

Annex 10: Procurement Plan

I. General

1. **Project information** Climate-resilient community access to safe water powered by renewable energy in drought-vulnerable regions of Ethiopia”, Ethiopia
2. **Version of the Plan:** Version 2.0 dated 21 June 2024
3. **Procurement Plan clearance date (to be indicated by GCF):**
4. **Period covered by this procurement plan:** This initial procurement plan is expected to cover at least the first 18 months of project/program implementation, or the full implementation period if available. Subsequent procurement plans (if needed) or substantial changes to this approved plan shall be communicated to the GCF upfront.

II. Procurement Methods and Prior Review Thresholds

The [Ethiopian Public Procurement Administration Manual](#) provides a comprehensive framework for conducting procurement activities within the public sector, ensuring transparency, fairness, and value for money. The latest version of the manual outlines the following procurement methods, each with specific thresholds and conditions under which they can be employed.

- **Open Tendering:** Open tendering is the preferred method for high-value procurements due to its transparent and competitive nature. It involves public advertising to invite all eligible bidders to participate. This method is mandatory for procurements exceeding ETB 5,000,000 (US\$ 87,312.91¹) for goods and works. It ensures that the procurement process is open to a broad range of suppliers, thus fostering competition and achieving the best possible value.
- **Restricted Tendering:** Restricted tendering is used when it is impractical to conduct an open tender. This method involves inviting a limited number of pre-qualified suppliers to bid. It is typically employed for procurements up to ETB 5,000,000 (US\$ 87,312.91) for goods and works, and up to ETB 500,000 (US\$ USD 8,731.29) for consultancy services. The restriction is justified when specialized expertise or capabilities are required, ensuring that only capable suppliers are considered.
- **Request for Proposals (RFP):** The Request for Proposals method is primarily used for the procurement of consultancy services and other complex procurements where the quality of the proposal is critical. This method is applicable for consultancy services above ETB 500,000 (US\$ USD 8,731.29). The RFP process involves inviting detailed proposals from shortlisted consultants, evaluating them based on technical and financial criteria, and selecting the best-suited proposal.
- **Request for Quotations (RFQ):** Request for Quotations is a simplified procurement method suitable for low-value procurements. It involves obtaining quotations from a few suppliers without the need for extensive tender documentation. The RFQ method is applicable for procurements up to ETB 500,000 (US\$ USD 8,731.29) for goods and works, and up to ETB 200,000 (US\$ 3,492.51) for non-consultancy services. This method is cost-effective and efficient for smaller procurements.
- **Single Source Procurement:** Single Source Procurement allows awarding contracts directly to a single supplier without competition. This method is used under specific circumstances, such as urgency, proprietary items, or when only one source is available. While there is no specific threshold for single-source procurement, it requires thorough justification and approval to ensure it is warranted.
- **Shopping:** Shopping is another simplified procurement method used for very small-value procurements. It involves informal quotations from several suppliers. This method is applicable for procurements up to ETB 100,000 (US\$ 1,746.25) for goods and works, and up to ETB 50,000 (US\$ 873.12) for non-consultancy services. It is particularly useful when competitive bidding is not cost-effective due to the small value of the procurement.
- **Special Circumstances:** The manual also addresses special procurement circumstances. For instance, emergency procurement can utilize single-source procurement for urgent and unforeseen needs. Such situations require justification and approval from the appropriate authority to ensure that the procurement is necessary and justified. Similarly, single-source procurement is permitted for proprietary items available from only one source, provided there is adequate documentation to support this justification.

The [manual](#) includes guidelines on prequalification, which is often used in restricted tendering to ensure that bidders meet specific criteria. Evaluation criteria must be clearly defined in the tender documents, focusing on both technical and financial aspects to ensure a fair and comprehensive assessment of bids. Contract management provisions are also detailed, including monitoring, performance evaluation, and dispute resolution mechanisms to ensure effective contract execution and management.

¹ Commercial Bank of Ethiopia US\$ 1 = ETB 57.2653, 21 June 2024

	Procurement Method ¹	Procurement category	Financial threshold applicable ²	Prior Review Threshold (applicable if the Executing Entity is not the AE) ³	Remarks
1.	QCBS	Non-consultancy services	US\$ 87,312.91	> US\$ 1,000,000.00	
2.	QCBS/FBS	Consultancy services	US\$ 87,312.91	> US\$ 1,000,000.00	
3.	QCBS	Individual consultants	US\$ 87,312.91	> US\$ 1,000,000.00	
4.	QCBS	Goods	US\$ 87,312.91	> US\$ 1,000,000.00	
5.	QCBS	Works	US\$ 87,312.91	> US\$ 1,000,000.00	

1. As per applicable procurement policy of the Accredited Entity.

2. Financial threshold for which the indicated procurement method should be used.

3. Financial threshold above which the Accredited Entity will review and provide clearance prior procurement process is initiated (not applicable if AE is the executing entity).

