Water & Land Resource Centre

BRIGHT

Ministry of Water and Energy

Basin Management Support for Resilient, Inclusive Growth and Harmonized Transformation for the National IWRM Program of Ethiopia (BRIGHT) Project

Inception Report

Abridged Version

Prepared by:
The Water and Land Resource Centre (WLRC) in-Consultaion-with-MoWE

Submitted to:
The Embassy of the Kingdom of the Netherlands (EKN)

Addis Ababa, Ethiopia

December 31st, 2024

Ministry of Foreign Affairs of the Netherlands

Co-funded by the European Union

Basin Management Support for Resilient, Inclusive Growth and Harmonized Transformation for the National IWRM Program of Ethiopia

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(Abridged Version)

Water and Land Resource Centre (WLRC)

December 31st, 2024

Addis Ababa, Ethiopia

Yeka Subcity, Woreda 09, Lamberet Area, Southern side of the Ministry of Mines

P.O.Box: 3880

Telephone: +251 11 661 22 36

Fax: +251 11 661 22 29

Email: info@wlrc-eth.org

https://www.wlrc-eth.org

Addis Ababa

Ethiopia

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Disclaimer:

The maps used in this Inception Report and the boundaries may not necessarily show the geo-political delineations/administrative boundaries.

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Acknowledgments

Water and Land Resource Centre (WLRC) extends its gratitude to the Ministry of Foreign Affairs of the Embassy of the Kingdom of the Netherlands (EKN) in Ethiopia and the European Union for their financial support of the BRIGHT Project. We greatly value the close consultations and continuous assistance provided to us throughout the inception phase of the project. The Ministry of Water and Energy (MoWE) of the Federal Democratic Republic of Ethiopia, its Regional Bureaus, and Basin Administration Offices have been committedly working together in this project. WLRC thanks them and all other stakeholders and partner organizations for the positive engagements witnessed so far.

WLRC has organized numerous teams to conduct the biophysical, socioeconomic, and institutional situation assessments. We recognize the immense time, energy, and dedication invested by the team responsible for the baseline situation assessment and the inception preparation. Their relentless engagements have yielded substantive baseline assessment reports and the synthesised Inception Report that are vital for the successful implementation of the BRIGHT project. The detailed analyses and insights from the situation assessment have been pivotal in shaping the Project's approach and methods.

WLRC has also used consultation workshops as a part of the inception work to consult with the stakeholders. WLRC appreciates all the participants for the steadfast support and invaluable contributions.

Abbreviations and Acronyms

AEZ	Agro-Ecological Zones
ASS	Agricultural Sample Survey
BAO	Basin Administration Offices
BCM	Billion Cubic Meter
BDS	Basin Development Support
BIS	Basin Information System
BMP	Best Management Practices
BRIGHT	Basin Management Support for Resilient, Inclusive Growth and Harmonized Transformation for the National IWRMP of Ethiopia
BTO	Back to Office
CBO	Community Based Organizations
DPSIR	Drivers, Pressures, States, Impacts, and Responses
EKN	Embassy of the Kingdom of the Netherlands
EMI	Ethiopian Meteorological Institute
ENACT	Enhancing National Climate Services
EPA	Environment Protection Authority
ESS	Ethiopian Socioeconomic Survey
EU	European Union
FS/LHS	Farming Systems/Livelihood Systems
GERD	Great Ethiopian Renaissance Dam
GIS	Geographic Information Systems
ICPAC	IGAD Climate Prediction and Application Center
ISFM	Integrated Soil Fertility Management
IWRM	Integrated Water Resource Management
KIMS	Knowledge and Information Management System
LMSP	Land Management Systems and Practices
LULC	Land Use Land Cover
LUS	Land Use System
MAR	Managed Aquifer Recharge
MCM	Million Cubic Meter
MELA	Monitoring, Evaluation, Learning, and Adoptability
MoIL	Ministry of Irrigation and Lowlands
MoA	Ministry of Agriculture

MoPD	Ministry of Planning and Development
MoU	Memorandum of Understanding
MoWE	Ministry of Water and Energy
MSF	Multi-stakeholder Platforms
PCU	Project Coordination Unit
PET	Potential Evapotranspiration
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PMAU	Project Management and Administration Unit
PSC	Project Steering Committees
RS	Remote Sensing
RVL	Rift Valley Lakes
RWB	Regional Water Bureaus
SLM	Sustainable Land Management
SWC	Soil and Water Conservation
SWP	Sub-work package
TLU	Tropical Livestock Units
ToR	Term of Reference
TWI	Topographic Wetness Index
WAIS	Water Audit Information System
WaPTIS	Water Permit and Tariff Information System
WASH	Water, Sanitation and Hygiene
WASHCo	WASH Committee
WHO	World Health Organization
WLRC	Water and Land Resource Centre
WMO	World Meteorological Organization
WP	Work Package
WSUP	Water Sensitive Urban Planning
WWT	Wereda WASH Team/Wereda Watershed Team

Message from the Director General

The Water and Land Resource Centre (WLRC) is an autonomous hybrid organisation focusing on research and development engagements in water and land resource management in Ethiopia. WLRC major thematic focus areas are water, land and climate with crosscutting themes such as socio-economics, institutions and governance, knowledge management, and gender. Besides the generation and management of knowledge in those thematic areas, it has been undertaking innovative development interventions in all of its thematic focus areas.

Since its establishment, WLRC has made significant contributions in several areas. It has generated substantial knowledge and developed innovative water and land resources management practices. The Centre has promoted Integrated Landscape Management (ILM) and Integrated Water and Land Resource Management (IWLRM) at watershed and landscape levels. It developed and availed innovative knowledge-sharing and management platforms, such as EthioGIS, MapServer, LandScale, and the Guideline for Performance and Sustainability Assessment in Watershed Management (ESPAWM). Furthermore, WLRC has established knowledge management systems like Water and Land Resource Information System (WALRIS) to support cross-scale policymaking and Knowledge Management and Information System for Sustainable Land Management for the National SLMP Programme (KMIS_SLM).

It has successfully completed many projects, many of which have left relevant experences and lessons that significantly inform the present project. Currently, it is also implementing the Kunzila Integrated Landscape Management and WASH Project (Kunzila ILMWA), which is funded by EKN and is in progress aiming to improve income, employment, and institutional capacity in Kunzila Watershed.

Recently, WLRC together with MoWE secured the **Basin Management Support for Resilient, Inclusive Growth and Harmonized Transformation for the National IWRM program of Ethiopia (BRIGHT),** project, which is a five-year initiative focusing on strengthening key institutions' capacities of undertaking, coordinating and regulating the implementation of Integrated Water Resources Management (IWRM) in Ethiopia. The project aims to promote resilient and inclusive growth through harmonized management of Ethiopia's water resources. By supporting the National IWRM Program, BRIGHT seeks to enhance the sustainability and effectiveness of water resource management in the country, thereby contributing to improving livelihoods and resilience to water-related shocks and disasters in the basins.

This Inception Report presents: 1) establishment of project governance and management set up, including the signing of MoUs and agreements; 2) syntheses of basins' baseline situation assessments conducted in over 14 major themes and 5 project management systems; 3) capacity gaps and needs assessment; 4) stakeholder analysis and engagement strategy; 5) monitoring, evaluation and auditing of progress with WP1 and WP2; 6) revisions made to the project proposal; 7)all other activities including workshops and meetings conducted during the Inception Phase; and 8) the Annual Plan 2025. We are grateful to the EKN and the EU for funding this project and other similar initiatives.

Happy reading!
Gete Zeleke, PhD
Director General WLRC
Addis Ababa

Summary of the Action

Following the signing of the Project Agreement in November 2023, the Senior governance Team at WLRC and MOWE introduced the project and the tasks ahead to the staff. The geographic scopes and technical (human capital), technological (facility and equipment) and logistical requirements of the project were understood. The national level Project Governance and Management Set up **(Work Package 1- WP1)** was established**.** Appropriate specialists needed for the project were mobilised for the BRIGHT Project. It assigned the technical staff into different thematic categories. Planning of the Inception Process and activities, including careful analyses of the existing and ongoing initiatives, actors and stakeholders, was done. These laid fertile grounds for a successful undertaking of **the management and coordination set up of the activities during inception phase**.

As foundational work for **Activity 1.2. Project governance and coordination,** MoU for joint implementation of the project was signed between WLRC and MoWE. Another MoU was signed among MoWE and Ministry of Finance (MoF), providing for the necessary collaborations in implementation of the project. The Project Governance and Management set up involves four distinct players with horizontal and vertical relations. These include: i) the project implementer/ coordinator (i.e. WLRC), ii) project co- implementers (i.e. MoWE and BAOs with their structures down to community level), iii) Project Steering Committee (PSC) and Technical Backstopping Group (TBG) at national and basin levels, and iv) funding agencies (namely EKN and EU). These happened in so many coordination meetings. The PSC and TBG members include international partners. Coordination and alignment mechanisms were also sought.

Monitoring, evaluation and auditing of progress with WP1 activities **(Activity 1.3.)** was done by the WLRC and MoWE Senior management and governance teams. Monitoring, evaluation and auditing frameworks were drawn. Communication and networking with the concerned key partners and stakeholders were done intensively. As promised under **Activity 1.4.** communications about the project were made through face-to-face presentations, emails, social media outlets, news staff and webposts. A dedicated BRIGHT Website https://bright.wlrc-eth.org was created. Conflict sensitivity was under continuous overviews and audits (**Activity 1.5),** and the situations during the Inception phase allowed successful implementation of the project though concerns remain.

During the Inception Phase (WP2), works were continued to establish the project foundation and management down to the basin and sub-basin levels as promised under **Activity 2.1.** Operational arrangements and relationships were clearly illustrated and staff deployed. Project governance and project launch workshop was organised **(Activity 2.7)** and the Project was officially launched at the BRIGHT and BaSRINET Projects Joint Kick Off Workshop that was conducted, 01 March 2024 in Addis Ababa. Job descriptions were prepared for the project staff and the important team was mobilized. Available documents were collected from different sources and comprehensive document reviews were made. Assessment of basins baseline biophysical, socio-economic, and institutional situations **(Activity 2.2)** was accomplished successfully. Baseline Situation

Assessments were initiated and conducted along 14 thematic lines, including capacity gaps and needs assessments **(Activity 2.4)**. Those yielded 14 baseline situation assessment reports. Also, stakeholder analysis was done and engagement strategy was designed **(Activity 2.3)**. MoUs were signed with key stakeholders, mainly MoWE and MoF for project implementation support and partnership **(Activity 2.5)**.

Progress with the Inception activities was strictly monitored by the senior management and the MELA Team at WLRC and MoWE. Findings of the baseline assessments were shared with stakeholders. From the findings of the assessments, it was clear the whole design and intervention logic of the BRIGHT project were appropriate and targeted real problems. The Project Proposal was revised based on the findings from the assessments **(Activity 2.6)** and Draft Inception Report was prepared. Those were presented to EKN.

Including the project Kick off, four big workshops were conducted. Those are: Stakeholder Consultation Workshop, held in Addis Ababa. 15 -17 April 2024, with 110 participants; Basins Situation Assessment Findings Validation and Activity Alignment Workshop, 1 – 2 July 2024 with 105 participants; Activity Alignment and Team Building workshop, held 27 - 29 Nov. 2024, with 115 participants. Activity Plan for 2025 was prepared with budget and submitted to EKN for approval and it was approved. To streamline and align the planned activities with the plans of MoWE and BAOs, 10 thematic workgroups conducted mini-workshops whereat 194 specialists and experts, 15.5% of them women, drew thematic line Joint Plans and Terms of Joint Engagement (TOJE). A three-day training on SEA was given to 20 senior staff members drawn from key stakeholder institutions and WLRC. Many progress review and post-event debriefing internal meetings were held.

Progress with the Inception activities was strictly monitored by the Senior management and the MELA Team at WLRC and MoWE. In sum, all the activities promised to be done under WP1 (*Establishing the Project Governance and management set up*) and WP2 (*Inception Phase*) were accomplished successfully and the desired outputs/deliverables produced. Expenditure was less the budget mainly because salaries of most of the thematic specialists were paid from their previous projects and secondly because the change of currency exchange rates increased the power of Euro against Et Birr by more than double. By the end of December 2024, all the project staff were encouraged to enthusiastically embark on implementing activity plans for the year 2025 under WPs3-6. That paved a very clean way into a timely start of the actual implementation phase. The Implementation Phase of the project was started timely.

1. Backdrop: The BRIGHT Project

Cognizant of the dire need for integrated water resource management efforts in Ethiopia, WLRC in collaboration with MoWE secured a five year project, known as the **B**asin Development Support for **R**esilient, **I**nclusive **G**rowth and **H**armonized **T**ransformation in the Water Sector of Ethiopia (**BRIGHT**). The BRIGHT project aims to enhance community livelihoods and resilience to drought and climate change in the Abbay, Awash, Rift Valley Lakes, Omo-Gibe, and Tekeze basins of Ethiopia by pursuing IWRM . Funded by the EKN and EU, the project focuses on building institutional capacity, enabling evidence-based policy-making, and demonstrating interventions at community level in hotspot high priority sub basins. The Project was officially commenced January 01, 2024 and will run through the end of 2028.

