



BTC TANZANIA

**BELGIAN
DEVELOPMENT AGENCY**

**TECHNICAL AND FINANCIAL FILE
COMMUNITY WATER SUPPLY AND SANITATION
SYSTEMS IN PERI-URBAN AND LOW INCOME
SETTLEMENTS OF DAR ES SALAAM**

TANZANIA

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ABBREVIATIONS

ACP	African, Caribbean and Pacific Group of States
AFO	Administratif and Financial Officer
BTC	Belgium Technical Cooperation
CBOs	Community Based Organisations
COIDS	Consultant Office for Investigation, Design and Supervision
COWSO	Community Owned Water Supply Organisation
COWSSO	Community Owned Water Supply and Sanitation Organisation
CWSSP	Community Water Supply and Sanitation Project
DAWASA	Dar es Salaam Water and Sewerage Authority
DAWASCO	Dar es Salaam Water Supply Company
DDCA	Drilling and Dam Construction Agency
DWP	Domestic Water Point
DWSSP	Dar es Salaam Water Supply and Sanitation Project
EBO	External Backstopping Office
EU	European Union
EURO	Currency of the European Union, including Belgium
EWURA	Energy and Water Utilities Regulatory Authority
FC	Field Coordinator
GoB	Government of Belgium
GoT	Government of Tanzania
IDCP	Indicative Development Cooperation Programme
IWRM	Integrated Water Resource Management
IR	Identification Report
JICA	Japan International Cooperation Agency
JLPC	Joint Local Partner Committee
KIBEDEA	Kijichi Beach Development Association
LFA	Logical Framework Analysis (or logical framework approach)
MBEDECO	Mburahati Development Cooperation
MoW	Ministry of Water
MWE	Municipal Water Engineer
NGO	Non-Governmental Organisation

NSGRP	National Strategy for Growth and Reduction of Poverty
O&M	Operation and Maintenance
OS	Office Secretary
PC	Project Coordinator
PMT	Project Management Team
PRS	Poverty Reduction Strategy
SA	Specific Agreement (signed by the Tanzanian and Belgian authorities)
SWOT	Strengthens, Weakness, Opportunities and Threats
TANESCO	Tanzania Electricity Supply Company
TDF	Tabata Development Fund
TFF	Technical and Financial File
ToR	Terms of Reference
UWSA	Urban Water and Sewerage Authority
UWSD	Urban Water Supply and Sewerage Department
UWSS	Urban Water Supply and Sewerage Services
WAHECO	Water, Health, Education and Community Organization
WC	Water Committee
WS	Water Supply (systems or schemes)
WSC	Water and Sanitation Committee
WSS	Water Supply and Sanitation
WSUA	Water and Sanitation User Association
WUA	Water User Association
WUG	Water User Group

ANALYTICAL RECORD OF THE INTERVENTION

	Bilateral agreement including Water Facilities contract	Global project (including additional funding of 0.8 million EUR from GoB)
Title	Community water supply and sanitation systems in peri-urban and low-income settlements of Dar es Salaam	idem
Partner Ministry	Ministry of Water	idem
Partners	Municipalities of Temeke, Kinondoni and Ilala	idem
Partner Country contribution	495.000.000 Tsh – in kind (about 300.000 EUR)	idem
Belgian Contribution	3.910.504 EUR (about 7.821.000.000 Tsh)	800.000 EUR (about 1.600.000.000 Tsh)
European Commission contribution	3.647.859 EUR (about 6.200.000.000 Tsh)	idem
Eligible under Water Facility contract	7.338.309 EUR (about 14.677.000.000 Tsh)	idem
Non-eligible under Water Facility contract	220.054 EUR (solid waste actions and costs incurred before starting date of Water Facility contract) 300.000 EUR Tanzanian contribution in kind	1.020.054 EUR (solid waste actions, costs incurred before starting of Water Facility contract, additional sustainability activities) 300.000 EUR Tanzanian contribution in kind
TOTAL budget	7.558.363 EUR + 300.000 EUR Tanzanian contribution in kind	8.358.363 EUR + 300.000 EUR Tanzanian contribution in kind
Duration of the intervention	91 months (SA signed 30 th Dec. 2008) and 93 months (EU contract starting 1st April 2008)	idem
Target Areas	TEMEKE 1. Makangarawe, 2. Mbagala Kuu; 3. Mbagala-Kingungi; 4. Tandika-Nyambwela; 5. Tandika-Kilimahewa ILALA 1. Ukonga; 2. Kiwalani; 3. Segerea; 4. Tabata Kimangi/Kisiwani; 5. Kinyerezi KINONDONI 1. Mburahati; 2. Tandale; 3. Makuburi; 4. Kibamba	idem

Final Beneficiaries	The population of 14 selected target areas in Ilala, Kinondoni and Temeke municipalities (about 850.000 persons)	idem
General objective	Living conditions of the communities in peri-urban areas of Dar es Salaam are improved	idem
Specific objective	Provision of clean, safe and reliable water supply and sanitation is improved in a sustainable way in 14 selected project areas in peri-urban and low-income settlements of Dar es Salaam	idem
Results	<p>Result 1: 15 Water supply systems in the selected peri-urban and low income areas are designed and installed in a sustainable manner giving access to safe drinking water for 170.000 persons (i.e. 20% of the final beneficiaries).</p> <p>Result 2: Hygiene practices and pilot sanitation facilities and services in the selected peri-urban and low income areas are improved in a sustainable manner.</p> <p>Result 3: Community Owned Water Supply and Sanitation Organizations (COWSSO) are trained to manage, operate and maintain the water supply and sanitation facilities and services in an efficient, transparent and sustainable manner and are accountable to the users.</p> <p>Result 4: Innovative models of O&M by COWSSO and innovative technical options for water and sanitation infrastructure and services are documented and disseminated on city, national and international levels, and information on water supply and sanitation policies and integrated Water Resources Management (IWRM) are disseminated on local level.</p>	<p>Result 1: idem</p> <p>Result 2: idem</p> <p>Result 3: idem</p> <p>Result 4: Idem</p>