III. Procurement activities

1	2	3	4	5	6	7	8	9	10	11	12	13
Item No.	Description of works, goods, non-consultancy and consultancy services to be procured	Required Delivery / Commencement of Services time (weeks/ months after FP approval)	Procuring entity	Estimated cost (USD)	Procurement method ¹	Selection method ²	Prequalification (Yes/No)	Review by AE (Prior/Post procurement process)	Tender issuing(e.g. weeks/months from the FP approval, etc)	Bid submission deadline (days/weeks after tender issuing day)	Evaluation and contract signing time (days/weeks after bid submission deadline)	Remarks
Non-consulting services												
1.1.1	Rehabilitation of wells and testing of water quality	Q1	MoWE	1,901,496.25	Open Tendering	QCBS	No	Yes	1.5 Months	1.5 Months	2 weeks	
1.1.2	Procurement and installation of Solar PV's, submersible pumps and irrigation systems	Q3	MoWE	5,844,402.27	Open Tendering	QCBS	No	Yes	3 Months	2 Months	2 weeks	
1.2.1	Construction of pipe network, irrigation infrastructure and point collection facilities (Subactivities below)						No					
1.2.1.1	Conduct a detailed site survey to plan the pipe network and irrigation infrastructure layout.	Q3	MoWE	180,000.00	Open Tendering	QCBS	No	No	3 Months	2 Months	2 weeks	
1.2.1.2	Procure and transport necessary materials, such as pipes, fittings, valves, control systems, and construction equipment (40.8 Kms of main's and 66.7 submain pipelines and associated fittings, 52 water points and 42 cattle troughs)	Q5	MoWE	6,056,677.86	Open Tendering	QCBS	No	Yes	5 Months	2 Months	2 weeks	
1.2.1.3	Excavate and prepare the trenches for laying the pipe network and irrigation pipelines.	Q5	MoIL	13,932,105.96	Open Tendering	QCBS	No	Yes	5 Months	2 Months	2 weeks	
1.2.1.4	Install and connect the pipe networks and pipelines with pumps, control systems, reservoirs for efficient water distribution.	Q6	MoWE	10,813,196.29	Open Tendering	QCBS	No	Yes	6 Months	2 Months	2 weeks	
1.2.1.5	Test and commission the installed irrigation infrastructure and pipe networks for proper operation.	Q12	MoIL	300,000.00	Open Tendering	QCBS	No	No	12 Months	2 Months	2 weeks	
1.2.2	Install smart water meters to monitor usage.	Q5	MoWE	102,400.00	Open Tendering	QCBS	Yes	No	5 Months	2 Months	2 weeks	
Total:				25,147,702.25								
Consultancy services (companies)												