Goal and Objectives

The broader development goal of the BRIGHT project (impact level) is to improve resilience and reduce vulnerability of populations in the five basins to drought and climate change, by pursing Integrated Water Resources Management (IWRM) in the Abbay, Awash, Rift Valley Lakes, Omo-Gibie and Tekezie basins. The Project specifically aims to:

- strengthen the institutional, technical, infrastructural and logistical capacities of the MoWE, the selected BAOs and concerned regional bureaus to effectively implement initiatives that improve water resource management in the country;
- support MoWE, BAOs and other key stakeholders in the designing and establishment of a well-functioning Basin Information System (BIS), encompassing modules for each basin, and in generating additional evidence to fill gaps in knowledge;
- support MoWE and BAOs in the preparation of Basin Plans (BPs) and facilitate their implementation by supporting high impact priority IWRM projects in selected sub-basins; and
- enhance application of integrated water resource management (IWRM) in target sub-basins through the development of comprehensive sub-basin plans, prioritization of hotspot areas, developing capacity of stakeholders, and implementation of targeted interventions to address identified challenges.

At the impact level, BRIGHT aims to contribute to improving the Ethiopian populations' and environments resilience to drought and climate change. The BRIGHT project aims to achieve those impacts through the following key outputs:

- institutional and governance capacities of the Ministry of Water and Energy (MoWE), Basin Administration Offices (BAO) and Regional Bureaus strengthened;

- infrastructural, technological and logistical resources of the MoWE, BAOs and Regional Bureaus enhanced;
- data, information and knowledge management capacity improved through state-of-the art basin information system;
- planning and prioritizing of targeted basin development projects enhanced; and
- implementation of basin plans improved.

The Project Areas and Beneficiaries

The BRIGHT project covers the Awash, Abbay, Rift Valley Lakes, Omo-Gibe, and Tekeze basins with different agro-ecologies (Fig 1.1). These basins account for 70% of Ethiopia's landmass and 73.5% of its surface water potential. These basins contain about 79.5 million people and 724 districts. Direct beneficiaries are the MoWE, BAOs, BoWEs, and communities in the five basins. These basins account for over 75% of Ethiopia's economic activities in agriculture, industry, and services sectors, and support the livelihoods of over two-thirds (66.7%) of Ethiopia's population. The main livelihood systems include crop production/farming, mixed crop-livestock, pastoral, and agro-pastoral livelihood systems and water-dependent urban livelihoods. The project targets to benefit 2.5 million people directly and will indirectly impact many more millions of residents in the basins.

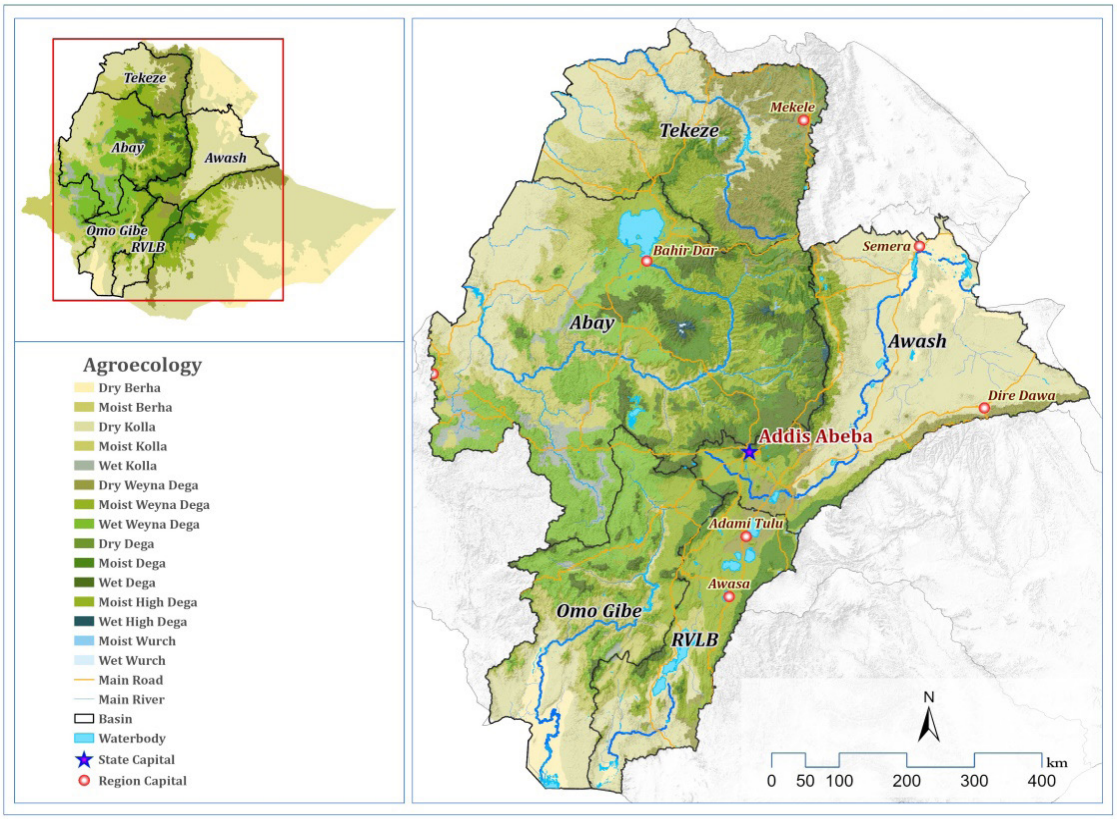

Fig 1.1. Locations of the project areas (Abbay, Awash, Omo-Gibe, RVL, & Tekeze) basins

Source: GIS and RS Unit, WLRC (2024)

Note:

- '*Moist Wurch*' (Moist afro-Alpine) – Altitude >3700masl and Rainfall 900-1400mm
- '*Wet Wurch'* (Moist Alpine) – Altitude >3700masl and Rainfall >1400mm
- '*Moist High Dega*' (Moist High Cool) - Altitude 3700 -3200masl and Rainfall 900-1400mm
- '*Wet High Dega*' (Wet High Cool) - Altitude 3700-3200masl and Rainfall >1400mm
- '*Dry Dega*' (Dry Cool) - Altitude 3200-2300masl and Rainfall <900mm
- '*Moist Dega*' (Moist Cool) - Altitude 3200-2300masl and Rainfall 900-1400mm
- '*Wet Dega*' (Wet Cool) - Altitude 3200-2300masl and Rainfall >1400mm
- '*Dry Weyna Dega*' (Dry Humid) - Altitude 2300-1500masl and Rainfall >900mm
- '*Moist Weyna Dega*' (Moist Humid) - Altitude 2300-1500masl and Rainfall 900-1400 mm
- '*Wet Weyna Dega'* (Wet Humid) - Altitude 2300-1500 masl and Rainfall >1400 mm
- '*Dry Kolla'* (Dry Semi-arid) – Altitude 1500-500 masl and Rainfall <900 mm
- '*Moist Kolla'* (Moist Semi-arid) – Altitude 1500-500 masl and rainfall 900-1400 mm
- '*Wet Kolla*' (Wet semi-arid) – Altitude 1500-500 masl and rainfall >1400 mm
- '*Dry Bereha'* (Arid) – altitude <500 masl and rainfall <900 mm
- '*Moist Bereha'* (Moist Arid) – altitude <500 masl and rainfall 900-1400 mm

Work Packages

The BRIGHT project is structured into six Work Packages (WPs) and nine sub-work packages (SWPs), each focusing on specific areas. Here's a brief overview of the WPs and their objectives:

WP1: Project Management and Coordination: This WP focuses on setting out effective project governance and coordination mechanisms that would involve various stakeholders, including international partners (mainly the funders EKN and EU), the Ministry of Water and Energy (MoWE), Basin Administration Offices (BAOs), Regional Bureaus and WLRC.

WP2: Inception Phase: This WP constitutes the Inception Phase, which establishes the project's foundation by internalizing the essences and goals of the project, identifying actors, defining roles, responsibilities, and impacts through collaboration between and among WLRC, MoWE, BAOs, and other partners. Proper scoping of preparatory activities, undertaking baseline situation assessments, mapping existing capacities and capacity development needs, and creating alignment mechanisms with ongoing IWRM initiatives are all actions to be pursued during the planning and accomplishing the Inception phase. This WP also focuses on creating the necessary platforms for consultations with the key partners and stakeholders, creating the foundations for joint planning, joint implementation and joint monitoring of progress. This is a phase of establishing baselines, mapping out the detailed activities, and setting targets with indicators. This WP lies the foundation for and leads to the commencement of actual implementation of the planned project undertakings.

WP3: Enhancing IWRM capacity of the MoWE, Basin Administration Offices and Regional Bureaus: This WP intends to enhance IWRM implementation capacity by identifying and addressing gaps in water laws, policy frameworks, guidelines and working manuals and their implementation on the ground (SWP3.1); enhancing both the size and quality of the human capital needed for a successful undertaking of IWRM (SWP3.2); and improving infrastructural, technological and logistical capacities of the water management entities and setups (SWP3.3).

WP4: Establishing Basin Information Systems (BIS) and Filling Knowledge Gaps: With this WP, the BRIGHT Project supports the stocktaking existing knowledge, generating additional evidence (SWP4.1); and developing a state-of-the-art basin information system and facilitating its utilization (SWP4.2).

WP5: Supporting the Preparation or Revision of Basin Plans and Demonstrating their Implementation in Hotspot Areas: This WP involves supporting: i) the preparation and revision of basin management plans (SWP5.1); and ii) supporting implementation of high impact priority projects to demonstrate the implementation of basin plans (SWP5.2). The high impact priority projects include, i) water tariff and permit, ii) wetland ecosystem management, iii) water quality, iv) water-sensitive urban planning, and v) gender and social inclusivity. These high impact priority projects will be demonstrated in all of the target basins.

WP6: Support Establishment of Climate-smart IWRM Hotspot Learning Sub-basins in the Target Basins: With this WP, the BRIGHT project aims to demonstrate effective implementation of IWRM by supporting high-impact interventions in hot-spot sub-basins which will be used as live-learning sites (SWP6.1) and supporting MoWE and basin offices in restoring highly-degraded hotspot areas within the sub-basins(SWP6.2).

All interventions will be supported with focused capacity development and regular scientific monitoring of project progress and impacts. For clearer visualisation of work packages and sub-workpackages, see the Revised Proposal in Annex 1. https://wlrc-eth.org/wp- content/uploads/2024/09/BRIGHT-Project-Revised-Proposal.pdf. The WPs and SWPs are illustrated in Fig. 1.6. and their relationships are depicted in Fig. 2.

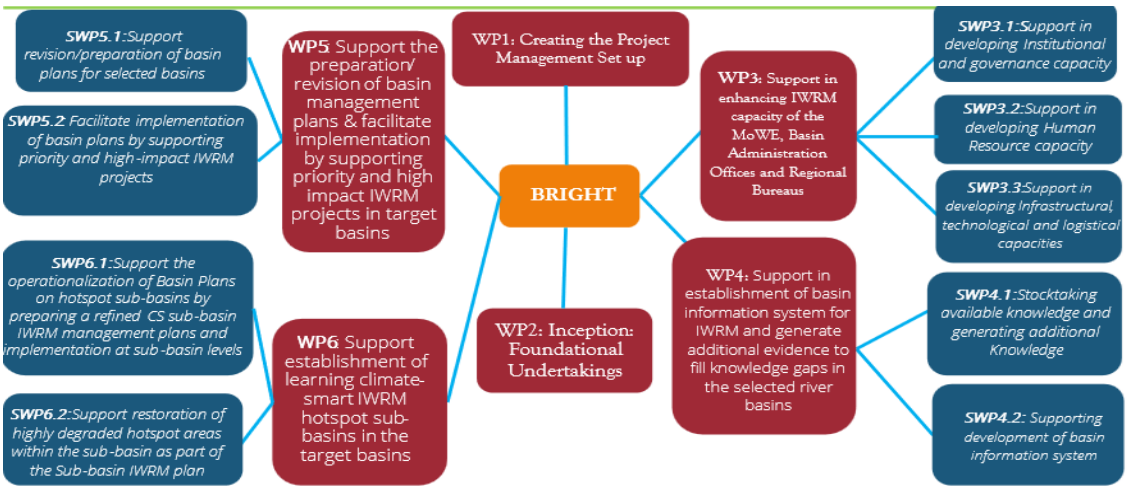

Fig. 2. Illustrative Summary of Work Packages and Sub-work Packages

These WPs collectively aim to strengthen capacity to manage water resources sustainably. To maximize the success rate of the BRIGHT project, understanding baseline situations of the basins and generating additional useful evidence were found imperative. Thus, baseline situation assessments were done on 14 thematic domains and reports generated.