1. HISTORY OF THE INTERVENTION

1.1 INITIAL BILATERAL AGREEMENT (25/08/2005)

During the sixth Joint Commission on Development Co-operation between the United Republic of Tanzania and the Kingdom of Belgium, which took place in Dar es Salaam on 15th and 16th of October 2002, Belgium confirmed its support to the improved water supply for marginalized areas of Dar Es Salaam in the Indicative Development Co-operation Programme (IDCP 2003-2007). The project was to be implemented in collaboration with the Ministry of Water and Livestock Development and the Municipalities of Dar es Salaam.

The identification of this project took place early 2004, and the Specific Agreement was signed on the 25th of August 2005 for an implementation period of 72 months. The formulation took place end of November 2005. An exchange of notes was finalised in July 2007 (12/06/2007 and 17/06/2007) to add the TFF to the Specific Agreement, to adapt the project to the changed institutional modalities in Tanzania and to migrate the project to the 3rd management contract between BTC and the Belgian state. The implementation agreement charging BTC with the implementation of the project on behalf of the Belgian authorities entered into force on the 1st of August 2007.

1.2 WATER FACILITY CONTRACT (21/12/2007)

In response to the Second Call for proposals of the ACP-EU Water Facility (9th European Development Fund), BTC – in consultation with its partners – prepared a project proposal in the C-component (co-financing of civil society and decentralised cooperation initiatives). The proposal was submitted end of June 2006.

The Belgian budget eligible for this water facility funding was estimated at 1.35 M EUR (excluding solid waste actions). A co-financing of about 3.65 M EUR by the European Commission was requested.

Initially, the project featured on the reserve list, but in October 2007, the European Commission informed BTC that the proposal had been selected for financing. A contract was signed between BTC and the European Commission the 21st of December 2007 for an initial implementation period of 60 months starting 1st of April 2008 and finally extended to 93 months till the 31st December 2015. (3rd contract Amendment)

1.3 FINAL BILATERAL AGREEMENT (30/12/2008)

While the project proposed to the ACP-EU Water Facility was on the reserve list, the Tanzanian party requested an additional budget for the project (ref. correspondence of 17/04/2007 by the Ministry of Water, and correspondence of 04/05/2007 by the Ministry of Finance).

During the Partner Committee between Tanzania and Belgium, held on the 29th of January 2008, Tanzania confirmed this request. Subsequently, a formulation mission was executed in February 2008, to detail the activities to be financed by the additional contribution, and to mainstream the 3 contributions (2 donors) in terms of implementation and reporting.

The initial specific agreement signed the 25th of August 2005 was replaced by the specific agreement signed on the 30th of December 2008 for an implementation period of 91 months.

1.4 EXIT STRATEGY (2014 – 2015)

In order to increase the project sustainability the JLPC decided in his meeting of the 19th December 2012 to prepare a exit strategy for the years 2014 and 2015. An exit strategy proposal has been drafted by the PMT and transmitted to the Ministry of Water, the Ministry of Finance, the EU and the Belgian Government.

The Partner Committee agreed on this proposal in his meeting of the 5th July 2013, and acted the Belgian Government commitment to allocate an additional budget of 800.000 € in order to implement the exit strategy proposal activities. On the other hand the EU granted a non-cost extension of the contract signed with BTC on the 21st December 2007 till the 31st of December 2015 (contract Amendment n° 3).

Present Technical and Financial (TFF), updates the TFF attached to the Specific Agreement signed on the 30th of December 2008, taking into account the agreed exit strategy activities and the committed additional bilateral budget of the Belgian Government amounting 800.000 €.

The Specific Agreement signed on the 30th December 2008 for an implementation period of 91 months, will still remain valid till the 29th of July 2016.

2. EXIT STRATEGY

According to the exit strategy proposal approved by the Partner Committee on the 5th of July 2013, following activities will be implemented during the two years exit phase (2014-2015).

2.1 RESULT 1 – WATER SUPPLY SYSTEMS

- Completion and inspection of all physical works on the 15 water supply systems will be finalized during the first quarter of 2014. The supervisory contract with the Consultant (Norplan) will be terminated as soon as these inspections are completed and the provisional acceptance certificates issued. The schemes will then be handed-over to the appropriate authorities.
- Provision and installation of three (3) stand-by generator sets for the larger water supply systems with powerful pumping installations. Two generator units and automatic voltage regulators were already purchased and installed in 2013 on the Mtoni Kijichi – Misheni WS and the Mbagala Kuu – Mgeninani WS.
- Improving the electricity supply from the Tanesco grid for ten (10) smaller water supply systems by installing new transformers or the re-alignment or enhancing of the power transmission lines.
- Small extensions of water supply schemes will be undertaken by task forces (BTC, Municipalities, WUA and NGO) to cope with some changes of the settlement patterns in the project area. This will enlarge the coverage and increase efficiency of the WS.
- Monitoring of the water systems performances during the one year liability period, starting from the provisional acceptance date, will be done by the PMT. PMT will also control the rectifications mentioned on the snag lists added to the provisional acceptance certificates to be carried out by the Contractors before the final acceptance certificates and the final payment (retention money) will be issued. The PMT activities will come to an end the first quarter of 2015.
- Drafting Terms of Reference for the selection of an appropriate NGO to shoulder the O&M activities of the WUA's, starting 2nd quarter of 2015.
- Assistance to the WUA in M&O the water supply systems will be given by an appropriate NGO under contract till the end of the year 2015.

