eligibility criteria apply for investments under Component 1:** ***(a) Geographic location of investments****:* The focus on borderlands is integral to the regionality of the project. Participating countries may, exceptionally, include areas that are also characterized by high levels of fragility, low levels of service delivery, and high exposure to climate impacts such as droughts and floods***. (b) Scale of investments for service delivery:*** Investments for service delivery in the borderlands will be small to medium scale, with specific definitions varying per country. In general, it involves water schemes aimed at a maximum of 5,000 people[21], and irrigation schemes smaller than 250 hectares. ***(c) Types of services:*** The Program will focus on water supply (livestock and human consumption). Irrigation could be considered if it is small scale and is community driven***. (d) Type of aquifer****:* The majority of the investments will tap into national aquifers, even if interventions are in the borderlands. However, there are also investments planned in transboundary (TB) aquifers. Therefore, the construction, rehabilitation or abstraction of water will require a previous assessment or study to establish that such activities will not affect the sustainability of the aquifer, nor have any environmental or social impacts on the other side of the border beyond those included in the notification process to riparian countries associated to the application of the OP 7.50 policy on Transboundary Waters. These criteria will be reflected in the Program´s safeguard documents (ESMFs, ESCPs) and Operational Manual (OM), as appropriate.

19. **Component 1 (IDA US$ 293 M)[22]: Delivery of inclusive groundwater services to priority areas.** This component will support small/medium scale infrastructure development and inclusive community-level use of groundwater in the borderlands of the HoA. The Program will place a strong focus on strengthening the sustainability of access to water through the empowerment of local communities and local levels of government, but also through the use of cost-efficient renewable energy sources, making it more resilient to climate-related shocks.

20. **Activities supported under this component include:**

[20] While the Program's working definition of resilience includes transformative capacity, the scope is focused on strengthening absorptive/coping capacity to climate change (preparedness and response to short term climate impacts), and on adaptive capacity (adjustment to change in the medium term), recognizing that transformation takes place in the long-term / beyond the Program's timeframe.
[21] In the case of Ethiopia, multi village schemes are being considered as clusters of smaller systems. In this case, these clusters could be up to 10,000 people.
[22] US$ 14.4M Somalia, $87M Kenya, $191M Ethiopia

1. ***Rehabilitation or construction of new, climate resilient groundwater infrastructure for human consumption and livestock***. Investments will consist in the drilling of new boreholes or rehabilitation of existing ones, as well as the development or retrofitting of water systems for human consumption and for livestock.
2. ***Small-scale irrigation infrastructure*** **to promote Climate-Smart Agriculture (CSA) practices, contributing to soil conservation and aquifer recharge**. These investments are currently being considered in the area of Borena, Ethiopia, in the borderland with Kenya. This activity will help the farmers switch from rainfed agriculture to irrigated agriculture, enabling adaptation to changing rainfall patterns and drought events in the lowlands.
3. ***Infrastructure to support aquifer sustainability (recharge) and flood mitigation*****.** In some cases, infrastructure will contribute to enhance water supply during extreme drought (e.g., sand dams, a cost-efficient storage mechanism constructed in dried riverbeds that contributes to retain soil moisture and concentrate water in the dry months) and mitigate the peaks of high runoff during heavy rains. Other nature-based solutions will also be supported.
4. ***Focus on robust service delivery models to ensure sustainability of the investments*****.** Countries under the Program are considering different models for service delivery. Yet, a common approach consists of working closely with users' organizations and strengthening structures at the community and local government level. This CDD approach[23] is crucial to ensure high levels of ownership and sustainability.
5. ***Digital Information and Decision Management Systems.*** The Program will also develop capacity to monitor relevant information on local service delivery using digital technologies. This will serve to inform decisions to improve services, and/or to enhance the response to climate related shocks. Where relevant, information will also be shared by countries with IGAD to feed the regional database and the studies (under Component two).