2. The Inception Report

2.1. How we Navigated through the Inception Activities

Following the signing of the Agreement in November 2023, the Proposal Preparation Core Team introduced the Project and the tasks ahead to the staff, focusing on the goal, objectives, work packages, stakeholders, expected outputs, project areas, and other key elements of the proposal. Then, in alignment with the thematic focci of the project, WLRC assigned the technical staff into different thematic categories and then did meticulous Planning of the Inception Process and activities, including careful analyses of the existing and ongoing initiatives, actors and stakeholders.

The Project Proposal and Inception Activities passed through 24 intensive, stepwise but also iterative processes (see Fig. 2.1). The revised proposal and the Inception Report were presented to a team of senior representatives at the EKN Addis Ababa and constructive feedback was received. We also shared them to MoWE for comments. The MoWE Team shared us their reflections and we retouched and finalized the Inception Report and Thematic Reports accordingly. The processes enabled us to refine the proposal, and produce high quality inception report, and substantiated thematic situation assessment reports. They also laid fertile grounds for joint planning and joint action with the key partners and stakeholders. The WLRC technical team refined the assessment reports along those final inputs.

The key findings and recommendations of those 14 technical reports were synthesised used as an input for the Project Inception Report. The steps and processes it navigated through can be schematised as presented in Figs. 3 and 4.

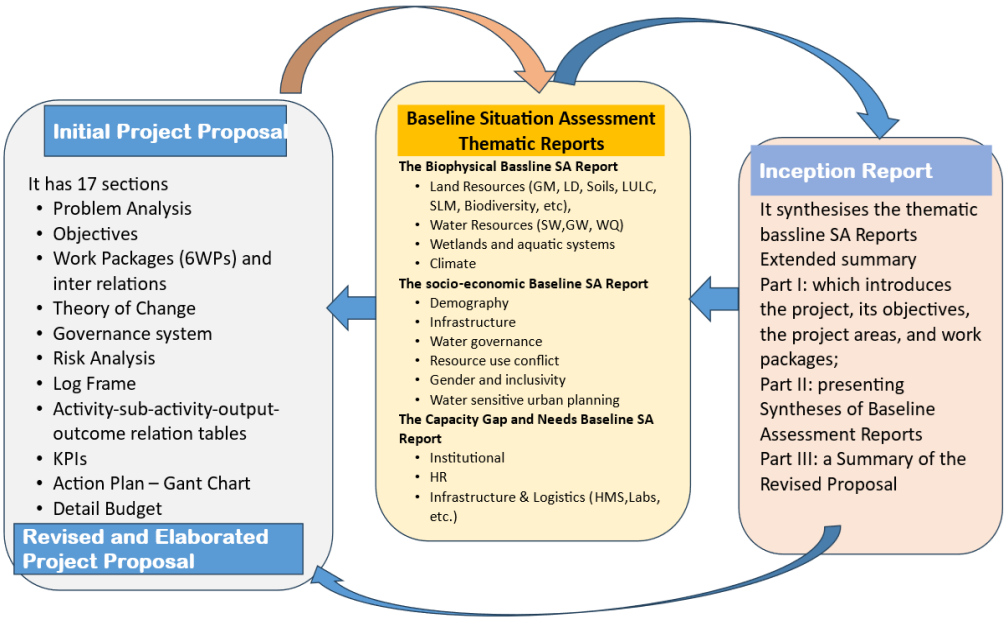

Fig. 3. Schema of the steps and processes followed in the Inception Phase of the BRIGHT Project

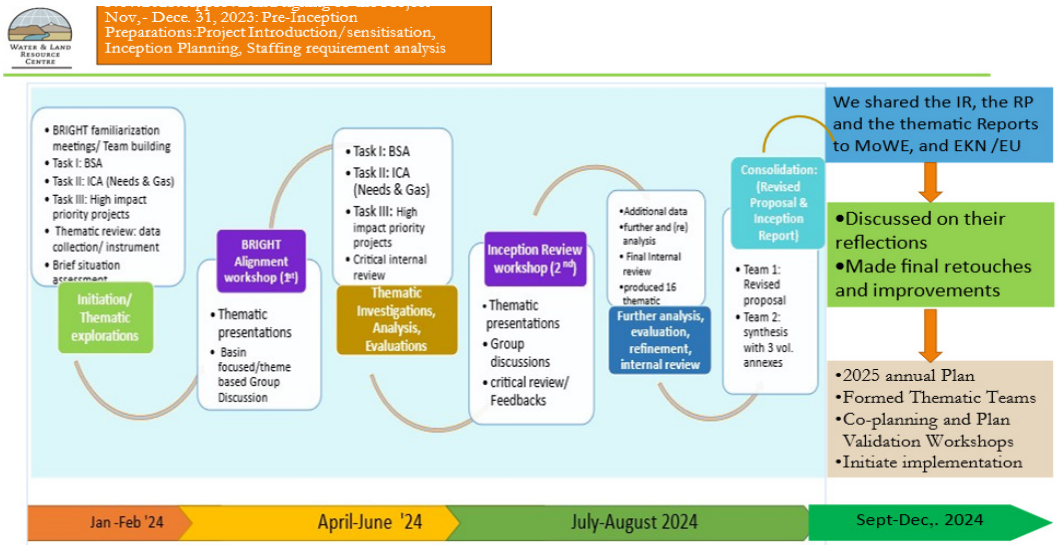

Fig. 4. Illustration of engagements and processes from initiation through the Inception of the BRIGHT Project

Overall, the approaches and processes followed in designing and revision of the BRIGHT project Proposal and preparation of the Inception Report enabled us to ensure quality and relevance, stakeholder participation starting from the design stage, and to tap the benefits of modern data capturing technologies such as remote sensing, GIS and modelling. The Whole of WP1 and WP2 went efficient, cost-effective, comprehensive, and risk-aversive.

2.2. The Inception Report

2.2.1. WP1: Project Management, Coordination and Governance

The project Governance and Management set up was established with four tiers of management and coordination, each with interrelated actors/players and both horizontal and vertical relationships. These key players include: i) the project implementer and coordinator (WLRC); ii) project co-implementers (MoWE and BAOs) across various scales; iii) project steering committees (PSC) and technical backstopping groups (PTBGs) at federal and basin levels; and iv) funding agencies (EKN and EU). At the second tier, it has the National Project Administration and Management Unit (PMAU) as Implementing partner, and National IWRM Program Coordination Unit (PCU) as co-implementing partner, and National Technical Committee as a technical backstopping group. At basin level, there are Basin Project Implementation Unit (Basin PIU) and Basin Steering Committees (BSC) including Basin Technical Backstopping Groups. Sub-basin PIU and Sub-basin PSC constitute the lowest levels of management and governance of the project (see Fig 5). Each organ of each category plays complementary roles towards the attainment of the goal and purposes of the project. There are also collaborators at all levels.

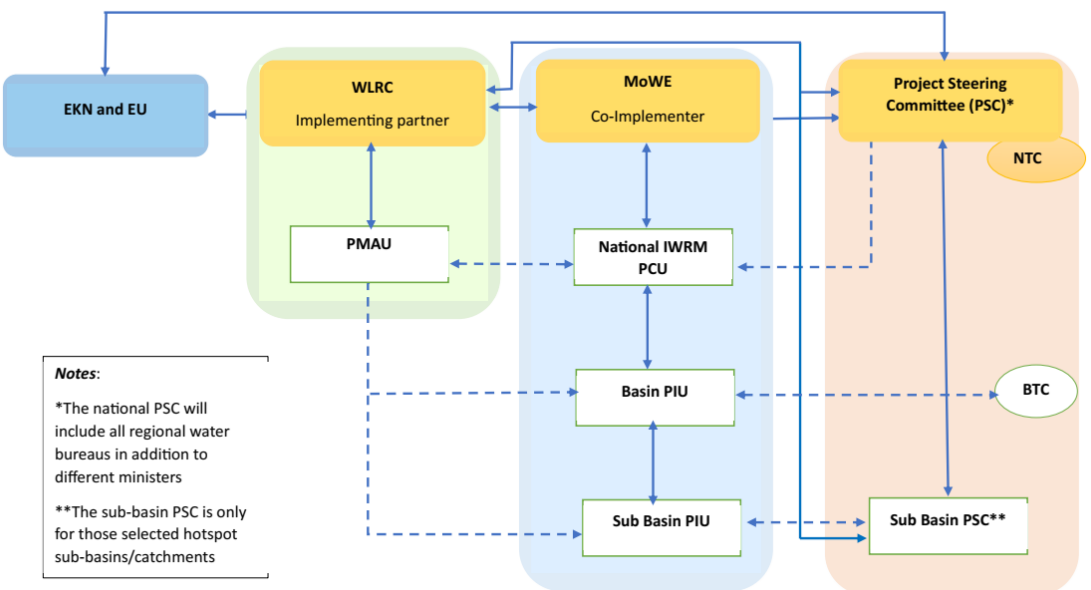

Fig 5. BRIGHT Project High-level Governance Set up

The National PSC is composed of high-level officials drawn from the key implementing partners, ministries, funding agencies, and regional BoWEs. It is chaired by the State Minister for WRM at the Ministry of water and Energy (MoWE) and co-chaired by the funding agency, EKN. The WLRC Director General is Secretary of the NPSC and the Project Manager is a non-voting Assistant Secretary. Accordingly, the PSC is constituted of the following senior officials:

1. State Minister WRM, Ministry of Water and Energy (MoWE)	Chairperson
2. Deputy Head of Mission & Head of Cooperation, of EKN	Co-chairperson
3. State Minister, Ministry of Finance (MoF)	Member
4. Embassy of the Kingdome of the Netherlands Water Policy Officers	Member
5. State Minister of NRM, Ministry of Agriculture	Member
6. State Minister, Ministry of irrigation and lowland	Member
7. State Minister, Ministry of Urban Development	Member
8. Deputy Director of Environmental protection authority	Member
9. Regional Water Bureau Heads (Addis Ababa, Amhara, Benshangul, Central, Oromia, Sidama, South, South West, and Tigray Regions)	Member
10. Director General, Water & Land Resource Center (WLRC)	Secretary
11. Project Manager (none voting)	Assistant Secretary

The National and Basin-level Technical Advisory Teams, comprising senior technical staff and experts from implementing partners, advise and backstop the PSCs and the Implementers on technical matters of the project. The duties and roles of each organ were specified through consultative meetings with those concerned key partners and stakeholders. Those engagement modalities were formalised with MoUs and protocols. Collaborators include various government bureaus, municipalities, offices, and agencies involved in water, land, and resource management such as community-based organizations (CBOs), private companies, and other IWRM initiatives like BaSRINET and Blue Deal.

The Administrative and Management Set-up of the BRIGHT project within WLRC is illustrated in Fig. 6 and the interlinked technical functional set up is also designed (Fig. 7).