2.2 RESULT 2 – SANITATION FACILITIES SUPPLIED

- Inspection and handing-over to respective administration of all 21 new latrine projects and rehabilitation works of existing latrines at 6 Primary Schools. After final inspections have been carried out the supervisory contract with the Consultant (EEPSCO/BORDA) will be terminated.
- Handing-over of the river restoration works of the Ng'ombe and Kiboko rivers to Kinondoni Municipality and Tandale/Sinza and Manzezi Wards for further actions.
- Monitoring of the sanitation facilities by the PMT during the one year liability period starting the provisional acceptance date. PMT will also control the rectifications mentioned on the snag lists added to the provisional acceptance certificates to be carried out by the Contractors before the final acceptance certificates and the final payment (retention money) will be issued.
- All these activities are planned to take an end already in the second quarter of 2014.

2.3 RESULT 3 – SYSTEMS AND FACILITIES ARE OPERATED AND MANAGED IN A SUSTAINABLE WAY

- Water User Associations (WUAs) will be constituted and provided with appropriate registration certificates. Water User Right applications and certificates will be obtained.
- Scheme specific Operation and Maintenance Staff will be identified and contracted by the WUAs. Initial operational costs will be funded and necessary tools and equipment's for O&M provided.
- Specific training courses for Scheme Management and Operations staff according to the O&M Training Concept Plan will be developed and organized.
- Scheme specific Management Organizations and Plans will be prepared.
- Appropriate tariffs and finance management procedures will be developed and initiated.
- A monitoring and reporting system will be developed and institutionalized. Scheme performances using the agreed monitoring and reporting system will be assessed.
- School leaders will be trained in Child to Child practices for sanitation and hygiene.
- A cess pit emptying system and the procurement of relevant equipment will be negotiated with the municipalities.

2.4 RESULT 4 – TECHNICAL MATTERS AND POLICIES DOCUMENTED AND DISSEMINATED

- Appropriate information material concerning the Maji Yetu Project will be developed and produced.
- The different baseline studies will be up-dated and consolidated and a final report prepared.
- Lessons learned on planning, design and physical project implementation and on the socio-engineering aspects, more specifically alternative management options, will be developed and disseminated.
- An external evaluation and impact assessment will be implemented.

3. INTERVENTION FRAMEWORK

Addendum n° 3 to the Grant contract n° 9.ACP.RPR.101, signed on the 14th of August 2013, has extended the contract implementation period till the 31st December 2015 (93 months), without reallocation of the EU-eligible costs.

Updated project documents have been attached to the Addendum n° 3:

- annex 1a – Description of the action
- annex 1b – Logframe
- annex 1c – Financial viability, Economic justification and Environmental Impact Assessment.
- annex III – Revised eligible costs budget

As the updated project document detail also the activities cofinanced by the Belgian government, all the annexes have been attached to this TFF (*see annexes 7.2.1, 7.2.2, 7.2.3 and 7.2.4*).

Un updated time schedule for the project exit strategy is added in *annex 7.3*.

4. RESSOURCES

4.1 FINANCIAL RESSOURCES

4.1.1 Tanzanian contribution

As stated in the Specific Agreement, the Tanzanian Authorities will exempt all goods, equipment and services purchased for the project from custom duties and taxation.

The MoW and 3 Municipalities will bear the salaries of the Project Coordinator and the government staff involved in the project activities during implementation. They will provide appropriate infrastructure and cover the cost of operation and maintenance of the office infrastructure and equipment.

The overall Tanzanian contribution will be **300.000 Euro** and is composed as follows:

- Coordinator MoW;
- Office for the PMT (MoW);
- 3 Municipal Water Engineers (Municipalities);
- Contribution in kind by the communities (labour and materials);
- Water supply: cash contribution through sales of water by beneficiaries.

4.1.2 Belgian and European Commission contribution

The Belgian and European Commission contribution will finance all the other project activities.

The non-refundable Belgian contribution amounts to 4.710.504 EUR (56%), and the European Commission contribution amounts to 3.647.859 EUR (44%).

The overall project budget is summarised in the following table, including the final 800.000 € budget increase granted by the Belgian government.

Description	Project budget in euro		
	Initial TFF 2008 Belgian & EU Contribution	Increase 2014 Belgian contribution	Total 2014
Result 1 - Water Schemes	2.487.675	229.500	2.717.175
Result 2 - Sanitation facilities	2.441.375	14.600	2.455.975
Result 3 - Cowsso O&M	614.790	335.900	950.690
Result 4 - Dissemination of O&M models and information	44.550	30.000	74.550
Contingencies	239.587	0	239.587
Sub-total Coordination	1.730.386	190.000	1.920.386
Grand-total	7.558.363	800.000	8.358.363

The over all project budget details can be found in *annex 7.1.1*

More specific details about the funding of the exit strategy activities can be found in *annex 7.1.2*

As the EU granted an non-cost extension of the contract, the 800.000 € additional funds of the Belgian Government will not be integrated in the EU eligible costs of the action but only added as a complementary non-eligible cost.