21. **At the regional level, the activities undertaken by IGAD will complement national and local efforts to provide sustainable groundwater services by strengthening national capacity on groundwater management.** This includes support by IGAD's Water Unit to fully characterize and assess selected transboundary aquifers, the implementation of regional capacity building programs, the preparation of guidelines and tools for sustainable groundwater exploration and management, and the facilitation of cross-country dialogue on groundwater use in areas where there are planned investments under the Program in both sides of the border.

22. **Component 2 (IDA US$ 62 M)[24]: Generating groundwater information and strengthening regional and national groundwater institutions.** Activities will focus on generating essential data and information needed for informed decision making on sustainable groundwater management, and at the same time, will strengthen the capacity of key regional and national entities that play a role in the management of the resource, while

[23] CDD approach implies community participation in a) infrastructure development (i.e., identification and prioritization of investments including low carbon considerations, paid or unpaid support to low-scale infrastructure development etc.), as well as b) the management and maintenance of investments (i.e., definition of norms/guidelines for operation, consolidation of committees/groups for maintenance/sustainability, accountability, women's roles etc.). The Program will include capacity building and facilitation to promote strong participation in these stages, and knowledge transfer on activities included in Component 2 related to aquifer management practices, to enhance climate resiliency in vulnerable populations.

[24] US$ 5M Somalia, $45M Kenya, $8M Ethiopia, and IGAD US$4M.

building trust and fostering collaboration. IGAD will be leading most of the activities under this Component through regional-level efforts that will be articulated with country activities at the national level. This Component encompasses the following activities:

a) ***Groundwater data and value-added information:*** *involving (a) the creation and operationalization of the Regional Groundwater Center (IGAD-GWC) and network of National Groundwater Centers (NGWC)* to fill key gaps in the region related to the lack of valuable information on transboundary aquifers, and to the low capacity of countries to develop legally binding bilateral and/or regional agreements and arrangements on joint groundwater management; (b) the *IGAD Platform for Groundwater Collaboration (I-PGWC),* as a key mechanism for IGAD and MSs to agree on and prioritize joint groundwater activities, scope and modalities, and support the implementation of regional actions; and (c) the *development of a joint Regional Risk Assessment.*

b) ***Capacity building and institutional development for groundwater management****:* The Program will include intensive capacity building at the national and regional levels on a wide range of topics related to sustainable groundwater management, and will also support the development of policy instruments for sustainable groundwater exploration and management in the HoA.

c) ***Transboundary Collaboration on Groundwater Management.*** The Program will develop a regional groundwater policy and strategy and consolidate a sustainable institutional and policy framework for TBA, aimed at achieving Ministerial level endorsement by the Program's participating countries. Feasibility Studies (FS) for joint planning in three TBAs of the HoA will also be undertaken.

23. **Component three (IDA US$ 30M)[25]: Support for project management, knowledge and operations.** This component will finance the operational costs of the Project Management Units (PMUs) in participating countries, as well as provide project coordination and fiduciary support. This component will also strengthen the capacity of IGAD's Water Unit. The component includes the project's' Monitoring and Evaluation (M&E), knowledge management and learning, and evidence-based policy input. It also covers security arrangements and contingencies, and the Third Party Monitoring (TPM) for the entire program, for an amount of US$ 3.7M.

24. **Third Party Monitoring (TPM) and remote supervision tools will be key elements for Program oversight and expenditure control.** Given the complexity of the HoA region, the risk and the scope of the Program, M&E will be strengthened with the Geo-Enabling initiative for Monitoring and Supervision (GEMS), launched by the FCV Group to systematically enhance M&E, as well as supervision through TPM in FCV settings. The approach will leverage field-appropriate, low-cost and open-source technology for digital real-time data collection and analysis, using a customized digital M&E system to enhance the transparency and accountability of implementation across the project cycle. The TPM will be financed under the IGAD regional component through regional IDA funding. The role of the TPM firm(s) will include a capacity building / technical assistance component. The TPM will implement GEMS' platforms for remote supervision, real-time risk and safeguards monitoring, and portfolio mapping for coordination across

[25] US$ 10.5 M Somalia, including contingency, safeguards and security, US$ 3M Kenya, US$ 11M Ethiopia, US$ 2M IGAD, and US$ 3.7 M for Third Party Monitoring.

projects and partners, which is seen as key to ensure the effectiveness of the regional Program. TPM will independently verify results on the ground and help ensure funds are used for the intended purposes. They will be also able to provide technical guidance on the reliability of government M&E systems.

