



ETHIOPIA

URBAN DEVELOPMENT FUND INSTITUTIONAL STRENGTHENING PROJECT



Client Ethiopian Ministry of Federal Affairs, Urban Dev., Capacity Building Office / Addis Ababa, Ethiopia

Financing KfW Banking Group (Frankfurt)

Duration of Services 06/2004 – 10/2011

Cost of Implementation 24 Mio EURO

Partners Tropics Consulting Eng.

Scope of Services

On Central Level

- Assistance to Establishment of Urban Development Fund
- Assistance to the PMU of UDF in procurement of local consultancy services and works
- Assistance to Project Preparation, Implementation and Monitoring
- Introduction of a Management Information System (MIS)
- Development of a organisational set-up
- Human Resource Development and Training
- Advice on Operation and Maintenance of Future Infrastructure Facilities
- Training (on the job, in house, outdoor training)
- Supply of goods, equipment and software
- Appraisal of project applications from cities

On Regional Level

- Support of the municipalities in project application
- Support of the municipalities in supervision of local works
- Support of the municipalities in O+M of the future infrastructure
- Support of the municipalities in financial management

Brief Project Description

The overall goal of the programme is to contribute to improved service delivery and infrastructure provision as part of „good governance“ of selected Ethiopian urban self governments. This first programme phase concentrates on setting up the institutional framework for a demand driven and competitive Urban Development Fund (UDF) as „challenge fund“ supporting and strengthening the institutions responsible for infrastructure provision and services delivery in selected regional cities with elected councils in place implementing the main principles of local good governance in accordance to the national strategy.



The Urban Development Fund is being managed according to the KfW disposition fund procedures. The fund management is provided under the UDCBO within the Ministry of Federal Affairs as programme sponsor and as an autonomous office with own juridical status. The programme sponsor is acting as co-ordinator, advisor and supervisor. The UDF is being established as permanent financial resource deposited in a special account.

The establishment of the UDF administration as an autonomous office with own juridical personality required in a first step the creation of a legal framework, which takes into account the specific needs and characteristics applying for a development fund in Ethiopia. This measure was followed by the development of an organisational set-up covering issues such as responsibilities, information flows, operational and financial performance and performance monitoring and evaluation using a Management and Information System as analytical tool to achieve operational targets and including necessary procedures for recruitment of staff.

A second project focus was laid on the support of municipalities for project applications and preparations. The Consultant assisted and advised in establishing requirements and best practises for operation and maintenance for all major types of investment to be financed from UDF. He also advised the regional cities in options to establish full-cost accounting units for revenue generating investments. In this context the Consultant reviewed the O+M procedures in place and eliminated project applications which were technically and financially not sustainable.

Furthermore, a manual was elaborated to facilitate the preparation of design and tender documents. The manual is composed of modules featuring standard designs of certain standard investment project components and possible technical solutions. Finally the Consulting Services comprised the supervision and monitoring of local consultants preparing the design.

Infrastructure Projects realised under the UDF Programme were:

- Solid Waste Management Projects (Dire Dawa, Kombolcha, Mekelle)
- Market Upgrading Projects (Awassa, Bishoftu, Jimma)
- Abattoir projects (Adama, Dilla)
- Gondar liquid waste project
- Bahir Dar Water Drainage project



Bishoftu – Market Place Project