The overall budget can be summarized as follows:

Budget for the Action	Overall budget		
	Original	Additional	Total
		GoB	
Subtotal Human Resources	1.283.300		1.283.300
Subtotal Travel	6.000		6.000
Subtotal office equipment, vehicles and supplies	225.830		225.830
Subtotal Local office/Action costs	235.720		235.720
Subtotal Other costs, services	198.560		198.560
Subtotal Other	669.360		669.360
7. Subtotal direct eligible costs of the Action (1-6)	2.618.770		2.618.770
8. Administrative costs	185.440		185.440
Subtotal Subcontracted Works	3.869.610		3.869.610
Subtotal Subcontracted Supplies	0		0
Subtotal Subcontracted Services	664.490		664.490
9. Subtotal Subcontracting (9.1+9.2+9.3)	4.534.100		4.534.100
10. Total (7+8+9)	7.338.310		7.338.310
11. Contingencies (max. 5% of 10)	0		0
12. Total eligible costs of the Action (10+11)	7.338.310		7.338.310
13. Contribution in kind <small>by beneficiaries</small>	133.500		133.500
14. Non-eligible costs	220.053	800.000	1.020.053
TOTAL	7.558.363	800.000	8.358.363

More specific details about the total eligible costs budget in EU format can be found in **annex 7.2.4**

More specific details about the non-eligible costs budget are provided by **annex 7.1.2**

4.2 HUMAN RESOURCES

The Project Management Team (PMT) will be limited to the following members:

- The Project Coordinator (PC)
- The project advisors
- 3 Municipal Water Engineers (MWE)

The Project Coordinator shall be assigned by the MoW. For the field supervision during the implementation of the civil works the PMT can appeal to specialised technicians selected by the PMT among the MoW engineers and technicians on basis of their C.V., skills and experience.

A field coordinator (FC), an administrative and financial officer (AFO), an office secretary(OS), and 3 drivers shall be recruited to support the Project Management Team.

The PMT will end his activities the first quarter of the year 2015. An appropriate NGO will be contracted till the end of the year 2015 in order to assist the WUA's for the sustainable O&M of the water supply schemes.

Periodical services (8 months between July 2013 and June 2015) of an international technical advisor will be financed through the Belgian consultancy fund.

4.3 MATERIAL RESOURCES

The Project Management Team shall have its offices on the MoW premises. Office equipment and supplies shall be purchased by the Project Direction.

Three cars have been purchased to facilitate the PMT in its tasks, and one car has been provided to each of the three Municipalities. No cars will be purchased on the exit strategy budget. Only operational and maintenance costs will be taken into account.

As stated in article 5.2. of the Specific Agreement, all equipment, goods and services supplied and obtained through the Belgian contribution shall become the property of the Municipalities at the end of the project, in accordance with a distribution plan approved by the JLPC.

5. IMPLEMENTATION MODALITIES

5.1 LEGAL FRAMEWORK AND ADMINISTRATIVE AND TECHNICAL RESPONSIBILITIES

5.1.1 European Commission contribution

As stated in the grant contract between the Commission of the European Communities and BTC, the European Commission charges BTC with the implementation of the agreement.

BTC will harmonise the implementation of the agreement with the approach described below (5.1.2). BTC will be responsible for timely mobilizing the EC contribution to the project.

5.1.2 Belgian contribution

The United Republic of Tanzania designates the Ministry of Water (MoW) as the technical coordinating agency responsible for the supervision of the arrangements regarding the Specific Agreement and for the Tanzanian Contribution to the project (as specified in article 2.1 of the Specific Agreement). The MoW will be assisted by the Municipalities of Kinondoni, Ilala and Temeke and the communities for the implementation of the project.

The Belgian Party charges the Belgian Technical Cooperation (BTC), a Belgian public law company with social purposes, with performing its commitments in terms of formulating, implementing and following up the project. BTC is charged with the timely mobilization of the Belgian contribution and inputs to the project. The BTC, represented in Tanzania by its Resident Representative in Dar es Salaam, will facilitate and support the MoW in its role as technical coordinating agency.

Except for the Project Advisors, backstopping, and some of the other general means, which will be under direct BTC own-management, the budget will be co-managed.

5.2 IMPLEMENTATION AND FOLLOW-UP STRUCTURES

Joint Local Partner Committee (JLPC)

As specified in the Specific Agreement (article 6.2), the Joint Local Partner Committee shall be composed of the following members:

- A representative of the MoW, chairperson;
- A representative of the Ministry of Finance;
- The Attaché for International Cooperation at the Embassy of Belgium;
- The representative of the delegation of the European Commission;
- The BTC Resident Representative;
- The City Council Director of Dar es Salaam;
- The Director of Dar es Salaam Water and Sewerage Authority ;
- The Municipal Director of Kinondoni;
- The Municipal Director of Temeke;
- The Municipal Director of Ilala;
- Three representatives of the participating community organizations;
- District Commissioners or Ward representatives or representatives of other stakeholders or experts or private companies or CBO or NGO can be invited to the meetings of the JLPC as non-voting members.

The JLPC shall have the following duties:

- Advise on the technical and financial file for approval by all parties;
- Supervise the implementation of the project by all parties;
- Appraise the progress of the project and the achievement of its specific objective, based on progress reports;
- Approve annual work plans and budgets;
- Approve any necessary changes in the intermediate results, respecting the specific objective and the total budget of the project;
- Formulate to the Parties recommendations on possible necessary modifications in the Project's design, components, budgets and future directions;
- Approve the final report of the Project and close the Project;
- At the end of the Project agree on the transfer of property of the equipment, based on a proposal submitted by the project management.

The organization of the meetings is detailed in the Specific Agreement (article 6.3).

5.2.1 Project Management Team (PMT)

The Project Management Team will include the following persons at central level:

- The Representative of the MoW as Project Coordinator (PC);
- The technical assistants (3 in total);
- The three Municipal Water Engineers.

They will be supported in their task by:

- A field coordinator (FC),
- An administratif and financial officer (AFO),
- An office secretary/cashier; (OS)
- Drivers.