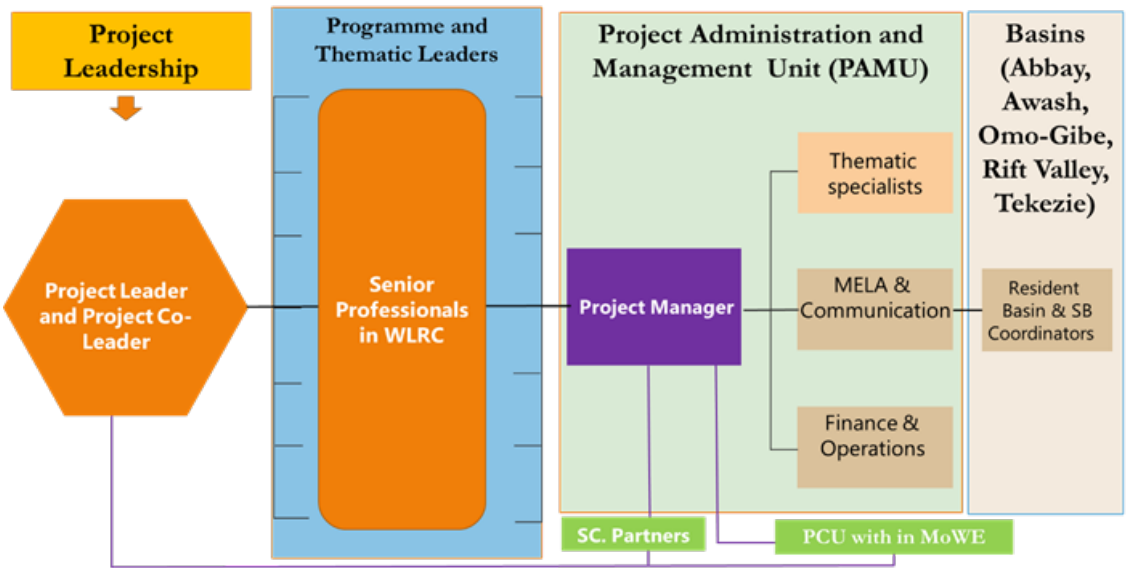

Fig.6. BRIGHT Project Management and Administrative Set-up Within WLRC

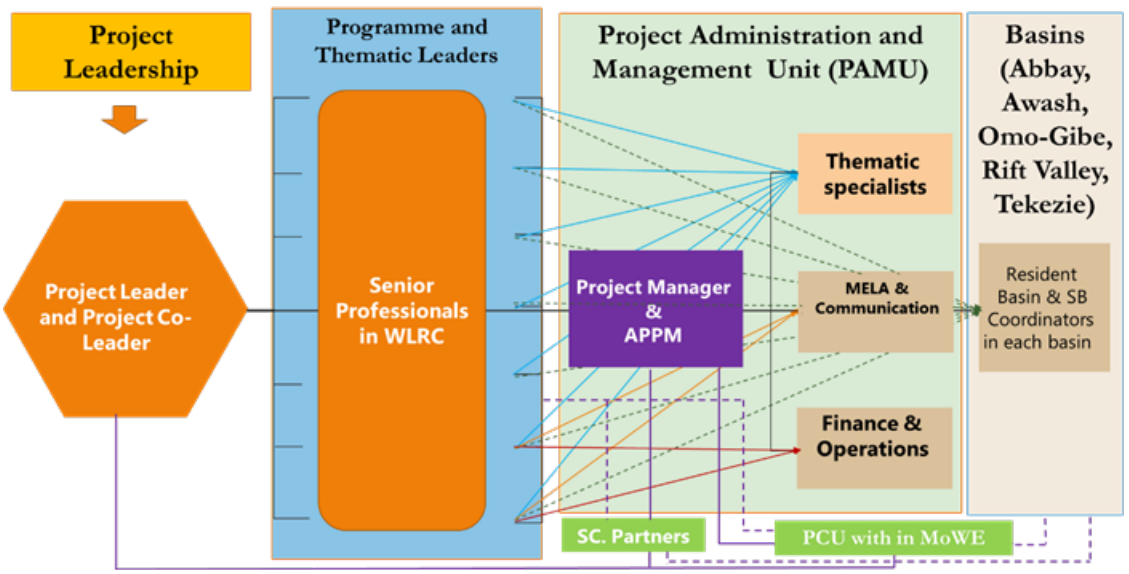

Fig. 7. BRIGHT Project Technical Functional Set-up Within WLRC

2.2.2. WP2: The Inception Phase

Gaining data and evidence about the overall biophysical, socioeconomic and institutional baseline situations of the basins, including the existing opportunities that may be tapped properly, threats and challenges which require designing special coping mechanisms is a necessity to gear and prioritise the project activities to the key challenges. The inception phase was began with preparatory work, which involved close consultations and collaborations between the main project partners, namely: WLRC, MoWE (including its regional Bureaus), BAOs, and the financiers, namely EKN and the EU. Memoranda of Understandings (MoUs) outlining broad areas of collaboration were signed between WLRC and MoWE, MoWE and EKN, MoWE & MoF, and service agreement was signed between WLRC and IHE Delft Institute for Water Education. High-impact IWRM priority projects for implementation were identified in hotspot sub basins and the existing capacities, capacity gaps and capacity development needs of the key players were identified. Stakeholders and actors were mapped and stakeholder engagement strategy was drawn.

Baseline situation assessments were also conducted and key documents such as the baseline assessment reports; inception report; revised project proposal; and a Five-Year Implementation Plan were drawn. Project Implementation Manual (PIM); Joint Planning, Monitoring, Evaluation, Learning and Adaptation (MELA) Framework; Communication Strategy; and Project Financial Management Protocol are also prepared.

2.2.2.1. Syntheses of Baseline Assessment Reports

Given the challenges abounding water resource management in Ethiopia, there is immediate need to sustainably manage, use and develop water resources. Owing to these, the water sector in Ethiopia is among the sectors that are given high attention by the Ethiopian governments. Many programs and projects have been implemented in the area of water management and development, natural resources management, environmental management and climate change adaptation and mitigation. Those include projects and programs focused on landscape management and restoration; irrigation; climate-smart agriculture; harnessing hydropower, wind, solar and geothermal energy resources; WASH development programs; the Green Legacy initiative; and many more. Tremendous works have been done to vitalise the structural, institutional, and governance landscapes and enable them to lead, coordinate, and regulate sustainable management and utilisation of water resources. A lot has been achieved in those regards; water laws and policies have been in place; national coordination mechanisms like the NIWRMP and ONE WASH are set operational. Yet, much more remains to be done.

Coverage and intensity of natural resources management is far below the demands; water and land degradation is still a major problem; per capita water availability is declining; agricultural productivity is very low; food and nutrition insecurity are a major problem; access to energy and WASH (water, sanitation and hygiene) is low; water pollution is a growing problem; and climate

change is exacerbating these challenges and affecting all sectors. Climate risks such as recurrent droughts and flash floods, have become more common these days than ever before. Landslides resulting from sever land degradation are becoming a frequent problem. The rapidly growing population is presenting both opportunities and challenges for sustainable management and use of water. Furthermore, most of our development plans and strategies call for increasing use of water for irrigated agriculture, hydropower, manufacturing, eco-tourism, and WASH services. These growing demands for water on the one hand and climate change, watershed degradation, pollution and weak institutional capacity for IWRM on the other hand exacerbate water scarcity in the country.

Strengthening the institutional capacity of the major duty bearers, namely: the Ministry of Water and Energy, its structures from region to the wereda levels, and the Basin Administration Offices is a strategic initiative to vitalize effective implementation of Integrated Water Resource Management (IWRM) together with the other key stakeholders from concerned governmental and non-governmental organisations and funding agencies.

The biophysical, socio-economic, and institutional capacity baseline situations of the five basins were assessed and over 14 assessment reports on 14 themes, and four strategic framework documents were produced. Also, two protocols were produced.

Biophysical Situations

Land resources: A comprehensive assessment framework was employed to explore biophysical baseline situations and factors influencing water resource management. Key findings about **land resources** reveal that Ethiopia's diverse geomorphology has bearings on climate, microclimate, and agricultural production systems, with highlands supporting cereal cultivation and lowlands being suited for pastoralism. It also revealed significant land degradation, including severe soil erosion, vegetation loss, and soil acidification and salinization across the basins. Forest cover has declined, with deforestation trends particularly high in the Abbay and Tekeze basins, and area closure practices are minimal. Land use is often misaligned with land capability, leading to intensive cultivation of unsuitable areas, thereby exacerbating the already high levels of land degradation. Large areas of the basins are severely affected by both agent-specific and compounded factors of land degradation. Highland parts suffer high degradation by surface runoff and lowlands and riverine areas face increasing siltation, flooding and threats from invasive species. Acidification, alkalinity and salinity are reported in vast areas of the RVL basin. Recommendations emphasize the urgent need for increasing forest cover, improving land management practices, and making targeted interventions to address land degradation. The findings, backed by extensive geospatial data, underscore the importance of aligning land use with ecological conditions and integrating efforts to achieve sustainable water and land resource management. The assessment also identified limitations such as outdated data and suggests the need for further studies on related issues to support effective planning and policy development.

Soils: Soil degradation, especially soil acidity and soil erosion by water, presents a significant challenge in the five basins, affecting food security and environmental quality. The state of soil resources and soil acidity across the five major basins were assessed using the DPSIR framework. Findings show that Ethiopia's landscape features diverse soil types, each with diverse characteristics that call for different management measures. *Cambisols, Leptosols*, and *Vertisols* dominate nearly 98% of the land area. Large areas (almost 78%) of the Abbay Basin are covered by *Vertisols* (37.35%), *Nitosols* (22.11%) and *Leptosols* (18.68%) while Awash Basin is dominated by *Fluvisols* (38.81%), *Leptosols* (24.8%), and *Vertisols* (20.69%). In Omo-Gibe, there are five dominant soil types, namely: *Nitosols* (26.73%), *Vertisols* (21.05%), *Cambisols* (17.38%), *Luvisols* (14.01%), and *Leptosols* (12.42%). *Leptosols* (26.8%), *Luvisols* (21.74%), *Fluvisols* (16.86%), *Cambisols* (14.47%) and *Vertisols* (12.87%) dominate in large areas of the RVL Basin. In the Tekeze Basin, *Leptosols* (64.2%) and *Vertisols* (26.42) are present in over 90.5% of the area with *Cambisols* having the third high-level of presence in 6.37% of its area. Soil physical properties, such as texture and structure, are crucial for water availability and agricultural productivity. However, these properties of the soils in the selected basins are affected by land degradation through erosion, compaction, and crusting. These have reduced the capacity of the soils to infiltrate and retain water. Effective soil management practices, including integrated landscape/watershed management, efficient irrigation, and drainage are essential for improving physical and chemical properties of soils and water quality, groundwater recharge, and sustainable land use. Soil erosion, acidity, salinity, and nutrient depletion problems require context-specific responses, including watershed management, integrated nutrient management, treating and reclaiming acidic soils, and introducing efficient irrigation methods. Key strategies include building actors' capacity through training, developing supportive policies, and investing in research and innovation.

Surface water: Ethiopia's surface water resources include rivers, lakes, and reservoirs, with a total surface area of 11,436 km² and a storage capacity of over 95.46 BCM. The comprehensive assessment of surface water resources in the Abbay, Awash, Omo Gibe, Rift Valley Lakes, and Tekeze basins revealed that the country's water systems are highly sensitive to fluctuations in precipitation and temperature, resulting in frequent droughts and floods, with climate change expected to intensify these issues. Water-related hazards like landslides and flash floods further threaten human life, infrastructure, and the environment. The current hydrometric monitoring system is inadequate, and characterised by poor spatial coverage and discontinuous data. That means, water management decisions were based on inadequate evidence. Funding is insufficient to adequately improve the hydrometric monitoring system. The number of existing and demanded/required telemetric stations are high for Abbay and Omo-Gibe basins. Awash basin has large number of stations and less demand for additional stations. Tekeze basin has a large number of them, and yet needs more. Investing in appropriate technologies for improving data accuracy and comprehensiveness, such as automated water level monitoring and satellite altimetry, and developing a comprehensive hydrologic unit database are outstanding intervention areas. Updated data and a master plan are needed to improve water resource management. Creating

a detailed database of artificial lakes, using satellite altimetry for water level monitoring, and developing high-resolution maps are important actions. Water-related hazards, induced by climate change require comprehensive risk management plans, including flood risk management, integrated drought management, and landslide susceptibility mapping. There is urgent need to strengthen hydrometric network density and functionality in the basins, improve data collection and monitoring, and address water-related hazards. Acquiring, installing and using appropriate technologies is a necessity not an option.

The **groundwater** situation analysis across the five basins focused on availability, quality, and management. Current geological and hydrogeological maps provide essential data, with ongoing detailed mapping by the MoWE enhancing understanding about groundwater. Quantitative assessments reveal significant groundwater recharge potential, but water quality decline is a big issue as salinity, fluoride, and contamination from various pollutants pose challenges. Groundwater is heavily utilized for domestic purposes, particularly in the Awash, RVL, and Tekeze basins. That necessitates better management and allocation practices. Though they contain huge potential to improve sustainable utilisation of groundwater, Managed Aquifer Recharge (MAR) techniques are underused. Estimations of ground water recharge rates vary significantly across the basins, with Omo-Gibe receiving the highest at 10 BM^3/yr, followed by Abbay at 9.5 BM^3/yr. In contrast, the RVL basin has the lowest recharge rate of 1.1 BM^3/yr. Exploitable groundwater volumes mirror these recharge patterns, with Omo-Gibe and Abbay having the highest volumes (1000 MM^3/yr and 946 MM^3/yr, respectively), while the RVL basin has just 108 MM^3/yr exploitable volume, but the highest demand of 3488 MM^3/yr, leading to an extremely high stress index. There are high demands in Tekeze and Abbay basins (579 MM^3/yr and 760 MM^3/yr, respectively), resulting in similarly high-stress indices. The Omo-Gibe basin, despite its substantial recharge, has a moderate stress index due to a lower demand of 262 MM^3/yr. These figures underline the disparity in groundwater availability, influencing both water security and management strategies. Key challenges include lack of adequate consistent data, inadequate monitoring infrastructure, and uncoordinated land-water planning, while opportunities lie in updated mapping and capacity-development works by the government and stakeholders. Suggested interventions shall focus on enhancing groundwater monitoring, employing decision support tools, and conducting vulnerability and MAR suitability mapping to ensure sustainable groundwater management.

Water quality was assessed based on existing data on physical and chemical properties. The results showed that the water in the Awash Basin is the most polluted due to industrial activities, urbanization, and agriculture although water quality concerns are present in all of the basins. It highlights significant deficiencies in water quality monitoring, including a lack of data on heavy metals and emerging contaminants, inadequate industrial monitoring, and poor community involvement. The study indicated the absence of comprehensive data and research on various pollutants, particularly from agriculture and medical waste (emerging organic contaminants (EOCs)., . Recommendations include calls for improved monitoring infrastructure, capacity-

building, and data management; establishing new monitoring sites; enhancing wastewater treatment; creating a national water quality database, and incorporating these measures into the BRIGHT project for better management and policy responses.

