



Tripartite MoU Household Water Treatment and Safe storage 'House Hold Water Treatment and Safe storage HWTS through Utilities' program

This Memorandum of Understanding (MoU) describes the agreed cooperation between Aqua for All, Enjibara Utility and Tulip Addis, to contribute to the goals of GTP2 by supplying Household Water Treatment and Safe Storage (HWTS) devices to households in the service area of Enjibara, The surrounding woredas and nearby towns (all the Awi zone), with a demand for such a solution in a public private partnership mode.

The undersigned

Aqua for All, located on Spaarneplein 2, 2512 VK 's-Gravenhage, The Netherlands, represented by Sjef Ernes, here in after referred to as Aqua for All

And

Enjibara Utility Located at, Enjibara Town (capital of Awi zone), Amhara Region, Ethiopia, represented by Ato Mengistu Teshome General Manager, hereafter referred to as 'the Utility'

And

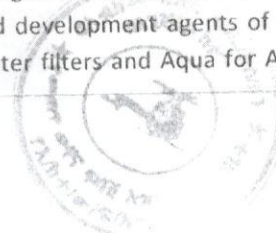
Tulip Addis located in Bole Sub-city, Woreda 8, House Number 307 in front of Civil Service University, Addis Ababa, Ethiopia; Represented by Getaw Mekonnen Cherinet General Manager, here in after referred to as Tulip Addis; have signed the MOU.

Background

Aqua for All and partners in Ethiopia are implementing the 'HWTS through Utilities' approach as follow up of Aqua for All's activities within the Safe Water II program, in 2016-2017 which was a multi-year and multi-country programme aiming at increasing the access to safe water at point of use through different HWTS business approaches. Involving utilities as distribution channel for HWTS is a new concept to increase the access to safe water with a worldwide scaling potential, which was first tried out in Finote Selam, Amhara Region Ethiopia. From 2018 onwards, the approach will be replicated to other towns in Ethiopia and to other countries.

About the 'HWTS though Utilities' approach

This approach started with an 'applied research project' to create evidence on whether and under which conditions, Urban Water Utilities and local government in Ethiopia can play a role in the creation of demand and the distribution and sales of HWTS products to reach the unserved communities. This research was implemented in Finote Selam, and the monitoring of this pilot project was done by Aqua for All, local government authorities and Tulip Addis during the project period. A post-implementation monitoring system will be developed and agreed upon amongst the stakeholders. In this approach water utilities and local government (Mayor, Municipality; Health department; Education department; Water, Irrigation and Energy department, Health Institutions at different levels, Health extension workers and development agents of the Agriculture department) cooperate with private sector suppliers of water filters and Aqua for All as facilitating NGO to find



new ways of demand creation, distribution, payment systems and monitoring, targeting households. Aqua for All will sign a tripartite MoU with Enjibara Utility and each private sector supplier of HWTS to specify and agree on roles and responsibilities of each actor and deliverables within this period this approach is piloted

Goals and ambition

The tri partite collaboration in Enjibara is aiming to explore innovative ways of distribution and sales of HWTS to households to increase access to safe water to the population in urban areas and their surrounding peri-urban and rural communities. It is also meant to validate in how far findings from the Finote Selam pilot are replicable in other towns.

Local government will play a role in creating awareness and utilities will explore mechanisms to make HWTS accessible for all including the poorer households. They will do this by developing payment systems to make HWTS affordable. Suppliers of HWTS will play an active role in establishing sustainable supply chains for their HWTS products and after sales services in urban areas.