The Coordinator and technical advisor will constitute the management of the project. Their responsibilities will be:

- To organize, coordinate and supervise the execution of the project activities in the three municipalities in accordance with the approved project work plans;
- To mobilize project implementers;
- To ensure synergy with other donor's projects, including synergy with other BTC projects;
- To provide the narrative and financial reports according the agreed formats;
- Submit monthly accounting reports according to the defined format;
- To provide financial management, accounting and timely compilation of progress reports and budgeted work plans for the following period for consideration by the JPLC;
- To supervise engineers and consultants during the preparation and tendering of contracts for procurement of works, goods and services;
- To coordinate the tendering process and to ensure it is executed according to the appropriate procedures;
- To be a member of the Tendering Committee where appropriate;
- To submit the project progress reports and the achievement of results to the JPLC;
- To propose adjustments or modifications of the activities and results;
- To elaborate and submit the work plan of the project to the JLPC and to adapt this work plan according to the evolution of the project;
- To assure the administrative support of the JPLC (secretariat, agenda, documents, minutes; dissemination of minutes);
- To assure the administrative and financial management of the project according to the applicable procedures;
- To assure good management of the project resources (material, financial and human);

- To deal with any problem of management of resources or of interpretation of the TFF;
- To propose recruitment of personnel necessary to execute the project.

The Project Management Team will be supported by the appropriate MoW human resources and the three municipalities to implement its tasks.

5.2.2 Municipal Steering Committees

The central Project Management Team will coordinate and oversee all activities taking place in the municipalities. In each municipality, a municipal Steering Committee will be set up, with the following members:

- The municipal water engineer;
- The health and sanitation department officer;
- The planning department officer;
- 2 representatives of the ward (ward executive officer and civil society organisation);
- Representatives of other stakeholders, experts, CBOs and NGOs can be invited as non-voting members.

The day-to-day project management will be executed by the WAHECO organizations headed by the Municipal Water Engineer in cooperation with other municipal officers (Municipal Health Officer; Municipal Environmental Officer; Municipal Educational Officer) according to the necessary skills. They will work under supervision of the Municipal Director and the PMT.

The Municipalities will support the Direction of the project in fulfilling its tasks, e.g. in terms of reporting. They will provide the necessary inputs and information for reporting to the JLPC.

On the **local level**, the appropriate existing or to be formed community organisations (Water Committee, Water Users Association, CBO, and local NGO) will be involved in project activities per sub-ward. They can contribute in kind (e.g. labour; construction materials) to the activities, and will ensure the daily management of infrastructures installed by the project.

5.3 FINANCIAL MANAGEMENT

5.3.1 Co-financing principles

- The project shall be financed by 2 donors (EU and Belgian Government) and the Tanzanian party. The entire programme shall be implemented and follow-up by the same implementing structures (see 5.2).
- The donors agree that their contributions shall serve the realisation of the project, and that no details shall be required regarding the specific destination of their funds (no earmarking).
- The duration of implementation shall be aligned between the donors.
- A single narrative and financial reporting system shall be set up, respecting the requirements as detailed in the European Community Grant contract.
- Tendering procedures shall follow the 9th EDF requirements.

5.3.2 Financial Mechanism

The DGDC contribution shall be transferred to the BTC principal account. The EU contribution shall be transferred to the BTC-IS principal account.

In conformity to the provisions of article 7 of the Specific Agreement, a separate project account shall be opened for the co-managed Belgian contribution.

This account will be replenished by BTC Brussels in quarterly instalments based on the provisions made in the approved work-plans. The account shall operate by dual signature of both the Tanzanian authorising officer and the BTC Resident Representative in his capacity as co-authorising officer.

A second account, operating on dual signature of the Project Coordinator and Project Advisor will be opened as an operational account. It will be replenished by transfers from the Project account based on semesterly work plans.

All contracts, invoices and payments to be charged on the co-managed Belgian contribution must be endorsed in writing by the Project Coordinator and the Project Advisor. Any contract or single expenditure above 12.500 EUR must be preliminary approved by the authorising and co-authorising officer (see further: Tender Regulations). Any co-managed tender above 67.000 EUR needs the advice of a local legal advisor and the consent of the BTC headquarters. The General Conditions specified in annex II of the grant contract with the European Commission will be respected at all times.

For a limited number of budget lines, such as the short term technical assistance, the salary of the Project Advisor, the technical backstopping by BTC, the audits and other monitoring and evaluation activities will be managed directly by BTC own-management ("régie") through a BTC account of which BTC is the only authorizing officer.

5.3.3 Financial Follow-up and project planning

The PMT shall send a monthly Financial Report to the BTC Representation in Dar es Salaam together with a copy of all invoices, receipts, and supporting documents. BTC should control, verify and send its feedback report to the PMT. BTC Tanzania will then approve and send the financial report to BTC Brussels.

Any needed corrections should be adjusted and rectified in the next month's accounting period.

The Project Management Team should provide a quarterly financial planning to BTC representation office. The PMT should also ensure the financial reporting of the national contribution (see Article 3 of the Specific Agreement) to the BTC and the MoW.

5.4 MANAGEMENT MODALITIES

5.4.1 Regulations on personnel recruitment

The co-managed staff will be recruited as per Tanzanian Government rules and regulations.

The BTC-managed staff will be recruited by the BTC as per Belgian rules and regulations. They will be approved by the MoW prior to employment.

5.4.2 Tender regulations

Tendering procedures of the 9th European Development Fund (9th EDF) shall be applied. See annex IV of the European Community grant contract for details on the tendering procedures.

5.5 REPORTING AND EVALUATION

To that effect, a **baseline survey** will be carried out in the project area, coordinated by the Project Management Team, supported by the other stakeholders at the very beginning of the project. This survey will be undertaken in a comprehensive manner regarding the four project results, and cover the indicators mentioned in the logical framework. It will provide the reference points against which the achievements of the project must be compared.

A **mid-term review** will be performed after about 24 to 30 months of project implementation. This mid-review needs to verify the project progress, and can adopt the orientation of project results if necessary, as well as change implementation modalities.

A **final evaluation** will be conducted at the end of the project implementation. The evaluation mission will gather the required information through direct contact with implementers and project beneficiaries, through a review of project documents and in depth analysis through questionnaires. The PMT will facilitate this mission.