Ethiopia, rich in **wetland and aquatic resources,** hosts 11 major freshwater lakes, nine major alkaline lakes, and 12 major wetlands, covering approximately 1.5 - 2% of the country's landmass. RVL and Abbay basins have the largest coverage of wetland and aquatic areas of 5.9% and 2.04% of their respective area coverage while Tekeze basin has the least wetland coverage (just 0.26% of its land area). These water bodies, including the Great Ethiopian Renaissance Dam (GERD), account for a total area of about 10,361 KM^2 across the five basins. Ethiopia's aquatic and wetland ecosystems, which account for roughly 10% of the nation's floral diversity and support around 25% of its avifaunal diversity, offer significant economic, cultural, and environmental benefits. They play crucial roles in improving food security, supporting biodiversity, and providing essential ecosystem services such as water purification, flood control, carbon sequestration, and habitat for wildlife. Despite their importance, these ecosystems face severe threats from over-abstraction, pollution, habitat changes, and climate change, leading to water scarcity, increased vulnerability to droughts and floods, and loss of livelihoods. Key drivers of degradation include misuse and over-abstraction of resources, threats of invasive species, overgrazing, and land use changes.

Challenges to restoration and conservation include resource constraints, inadequate management, and competing land uses. Sustainable management practices are essential to protect and restore these ecosystems. Those involve establishing protected areas, enforcing wetland management regulations, promoting community-based conservation, and incorporating traditional ecological knowledge. Addressing these issues requires an integrated approach that combines ecosystem conservation, sustainable resource management, climate resilience, and community engagement. Effective policies, enhanced monitoring, sustainable land use practices, and stakeholder collaboration are crucial. Restoring these ecosystems involves preserving existing resources, rebuilding ecological integrity, and addressing the root causes of degradation by engaging multidisciplinary teams.

Ethiopia's rich **biodiversity**, supported by diverse ecosystems like forests and woodlands, plays crucial roles that benefit local, regional, and global communities. Historically, forests covered about 60% of the land area, hosting valuable plant species and contributing to food security with crops like *Tef*, *Enset*, and coffee. However, these ecosystems faced significant threats from anthropogenic activities, including agricultural expansion, deforestation, infrastructure development, and climate change. Each basin faces unique challenges: the Abbay Basin suffers habitat loss and soil erosion; the Awash Basin struggles with pollution and water overutilization; the Omo Gibe Basin is threatened by excessive water extraction and expansion of invasive species; the RVL Basin contends with deforestation and water pollution; and the Tekeze Basin experiences threats from deforestation and sedimentation. Addressing these threats requires a multi-faceted approach, including integrated water and land management (IWRM), habitat

restoration, and community engagement. Effective conservation strategies must integrate local and regional efforts to preserve Ethiopia's invaluable biodiversity and maintain the essential ecosystem services.

Climate: Patterns of spatio-temporal climate variability, climate change-induced risks, and adaptation strategies across the five major basins were also assessed using ENACTS data, which includes data on daily rainfall, temperatures, and derived climate variables for 1981-2018. Also knowledge gaps in climate risk, adaptation, and climate services were identified. High inter-annual and inter-seasonal climate variabilities were noted, leading to drought and flood risks, with significant decreases in rainfall and increases in temperature across all basins. The March - May (*Belg*) rains are notably decreasing in most basins, while warming trends have led to increased atmospheric water demand, potentially affecting surface water resources. Future projections suggest ongoing warming with mixed rainfall trends, and regional vulnerability studies highlight areas of high climate risk. The document also addresses gaps in current research, such as insufficient data on extreme climate events and the need for improved climate modelling. Recommendations include enhancing the use of climate information, integrating customary laws with formal frameworks, and improving adaptation strategies to address water-related challenges and health impacts associated with climate variability and change.

Water resources management: The water resources management situation across Ethiopia's five major basins highlights stark contrasts in resource availability and utilization. The Abbay Basin, with a mean annual flow of 54.5 BCM and contributing over 50% of the country's surface runoff, remains underdeveloped, with irrigation potential underutilized. Awash Basin, with a mean annual flow of 4.6 BCM (1.4 BCM near the Middle Awash below Metehara Sugarcane farms and up to 2.3 BCM further downstream at the start of the Lower Awash) , is the most exploited and it struggles with water stress due to over-extraction and pollution. The RVL Basin, with total surface water estimated at 6.4 BCM and rich biodiversity, faces intense competition and ecological pressures. The Omo-Gibe Basin, with annual flow of 17 BCM, remains largely untapped but experiences localized conflicts, particularly in its lower catchment. The Tekeze Basin, with 8.2 BCM of water and significant hydropower potential, also remains underutilized, requiring comprehensive assessments to enhance development.

Water use-related conflicts: Ethiopia's water resources, collectively owned by the public, face significant management challenges due to their communal nature. These resources usually face challenges that tantamount to what Garret Hardin refers the 'Tragedy of the Commons'. As demands for these resources increase from time-to-time, competitions lead to conflicts These conflicts arise from poor coordination across governing bodies, the absence of comprehensive water laws, and the increasing competition among various water users, driven by rapid population growth, urbanization, industrialization, and climate change. The five major basins experience diverse conflicts related to large-scale and community-based irrigation, industrial activities, and competition over pastoral resources. Hydrological issues, such as inadequate water storage and pollution, and governance problems like unclear institutional roles exacerbate these conflicts,

particularly in the Awash and Omo Gibe basins, where major projects threaten traditional livelihoods and environmental stability. In the Abbay, Tekeze, and RVL Basins, conflicts emanated from unregulated abstraction of water for small-scale irrigation, water pollution by large flower companies (RVL) and traditional gold mining (Abbay and Tekeze).

Water infrastructure: extracting, storing, and transporting water for various uses, including water for urban, domestic, industrial, and agricultural purposes requires appropriate water infrastructure systems. These systems, which include dams, reservoirs, water supply networks, treatment plants, dykes, and irrigation projects, provide essential benefits but must operate sustainably to minimize impacts on natural systems. The objectives for basin infrastructure characterization focus on maintaining accurate data, integrating with systems like the Basin Information System (BIS), supporting planning and decision-making, and prioritizing infrastructure upgrades for climate resilience and sustainability. Challenges such as climate change, aging infrastructure, financial constraints, rapid urbanization, and inadequate maintenance impact water infrastructure. Strategies recommended to address these challenges include investing in and maintaining infrastructure, adopting integrated water management, promoting water conservation, designing for resilience, implementing nature-based solutions, exploring decentralized systems, utilizing smart technologies, raising public awareness, and enhancing policy and governance. These efforts can improve the effectiveness, resilience, and sustainability of water infrastructure systems, ensuring they meet the growing demands and support better water resource management.

Water-Sensitive Urban Planning (WSUP): The BRIGHT project aspires to introduce means of integrating WSUP within urban development plans to address the escalating challenges of water scarcity, pollution, flooding, and outdated infrastructure r. Finding of baseline assessments indicate that cities like Modjo and Shire-Indasellasie face severe water-related challenges due to industrial activity, pollution, and over abstraction, bolstering problems that relate to water security and environmental health. Arba Minch in the RVL Basin is faced with unsustainable extraction and poor infrastructure, while Bonga in the Omo Gibe Basin faces pollution and inadequate systems. Debre Birhan's deep well usage in the Abbay basin strains local resources, underlining the importance of sustainable water management practices, which can be possible through IWRM.

Integrating WSUP into urban planning enhances water quality, reduces pollution, and ensures a stable water supply. Furthermore, the introduction of decentralized solutions, green infrastructure, and sustainable practices through WSUP can significantly improve water security and resilience in these urban areas. The BRIGHT project follows a phased approach that ranges from analysing pilot results to nationwide dissemination of WSUP guidelines. By learning from global best practices, such as those in Australia, the Netherlands, and Singapore, Ethiopia's strategic policy frameworks are aligned with WSUP principles. The BRIGHT project can promote sustainable water management, climate adaptation, and inclusive development, ensuring a water-sensitive future for Ethiopia's emerging cities.

Socio-economics: For IWRM projects like BRIGHT, socio-economic data are crucial for aligning activities so as to increase 'the benefits of the present population without threatening the well-being of the future generations'. According to projections based on the 2007 Census results, the demographic profile of the Ethiopian population shows that 45% of the population is under 15 years of age, with 52% of the labour force being in the15-65 age category and slightly more females than males in the active age group. More recent projections reveal an increasingly youthful population. This highlights the need to align water resource management with evolving needs of the rapidly increasing population.

Asset ownership varies across basins, with the Awash Basin having the highest (7.1 items) and the RVL Basin the lowest (4.4 items) average asset ownership. Asset distribution is skewed, particularly in the Awash Basin, which also exhibits significant asset inequality. Food insecurity affects 20.5% of the households on average, the highest prevalence (36%) being in the RVL Basin and the lowest (14.8%) in the Abbay Basin. Food insecurity is often related to reliance on less preferred foods and seasonal patterns, with differing patterns across basins. Dietary diversity is high in the Awash Basin; but generally low for items like fish and meat. Agricultural livelihoods are divided into crop production, livestock production, and mixed systems. The Awash Basin shows a high focus on livestock, reflecting pastoralist communities, while larger proportions of the populations in the other basins pursue more mixed crop-livestock systems. Averages Livestock ownership, measured in terms of Tropical Livestock Units vary in Awash and RVL Basin, with significant inequality (Gini coefficients from 0.7 to 0.9). Households diversify income through off-farm work, cash transfers, and rental income. The Abbay Basin leads in cash transfers, while the Awash Basin has the highest rental income. These alternative sources are vital for managing economic risks. Levels of access to social services vary across the five basins:

- ***Extension services*****:** Access ranges from 30.3% in the Awash Basin to 60.8% in the Abbay Basin; hindered by awareness and financial constraints.
- ***Agricultural Inputs*****:** Fertilizer use varies widely, from 26.1% in Awash Basin to 70.4% in Abbay, affected by credit and market issues.
- ***Domestic Water Supply*****:** Overall access to piped water is 60.3%, with urban areas at 94.1% and rural at 42.6%. Awash basin has the highest access (80%), while access level is below 70% for the other basins. Rural areas rely heavily on less reliable sources.
- ***Water Treatment*****:** Only 8.8% of the households treat their water, with very low rates in Omo Gibe and RVL, indicating a need for better treatment options.
- ***Water Sources for Livestock*****:** Rivers and springs are primary sources of water in Omo Gibe and Abbay basins. Payment for livestock watering is practiced in some areas, especially where water sources are privately owned.
- ***Fuel Energy Sources*****:** Firewood is the dominant energy source in rural areas (about 90%), while urban areas use a mix of firewood, charcoal, and non-woody sources like hydro and solar power, particularly in Awash and Tekeze basins. The reliance on firewood poses

environmental challenges, necessitating a shift to sustainable energy practices. These findings emphasise the need to address economic disparities, improve service access, and adopt sustainable practices for enhancing resilience and development in the project basins. These in turn improve water resource management.

Gender Analysis and Social Inclusion: In Ethiopia, gender discrimination, entrenched in socio-cultural norms, places women in subordinate roles and limits their access to resources, exacerbating inequalities in climate adaptation and water crises. The UN recognises access to safe water as a human right and the Ethiopian Water Sector Strategy focuses on gender mainstreaming; gender disparities persist though. The BRIGHT project aims to improve IWRM across the Abbay, Awash, Omo Gibe, RVL, and Tekeze basins through a gender-inclusive approach. This gender assessment revealed significant gaps, such as disparities in dual farm holdings, restricted land improvement rights, and substantial income differences, with women often earning less income and spending more time on unpaid tasks like water collection. Limited female participation in agricultural water management and decision-making, along with economic constraints faced by female-headed households, necessitate targeted interventions. To address these issues, the BRIGHT project shall involve all stakeholders and focus on enhancing women's roles and addressing systemic barriers to ensuring equitable and sustainable access to and use and management of resources.

Institutional analysis: The success of development programs in Ethiopia's water sector hinges on effective institutional frameworks, including their presence, dissemination, implementation, and timely monitoring and evaluation. Historically, Ethiopia's water sector has evolved from a Department to a Ministry, with substantial representation and human capital at various administrative levels. The sector benefits from a robust legal framework, including the FDRE Constitution, and is supported by numerous partners and stakeholders.

However, gaps remain, such as inadequate stakeholder participation in policy design, insufficient operational guidelines, and limited public awareness. Horizontal integration is hampered by organizational incongruence and lack of coordination mechanisms. Frequent institutional restructuring and conflicts further destabilize the sector and minimise effectiveness of efforts. The BRIGHT Project aims to address these issues through key undertakings, including policy review, strengthening governance, and enhancing law enforcement capacities. Recommendations for improvement include doing detailed content analysis of legal documents to identify and fill gaps, supporting basin plan preparation and revision , establishment of new basin administration offices, and development of subsidiary laws and guidelines. Additionally, integrating customary laws with formal frameworks and popularizing policies to boost public engagement are crucial for advancing sustainable water resource management.

Capacity development: Ethiopia's water resource management requires capacity development in legal frameworks, institutions and structures, human resources, information systems, and data infrastructure. The baseline situation assessment identified significant gaps in human capacity,

particularly in training and awareness, as well as deficiencies in facility such as hydrometric monitoring networks. To address these, recommendations include targeted training programs, the development of operational guidelines, improved data management and information sharing systems, and the expansion and upgrading of hydrometric stations. There are areas in which the key sectors need staff to be trained at post-graduate level. Working manuals are required on many outstanding issues. Developing the infrastructural, technical, technological and logistical capacities of the MoWE, BoWEs and BAOs was vividly justified. The BRIGHT project is well-positioned to support these efforts, and thereby enhance Ethiopia's capacity for realising sustainable water management.