25. **Component four (US$ 0M): Contingent Emergency Response Component (CERC), to be integrated into the proposals of Kenya and Ethiopia.**

C. Project Beneficiaries

26. **The Program's primary target groups are (a) vulnerable communities in selected borderlands of the HoA, and (b) selected national, sub-national and regional entities involved in groundwater management.** It is estimated that Phase I of the Program will reach 3.3 million direct beneficiaries, of which at least 50 percent are women. At the *institutional level,* Program beneficiaries include institutions responsible for groundwater management at the regional, national and subnational levels, including line Ministries, Government agencies, national authorities, and agencies at the national and sub-national levels.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

D. Implementation

27. **Institutional arrangements have been designed to tackle service delivery challenges in the most efficient manner.** Implementation arrangements at the country level rely on previous experiences and lessons learned from previous water projects in rural areas. Subnational and local governments are key and essential in the provision of sustainable water services in countries with a decentralized governance model, and they are incorporated as part of the institutional arrangements of the project. The following are the implementing agencies of the project in Phase I countries:

- In the case of **Ethiopia,** a National Groundwater Management Steering Committee (NGWMSC) will be established and maintained throughout the project duration. The NGWMSC will be the highest governing body for the project and provides overall governance and strategic guidance for the project. The NGWMSC will be chaired by the State Minister for Water Resource Management Division, Ministry of Water and Energy (MoWE) and is composed of State Minister for Water Supply Division MoWE, Ministry of Finance, Ministry of Irrigation and Lowland Areas Development and World Bank. A Project Management and Coordination Unit (PMCU) will be established at Ministry of Water and Energy under the Water Resource Management Division.

- In the case of **Kenya**, the Program will be coordinated by the Ministry of Water, Sanitation and Irrigation (MOWSI). While MOWSI will have an overall coordination role, the main implementing agencies will be the Water Resources Authority for subcomponent component 1.1 and component 2; and the Water Sector Trust-fund, for sub-component 1.2. WRA will sing MOUs with other participating agencies within these subcomponents, namely the Regional Groundwater Center and the Transboundary and Groundwater divisions at MOWSI. The WSTF will be managing the performance-based grant to incentivize results on borehole rehabilitation and its O&M by the five participating borderland NEDI counties.

- In the case of **Somalia,** the Department of Water Resources under the Federal Ministry of Energy and Water Resources (MoEWR) will play a leading role in the implementation of the project. The Federal Government of Somalia, Ministry of Finance, will be responsible in managing funds, including transfers and the signing of grant and credit agreements. A federal inter-ministerial project steering committee (PSC) will be established for the purposes of the project and will consist of representatives from the following federal ministries: (a) Ministry of Energy and Water Resources (MoEWR); (b) Ministry of Finance (MoF); and (c) Federal Member State Water Ministries. The membership of the steering committee will consist of three representatives from the MoEWR, one representative from MoF, and two representatives from each of the FMS Water Ministries. The PSC will be chaired by the MoEWR.

28. **The regional activities will be implemented by IGAD's Water Unit, launched by the Ministers of Water Affairs in 2015 to support IGAD Member States in activities that are the core of water resources management and use in the region, a mandate strongly aligned with the project's objectives.** The Unit also provides technical support to IGAD's cross-border 'clusters'. IGAD's Water Unit will be strengthened to actively manage and implement the project activities.

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