The PMT will ensure that the **reports, plans and documents** indicated above are produced in accordance with the requirements and formats defined in the European Community grant contract. If a format is not defined in the grant contract, the Tanzanian format will prevail. In absence of a Tanzanian format, the BTC reporting formats shall be used. The reports, plans and documents will be submitted to the JLPC for approval.

A **financial audit** will be performed on yearly basis for the entire project.

5.6 MODIFICATION OF THE TFF

The formal agreement of the Belgian State is needed to change the duration of the specific agreement, the total financial contribution or the specific objective of the project. The formal agreement of the European Commission is needed to change the grant contract between BTC and the European Commission.

The request for modifications has to be motivated by the Programme Direction and approved by the JLPC. Concerning the Belgian contribution, the exchange of letters requesting these modifications shall be initiated by the Tanzanian party and shall be addressed to the Belgian Embassy. Concerning the EC contribution, the request shall be directed to BTC, who will forward it to the European Commission.

The Belgian State must be informed about the changes listed below:

- The way in which the Belgian contribution is made available (own management / co-management).
- The financial modalities.
- Project results and their respective budgets.
- Specific objective and result indicators.
- Composition and responsibilities of the JLPC.
- The mechanism to approve the changes to the TFF.

These changes need to be approved by the JLPC. They will be noted in the minutes of the JLPC meeting approving them and will be included in the annual report.

Any other change to the TFF can be decided and implemented by the PMT.

5.7 CLOSURE OF THE PROJECT

A final evaluation will be organised at the end of the project, as discussed above.

Drafting the Final Report is the responsibility of the PMT. The Final Report shall be submitted to the JLPC members at the final JLPC meeting for approval. The report will comprise an overview of the realised activities (infrastructure constructed; services set up; conducted training and awareness raising) and include a survey of the status and opinion of a representative sample of beneficiaries related to the impact of the Project.

The JLPC is responsible for the final closure of the accounts. The last JLPC shall decide on the destination of all project equipment, and on the destination of the remaining financial resources, if any.

6. CROSS CUTTING THEMES

6.1 ENVIRONMENT

The integration of sanitation and water supply will lead to a better protection of ground- and surface water resources. Better management of pit latrines will reduce contamination. Furthermore, better drainage will lead to soil and erosion protection. Less pollution leads to flora and fauna protection and better general aesthetics.

The volume of groundwater water that will be extracted related to this project, represents no risks for salt water intrusion, compared to the overall infiltration rate of precipitation water.

Up-coning of underlying saline water under sweet phreatic water is a risk that has to be controlled as described in the activities under result 1. Land subsidence caused by lowering the groundwater table has not been reported in the target area and is not expected thanks to the sandy soil matrix.

6.2 GENDER AND CHILD WELLBEING

The burden of fetching water, traditionally the women's task, in some places is enormous, and may take several hours per day. Children as well may spend lots of time fetching water, which they cannot spend on scholar or other social activities. On top of this physical labour, the cost of water (of doubtful quality) is often so high that it compromises heavily the domestic budget for other necessary expenses.

The impact of better water supply on women's' lives is obvious: important time savings which can better be invested in other activities, which raises their social and economic status, relief of physical risks carrying heavy loads of water, promotion of management skills. Hygiene and cleanliness is also the women's responsibility, and better sanitation and hygiene will lead to less 'care' (provided by women) for ill members of the households. Water in the vicinity of the houses avoids that women have to go out, often at night to collect water, despite the risk of sexual harassment.

Additionally, poverty and socio-economic disadvantages render women and children more vulnerable to environmental health risks including cholera and other waterborne diseases, which will be decreased by the project. Lastly, women are least likely to be chosen or to voluntarily participate in community development activities and yet their participation will be necessary for the success of the proposed participatory approach. Their participation should therefore be proactively sought and given necessary priority by the project management.

6.3 SOCIO-ECONOMIC IMPACTS

6.3.1 Water vendors

The presence of water vendors is a direct consequence of a failing distribution system, which they replace. Because of the shortage of water of acceptable quality within a reasonable distance, they distribute water, sometimes of very doubtful quality. The selling price is 5 to 15 times higher than the basic price of 20 Tsh per jerry can of 20 l.

There are also other types of water vendors:

- Private well owners, who almost all of them sell water, which confirms the earlier statement that the basic selling price of 1 Tsh/l is above production cost.
- 'Water companies' which own production wells, and organise a distribution with tanker trucks.

The project might affect these local jobs. Sufficient water supply points could make retail distribution redundant. Positive impact may be expected as long as there will be still too little supply points, but at the same time improved access to water of acceptable quality by water vendors. A possibility would be to involve them in the operation and maintenance of the new supply units, or to consider vendor activities as an integrated element in the operation of the water supply system. Their activities could be organised in a more appropriate manner, e.g. tariff setting, 'registering' of vendors for a certain area, quality control, provision of adequate tools etc.

6.3.2 Management of shared water supply facilities among adjacent communities

This situation may occur as a result of an 'alternative solution' as described in the activities under result 1: supply system on a distant location. The issues of property, user right, concession, interference with other communities etc. concerning the distant well field location and the beneficiary community should be cleared, before technical investigation and design starts. It should be investigated whether there is enough production potential to serve the different communities/people that are physically involved because of the location of system and transmission lines.

6.3.3 Perception of payment by the poor

During the field visits and the participatory meetings, it appeared that usually the 'poorest among the poor', elderly and handicapped are allowed to get water for free at kiosks. This is an encouraging community attitude of non-exclusion. The project will support the already existing sense of solidarity, which has to be taken into account when elaborating management schemes for the water supply facilities, as this practice may lead to cost recovery problems or a too small financial margin to allow sanitation action.