Stakeholder analysis and engagement: Effective implementation of the BRIGHT Project and the creation of sense of ownership among the beneficiaries hinges on robust stakeholder engagement, which involves identifying and mapping stakeholders, their expectations and roles. Different types of stakeholders and their roles were identified through a comprehensive stakeholder assessment and, engagement strategy was developed. The strategy outlines engagement levels (vital, necessary, good, and courtesy) and methods for each stakeholder, detailing actions for involvement, communication, and evaluation throughout the project's lifecycle. The strategy is expected to facilitate effective linkages, collaboration, and partnerships among the different actors, thereby maximizing of success the project

The reports are available at the following links:

- Land and Biodiversity: https://wlrc-eth.org/wp-content/uploads/2024/09/ Biodiversity-Baseline-Situations.pdf
- Soils Assessment Report at: https://wlrc-eth.org/wp-content/uploads/2024/09/Soils-Baseline- Situations.pdf
- Water Resources Assessment Report. at https://wlrc-eth.org/wp-content/uploads/2024/09/Water-Resources-Baseline-Situations-in-the-Five-Basins.pdf.
- Surface Water Assessment Report at: https://wlrc-eth.org/wp-content/uploads/2024/09/Surface-Water-Resources-baseline-situations.pdf.
- Ground Water Assessment Report at: https://wlrc-eth.org/wp-content/uploads/2024/09/Groundwater-Resources-Baseline-Situations.pdf).
- Water Quality Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Water-Quality-Situations-in-the- Five-Basins.pdf
- Wetlands and Aquatic Resources Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Wetlands-and-Aquatic-Resources-Baseline-situations.pdf
- Climate Assessment Report: https:// wlrc-eth.org/wp-content/uploads/2024/09/Climate-Baseline-Situations.pdf

- Demographics and Livelihoods Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Demographics-and-Livelihoods-Baseline- Situations-of-the-Five-Basins.pdf
- Gender and social Inclusion Assessment Report: https://wlrc-eth. org/wp-content/uploads/2024/09/Gender-Baseline-Situations.pdf.
- Water Resource Management Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Water-Resource- Management-Baseline-Situations.pdf
- Water Use Related Conflict Assessment Report: https://wlrc- eth.org/wp-content/uploads/2024/09/Water-Resource-Use-Conflict-Baseline-Situations.pdf
- Water Infrastructure Assessment Report 3.5: https://wlrc-eth.org/wp-content/uploads/2024/09/Water-Infrastructure-Baseline-Situations. pdf
- Water-sensitive Urban Planning Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Water-Sensitive-Urban-Planning.pdf
- Institutional Analysis Report: https://wlrc-eth.org/wp-content/ uploads/2024/09/Institutional-Analysis.pdf
- Institutional Capacity and Needs Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Institutional-Capacity-Assessment.pdf.
- Stakeholder Analysis and Engagement Strategy Assessment Report: https://wlrc-eth.org/wp-content/uploads/2024/09/Stakeholders-and-Stakeholder-Engagement- Strategy.pdf.

Key findings of these assessments informed the revision of the Project Proposal and this Revised Project document is available at: https://wlrc-eth.org/projects/bright/bright-project-revised-proposal/. Also the 2025 Annual Plan was prepared based on the findings of the assessment reports. The Plan is available at: https://wlrc-eth.org/projects/bright/bright-project-Annual-Plan-2025/.

Project Implementation, Monitoring and Evaluation, Communications

To ensure a successful implementation and management of the project, a Project Implementation Manual (PIM) is prepared to guide implementation of the project along the postulated theory of change. That is believed to increase successes and impacts of the project. Monitoring, Evaluation, Learning and Adaptation (MELA) strategy has been designed to facilitate joint planning, joint implementation, monitoring, learning and adaptation by the main actors, partners and stakeholders of the project. Programmatic communication is to be guided by a Project Communications Strategy and the computerized Project and Operations Management System (POMS) designed

for the project. A database and website (https://bright. wlrc-eth.org/ are designated for the project to facilitate data repository, access and sharing.

Assumptions and Risks: The project draws important assumptions, risks and opportunities together with risk aversion strategies. Conflict sensitivity analysis is proposed to be done in selected areas and security audit was done regularly. Thus far, the situations allowed a successful conduct of the Inception Phase activities.

3. Revisions Made to the BRIGHT Project Proposal

Results of the assessments showed that the BRIGHT Project is a well-thought of initiative with appropriate goal and objectives, work packages and activities. The findings of the assessments confirmed three important points about the BRIGHT project:

- the work packages and activities are also well framed and the core activities identified in the proposal with associated results and outcome indicators have captured the outstanding problems on the ground;
- the project proposal is in fact a well thought of initiative with proper goal and objectives; and
- it is well focused on key strategic challenges of water resource management in the project areas.

Drawing on the findings of the baseline assessment, some of those activities were refined and elaborated and other pertinent key activities were captured. Cross-cutting issues like gender, environment, climate, and conflict sensitivity analysis were taken into account. The key activities were indicated in a Gannt chart which included columns for the required budget, intended outcomes, KPIs, basic assumptions and means of verification. The key activities, objectives, output and outcome indicators, performance measures, risks and assumptions are constituted into a Logical Framework.

Accordingly, in revising the Project proposal, WLRC:

- Refined the wording of the project title from "Basin Development Support for Resilient, Inclusive Growth and Harmonized Transformation in the water sector of Ethiopia (BRIGHT)" to "BASIN Management Support for Resilient, Inclusive Growth and Harmonized Transformation for the National IWRMP of Ethiopia (BRIGHT)";
- Added brief description of the project basins with maps in the background section of the proposal;
- Included a problem analysis and justification for each work package and sub-work package of the project;
- Sharpened the wording of the impact statements;
- added SWP5.2 is a new addition;
- reframed WP6 from "Establish climate-smart IWRM learning watersheds in the target basins" to "Support establishment of IWRM learning sub-basins in the target basins to demonstrate effective implementation of Basin Management Plans"; captured gender and social inclusivity as one of the high-impact priority projects; refined activities of high impact priority projects such as water tariff and water permit, wetlands and other; determined and assigned baselines to the output and outcome indicators; articulated risk assessment and mitigation measures; refined the activity framing for better clarity; included some specific activities and tasks under some of the generically framed big activities; those include conflict sensitivity assessment

and undertaking content analysis of selected key water laws and policy and proclamations; made internal (or within core activity) adjustments to the distribution of budget (less than 25%) to focus more on hardware or practical interventions that can allow to visualise impact of the project. Accordingly, budget volume for WP3 was reduced and the amounts for WP5 and WP6 increased. Infrastructural and logistical capacity development plans were qualified to avail:

  - Data capturing instruments (computers, data loggers, tablets, river discharge measuring instrument, ground water level sensors, deep meters, current meters, sediment sampler, automatic hydro-meteorological station, water quality measuring devices, analysis software);
  - Water laboratory facilities (with important equipment, consumables, accessories, technical backstopping and training; maintenance) and support high tech water labs in securing accreditation and certification (e.g., Abbay Basin);
  - Rehabilitating important hydro-sediment monitoring stations with modern instruments, and field transport (vehicles and motorcycle);
  - Expected outputs and explanations were sharpened and elaborated for many of the SWP;

- Based on the identification of stakeholders, 'Supporting the explicit integration of gender and youth (social inclusivity) across all IWRM-related interventions' was captured as a fifth (V) high impact project under SWP 5.
- A gender integration strategy was identified as a deliverable;
- The objectives, expected outputs, deliverables of SWPs, activities and explanations under this WP are changed accordingly.
- intended mechanisms to monitor and evaluate the advancement of the action were elaborated and refocused in ways that respond to the revised activities and outputs/deliverables; for example, Gender Monitoring, Stocktaking and Generation of Knowledge (SGK), Basin Information System (BIS), and Mid-Term Review (MTR) and End-Term Evaluation (ETE): are considered as M&E mechanisms.
- Risk assessment and Mitigation strategies, Logical framework, activities, etc were refocused in light of these updates;
- Besides ensuring the appropriateness of the Project's Governance and Management structure at the higher level, also technical and operational arrangements and relationships were clearly laid down;
- The staffing requirements of the project and the job titles were fully determined and job descriptions prepared;
- Relationships between and among the WPs and SWPs were articulated and graphically illustrated to ensure complementarity and alignment while avoiding overlaps and redundancies of effort. (see Figs. 8 – 11).

In sum, the Baseline assessment findings were important in informing also the other activities of the project during the Inception phase. The MELA Framework, Communication Strategy, Project Finance Management Protocol, and even the Project Implementation manual are informed by the findings and recommendations of the assessments. For further details, the Revised Project Proposal is available at: https://wlrc-eth.org/projects/bright/bright-project-revised-proposal/.

The relationships between and among WPs SWPs were also clearly understood and illustrated in Figs 8 – 11.