The program aims at:

- Triggering households to use HWTS, by introducing physical filters in urban areas, surrounding communities and rural communities, as part of a general ambition to achieve universal access to safe water in 2020 (GTP II) for all people through sustainable supply chains;
- Triggering private sector players to develop a sustainable supply chain with the leadership of utilities and zonal water department as promoters, distributors, after sales service facilitators, technical backs stoppers, regulatory organs and facilitating their premises for sales/after sales services, stock keepers for spare parts, etc;
- Triggering town and rural government health department, municipality, zonal water department, Zonal health department, Health centers and Hospitals (health institutions), Health extension workers, agriculture department, communication department, education department and others to play an important role – in coherence with utilities and private sector players - on demand creation for HWTS and monitoring of correct and continuous use of HWTS products.
- Creating evidence to be shared at national level in the HWTS working group at the Ministry of Health, in order to nurture the national policy and regulations to prioritize HWTS as a contribution to achieve Sustainable Development Goals

Objectives of this tripartite Memorandum of Understanding

To achieve the goals and ambitions of the pilot project, Aqua for All and the Utility of Enjibara and Tulip Addis agree on the following:

- To cooperate in this partnership to achieve the goals of the pilot project
- To ensure availability of the required resources, expert personnel and necessary tools/technologies within the service area of the Utility of Enjibara.
- Have the ambition to continue this approach after the pilot period and explore ways to develop sustainable supply chains for HWTS



- To work together to develop and implement monitoring for learning purposes
- To ensure the supply of enough HWTS products and spare parts based on the size of demand created. For this, the Utility and the zonal water department should forecast right on time and inform the supplier.
- To use the program to function as an expertise and learning center for other utilities and stakeholders.

Core activities of the pilot project

Within the pilot the following general activities will be performed:

- Awareness creation workshop on water quality issues and the role HWTS can play for GTP2 targets with 20 decision makers (in the zone and town) for two days which will be jointly provided by Aqua for All, Private Sector partners and local government
- The private sector avails all the required HWTS products for the utility upfront based on the plan without upfront payment
- Assign relevant utility staff members and zonal water quality experts for one year in order to display, promote and distribute HWTS products and collect payment parallel to their day to day activities within the utility
- Training on supply chain and after sales services, including demonstration, for the utility staff by private sector with Aqua for All facilitation
- Awareness creation meetings for 100 urban community representatives for one day including demonstration, jointly facilitated by Aqua for All, Private Sector partners and local government. The Utility is in the driver seat here.
- Awareness creation training for water quality experts and heads of 16 woredas, 25 utilities and the zone and Enjibara utility team
- Promote HWTS awareness creation training for the Water forum and Kebele decision makers by Utilities and by Aqua for All team where private sectors are also engaged.
- After sales service and spare parts supply chain system establishment by Tulip Addis but with joint facilitation of Utility and Aqua for All.
- Water quality test in the utility town and if needed at regional laboratory for show case and build trust about the severity of the problem with Aqua for All support. The Utility Water Quality equipment will be used for free so that it will have a potential scaling effect in the whole region
- Continuous correspondence with Aqua for All to get support as required including monitoring visits by Aqua for All team.

Roles and responsibilities

Each party is responsible for its own performance: Aqua for All has a coordination role and will:

- Provide overall organisation and facilitation support to implement the pilot project
- Financially support the required training as mentioned in the core activities of the pilot project
- Maintain the connection with Enjibara Utility and other local government authorities.



- Work towards contribution of local government to sensitize households and monitor the pilot project.
- Work towards contribution of local government to sensitize household and monitor the program
- Work towards ensuring integration among the key stakeholders towards the program
- Guide the program and support the utility and the private sector partners in the monitoring and evaluation and the documentation of the process for knowledge, brokering and networking (KBN) as well as influencing
- Support the utility and the private sector towards promotion, distribution, availing manual by the private sector, sales and use of HWTS, developing payment systems, water quality test for evidence, after sales services, spare parts supply chain, operation and maintenance, etc.

Tulip Addis will:

- Provide a stock of 500 Tulip Table top filters upfront without collecting the costs initially and then supply as much as the demand created with the same financing modality;
- Provide logistical arrangements to have the products/filters available at pilot project area (Enjibara) at the required time;
- Prepare a pitch by a representative from the company during the kick-off sensitisation workshop/ meetings for utilities;
- Offer technical support in order to enable the products to be accepted and serve their purpose;
- Provide after sales support to households/supply spare parts that can be kept in the utility premises.