6.3.4 The concept of a 'community'

The concept of 'a community' may be very weak. In the context of this project, the weakest definition could even be 'those people who live on a distance not further than 400 – 500 m from a domestic water point'. The project will strengthen the community because of the participatory aspects like financial contribution, operation and maintenance and legal status of ownership in user associations of water supply and sanitation facilities.

6.3.5 The perception that waste represents a cost

As said earlier, there will always be more willingness to pay for something that is essential to survive (drinking water) than for something everyone tries to get rid of (waste). This is a good reason to incorporate the treatment cost of waste water into the selling price of clean water.

The idea that part of the price poor people pay for water will be used to handle waste, may be rather confronting to them. On the other hand, the impact of proper management of revenues, without raising today's prices, may lead to successful sanitation actions and better living conditions. Awareness creation on these issues aims to increase the acceptance of sanitation costs in the involved communities.

7. ANNEXES

7.1. Detailed Budget

7.1.1. Logframe Format budget details

7.1.2. Exit strategy budget details

7.2. Project documents

7.2.1. Description of the action

7.2.2 Logical framework

7.2.3. Financial viability, economic justification and environmental impact Assessment

7.2.4 Revised eligible costs budget (June 2013)

7.3. Exit strategy Planning

7.1. DETAILED BUDGET

7.1.1 Logframe budget details

Code	Description	Initial	Additional Belgian contribution	Final Total
A/R1/BL01	Inventory of existing and planned water supply systems	4.500		4.500
A/R1/BL02	Investigation on salinity issues and feasible drilling sites per target area	540.000		540.000
A/R1/BL03	Installation of water supply systems (incl. operation during project duration)	1.800.000	210.000	2.010.000
A/R1/BL04	Supervision infrastructure works (Water supply)	91.875	19.500	111.375
A/R1/BL05	Labour contribution final beneficiaries	28.800		28.800
A/R1/BL06	Water quality testing kits	6.000		6.000
A/R1/BL07	Training on WQ monitoring	16.500		16.500
	Sub-total Result 1	2.487.675	229.500	2.717.175
A/R2/BL01	Inventory of existing and planned sanitation facilities and services systems	4.500		4.500
A/R2/BL02	Identification of potential of financial contribution to sanitation activities	22.500		22.500
A/R2/BL03	Design of feasible sanitation (pilot) facilities and services	30.000		30.000
A/R2/BL04	Construct (pilot) facilities (toilets, wastewater drainage and solid waste facilities)	1.200.000		1.200.000
A/R2/BL05	Set up sanitation services per target area	90.000		90.000
A/R2/BL06	Procure technical and safety tools to facilitate sanitation services	79.200		79.200
A/R2/BL07	Tools (manuals, figurines,...) on hygiene and sanitation	6.300		6.300
A/R2/BL08	Labour contribution final beneficiaries	28.800		28.800
A/R2/BL09	Design medium-scale drainage and WW infrastructure	27.000		27.000
A/R2/BL10	Medium scale Drainage and WW infrastructure	675.000		675.000
A/R2/BL11	Supervision infrastructure works (Sanitation)	91.875	14.600	106.475
A/R2/BL12	Design SW infrastructure and services	14.000		14.000
A/R2/BL13	SW Disposals	150.000		150.000
A/R2/BL14	SW collection	16.200		16.200
A/R2/BL15	Tools SW	6.000		6.000
	Sub-total Result 2	2.441.375	14.600	2.455.975

Code	Description	Initial	Additional	Final Total
A/R3/BL01	Study on social, cultural and management issues regarding water and sanitation (base line study) by AT	9.000		9.000
A/R3/BL02	Design and set up efficient and effective management structures	9.000		9.000
A/R3/BL03	Create awareness to the community	78.000		78.000
A/R3/BL04	Train municipal staff, Water Committees and WUA's	113.440	185.900	299.340
A/R3/BL05	Local social engineering organisations	300.000	150.000	450.000
A/R3/BL06	External backstopping social engineering	100.000		100.000
A/R3/BL07	Training SW	5.350		5.350
	Sub-total Result 3	614.790	335.900	950.690
A/R4/BL01	Publication and dissemination WSSpolicy and IWRM	3.750		3.750
A/R4/BL02	Organisation exchange on approach and best practices with other WS-actors in Dar es Salaam (MoW, DAWASA, CWSS, WaterAid, Plan, Care,...)	3.000		3.000
A/R4/BL03	Capitalisation documents and brochures (prod.and dissem.)	20.000	30.000	50.000
A/R4/BL04	Seminars on community managed water supply and sanitation	9.800		9.800
A/R4/BL05	Visibility actions (e.g. T-shirts and brochures)	8.000		8.000
	Sub-total Result 4	44.550	30.000	74.550

Code	Description	Initial	Additional	Final Total
	Contingencies	239.587		239.587
Z/BL01	Investments	150.810		150.810
Z/BL02	Maintenance costs	33.150		33.150
Z/BL03	Supplies	162.477		162.477
Z/BL04	Personnel	225.000		225.000
Z/BL05	Personnel (BTC)	802.500	100.000	902.500
Z/BL06	Overheads (insurance, bank transactions, JLPC, seminars, translation etc)	21.000		21.000
Z/BL07	mid term review, evaluation and auditing	123.900	90.000	213.900
Z/BL08	solde formulation	10.504		10.504
Z/BL09	diverse consultancies	50.000		50.000
Z/BL10	administrative costs	151.046		151.046
	Sub-total Coordination	1.730.386	190.000	1.920.386
	Grand-total	7.558.363	800.000	8.358.363

7.1.2 Exit Strategy budget

The budget for the exit strategy activities will first be provided by the EU-GoB real cost and non-eligible cost and completed by the new non-eligible budget of 800.000 € provided by the GoB for the exit strategy.