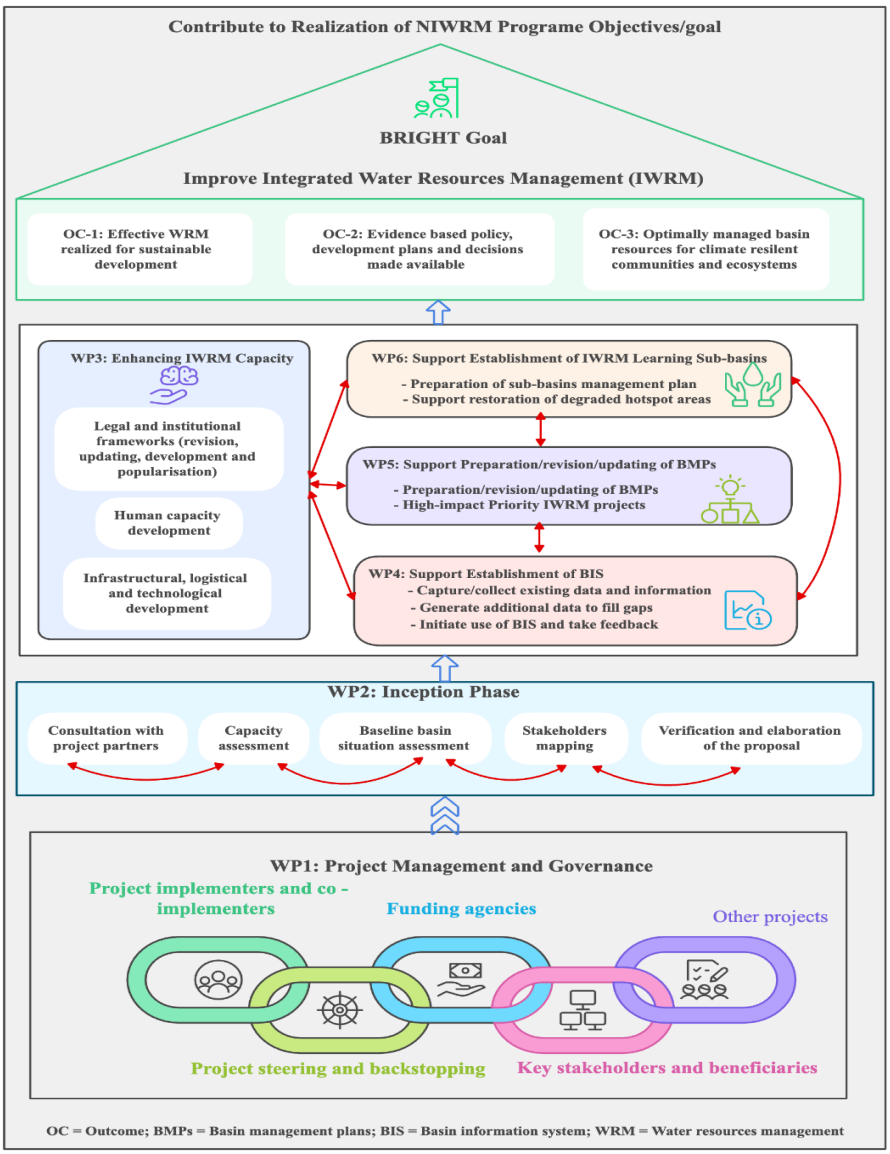

Fig. 8. Relationships among the BRIGHT Project Work Packages

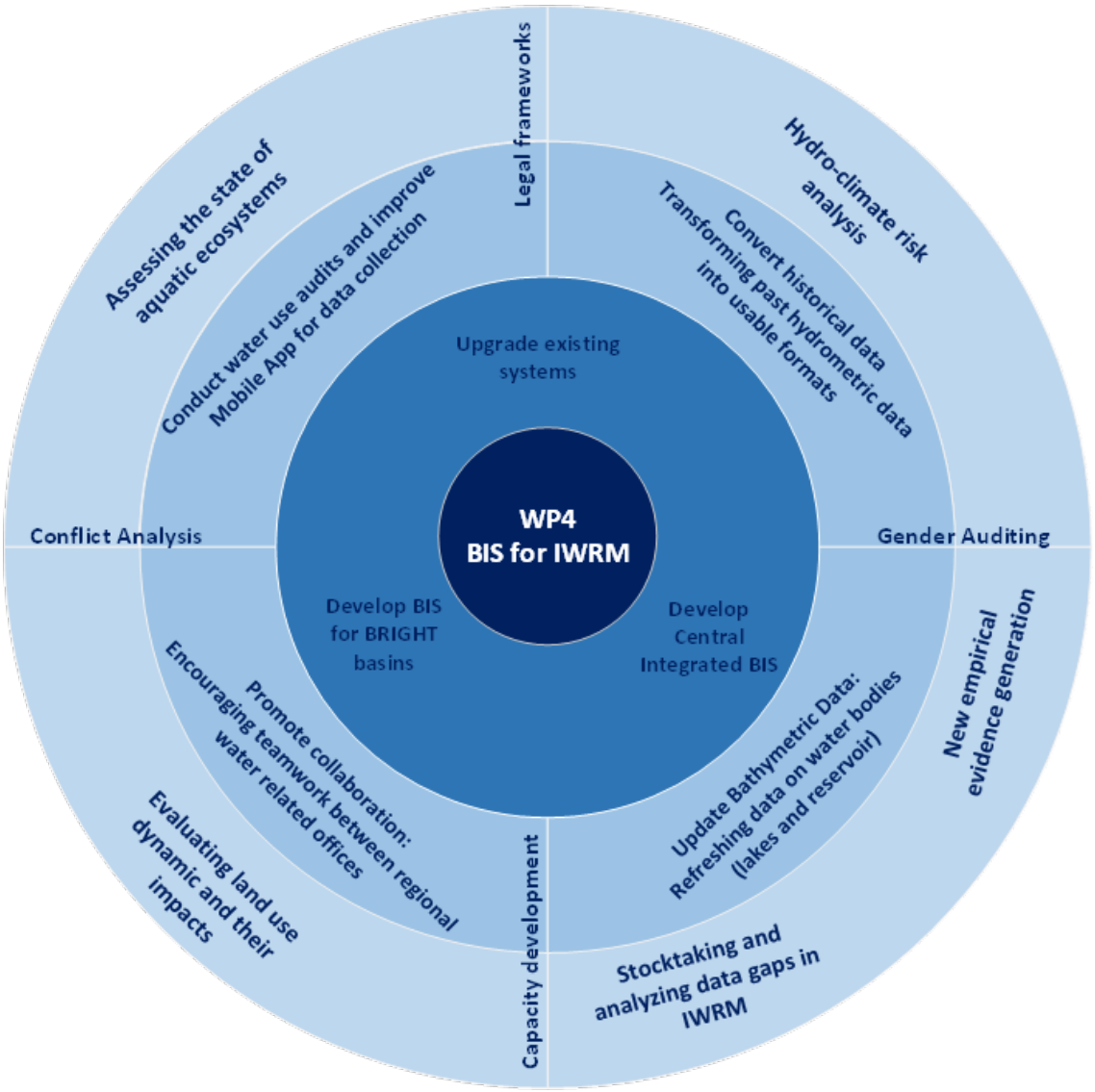

Fig. 9. WP4 (BIS establishment) as it relates to the other WPs of the BRIGHT project

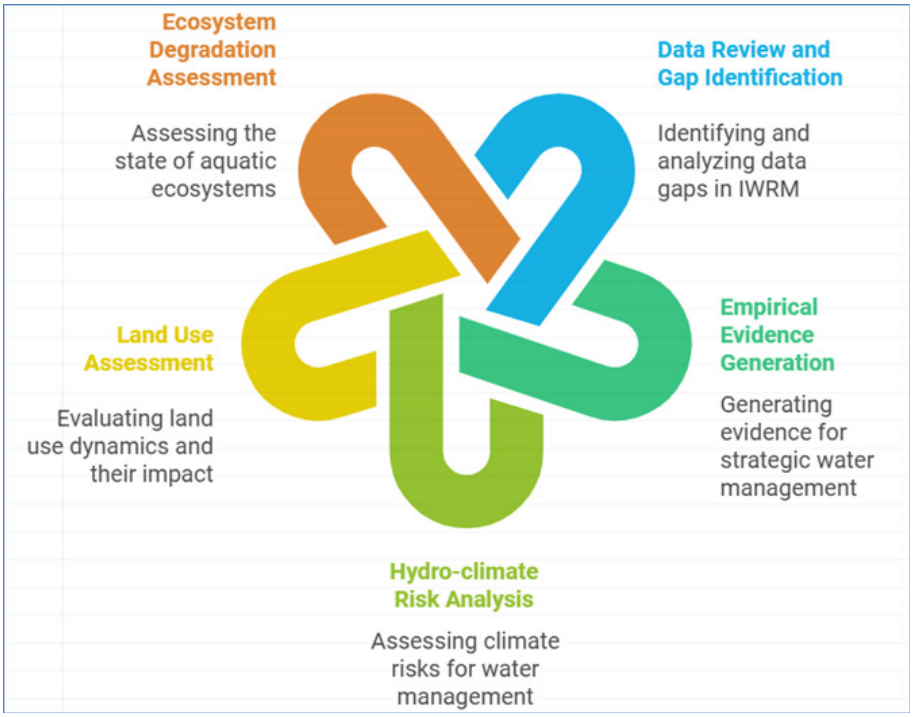

Fig. 10. Schema of key steps and interactions in establishing the BIS

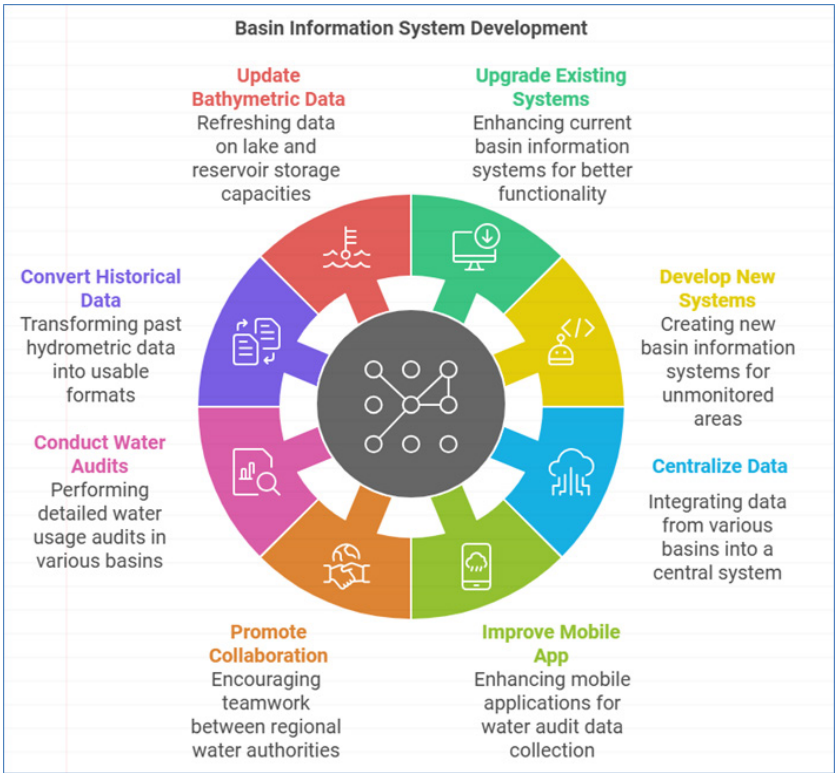

Fig. 11. Key Procedures and Mechanisms of establishing BIS

4. Foundations to Institutionalise and Operationalise the Project

A lot was done to institutionalise and operationalise the project. Those actions include preparing framework documents, staff mobilisation, workshops and meetings.

4.1. Strategies and Framework Documents Prepared

4.1.1. Project Implementation Manual

A project implementation manual (PIM) detailing all scenarios, strategies, protocols, methods and the key actions needed to realise the desired goals of the project has been prepared. The PIM spells out the actions, opportunities and challenges, as well as assumptions, risks and mitigation strategies, including conflict and climate sensitivity analyses (See Annex 5: https://wlrc-eth.org/wp-content/uploads/2024/09/Project- Implementation-Manual-PIM.pdf.

4.1.2. Stakeholder Mapping and Engagement Strategies

The degree of stakeholder engagement is one of the important determinants of project success and sustainability of its outcomes. For the BRIGHT Project, therefore, the different levels of stakeholders were identified together with their expected roles and engagements. That has been captured in a separate Stakeholder Mapping and Engagement Strategy. Refer Annex 4.3: https://wlrc-eth.org/wp-content/uploads/2024/09/Stakeholders-and-Stakeholder-Engagement- Strategy.pdf.

4.1.3. Monitoring, Evaluation, Learning and Adaptation (MELA)

The BRIGHT Project will utilize a comprehensive Monitoring, Evaluation, Learning, and Adaptation (MELA –Framework), supported by an automated tool from the inception phase through project completion. This system includes scientific monitoring to assess hydrology, climate, and soil data for timely adjustments.

The MELA Mechanisms facilitate joint planning, joint implementation, and joint M & E of the project activities. WLRC, MoWE BAOs, BoWEs, and other partners will engage stakeholders in a bottom-up planning approach, ensuring inclusive participation and bi-annual reviews of annual plans. Implementation will be coordinated by WLRC and MoWE, with strong community involvement. The MELA unit, supported by WLRC and MoWE, will oversee monitoring and evaluation activities. Monitoring will occur monthly at the community level, quarterly at the basin and project levels, bi-annually for progress reviews, and annually for performance evaluations. Progress with the project activities will be documented through the automated WLRC POMS. That information and data will serve as good evidence informing the initiation of appropriate actions.

The **Monitoring Tools will** include:

- Field visits and direct observations in the project sites;
- Discussions with claimants, Water Users Associations, WASHCOs, and stakeholders;
- **Back to Office Reports (BTOs):** Summarize activities and action points from fieldwork.
- **Process Monitoring using checklists:** Evaluate and provide feedback on watershed workers' performance.
- **Supportive Supervision:** Mentoring of community workers to enhance performance.
- **Outcome Tracking Tool:** Assess community acceptance and resistance through dialogues.
- **Stakeholders' Feedback:** Collect feedback via meetings and discussions to address issues.
- **Evaluative Assessments and Surveys:** Measure the effectiveness of capacity-building and identify barriers to behaviour change.

Evaluation is crucial for understanding the BRIGHT Project's achievements and impacts, providing evidence for performance, and guiding future strategic decisions for the IWRM program. The evaluation process happens at planning, preparation, implementation, and follow-up stages. Focus on process evaluation will take us to better outputs and outcome.

BRIGHT Project Learning & Adaptation Tools: Learning activities are integral for adapting and improving project implementation.

Processes, outputs, and outcomes of key actions will be monitored and evaluated at important stages. The MELA plan will be regularly updated and shared with all team members and partners, ensuring effective project management and adaptation.

4.1.4. Communication and Outreach Strategy

Effective communication is a cornerstone of successful project management, particularly for broad initiatives like the BRIGHT Project. The Strategy is vital in guiding efforts to: inform and engage partners and stakeholders; promote outreach and networking, enhance participation and ownership needed for ensuring sustainability.

WLRC designed "BRIGHT Project Communication and Outreach Strategy" by first analysing the contexts: internal, external, political, security, social, economic, technical, technological/facility and infrastructure, media landscape, etc an d by identifying, classifying, and understanding stakeholders, their information needs, and their capacity to influence project outcomes. Stakeholders' communication needs vary significantly. Some need periodic updates on progress, milestones, and decisions, while others require detailed and frequent information due to their direct involvement in the project.

Accordingly, the Strategy presupposes to use the following Communication and Outreach mechanisms:

- **Mainstream print and electronic media** outlets such as newspapers, newsletters, posters, brochures, research reports, scientific publications, policy briefs, info-graphs, TV documentaries, short videos, etc.
- **Workshops at different scales:** Those include Inception and Project kick off workshops, basin-level project launch workshops, consultation workshops, joint planning and review workshops, dissemination workshops, with participants/audiences coming from different project intervention areas, development partners, government offices, etc..
- **Project Website** - a professionally designed website is prepared for the BRIGHT Project. This will be the primary communication, dissemination, and visibility platform for all project partners and stakeholders. It is linked to the main WLRC Home website and other partners' websites.
- **Social Media -** (e.g. Facebook, X, YouTube, LinkedIn, etc.,) – A Communication and Networking Officer is employed with responsibilities to collect design, and disseminate information using social media channels.
- **Media tours** – Journalists from different media institutions will be taken to intervention sites and supported to prepare documentary videos to be aired on TV and radio. The message will be promoted widely
- **Artistic works** –where required, BRIGHT may mobilise appropriate artists to produce artistic products on the broader IWRM and broadcast them in the media. The audience will be a wider community with TV and Radio access, and the message will be promoting water stewardship.
- **Field days and visits** – In order to showcase best management practices on water and related resources, field days will be organized for communities, experts and policy and decision-makers in the WRM sub-sector.
- **Other avenues** – for instance, GOs, NGOs, and DPs taking part in the project will be encouraged to link BRIGHT websites to their website.