1.2.3	Design and refine payment tariff for community water supply payments.	Q9	MoWE	105,000.00	Open Tendering	QCBS	No	No	9 Months	1 Months	2 weeks	
1.2.4	Operation and Maintenance manual of water supply infrastructure	Q9	MoWE	50,000.00	Restricted Tendering	QCBS	No	No	9 Months	1 Months	2 weeks	
1.3.1	Facilitate the formation of IUAs/WUAs with a focus on gender inclusivity.	Q9	MoIL	250,000.00	Open Tendering	QCBS	No	No	9 Months	1 Months	2 weeks	
1.3.2	Draft and approve by-laws mandating minimum participation levels for women.	Q11	MoIL	50,000.00	Restricted Tendering	QCBS	No	No	11 Months	1 Months	2 weeks	
1.3.3	Develop and implement training programs for IUA/WUA members.	Q13	MoIL	150,000.00	Open Tendering	QCBS	No	No	13 Months	1 Months	2 weeks	
1.3.4	Provide ongoing operational support and technical assistance to IUAs/WUAs.	Q15	MoIL	250,000.00	Open Tendering	QCBS	No	No	15 Months	1 Months	2 weeks	
1.4.1	Establish and/or strengthen RUSACCOs.	Q9	MoWE	675,000.00	Open Tendering	QCBS	No	No	9 Months	1 Months	2 weeks	
1.4.2	Provide training to RUSACCO members on financial literacy	Q11	MoWE	470,000.00	Open Tendering	QCBS	No	No	11 Months	1 Months	2 weeks	
1.4.3	Define revolving fund terms, including repayment schedules.	Q9	MoWE	135,000.00	Open Tendering	QCBS	No	No	9 Months	1 Months	2 weeks	
1.4.5	Develop a revolving fund management and administration guideline/manual.	Q11	MoWE	50,000.00	Restricted Tendering	QCBS	No	No	11 Months	1 Months	2 weeks	
2.1.1	Identify, develop and implement solutions to close policy and regulatory gaps and needs (e.g., on minimum technology performance standards, access to finance)	Q1	MoWE	200,000.00	Open Tendering	QCBS	No	No	1 Months	1 Months	2 weeks	
2.1.2	Implement the use of digital water meters to measure groundwater extraction at each borehole.	Q9	MoWE	150,000.00	Open Tendering	QCBS	No	No	9 Months	1.5 Months	2 weeks	
2.1.3	Update and strengthen technical quality benchmarks or standards for SWP technologies, including energy efficiency standards for submersible pumps and solar PV systems.	Q1	MoWE	50,000.00	Restricted Tendering	QCBS	No	No	1.5 Months	1 Months	2 weeks	
2.2.1	Design and develop digital MRV platform.	Q9	MoWE	250,000.00	Open Tendering	QCBS	Yes	No	9 Months	1.5 Months	2 weeks	
2.2.2	Support the integration of digital MRV system with the national MRV framework.	Q13	MoWE	1,010,000.00	Open Tendering	QCBS	Yes	Yes	13 Months	1.5 Months	2 weeks	
2.2.3	Develop training material for the digital MRV system and conduct training sessions for government officials, IUAs, and local communities.	Q15	MoIL	50,000.00	Restricted Tendering	QCBS	Yes	No	15 Months	1.5 Months	2 weeks	
2.3.1	Identify gender-specific needs and barriers in current business models and financial instruments.	Q11	MoWE	50,000.00	Restricted Tendering	QCBS	No	No	11 Months	1 Months	2 weeks	
2.3.2	Develop business models that consider local gender roles in agriculture and water use.	Q12	MoWE	100,000.00	Open Tendering	QCBS	No	No	12 Months	1 Months	2 weeks	
2.3.3	Conduct training programs on gender-sensitive business models and financial instruments.	Q14	MoWE	150,000.00	Open Tendering	QCBS	No	No	14 Months	1 Months	2 weeks	
2.3.4	Conduct workshops and training sessions for IUAs, RUSACCOs, and local communities.	Q11	MoWE	150,000.00	Open Tendering	QCBS	No	No	11 Months	1 Months	2 weeks	
2.4.1	Conduct a needs assessment to identify the specific skills required for O&M of SWP and irrigation systems.	Q12	MoWE	130,000.00	Open Tendering	QCBS	No	No	12 Months	1 Months	2 weeks	

2.4.2	Organize training workshops in collaboration with the academia and regional bureaus.	Q16	MoWE	175,000.00	Open Tendering	QCBS	No	No	16 Months	1 Months	2 weeks	
2.5.1	Identify key stakeholders and conduct a comprehensive needs assessment to identify gaps in knowledge sharing and coordination.	Q5	MoWE	100,000.00	Open Tendering	QCBS	No	No	5 Months	1 Months	2 weeks	
2.5.2	Develop knowledge management and dissemination strategy.	Q7	MoWE	50,000.00	Restricted Tendering	QCBS	No	No	7 Months	1 Months	2 weeks	
2.5.3	Design and develop the online knowledge-sharing and coordination platform.	Q9	MoWE	100,000.00	Open Tendering	QCBS	No	No	9 Months	1 Months	2 weeks	
Total:				6,000,000.00								
Goods												
1												
Total:												
Works												
1												
Total:												
Individual consultants (if applicable) ³												
1												
Total:												

¹ As per applicable procurement policy. If method to be applied would be non-competitive (e.g. single sourcing, direct contracting) justification with concrete arguments must be provided under ‘Remarks’

² Selection methods include Quality Cost Based Selection (QCBS), Quality Based Selection (QBS), Fixed Budget Selection (FBS), Least Cost Selection (LCS), Consultants Qualifications Selection (CQS), Single source selection (SSS)

³ If engagement of individual consultants is not processed under procurement (e.g. through human resources) indicate N/A