Budget Details	Budget	Planned Initial Period				Two years extension period	
		Total expenditures 2008-12	Planned expenditures 2013	Total expenditures 2008 -13	Balance end 2013	2014	2015
01.1 Human Resources	1.283,30	1.044,12	229,59	1.273,71	9,59	9,59	
02.2 Travel	6,00	7,10	0,00	7,10	-1,10	-1,10	0,00
03.3 Office equipment, vehicles and supplies	225,83	197,46	16,89	214,35	11,48	11,48	0,00
04.4 Local office/Action costs	235,72	155,88	59,49	215,36	20,36	20,36	0,00
05.5 Other costs, services	198,56	116,71	26,53	143,24	55,32	55,32	0,00
06.6 Other	669,36	427,89	164,45	592,35	77,01	77,01	0,00
07.9.1 Works	3.869,61	1.110,62	2.093,03	3.203,65	665,96	665,96	0,00
08.9.2 Services	664,49	584,28	80,21	664,49	0,00	0,00	0,00
Management revenu	185,44	136,44	34,58	171,02	14,42	12,30	2,12
Total Real Costs (EU-GoB no cost extension)	7.338,31	3.780,50	2.704,77	6.485,27	853,04	850,92	2,12
01.14 Non-eligible costs	220,06	53,55	50,77	104,32	115,73	115,73	0,00
Total Non-eligible costs (GoB)	220,06	53,55	50,77	104,32	115,73	115,73	0,00
TOTAL	7.558,37	3.834,05	2.755,54	6.589,59	968,77	966,65	2,12

Budget Details	Budget	Planned Initial Period				Two years extension period 2014	
		Total expenditures 2008-12	Planned expenditures 2013	Total expenditures 2008 -13	Balance end 2013	2014	2015
B1. Cost of Human Resources PMT incl FC	100,00	0,00	0,00	0,00	0,00	70,00	30,00
B1.1 NTA/T (9 months)	31,80					21,20	10,60
B1.2 NTA/S (9 months)	25,80					17,20	8,60
B1.3 OS (6 months)	3,10					3,10	0,00
B1.4 Drivers (2x 9 months)	10,00					5,30	4,70
B1.5 AFO (9 months)	14,20					9,50	4,70
B1.6 Field Coordinator	9,40					9,40	0,00
B1.7 Per diem, overtime etc	5,70					4,30	1,40
B2. Cost of Social Engineering PMT	185,90	0,00	0,00	0,00	0,00	185,90	0,00
B2.1 O&M Training	165,90					165,90	0,00
B2.2 Stakeholders Workshop sanitation	1,50					1,50	0,00
B2.3 Stakeholders Workshop water	2,00					2,00	0,00
B2.4 Learning Visits	2,50					2,50	0,00
B2.5 WAHECO Allowances (6 months)	14,00					14,00	0,00
B3. Cost of Works PMT	150,00	0,00	0,00	0,00	0,00	150,00	0,00
B3. 1 Standby generators for 3 pumpstations	50,00					50,00	0,00
B3. 2 Improvement of electric supplies for remaining schemes	30,00					30,00	0,00
B3. 3 Improvement /extensions of water supplies & sanitation facilities	70,00					70,00	0,00

B4. Cost of Services PMT	64,10	0,00	0,00	0,00	0,00	52,10	12,00
B4.1 Last Payment Norplan	19,50					19,50	0,00
B4. 2Last Payment EEPKO/BORDA	14,60					14,60	0,00
B4.3 Office equipment, supplies	5,00					3,00	2,00
B4.4 Local Office Action costs	25,00					15,00	10,00
B5. BTC administrative support staff	90,00	0,00	0,00	0,00	0,00	19,00	71,00
B5.1 Cost of Administrative Support Staff	20,00					0,00	20,00
B5.2 Cost of Audit & Evaluation	35,00					0,00	35,00
B5.3 Cost of BTC HQ staff monitoring	28,00					14,00	14,00
B5.4 Topping up of PC & MWEs and driver	7,00					5,00	2,00
B6. Cost of NGO Contract - support	150,00	0,00	0,00	0,00	0,00	0,00	150,00
B6.1 Remunerations (9 months)	80,00					0,00	80,00
B6.2 Support cost for WAHECOs	20,00					0,00	20,00
B6.3 Cost of Transport	15,00					0,00	15,00
B6.4 Cost of Interventions	20,00					0,00	20,00
B6.5 Overheads	15,00					0,00	15,00
B7. Cost of NGO Contract - works	60,00	0,00	0,00	0,00	0,00	0,00	60,00
B7.1 Cost of extension works	50,00					0,00	50,00
B7.2 Cost of Field Survey, design & Supervision	10,00					0,00	10,00
Total Non-eligible costs (GoB exit strategy)	800,00	0,00	0,00	0,00	0,00	477,00	323,00
GLOBAL TOTAL	8.358,37	3.834,05	2.755,54	6.589,59	968,77	1.443,65	325,12

Annexes

7.2. PROJECT DOCUMENTS

7.2.1. Description of the action

Annex 1a attached to the Addendum n° 3 to the European Community grant contract n° 9.ACP.RPR.101.

Annexes

7.2.2. Logical framework

Annex 1b attached to the addendum n° 3 to the European Community grant contract n° 9.ACP.RPR.101.

Annexes

7.2.3. Financial viability, economic justification, environmental impact assessment

Annex 1c attached to the addendum n° 3 to the European Community grant contract n° 9.ACP.RPR.101.

Annexes

7.2.4. Revised eligible costs budget (June 2013)

Annex 1d attached to the addendum n° 3 to the European Community grant contract n° 9.ACP.RPR.101.

Annexes

7.3. EXIT STRATEGY PLANNING