Enjibara Utility will:

- Call upon all required local government actors for the planned awareness creation workshops during the meetings and other forums;
- Avail the required stock for HWTS products to be kept safe during the program period;
- Assign the required staff to be trained by private sector and Aqua for All and follow up to do the job;
- Call upon participants and provide awareness creation meetings for 100 urban community representatives for one day including demonstration, jointly facilitated by Aqua for All, Private Sector partners and local government. The Utility is in the driver seat here.
- Select schools and participate in the awareness creation meeting and introducing HWTS for school WASH program support in 2 schools through School WASH clubs establishment and discussion with the schools' management team, where Utility is in lead and Aqua for All and the private sectors are participating;
- Facilitate the establishment of after sales services and spare parts supply chain system establishment by the private sectors jointly with Aqua for All;
- Facilitate and share the results of water quality tests in the utility town and if needed at regional laboratory for show case and build trust about the severity of the problem with Aqua for All support and if possible with Utility Water Quality equipment for free;



- Take 100% of the risk of any damage, breakage or theft of the stocked HWTS within the capacity of the utility, as the utility is responsible to stock and deliver the HWTS, promote, distribute and collect payments;
- Payment of HWTS sales to private sector partners, to be paid on two monthly basis unless and otherwise agreed different time line among the two based on the sale volumes;

Risk management

Financial risks from this activity will be taken by Tulip Addis and Enjibara Utility. With each supplier and with Enjibara Utility, Aqua for All will make tailor-made agreements concerning contribution to the pilot. As this is an innovative way to perform demand creation and product marketing, we cannot predict the financial results. As the pilot delivers interesting results for Enjibara Utility, Aqua for All and the suppliers, it is expected all partners are willing to invest.

Several scenarios can occur, which each have different financial implications for both MoU partners. In general the following statements are the starting point for this pilot program:

	Risk	Consequence	Measures Enjibara Utility	Measures Tulip Addis	Role Aqua for All
1	Political unrest	<ul style="list-style-type: none"> • Non collecting of payments • Delay of pilot 	Maximize upfront cash sales		Re-schedule delayed activities
2	Users don't understand the technology	Slow demand	Avail manual in local language, refresher training in coordination with the Private Sector supplier	Back stopping and avail manual with local language	Ensure that the users' have understood the HWTS technology
3	Turnover of staff in Utility/LGA	Trained people will be missed and institutional memory lost	Immediate replacement of staff	Take part in the refresher training	Budget & advisory support including for refreshment training as required
4	Very quick increase of demand	There will be a lapse in time between demand and sales	Timely request for new supplies	Alarm their suppliers right on time	Support Tulip Addis when needed
5	Utility does not pay back the money after sales of HWTS	Loss of trust; sustainability hampered; pilot results in danger	To comply with the agreement	Legal action under proclamation # 188	Facilitate negotiations and further actions

Implementation

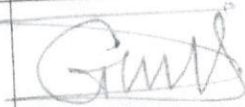



The program is proposed to take place between May 2018 and Dec 2018.

Effective date, evaluation duration, amendments and termination

This MoU becomes effective on the date of signing and is expected to continue for a maximum of One year. However, the parties may decide, in writing, to extend this period. In addition, this MoU may be modified or amended if the parties agree in writing. Any party may terminate this MOU at any time but should endeavour to provide at least 30 days' written notice to the other parties.

IN WITNESS WHEREOF, the Parties, each acting through their duly authorized representatives, have caused this MoU to be signed in their names:

Authorized representatives:	Signature::	Date:
For Aqua for All: Sjef Ernes		
For Tulip Addis: Getaw MekonnenCherinet		MAY 2, 2018
For Enjibara Utility: Ato MengistuTeshome		MAY 2, 2018