The BRIGHT Project's Communication and Outreach Strategy will be kept dynamic and responsive to both internal and external factors. , ensuring that all stakeholders are well-informed about the project's benefits and progress, promoting cross-sectoral integration, fostering collective planning, facilitating stakeholder engagement, and highlighting successful practices for replication.

4.1.5. Project Finance Management Protocol

The activities of the BRIGHT Project involve the participation of multiple actors and stakeholders, including implementers of sub-projects at sub-watershed level. That means the flow of finance and financial accounts from and to the main Project Administration and Management Office at WLRC requires careful and serious management. Aware of this, WLRC has prepared Project Finance Management Protocol, which helps to ensure compliance to the EKN and EU Guidelines.
4.2. High Level Meetings, Strategic Networking, and MoUs Signed.

4.2. Project Staff Mobilisation

Once the Senior management of WLRC together with MoWE and EKN laid out the Management and Governance Setup of the project (WP1 of the project), the WLRC Senior Management Team worked out the Inception Activity Plan and the staffing need for the project. They identified that the BRIGHT Project activities require the following staffs: Project Manager, Assistant Project and Partnerships Manager, Project Coordination Unit Coordinator (federal level at MoWE), Basin-level Project Coordinators – one for each basin, Senior Programmer/Information Systems Engineer. GIS & RS (Geo-Spatial Analysts), Water Management Specialist, Water Governance, Specialist, Institution Analyst, Water Quality Specialist, Conflict Analysis Specialist, Hydrologist, Climate Specialist/Climatologist, WSUP Specialist, Gender and Social Inclusion Specialist, MELA Officer, Communications and Networking Officer, Finance Officer, Senior Procurement Officer. Fortunately, two previous projects, namely GCRF and REACH, were in their final months. That offered a golden opportunity for the to mobilise capable staff into the BRIGHT project. On top of these, the WLRC Division Directors, Unit Heads and staff spent substantial portion of their time on BRIGHT Project activities.

Job descriptions (JDs) and Terms of reference (ToRs) were prepared and given for those staff. The fact that it mobilised most of the senior technical staff from those phasing-out projects to the BRIGHT offered a good opportunity of doing the Inception activities in good time and very well. Staff sensitisation about the project didn't take much time and many of the preparatory activities were completed even before Dec 2024.

4.3. Consultation Meetings and Signing of MoUs and Agreements

Between Nov. 2023 (the time the project was approved) and end of December 2024, a number of high -level stakeholder consultation meetings, project kick off, joint planning and action workshops were organised by WLRC and MoWE and conducted with partners and stakeholders.

Those meetings deliberated mainly on laying out the Project governance and Management Set up, identifying members and establishing Project Steering Committees (Federal and Basin level), and Project Implementation Technical Backstopping Groups (TBGs). Accordingly, the governance and management set up of the project was formulated with four tiers (see Section 2.2.1 of this Report).

Especially consultation meetings with MoWE have been so frequent as the two are the lead implementers of the project. MoWE also organised lots of consultation and alignment meetings with other related projects like BASRiNET, MoWE itself and other projects.

Memoranda of Understanding (MoU) were prepared and signed forging partners' commitment to co-implement and collaborate in the project undertakings. The MoU signed among EKN, WLRC, MoWE and MoF establishes an agreement for collaboration for a successful pursuit of the project; other MoUs foresee/forge seamless collaborations among the key actors. And the MoU between MoWE and WLRC establishes an Operation Agreement for BRIGHT.

Beyond MoUs, WLRC also entered binding affiliation and service agreements with MoWE and IHE Delft Institute. The one entered with MoWE emphasizes successful joint implementation of BRIGHT, but not limited to BRIGHT. The Service Delivery Agreement entered between WLRC and the IHE Delft Institute for Water Education establishes terms and conditions for WLRC and IHE to teach 25 students at MSc level on Basin Planning, focusing on Basin Plan Preparation. MoWE and WLRC also had their views and comments into the custom-made MSc curriculum those trainees were admitted to. Then, around May 2024, the trainees were recruited competitively from among the MoWE and BAOs staffs. *Inductive and Evaluative Summit held with the the EU Financial Controllers Delegation and BRIGHT Project focal persons from the Embassy of the Kingdom of the Netherlands (EKN)* Addis Ababa: This important meeting was held November 27, 2024 at the WLRC Meeting Hall, aimed to assess progress made and challenges faced in the Inception Phase of the BRIGHT project activities, and the ways forward, focusing on the need to adhere with provisions of the EU Financial Management Regulations. ***Internal progress review meetings:*** Frequent internal progress review meetings were held within WLRC starting from the times of identifying and planning the inception activities, preparation of job descriptions and terms of references, preparation of framework documents, preparation of data collection tools. These helped to ensure tasks were moving per schedule and properly. Also, the level of preparations for the stakeholder consultation and activity alignment workshops were reviewed a week before each big workshop. The necessary internal monitoring was made this way.

Debriefing meetings: Again, to consolidate lessons for action, day-long debriefing meetings were held at the end of the data collection, and immediately after the three stakeholder consultation workshops and after the joint Planning and ToJE endorsement thematic workshops. All the progress review and debriefing meetings were attended by all the concerned technical staff and led by the Director General and the Deputy Director for Programs.

4.4. Workshops Conducted

BRIGHT and BaSRINET Projects Joint Kick Off Workshop: MoWE organised a joint launching workshop whence it announced the start of these IWRM-focused Projects on March 1, 2024.T the FDRE MoWE, WLRC, and the Italian Agency for Development Cooperation (AICS) jointly organised the event at Hyatt Regency Hotel, Addis Ababa. Participants were 80 high-level officials and senior specialists in the sector, including Ministers, Ambassadors, and Heads of organisations.

Stakeholders Consultation Workshop: A three-day workshop, *Stakeholders consultation,* was held April 15 -17, 2024 at Haile Grand Hotel, Addis Ababa. In this workshop, preliminary findings were presented and a wealth of further qualitative data was gathered from the over 110 participants who, in addition to plenary discussions on the findings, were assigned to eight focus groups and discussed on selected points. The group discussion results were presented to and validated at a plenary. Then, another round of FGD was conducted on other outstanding issues and the results were again presented and validated at a plenary. The data was used in the situation assessments.

Basins Situation Assessment Preliminary Findings Presentation andActivity Alignment Workshop was held 1 - 2 July 2024, in Addis Ababa.. Around 105 participants took part in this workshop. Findings of the baseline assessments were presented and validated with some suggested improvements in interpretation and recommendations of some of the thematic lines. Criteria for selecting hotspot sub-basins whereat BRIGHT will demonstrate the full-scale implementation of sub-basin plans were set and the workshop participants suggested candidate sites after intensive group discussions by basin.

Synthesising the Baseline Assessment Reports and Revising the Project Proposal: two teams of 10 senior staff in total had a retreat where one of the groups revised the proposal per the key findings and recommendations from the assessments while another group synthesised the 14 thematic assessment reports that amount over 1300pp.Early September 2024, the Revised proposal and Inception Report were presented to the EKN in Addis Ababa. The EKN representative team accepted the two documents with comments.

BRIGHT Project 2025 Annual plan Co-Planning and Team Building Workshop, November 25-27, 2024, Haile Grand, Addis Ababa: Key findings and recommendations of the BRIGHT Project and the Activity Plans for December 2024 and Annual Plans for 2025 were presented to the 115 participants. The stakeholders and partners affirmed their commitment to co-implement the BRIGHT project co-planned activities, and presented the group reports in the plenary.

Joint Co-Planning Workshops held during the last two weeks of Dec. 2024 in 10 thematic areas. The workshop participants formed task groups along their respective thematic groups and refined the draft planned activities for Dec 2024 and 2025, ensuring alignment with their sectoral plans for the period. Those were: 1)Water Sensitive Urban Planning (WSUP) Thematic Area; 2) Basin Management Plan (BMP) Preparation Thematic Area; 3) Aquatic Ecosystem Health; 4) Surface Water Adama Hill Hotel; 5) Water Use Conflict Analysis; 6) Groundwater Thematic Area; 7) Water Permit, Tariff and Use Thematic Area; 8) Climate Thematic Area; 9) Gender and Social Inclusion Thematic Area,; and 10) Human and Institutional Capacity Development Team. A total of 194 participants took part in these workshops. Among the attendees, 30 (15%) were women. Given the fact that the proportion of professional women at higher positions of WRM is already low, this representation of women signifies WLRC's efforts to promote gender inclusion. The thematic groups drew joint action plans for 2025, divided roles, and drew Terms of Joint Engagement (ToJE). Following that, the WLRC Senior leadership held a day-long internal debriefing meeting with the thematic leaders, declared the end of the Inception Phase, and required all the staff to accelerate actions on the ground.

5. Financial Report Jan 1, 2024 - December 31, 2024

WLRC received €10,098,495.00 from the Ministry of Foreign Trade and Development Cooperation of the Netherlands Government in three instalments. The first two instalments amounting €3,767,570 were transferred at the end of 2023 to be used for the Inception Phase activities in 2024. The third transfer amounting €6,330,625 was received in late 2024 to be used for the implementation of project activities in 2025. On top of these, WLRC gained €3,119,857.08 from Exchange Rate differences following the devaluation of the Ethiopian Birr by more than 100% since July 2024. The gain in ETB was converted to Euro using the monthly InforEuro exchange rates. This made the total income within the reporting period €13,218,352.08. Out of this amount, total expenditure was €1,311,388.80 which makes 50.29% of usage from the adjusted Inception Phase budget. (see Table 1 for the details).

Table 1: Summary of income and expenditure for the reporting period

Income	**Euro Plan**	**Euro Actual**	**Remarks**
From Ministry of Foreign Trade & Development Cooperation, The Netherlands			
Nov. 24, 2023	2,690,127	2,690,127.00	Contribution of the Ministry
Dec. 28, 2023	1,077,443	1,077,443.00	Contribution of EU
Sub-Total	**3,767,570.00**	**3,767,570.00**	For Inception Phase, 2024
Dec. 5, 2024	0	6,330,625.00	Contribution of the Ministry for implementation phase in 2025
Total	**3,767,570**	**10,098,195.00**	
Currency Exchange Gain		3,119,857.08	
Grand Total Income		**13,218,352.08**	
Plans and Expenditure	**Plans**	**Expenditures**	
Management and coordination of the actions	715,554	344,464.44	Includes staff salary
Inception phase	592,000	186,484.36	
Enhancing IWRM capacity	786,500	747,650.90	
Support for development of basin information system	23,490	560.12	
Other Direct Operation Costs	203,500	11,732.21	
Contingency	116,052	0	
Overhead	170,597	20,496.77	
Total	**2,607,693**	**1,311,388.80***	**50.29% of the adjusted plan**
Fund Balance, Dec 31, 2024		**11,906,963.28**	

*Project Administration and Management activities and establishment and launching of Basin level coordination offices were carried out to 2025, with their budget.

The expenditure was small compared to the income. That was mainly because:

- Project Administration and Management activities and establishment and launching of Basin level coordination offices were carried out to 2025, with their budget.
- Salaries of most of the senior staffs (thematic leaders and experts) who were dually engaged in the BRIGHT project were paid from other funding sources of WLRC, which is part of its matching fund for BRIGHT;
- Employment of staff on some senior positions was not done in 2024 but in 2025;
- Capacity development activities at MoWE and the BAOs were also done in the subsequent period;
- Establishing project coordination offices and launching of the project at basin level were delayed as the staff deployment and cascading of the management setup to basins and sub-basins required extensive consultations with the Ministry and BAOs;
- For salary payments from October to December 2024, WLRC used fixed exchange rate which was less than the actual rate until we recently figure out the InforEuro exchange rate is the best way to deal with currency exchange fluctuation;
- The devaluation of the Birr in relation to the Euro led to unexpected gains from the widening exchange rate differences; and
- WLRC made effective use of spatial data collection techniques (GIS, RS, the Internet), stakeholder consultation workshops and extensive document reviews to collect data needed for the baseline situation assessments and that was done with much less expense than planned. Getting over 110 data source experts together for a three-day workshop was found both cost-effective and the best way to get high-quality data that was cross-checked and cross-validated on the spot as those experts and officials were engaged in rounds of focus group and plenary discussions on issues of interest. Field engagements were thus short confirmatory/ triangulation reconnaissance visits.

Challenges

At the end of July 2024, the Government devalued the ETB by more than 100%. Since July 2024 (the devaluation of the Birr in relation to the Euro and other currencies), the ETB continued losing its value from day to day as floating exchange rates are applied. This change in financial policy led to continues and unpredictable upsurges in the prices of goods and services, making it very difficult to move with preplanned spending due to the continuous fluctuation and the changing market situation..

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Yeka Sub city, Woreda 09, Lamberet Area

+251-11-661-22-36

3880

info@wlrc-eth.org

https://www.wlrc-eth.org

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